

13 March 2025

Savills plc
("Savills" or "the Group")

RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2024

Strong profit growth in challenging environment

Summary results:

	31-Dec-24	31-Dec-23	Change
Group revenue	£2.40bn	£2.24bn	7%
Underlying profit before tax*	£130.4m	£94.8m	38%
Reported profit before tax	£88.3m	£55.4m	59%
Underlying basic EPS*	66.2p	55.1p	20%
Reported basic EPS	39.4p	30.0p	31%
Total dividend per share	30.2p	22.8p	32%
Net cash**	£176.3m	£157.1m	12%

* Underlying profit before tax ('underlying profit') and underlying basic 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 to this Preliminary Statement. Underlying EPS is calculated using underlying profit, with the weighted average number of shares remaining the same as the GAAP measure.

** Net cash reflects cash and cash equivalents net of borrowings and overdrafts in the notional pooling arrangement (see Note 8).

Key highlights:

- Group revenue up 7% (10% in constant currency), with operational leverage, principally in the Transactional Advisory business, driving 38% underlying profit growth (40% in constant currency).
- Good revenue growth across most business lines:
 - Strong performance from Global Transactional Advisory with revenues up 13% (16% in constant currency);
 - Global Residential revenues increased 6% (6% in constant currency);
 - Good performance from Consultancy and Property and Facilities Management, which grew revenues by 8% (9% in constant currency) and 5% (7% in constant currency), respectively.
- Savills Investment Management revenue decreased 11% as anticipated. Assets under management decreased slightly to £21.7bn (2023: £22.1bn) as the effect of new capital raised was outweighed by valuation adjustments during the period.

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

"Savills improved performance in 2024 reflects the robust earnings provided by our less transactional businesses together with the effect of our inherent operating leverage in the early recovery of transactional markets.

Most markets were in recovery as we entered 2025 and, whilst uncertainty continues, there remains the expectation of reductions in the cost of capital during the year.

"We expect re-financing driven activity and the trend towards corporates requiring greater office attendance for staff to continue to be positive for transaction volumes. Savills remains well positioned to deliver against the Group's strategic objectives of broadening our offering to clients across geographies and service lines, supported by a strong balance sheet and thus driving profitability as market recovery continues."

The analyst presentation will be held at 9.30am today at 33 Margaret Street London W1G 0JD and 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.

Chair's statement

Results Overview

The Group's revenue increased by 7% to £2.4bn (2023: £2.2bn), up 10% on a constant currency basis. Savills Transactional businesses delivered 13% revenue growth during the year with recovery in most markets despite significant ongoing volatility. The trajectory of that recovery was somewhat shallower than anticipated at the start of the year; for investors and occupiers this was a function of macroeconomic and geopolitical events including the impact of elections in key markets, significant volatility in bond yields and, latterly, the interest rate expectation being 'higher for longer'. Nevertheless, improved transaction markets, the inherent operational gearing of the Group and the benefits of prior period restructuring in certain markets, combined to deliver a 38% increase in Group underlying profit to £130.4m (2023: £94.8m), representing an underlying profit margin of 5.4% (2023: 4.2%).

The Group's strength across our less transactional service lines continued to provide a resilient earnings stream, with the Consultancy and Property Management businesses performing well, growing revenue by 8% and 5%, respectively.

Our Investment Management business traded in line with our expectations given the valuation adjustments during the period, with the raising and deployment of capital inevitably more challenging during a period of interest rate and price volatility.

The Group's reported profit before tax increased by 59% to £88.3m (2023: £55.4m), representing a reported pre-tax profit margin of 3.7% (2023: 2.5%). In the face of continued economic uncertainty and geopolitical risk, the restructuring programme that commenced in 2023 was continued in 2024 to ensure market recovery assumptions remained valid; for specific markets, these were revised and further action taken. The Group recognised restructuring costs of £17.2m in the year (2023: £13.9m), with approximately £3.5m being carried over to Q1 2025.

The Group continued to maintain a strong liquidity position with net cash (cash and cash equivalents net of borrowings and overdrafts) of £176.3m at year-end (2023: £157.1m).

Currency movements in the year reduced revenue by £49.3m, underlying profit by £2.4m and reported profit before taxation by £1.7m.

Market conditions

In the UK, for both occupiers and investors, macro-economic and geopolitical factors, together with the actual and potential impact of economic and fiscal policies in a number of core markets, limited the urgency to transact. In the occupational markets the return to more normal levels of leasing activity continued in 2024. Take-up in the London office market was 2% up year-on-year, and only 5% below the long-term average. Due to occupier demand, the most notable change in the London office market in 2024 was in City of London prime rents, which rose by 7.5%. The logistics market had a stable year in terms of take-up.

UK Residential markets were aided by interest rate cuts through the year, however sentiment was affected by fiscal changes introduced in the post-election budget.

In Europe, overall economic growth remained muted. Southern and Eastern European countries outperformed, while Germany and France remained subdued. Against that backdrop, the final quarter of 2024 saw a resurgence in investment activity, with volumes reaching €53bn, a 31% increase compared with Q4 2023. This recovery was buoyed by improved market sentiment following the European Central Bank's interest rate cuts in the second half of 2024.

In Asia Pacific, in the context of easing inflationary pressures, the start of rate-cut cycles across the region (excluding Japan) and the establishment of new governments after a busy election year, investment activity in the region began to improve. 2024 real estate investment volumes across Asia Pacific showed 15% year-on-year growth, reaching US\$168.1bn after the previous two years of contraction. The exception was Greater China, where transaction volumes reduced by just over 18% year-on-year.

In North America, the office sector largely recalibrated, with wide variations in the rate and degree of recovery across markets. The polarisation of the office sector between 'Grade A' and everything else increased as prime properties, with appropriate amenity and environmental attributes, were in high demand from financial services companies, law firms, and other professional services tenants. Leasing activity in the technology sector

remained largely muted although there are positive signs of demand from the generative AI and cloud computing sectors.

Business development

Savills has continued to focus on the strategic development of the Group and improving our offering to clients; this has been enabled by the Group's strong balance sheet and positions the Group well as global markets continue their progressive recovery. In the first half of the year we advanced our strategy of expanding our Global Prime Residential services with the acquisition of an agency in Switzerland (Verbier Hospitality SA) and increasing our shareholding in our agency network in the French Riviera (Riviera Estates SAS). We also invested significantly in starting a prime residential agency in the United Arab Emirates and further invested in residential sales in Sydney and Melbourne, Australia. On the Commercial side, the Group acquired Situu Limited, a market leading flexible office advisory business in the UK to complement our Workthere flexible occupier service.

In the second half of the year, we increased our shareholding in, and began to consolidate the results of, the fast-growing full-service real estate consultancy in India (Savills Property Services (India) Private Limited) and a leading supply chain and logistics consultancy based in Malaysia (LCA Core Sdn Bhd Group). In addition, the Group acquired a project management consultancy in Malaysia (PMCC Actus Sdn Bhd) and a residential property management business in Spain (Medasil Desarrollos SL).

Supported by our strong balance sheet, we continue to focus on enhancing our client offering across geographies and service lines and have a healthy pipeline of opportunities under review.

Technology

The Group continues to focus on developments in technology and data, investing in platform upgrades throughout the business, including both operating and finance systems, and service-specific digital transformation programmes.

Our digitally enabled businesses continue to perform well. Our market-leading Auction business took further market share in both the UK residential and, increasingly, commercial auction markets, selling over £810m of property during the year, an annual increase of over 40%.

Cureoscity, a platform that connects occupiers, landlords and their managing agents has increased annual recurring revenue ('ARR') by over 35% year-on-year. Workthere, our flexible office advisory business operating in eleven markets, more than doubled revenue in the UK and increased revenue over 70% globally.

Many of our investments through Grosvenor Hill Ventures (our in-house 'prop-tech' investment subsidiary) continue to develop well. YOPA, the hybrid estate agent, has taken market share in the UK residential market. VU.CITY, the highly accurate city-wide 3D digital platform that helps make better design and planning decisions, continues to attract new clients and increase annual recurring licence revenue. Finally, Income Analytics, which helps the real estate industry better understand tenant income risk, almost doubled its annual revenue during the year.

We continue to investigate, appraise and experiment with new and emerging technologies through our innovation and data teams globally. There has been increased focus on the opportunities presented by the latest developments in the broad area of artificial intelligence ('AI'). We use machine learning technologies in many of our bespoke data platforms across the Group and use other AI technologies to help improve efficiencies across multiple service lines.

Savills will continue to analyse the challenges across real estate that this fast-moving technology can both create and solve.

Board

As announced in March 2024, Adriana ('Andi') Karaboutis was appointed as an additional Independent Non-Executive Director with effect from 14 March 2024. I am delighted that Andi has joined the Board and we are already benefitting from her extensive experience, particularly in the field of technology.

Dividends

An interim dividend of 7.1p per share (2023: 6.9p), amounting to £9.7m was paid on 30 September 2024, and a final ordinary dividend of 14.5p per share (2023: 13.9p) is recommended, making the ordinary dividend 21.6p per share for the year (2023: 20.8p). A 330% increase in the supplemental interim dividend to 8.6p per share (2023: 2.0p) is declared, taking into account the improved underlying performance of our Global Transaction Advisory business. Taken together, the ordinary and supplemental interim dividends comprise an aggregate distribution for the year of 30.2p per share, an increase of 32% on the 2023 aggregate ordinary and supplemental dividend of 22.8p.

Subject to Shareholder approval of the proposed final dividend at the AGM on 14 May 2025, the aggregate final and supplementary interim dividends of 23.1p will be paid on 22 May 2025 to Shareholders on the register at 11 April 2025.

People

On behalf of the Board, I wish to express my thanks to all our people worldwide for their hard work, commitment, collaborative approach and continued focus on client service, which enabled the Group to deliver a substantially improved performance on the previous year.

Summary and Outlook

Savills improved performance in 2024 reflects the robust earnings provided by our less transactional businesses together with the effect of our inherent operating leverage in the early recovery of transactional markets.

Markets were in recovery as we entered 2025 and, whilst uncertainty continues, there remains the expectation of reductions in the cost of capital during the year.

We expect re-financing driven activity and the trend towards corporates requiring greater office attendance for staff to continue to be positive for transaction volumes. Savills remains well positioned to deliver against the Group's strategic objectives of broadening our offering to clients across geographies and service lines, supported by a strong balance sheet and thus driving profitability as market recovery continues.

Stacey Cartwright

Chair

Review of operations

Savills geographic and business diversity were key to achieving the year's results. Our performance by region was as follows:

	Revenue £m			Underlying profit/(loss) £m		
	2024	2023	% change	2024	2023	% change
UK	1,008.6	941.5	7	108.9	98.3	11
Asia Pacific	702.6	659.0	7	29.6	23.4	26
CEME	377.9	342.4	10	(1.0)	(9.8)	n/a
North America	314.9	295.1	7	3.3	(8.4)	n/a
Unallocated	-	-	n/a	(10.4)	(8.7)	n/a
Total	2,404.0	2,238.0	7	130.4	94.8	38

On a constant currency basis Group revenue increased by 10% to £2,453.3m, underlying profit increased 40% to £132.8m (and reported profit before tax increased by 62% to £90.0m). The UK business, representing 42% of the Group, posted revenue of over £1bn for the first time. Our Asia Pacific business represented 29% of Group revenue (2023: 30%) and our international businesses as a whole represented 58% of Group revenue (2023: 58%). In North America and Continental Europe and the Middle East ('CEME'), improvements in revenue together with the impact of restructuring substantially improved profitability, despite some challenging market conditions. Further restructuring was conducted during the year in specific markets, where initial market recovery assumptions were revised.

Our performance by service line is set out below:

	Revenue £m			Underlying profit/(loss) £m		
	2024	2023	% change	2024	2023	% change
Transaction Advisory	870.0	772.9	13	35.6	4.3	728
Property and Facilities Management	944.5	899.5	5	53.6	48.8	10
Consultancy	495.5	459.8	8	41.5	35.6	17
Investment Management	94.0	105.8	(11)	10.1	14.8	(32)
Unallocated	-	-	n/a	(10.4)	(8.7)	n/a
Total	2,404.0	2,238.0	7	130.4	94.8	38

Overall, our Commercial and Residential Transaction Advisory business revenue represented 36% of Group revenue (2023: 35%) and delivered revenue growth of 13% year-on-year despite continued market volatility. Of this, Residential Transaction Advisory represented 8% of Group revenue (2023: 9%). Our Property and Facilities Management businesses continued to perform well, growing revenue by 5% year-on-year and representing 39% of Group revenue (2023: 40%). Our Consultancy businesses increased revenue by 8% and represented 21% of revenue (2023: 20%). Finally, Investment Management saw a 11% fall in revenue and represented 4% of Group revenue (2023: 5%).

Transaction Advisory

Overall, our Transaction Advisory revenue increased by 13% (16% on a constant currency basis) to £870.0m (2023: £772.9m). Globally our commercial capital transaction business revenue increased by 30% and our leasing and occupier-focused transactional revenues by 8%. Our Global Residential business revenue increased by 6%.

This is a good performance given significant volatility in transactional market sentiment over the course of 2024, which has nevertheless shown some recovery in most markets.

Underlying profits increased to £35.6m (2023: £4.3m).

Asia Pacific Commercial

Revenue from the Asia Pacific Commercial Transactional business increased by 27% to £129.8m (2023: £102.1m), an increase of 33% in constant currency.

Revenue increased year-on-year in the majority of our businesses in the region as markets began to recalibrate in the face of interest rate rises and other challenges. Leasing revenue growth aided most countries with the principal exception of Hong Kong, which continues to face an oversupply in the office sector. In mainland China, markets

remained subdued, however the business did reduce losses year-on-year. Through the second half of the year we saw significant improvement in a number of key markets such as Australia, which grew revenues by 33%, South Korea and Taipei. In addition, in Japan, which remained largely (but not totally) immune to global interest rate rises, our transaction business had a very strong year.

In August, with Savills India having reached breakeven from a standing start six years ago, we increased our ownership in the business to a control position; through the balance of the year it contributed both revenue and its maiden profits to the Group.

Overall the Asia Pacific Commercial Transactional business delivered a return to profitability, with underlying profit of £6.7m (2023: £2.9m underlying loss).

UK Commercial

UK Commercial Transactional revenue grew by 10% to £111.0m (2023: £100.6m), predominantly driven by higher leasing revenues (up 21%). Capital markets revenue remained stable year-on-year.

2024 saw the expected slow recovery in commercial property transactional volumes in the UK, albeit in some markets off a low base. Investment volumes for the year remained 14% below the ten-year average for the UK.

Core growth areas were the 'beds-based' sectors (multi-family/care/hospitality) and retail, with hotel volumes up more than 200% year-on-year, and retail volumes up 35%. 2024 was a notable year for shopping centre investment activity, with the volume of assets traded hitting £2bn for the first time since 2016, of which Savills had the leading market share. Office and logistics investment volumes were down on 2023, by 5% and 11% respectively, with the latter stable in terms of take-up.

UK Commercial underlying profits increased by 19% to £16.7m (2023: £14.0m) with an improved margin of 15.0% (2023: 13.9%).

North America

Revenue from the North America Transactional business increased to £284.5m (2023: £266.7m), a 7% increase (10% in constancy currency).

The overwhelming majority of North American revenue relates to occupier leasing transactions primarily in the office sector, but with increasing activity in logistics and mandated Global Occupier Services ('GOS'), the latter of which grew revenue by 24% during the year. In conventional brokerage, most regions with the exception of Southern California, achieved revenue growth as corporate occupiers increasingly began to commit to new leases. Despite the continued tendency toward 'home-working' in most major metropolitan markets, the return of larger transactions resulted in strong revenue growth in New York and Chicago; meanwhile the financial sector trend southwards led to significant growth in Texas, Atlanta and Nashville. In Canada, new leadership and recruitment led to over 30% revenue growth year-on-year.

With the growth in revenue, continued investment in the platform and the benefits of the focused restructuring exercise in the previous period, the North American business turned around to record an underlying profit of £3.5m (2023: £7.4m underlying loss).

Continental Europe and the Middle East

In CEME, transaction fee income increased 26% to £144.2m (2023: £114.6m); 33% in constant currency.

Generally in CEME, southern regions saw more market improvement than the core countries of Germany and France. Nonetheless, the German business grew revenue by over 10% and halved its losses year-on-year, as did the Netherlands and Sweden. Ireland produced revenue and profit growth alongside Spain, Portugal and Czechia. In the Middle East, investment in our residential brokerage resulted in strong revenue growth, but held back overall transactional profits during the period as anticipated. Meanwhile, in France there was a decline in revenue and increased losses as we undertook a re-positioning there. As a consequence of improved market conditions in many locations and the impact of restructuring (net of some significant investment), the CEME transactional business improved its position, reducing losses by 46% (48% in constant currency) to £10.9m (2023: £20.3m underlying loss).

UK Residential

UK Residential Transactional revenue increased by 7% to £183.3m (2023: £171.0m), with the mainstream residential markets benefitting from a more attractive mortgage environment, aided by two interest rate cuts in the second half of the year and greater clarity around the future direction of rates. The prime housing markets were affected by political uncertainty surrounding the general election and the fiscal changes introduced in the last budget. Prices in Prime Central London fell by an average of 1.9% during the year. Regional prime markets gave up some of their post-COVID price gains, falling by an average of 1%.

Savills 'second-hand' sales revenue rose 13% with the number of exchanges up 8% to 5,099 (2023: 4,735). In London the average lot size transacted by Savills was down 7% to £2.06m, as lower lot sizes predominated, but remained stable at £1.27m in regional markets.

Revenue from the sale of new homes reduced 13% year-on-year, reflecting a decrease of 20% in the number of exchanges. However, the policy environment for housebuilders and developers improved substantially over the course of the year, with the new government putting house building among its six key objectives. This will take time to come to fruition; however, the restructuring of the last 18 months has right-sized our business for current conditions and improved profitability and we expect to grow our business as this market recovers.

Savills Operational Capital Markets business, the Institutional Residential segment (multi-family/build-to-rent/PRS/PBSA), increased revenue and profits despite a number of significant transactions falling into the beginning of 2025.

Collectively, the UK Residential business increased underlying profit 6% to £20.5m (2023: £19.4m). In some challenging market conditions, this performance represented an underlying profit margin of 11.2% (2023: 11.4%).

Asia Pacific Residential

Revenue from the Asia Pacific Residential Transaction business decreased by 4% to £17.2m (2023: £17.9m), a fall of 1% in constant currency. This was primarily a consequence of the significant reduction in activity in mainland China and the impact of reduced market volumes in Singapore, which significantly reduced the profit contribution from our mid-market associate, Huttons. On the positive side, investment in the Australian residential business (Victoria and Queensland) led strong revenue growth and the business in Hong Kong performed well with strong market share completing some significant individual super-prime sales. Finally, our Prime residential team in India posted a maiden profit during the period.

The net result of the above factors, led to an underlying loss of £0.9m (2023: £1.5m underlying profit) for the year.

Property and Facilities Management

Our Property and Facilities Management businesses continued to perform well, with revenues growing by 5% to £944.5m (2023: £899.5m); 7% in constant currency, in line with our expected overall growth rate for the business. Savills total area under management increased by 1% to 2.67bn sq ft (2023: 2.63bn sq ft). Underlying profit increased by 10% to £53.6m (2023: £48.8m); 11% in constant currency.

Asia Pacific

In Asia Pacific, Property Management revenue was £451.6m, an increase of 1% year-on-year (2023: £447.1m); 4% increase in constant currency.

Investment in Australia started to yield results with strong revenue and profit growth. The same was true of Singapore, particularly in the Facilities Management business. Meanwhile our business in Vietnam continued to perform well. In Hong Kong, revenue and profits declined marginally in the period as a result of labour shortages and reduced contribution from Macau as the leisure industry there saw much reduced demand. Finally, in mainland China, revenue declined by 8% (4% in constant currency). The restructuring of activities in certain second tier cities largely mitigated the effect of this on profits.

Overall, despite some of the headwinds, the region's underlying profits increased by 3% (6% in constant currency) year-on-year to £22.9m (2023: £22.2m) reflecting a slightly increased margin of 5.1% (2023: 5.0%).

UK

The UK Property and Facilities Management business grew revenues by 10% to £389.7m (2023: £355.7m) with square footage under management increasing by 5% as at the end of the year (2024: 630.0m sq ft, 2023: 600.1m sq ft). Alongside high single-digit growth in Property Management and double-digit growth in Facilities Management, Savills Energy Sourcing and Sustainability teams generated good revenue growth and a significant improvement in underlying profits as a consequence of the 'Green-fit' agenda.

Our Residential Lettings business delivered a robust performance with revenues increasing 2%, driven by the Prime London market, which represents circa 70% of the business.

Finally, our rural management business performed well with revenue growth of 4% and significant profit improvement.

Overall, the UK business increased underlying profit by 14% to £34.6m (2023: £30.4m), reflecting an underlying margin of 8.9% (2023: 8.5%).

Continental Europe and the Middle East

CEME Property Management revenues increased by 7% to £103.2m (2023: £96.7m); 12% growth on a constant currency basis. Much of this increase was in respect of pass-through costs for outsourced services in Germany which had no effect on profits.

Revenue growth reflected new mandates won in Ireland and the Netherlands and expansion into the residential property management business in Ireland, the Netherlands and Spain, through the acquisition of Medasil in August 2024.

Area under management at 31 December 2024 was 320.5m sq ft, an increase of 9% (2023: 294.8m sq ft.). Profitability and margins in the CEME business were materially impacted by investment in the German platform, required to support a significant recent contract win and anticipated future growth. As a result, the CEME business recognised a slight increase in underlying loss for the year to £3.9m (2023: £3.8m loss).

Consultancy

Global Consultancy revenue increased by 8% to £495.5m (2023: £459.8m), 9% at constant currency rates. Recovery in some of the services which were particularly challenged in prior periods allowed the Global business to achieve operational leverage increasing underlying profits by 17% to £41.5m (2023: £35.6m); 18% on a constant currency basis.

UK

The UK Consultancy businesses, comprising a broad range of advisory activities, increased revenue by 5% to £285.0m (2023: £271.0m).

Most service lines saw growth returning over the year with the exception of Leisure and Housing Consultancy services, the latter being affected by the hiatus around the General Election. Valuation Consultancy grew 10% year-on-year in line with the gradual recovery of transactional markets. The 6% growth in the Project Management Consultancy business was driven by the increase in 'Green-fit' assignments in both the office and logistics sectors. Planning, Rural, Lease and Development Consultancies all delivered significant increases in revenue and underlying profits during the year.

The above factors resulted in underlying profit increasing by 14% to £33.8m (2023: £29.7m).

Asia Pacific

In the Asia Pacific Consultancy segment, revenues increased by 16% to £97.8m (2023: £84.1m); 20% on a constant currency basis. The year-on-year growth in revenues was driven by the first-time consolidation of Savills India from August. The majority of the Asia Pacific Consultancy segment still constitutes valuation services, which continued to reflect the relatively low level of investment transactions across the region. For this reason, there was a significant reduction in activity in China and Hong Kong which materially affected the overall performance of the region.

On the positive side, there were good increases in profitability in Australia, Japan and Taipei.

The above factors resulted in underlying profit decreasing by 74% to £0.5m (2023: £1.9m); 74% in constant currency.

Continental Europe and the Middle East

Revenue increased by 8% (10% in constant currency) to £82.3m (2023: £76.3m).

The CEME Consultancy segment comprises Valuations, representing circa 60% of the business, and Project Management consultancy (40%), both business streams delivered year-on-year growth (8% and 7% respectively). Revenue growth was driven primarily by the business in Spain, Poland, the Netherlands and the Middle East, with the latter growing revenue and profits significantly, particularly in Saudi Arabia. This helped to mitigate flatter market conditions for consultancy services in the northern CEME markets.

Underlying profit increased by 48% to £7.4m (2023: £5.0m); 56% in constant currency.

North America

This segment primarily comprises complex project management consultancy and workplace solutions advice specialising in the life sciences and technology sectors.

Revenue increased 7% to £30.4m (2023: £28.4m); 10% in constant currency. There was strong growth and a return to profits in our mainstream project management business with some major projects coming back on stream. Unfortunately, the effect of much reduced activity in the Technology and Life Science Consultancy sectors significantly affected our business and investment in the Workplace and Location Strategy Consultancy was a further impediment to profitability during the period.

The North American Consultancy business delivered a reduced underlying loss of £0.2m (2023: £1.0m underlying loss).

Investment Management

Given the prolonged challenging macro environment in what was expected to be the 'nadir period' for European Core and Core plus style Investment Managers, Savills Investment Management traded broadly in line with expectations, with revenue down 11% to £94.0m (2023: £105.8m); 10% down in constant currency.

The decrease was primarily due to significant reductions in performance and transaction fees as recalibrating valuations continued to make both realisation (through disposals) and the deployment of capital challenging. Reflecting valuation changes, base management fees declined by 3% to £81.1m (2023: £84.0m), increasing their proportion of gross revenues to 86% (2023: 79%). The decline is in line with expectations as some existing products came to the end of their life whilst new strategies, across both pooled funds and mandates, were launched during the year and will take time to achieve scale.

AUM, including undrawn commitments, decreased slightly to £21.7bn (2023: £22.1bn), reflecting a continued reduction in real estate valuations.

Raising and the deployment of capital was inevitably harder during this period, however Savills Investment Management successfully raised £2.0bn (2023: £2.0bn). Successes during the year include first closes of DRC SIM's Pan European Whole Loan Fund and the UK Simply Affordable Homes Fund, whilst there were also asset management mandate wins in the UK, Germany and Italy.

As at Q3 2024, 68% of products (by AUM) continued to exceed their respective fund target or benchmark returns on a five-year rolling basis.

During the year the business continued to restructure its cost base, which will benefit future periods, however underlying profits for the year decreased by 32% to £10.1m (2023: £14.8m); 30% on a constant currency basis.

Financial review

Profit margin

Underlying profit margin increased to 5.4% (2023: 4.2%), see Note 3 for further explanation of underlying profit measures. From a trading perspective, this principally reflected improved performance year-on-year in higher margin transactional businesses. In addition, each principal business line began to benefit from the operational leverage provided by both retaining much of our bench strength during the challenging market conditions of prior periods and through targeted restructuring in those markets where we deemed substantive recovery to be too distant.

Reported pre-tax profit margin increased to 3.7% (2023: 2.5%).

Taxation

The tax charge for the year increased to £35.4m (2023: £15.9m), representing an effective tax rate on reported profit before tax of 40.1% (2023: 28.7%). The Group's effective reported tax rate is higher than the UK tax of 25% as a result of the geographic distribution of profits, prior period adjustments principally to deferred tax and disallowable expenses largely arising from transaction-related costs. The underlying effective tax rate increased to 31.5% (2023: 22.3%) for the same reasons.

Transaction-related costs

During the year the Group recognised a total of £15.9m in transaction-related costs (2023: £14.6m). These costs primarily represent liabilities for future consideration payments which are contingent on the continuity of recipients' employment at the time of payment (2024: £13.2m, 2023: £12.7m). The largest individual component of this charge related to the acquisition during 2021 of the 75% partnership interests in DRC Capital LLP (the real estate debt investment manager), which the Group did not already then own. The final payment in respect of this acquisition was made in September 2024.

Transaction-related costs have been excluded from the calculation of underlying profit on a consistent basis in line with the Group's policy.

Restructuring costs

The restructuring programme that commenced in 2023 was continued through 2024 to ensure initial market recovery assumptions remained valid; on the revision of these in certain markets, further action was taken predominantly in Savills Investment Management and our operations in China, Germany and France. As described in the Chair's statement, this resulted in exceptional restructuring costs of £17.2m (2023: £13.9m) in aggregate, with a further £3.5m finalised but to be reflected in Q1 2025.

These charges have been excluded from the calculation of underlying profit on a consistent basis in line with the Group's policy.

Earnings per share

Basic earnings per share increased 31% to 39.4p (2023: 30.0p), reflecting a 34% increase in reported profit after tax. Adjusted on a consistent basis for significant restructuring, transaction-related costs, profits and losses on disposals, certain share-based payment adjustments, amortisation of intangible assets arising from business combinations, impairments of goodwill and transaction-related fair value gains and losses, underlying basic earnings per share increased 20% to 66.2p (2023: 55.1p).

Fully diluted earnings per share increased by 29% to 37.2p (2023: 28.8p). The underlying fully diluted earnings per share increased 18% to 62.5p (2023: 52.9p).

Dividends

An interim dividend of 7.1p per share (2023: 6.9p), amounting to £9.7m was paid on 30 September 2024, and a final ordinary dividend of 14.5p per share (2023: 13.9p) is recommended, making the ordinary dividend 21.6p per share for the year (2023: 20.8p). A 330% increase in the supplemental interim dividend to 8.6p per share (2023: 2.0p) is declared, taking into account the improved underlying performance of our Global Transaction Advisory business. Taken together, the ordinary and supplemental interim dividends comprise an aggregate distribution for the year of 30.2p per share, representing an increase of 32% on the 2023 aggregate ordinary and supplemental dividend of 22.8p.

Cash resources, borrowings and liquidity

Cash and cash equivalents, net of overdrafts in notional pooling arrangements, at year end increased 7% to £337.2m (2023: £314.3m). This increase reflected the Group's improved profitability in the year.

Gross borrowings at year end increased to £160.9m (2023: £157.2m). These principally comprise £150.0m (2023:

£150.0m) of 7, 10 and 12 year fixed rate notes which were issued in June 2018. The Group's £360.0m UK revolving credit facility ('RCF') was undrawn at the end of the year (2023: undrawn), and represents the major part of a total of £421.3m (2023: £422.0m) of undrawn borrowing facilities available to the Group. At the year end, cash and cash equivalents net of borrowings was £176.3m (2023: £157.1m). In February 2025, the £360.0m RCF was cancelled and replaced with a new £360.0m RCF, which has an initial 4-year term (with two 1-year extension options) and can be increased by an additional £90.0m accordion facility. The new RCF expires on 20 February 2029.

Cash is typically retained in a number of the Group's subsidiaries in order to meet the requirements of commercial contracts or capital adequacy. In addition, cash in certain territories is retained to meet future growth requirements.

The Group's net inflow of cash is typically greater in the second half of the year. This is 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. The Group cash inflow for the year from operating activities was £158.6m (2023: £18.8m). As previously mentioned, this increase was due to higher profits year-on-year.

With a significant proportion of the Group's revenue typically being transactional in nature, the Board's strategy is to maintain low levels of gearing, but retain sufficient credit facilities to enable it to meet cash requirements during the year and finance the majority of business development opportunities as they arise.

Capital and Shareholders' interests

During the year 16,140 (2023: 4,322) new ordinary shares were issued on the exercise of options by participants of the Group's Save As You Earn ('SAYE') schemes and 154,220 (2023: 32,549) of new ordinary shares were issued to participants of the Group's Performance Share Plan ('PSP') schemes. It is the Group's policy to issue new ordinary shares for such schemes only where it is legally required to do so; for other equity-related incentive schemes the Group acquires existing shares in the market. The total number of ordinary shares in issue (before the impact of shares held by the Savills plc 1992 Employee Benefit Trust and the Savills Rabbi Trust) at 31 December 2024 was 144,560,279 (2023: 144,389,919).

Savills Pension Scheme

The funding level of the defined benefit Savills Pension Scheme in the UK, which is closed to future service-based accrual, improved during the year, with a rise in the yield on AA-rated corporate bonds decreasing the Scheme's liabilities. The plan was in a surplus position of £9.9m at the year-end (2023: £0.7m deficit).

Net assets

Net assets as at 31 December 2024 were £777.8m (2023: £752.8m). This movement reflects primarily the Group's profit for the year and actuarial gains recognised on the Group's defined benefit pension schemes offset by primarily purchases of treasury shares and dividend payments.

Foreign currency

The Group operates internationally and is exposed to foreign exchange risks. As both revenue and costs in each location are generally denominated in the same currency, transaction-related risks are relatively low and generally associated with intra Group activities. Consequently, the overriding foreign currency risk relates to the translation of overseas profits and losses into sterling on consolidation. The Group does not actively seek to hedge risks arising from foreign currency translations due to their non-cash nature.

The net impact of foreign exchange rate movements during the year represented a £49.3m decrease in revenue and a £2.4m decrease in underlying profit.

Principal risks and uncertainties

The Directors have carried out a robust assessment of the principal risks facing the Group – including those that would threaten its business model, future performance, solvency, liquidity and/or pose a material reputational risk. Further detail on these principal risks are set out in the Group's Annual Report and Accounts, which will be available on publication at www.ir.savills.com on 7 April 2025. The identified principal risks are summarised below:

- 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

Savills plc
Consolidated income statement
for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Revenue	2	2,404.0	2,238.0
Less:			
Employee benefits expense		(1,581.4)	(1,496.3)
Depreciation		(70.2)	(69.6)
Amortisation of intangible assets		(16.1)	(15.8)
Impairment of goodwill	3	(1.9)	(3.9)
Other operating expenses		(661.3)	(619.5)
Increase in provision for expected credit loss		(8.3)	(1.8)
Other net gains		1.5	2.0
Share of post-tax profit from joint ventures and associates		7.5	10.2
Operating profit		73.8	43.3
Finance income		57.5	50.6
Finance costs		(43.0)	(38.5)
Net finance income		14.5	12.1
Profit before income tax		88.3	55.4
Income tax expense	4	(35.4)	(15.9)
Profit for the year		52.9	39.5
Attributable to:			
Owners of the parent		53.6	40.8
Non-controlling interests		(0.7)	(1.3)
		52.9	39.5
Earnings per share			
Basic earnings per share	6(a)	39.4p	30.0p
Diluted earnings per share	6(a)	37.2p	28.8p

Supplementary income statement information

Reconciliation to underlying profit before income tax			
Profit before income tax		88.3	55.4
- Restructuring and transaction-related costs		33.1	28.5
- Other underlying adjustments		9.0	10.9
Underlying profit before income tax	2 and 3	130.4	94.8

Savills plc
Consolidated statement of comprehensive income
for the year ended 31 December 2024

	2024	2023
	£m	£m
Profit for the year	52.9	39.5
Other comprehensive income/(loss)		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of defined benefit pension scheme and employee benefit obligations	10.5	(24.7)
Changes in fair value of financial assets at FVOCI	(0.7)	0.6
Tax on other items that will not be reclassified	(2.9)	8.4
Total items that will not be reclassified to profit or loss	6.9	(15.7)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	(5.7)	(27.3)
Total items that may be reclassified subsequently to profit or loss	(5.7)	(27.3)
Other comprehensive income/(loss) for the year	1.2	(43.0)
Total comprehensive income/(loss) for the year	54.1	(3.5)
Total comprehensive income/(loss) attributable to:		
Owners of the parent	55.9	(1.4)
Non-controlling interests	(1.8)	(2.1)
	54.1	(3.5)

Savills plc
Consolidated statement of financial position
at 31 December 2024

	Note	2024 £m	2023 restated* £m
Assets: Non-current assets			
Property, plant and equipment		62.3	68.1
Right-of-use assets		183.0	198.3
Goodwill		459.0	443.6
Intangible assets		51.8	55.8
Investments in joint ventures and associates		38.4	38.9
Deferred income tax assets		64.8	57.2
Financial assets at fair value through other comprehensive income ('FVOCI')		4.6	5.0
Financial assets at fair value through profit and loss ('FVPL')		27.3	38.5
Defined benefit pension surplus		13.5	3.2
Contract-related assets		1.3	1.8
Trade and other receivables		72.6	69.3
		978.6	979.7
Assets: Current assets			
Contract assets		13.0	12.6
Trade and other receivables*		718.9	656.7
Income tax receivable*		4.0	5.0
Derivative financial instruments		0.3	1.0
Cash and cash equivalents**†		536.5	506.6
		1,272.7	1,181.9
Liabilities: Current liabilities			
Borrowings	10	41.3	7.9
Overdrafts in notional pooling arrangement†		199.3	192.3
Lease liabilities		49.7	52.9
Derivative financial instruments		1.3	2.5
Contract liabilities		16.7	11.9
Trade and other payables*		729.7	682.5
Income tax liabilities		15.4	6.9
Employee benefit obligations		19.4	18.5
Provisions		19.2	17.2
		1,092.0	992.6
Net current assets		180.7	189.3
Total assets less current liabilities		1,159.3	1,169.0
Liabilities: Non-current liabilities			
Borrowings	10	119.6	149.3
Lease liabilities		183.4	201.3
Derivative financial instruments		12.6	3.2
Other payables		14.8	10.4
Retirement and employee benefit obligations		25.1	26.2
Provisions		23.4	23.9
Deferred income tax liabilities		2.6	1.9
		381.5	416.2
Net assets		777.8	752.8
Equity:			
Share capital		3.6	3.6
Share premium		105.0	104.9
Other reserves		89.3	94.5
Retained earnings		548.9	514.9
Equity attributable to owners of the parent		746.8	717.9
Non-controlling interests		31.0	34.9
Total equity		777.8	752.8

* See Note 9 for details on the prior year restatement.

† Included within cash and cash equivalents are cash balances of £200.2m (31 December 2023: £193.3m) that are operated within a notional cash pooling arrangement together with overdraft balances of £199.3m (31 December 2023: £192.3m) presented above in current liabilities. See Note 8 for further details.

Savills plc
Consolidated statement of changes in equity
for the year ended 31 December 2024

	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2024	3.6	104.9	94.5	514.9	717.9	34.9	752.8
Profit for the year	-	-	-	53.6	53.6	(0.7)	52.9
<i>Other comprehensive income/(loss):</i>							
Remeasurement of defined benefit pension scheme and employee benefit obligations	-	-	-	10.5	10.5	-	10.5
Changes in fair value of financial assets at FVOCI	-	-	(0.7)	-	(0.7)	-	(0.7)
Tax on items taken to other comprehensive income/(loss)	-	-	-	(2.9)	(2.9)	-	(2.9)
Currency translation differences	-	-	(4.6)	-	(4.6)	(1.1)	(5.7)
Total comprehensive (loss)/income for the year	-	-	(5.3)	61.2	55.9	(1.8)	54.1
Employee share option scheme:							
- Value of services provided	-	-	-	31.4	31.4	-	31.4
- Tax on employee share option schemes	-	-	-	0.8	0.8	-	0.8
Issue of share capital	-	0.1	-	-	0.1	-	0.1
Purchase of treasury shares	-	-	-	(22.9)	(22.9)	-	(22.9)
Dividends	-	-	-	(31.2)	(31.2)	(2.6)	(33.8)
Transfer between reserves	-	-	0.1	(1.3)	(1.2)	1.2	-
Transactions with non-controlling interests	-	-	-	4.4	4.4	6.1	10.5
Fair value of derivative financial instruments	-	-	-	(8.4)	(8.4)	-	(8.4)
Additions through business combinations	-	-	-	-	-	(6.8)	(6.8)
Balance at 31 December 2024	3.6	105.0	89.3	548.9	746.8	31.0	777.8

	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2023	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
<i>Other comprehensive income/(loss):</i>							
Remeasurement 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 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	3.6	104.9	94.5	514.9	717.9	34.9	752.8

Savills plc
Consolidated statement of cash flows
for the year ended 31 December 2024

	Note	2024 £m	2023 restated* £m
Cash flows from operating activities			
Cash generated from operations	7	177.3	49.2
Interest received		57.2	40.6
Interest paid		(42.0)	(33.3)
Income tax paid		(33.9)	(37.7)
Net cash generated from operating activities		158.6	18.8
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		0.2	5.3
Proceeds from sale of financial assets held at FVOCI and FVPL		1.0	4.8
Proceeds from sale of interests in joint ventures		0.1	0.3
Dividends received from joint ventures		4.2	8.6
Dividends received from associates		2.8	1.4
Dividends received from other parties		0.5	0.2
Repayment of loans by joint ventures		-	0.1
Repayment of loans by associates		-	0.2
Loans to associates		(0.4)	-
Loans to other parties		(0.5)	(2.5)
Acquisition of subsidiaries, net of cash and overdrafts acquired		(2.6)	(8.9)
Deferred consideration paid in relation prior year acquisitions		(0.9)	(1.9)
Sublease income		2.1	0.7
Purchase of property, plant and equipment		(11.7)	(17.4)
Purchase of intangible assets		(9.1)	(5.5)
Purchase of investment in joint ventures		(0.3)	(0.5)
Purchase of financial assets held at FVOCI and FVPL		(6.1)	(6.7)
Net cash used in investing activities		(20.7)	(21.8)
Cash flows from financing activities			
Proceeds from issue of share capital		0.1	-
Proceeds from transaction with non-controlling interest holder		11.3	-
Payments to non-controlling interest holders		(5.4)	-
Proceeds from borrowings		85.2	105.7
Repayments of borrowings		(87.4)	(109.9)
Principal elements of lease payments		(59.6)	(54.7)
Purchase of treasury shares		(22.9)	(26.3)
Dividends paid		(33.8)	(51.0)
Net cash used in financing activities		(112.5)	(136.2)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		25.4	(139.2)
Cash, cash equivalents and bank overdrafts at beginning of year		310.1	464.3
Effect of exchange rate fluctuations on cash and cash equivalents held		(8.1)	(15.0)
Cash, cash equivalents and bank overdrafts at end of year		327.4	310.1

* See Note 9 for details on the prior year restatement.

NOTES

1(a). Basis of preparation

The results for the year ended 31 December 2024 have been extracted from the audited financial statements. The financial statements have been prepared in accordance with UK adopted international accounting standards.

The financial statements are prepared on a going concern basis and under the historical cost convention as modified by the revaluation of loans receivable, equity investments and derivative financial instruments held at fair value.

The financial information in this statement does not constitute statutory accounts within the meaning of s434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2024, on which the auditors have given an unqualified audit report, have not yet been filed with the Registrar of Companies.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Going concern

The Group has prepared its going concern assessment for the period to the end of June 2026. As in prior years, the Board undertook a strategic business review in the current year, taking account of the Group's current position and prospects, the Group's strategic plan, and the Group's principal risks and the management of those risks, as detailed in the Annual Report and the Board's risk appetite as detailed in the Strategic Report. Sensitivity analysis was also undertaken, including financing projections, to flex the financial forecasts under severe downside scenarios, which involved applying different assumptions to the underlying forecasted revenues, costs and underlying profits both individually and in aggregate. These scenarios assessed the potential impact from macro-economic risks, including a severe global economic downturn analogous to that experienced during the Global Financial Crisis in 2008/09. The results of this sensitivity analysis showed that the Group would retain liquidity and maintain significant available facility and covenant headroom to be able to withstand the impact of such scenarios over the period of the financial forecast.

Based on the Group's positive net cash position of £176.3m (cash and cash equivalents less overdrafts in notional pooling arrangements and borrowings) and undrawn £360.0m revolving credit facility at the year end, as described further in the Chief Financial Officer's review, combined with the assessment explained above, the Directors have formed the judgement at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue as a going concern for a period of at least 12 months from the date of the approval of the financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

2. Segment analysis

	Transaction Advisory £m	Consultancy £m	Property and Facilities Management £m	Investment Management £m	Unallocated £m	Total £m
2024						
Revenue						
United Kingdom – commercial	111.0	233.8	337.1	39.6	-	721.5
United Kingdom – residential	183.3	51.2	52.6	-	-	287.1
Total United Kingdom	294.3	285.0	389.7	39.6	-	1,008.6
CEME	144.2	82.3	103.2	48.2	-	377.9
Asia Pacific – commercial	129.8	97.8	451.6	6.2	-	685.4
Asia Pacific – residential	17.2	-	-	-	-	17.2
Total Asia Pacific	147.0	97.8	451.6	6.2	-	702.6
North America	284.5	30.4	-	-	-	314.9
Revenue	870.0	495.5	944.5	94.0	-	2,404.0
Underlying profit/(loss) before tax						
United Kingdom – commercial	16.7	27.1	27.7	3.3	(10.4)	64.4
United Kingdom – residential	20.5	6.7	6.9	-	-	34.1
Total United Kingdom	37.2	33.8	34.6	3.3	(10.4)	98.5
CEME	(10.9)	7.4	(3.9)	6.4	-	(1.0)
Asia Pacific – commercial	6.7	0.5	22.9	0.4	-	30.5
Asia Pacific – residential	(0.9)	-	-	-	-	(0.9)
Total Asia Pacific	5.8	0.5	22.9	0.4	-	29.6
North America	3.5	(0.2)	-	-	-	3.3
Underlying profit/(loss) before tax	35.6	41.5	53.6	10.1	(10.4)	130.4
	Transaction Advisory £m	Consultancy £m	Property and Facilities Management £m	Investment Management £m	Unallocated £m	Total £m
2023						
Revenue						
United Kingdom – commercial	100.6	227.8	304.5	43.2	-	676.1
United Kingdom – 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
Asia Pacific – 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
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
United Kingdom – 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
Asia Pacific – 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 are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified 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. As the Group is strongly affected by both differences in

the types of services it provides and the geographical areas in which it operates, the matrix approach of disclosing both the business and geographical segments format is used.

For 2024, 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. From 2025, in line with revised management structures, the UK and CEME segments will be combined to form the EMEA segment.

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 (fair value gain and losses on a transaction-related options and fair value gains on step acquisition of subsidiaries previously classified as associates).

A reconciliation of underlying profit before tax to reported profit before tax is provided in Note 3.

3. Underlying profit before tax

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.

	2024 £m	2023 £m
Reported profit before tax	88.3	55.4
Adjustments:		
Amortisation of intangible assets arising from business combinations	9.2	9.9
Impairment of goodwill	1.9	3.9
Share-based payment adjustment	(1.1)	(1.1)
Profit on disposal of joint ventures	-	(0.4)
Restructuring costs	17.2	13.9
Transaction-related costs	15.9	14.6
Fair value gain on step acquisition of subsidiaries previously classified as associates	(4.4)	-
Fair value loss/(gain) on transaction-related options	3.4	(1.4)
Underlying profit before tax	130.4	94.8

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 year 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 year. 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 year bonus pool to be awarded in deferred shares. This adjustment is made to align the underlying staff cost in the year with the revenue recognised in the same period, providing additional information on the Group's performance over time with respect to profitability.

Impairment of goodwill in both years relates to the Indonesia cash generating unit (refer to Note 16 for further details).

Profit on disposal recognised in the prior year was primarily in relation to disposal of holdings in joint ventures in China.

The restructuring programme that commenced in 2023 was held open through 2024 to ensure initial market recovery assumptions remained intact. For specific markets, recovery assumptions were revised and further restructuring was required resulting in the Group recognising restructuring costs of £17.2m in the year (2023: £13.9m).

Transaction-related costs include a £13.2m charge for future consideration payments which are contingent on the continuity of recipients' employment in the future (2023: £12.7m). In the current and prior year, a significant portion of

the charge related to the acquisition of DRC Capital LLP ('DRC') in 2021. Transaction-related costs also consist of £0.2m of professional advisory transaction fees (2023: £1.5m) and £0.5m of interest on deferred consideration and non-current future payments in relation to business acquisitions that are linked to employment (2023: £0.3m). In addition, transaction-related costs included a £0.1m (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 year, transaction-related costs also include a £0.8m fair value charge in relation to the re-measurement of contingent deferred consideration (2023: £nil) and a £1.1m charge in relation to a payment to the non-controlling interest holder in Savills Real Estate LLC to buy-out their remaining interest in the business (2023: £nil).

In the current year, a fair value gain on step acquisition of subsidiaries previously classified as associates of £4.4m largely relates to the re-measurement of the Group's holding in its associate, Riviera Estates SAS, prior to the 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 year of £3.4m relates primarily to the loss on the re-measurement of the option which gives the Group the right to purchase the remaining 20% shareholding in Absolute Maintenance Services Pte Ltd and Solute Pte Ltd ('AMS') in 2027. In the 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 Savills IM Holding Ltd subject to the quantum of capital it has invested in Savills Investment Management products during the initial 5 year term. In March 2024, Samsung Life exercised the first tranche of the option, purchasing an additional 4% in Savills IM Holding Ltd leaving Samsung Life the right to purchase a further 6% shareholding under the terms of the option.

4. Income tax expense

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

	2024 £m	2023 £m
Current tax		
United Kingdom:		
Corporation tax on profits for the year	22.6	13.2
Adjustment in respect of prior years	2.3	0.7
	24.9	13.9
Overseas tax	21.6	14.3
Adjustment in respect of prior years	(1.1)	(0.5)
Total current tax	45.4	27.7
Deferred tax		
Representing:		
United Kingdom	(4.0)	1.2
Effect of change in UK tax rate on deferred tax	-	(0.2)
Overseas tax	(10.4)	(9.1)
Adjustment in respect of prior years	4.4	(3.7)
Total deferred tax	(10.0)	(11.8)
Income tax expense	35.4	15.9

5. Dividends

	2024 £m	2023 £m
Amounts recognised as distribution to equity holders in the year:		
In respect of the previous year		
Ordinary final dividend of 13.9p per share (2022: 13.4p)	18.8	18.2
Supplemental interim dividend of 2.0p per share (2022: 15.6p)	2.8	21.2
In respect of the current year		
Interim dividend of 7.1p per share (2023: 6.9p)	9.6	9.4
	31.2	48.8

The Group paid £2.6m (2023: £2.2m) of dividends to non-controlling interests.

The Board recommends a final dividend of 14.5p per ordinary share (amounting to £19.8m), alongside the supplemental interim dividend of 8.6p per ordinary share (amounting to £11.7m), to be paid on 22 May 2025 to Shareholders on the register at 11 April 2025. These financial statements do not reflect this dividend payable.

The total paid and recommended ordinary and supplemental dividend for the 2024 financial year comprises an aggregate distribution of 30.2p per ordinary share (2023: 22.8p per ordinary share).

6(a). Basic and diluted earnings per share

	2024 Earnings £m	2024 Shares million	2024 EPS pence	2023 Earnings £m	2023 Shares million	2023 EPS pence
Basic earnings per share	53.6	136.0	39.4	40.8	135.9	30.0
Effect of additional shares issuable under option	-	7.9	(2.2)	-	5.8	(1.2)
Diluted earnings per share	53.6	143.9	37.2	40.8	141.7	28.8

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

	2024 Earnings £m	2024 Shares million	2024 EPS pence	2023 Earnings £m	2023 Shares million	2023 EPS pence
Basic earnings per share	53.6	136.0	39.4	40.8	135.9	30.0
Amortisation of intangible assets arising from business combinations after tax	7.0	-	5.1	7.6	-	5.6
Impairment of goodwill after tax	1.4	-	1.0	4.0	-	2.9
Share-based payment adjustment after tax	(0.7)	-	(0.5)	(0.6)	-	(0.4)
Profit on disposal of joint ventures after tax	-	-	-	(0.4)	-	(0.3)
Restructuring costs after tax	14.1	-	10.4	10.6	-	7.8
Transaction-related costs after tax	15.6	-	11.5	14.3	-	10.5
Fair value gain on step acquisition of subsidiaries previously classified as associates	(4.4)	-	(3.2)	-	-	-
Fair value gain on transaction-related call options	3.4	-	2.5	(1.4)	-	(1.0)
Underlying basic earnings per share	90.0	136.0	66.2	74.9	135.9	55.1
Effect of additional shares issuable under option	-	7.9	(3.7)	-	5.8	(2.2)
Underlying diluted earnings per share	90.0	143.9	62.5	74.9	141.7	52.9

7. Cash generated from operations

	2024 £m	2023 £m
Profit for the year	52.9	39.5
<i>Adjustments for:</i>		
Income tax	35.4	15.9
Depreciation	70.2	69.6
Amortisation of intangible assets	16.1	15.8
Fair value gain on step acquisition of subsidiaries previously classified as associates	(4.4)	-
Net fair value loss/(gain) on derivative financial instrument and FVPL investments	6.0	(2.1)
Gain on disposal of property, plant and equipment, intangible assets and leases	(0.2)	(4.0)
Impairment of goodwill	1.9	3.9
Net finance income	(14.5)	(12.1)
Share of post-tax profit from joint ventures and associates	(7.5)	(10.2)
Dividends from other parties	(0.5)	(0.2)
Increase in employee and retirement obligations	0.6	2.5
Exchange movement in operating activities	(3.4)	0.5
Increase in provisions	2.0	11.2
Decrease/(increase) in insurance reimbursement asset	0.4	(3.4)
Charge for share-based compensation	31.4	28.8
Operating cash flows before movements in working capital	186.4	155.7
Increase in trade and other receivables and contract assets	(49.9)	(45.5)
Increased/(decrease) in trade and other payables and contract liabilities	40.8	(61.0)
Cash generated from operations	177.3	49.2

Foreign exchange movements resulted in a £2.6m increase in current and non-current trade and other receivables (2023: £20.1m decrease) and a £5.7m decrease in current and non-current trade and other payables (2023: £21.3m decrease).

8. Notional pooling arrangement

For internal cash management purposes, the Group maintains a notional cash pooling arrangement with Barclays Bank PLC, whereby credit and debit cash balances 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 31 December 2024, the notional cash pooling arrangement included cash balances of £200.2m presented in cash and cash equivalents (31 December 2023: £193.3m) and overdrafts of £199.3m (31 December 2023: £192.3m) presented in current liabilities. This represents as at 31 December 2024 surplus pooled credit cash balances of £0.9m (31 December 2023: surplus pooled credit cash £1.0m).

For the purpose of the Statement of Cash Flows, cash and cash equivalents net of overdrafts comprise the following:

	2024 £m	2023 restated* £m
As at 31 December		
Cash and cash equivalents	536.5	506.6
Overdrafts in notional pooling arrangement	(199.3)	(192.3)
Bank overdrafts	(9.8)	(4.2)
	327.4	310.1

* See Note 9 for details on the prior year restatement.

9. Acquisition of subsidiaries

The fair values of the assets acquired and liabilities assumed as part of the Group's acquisitions in the year are provisional and will be finalised within 12 months of the acquisition date. These are summarised below:

		Provisional fair value to the Group		
		Savills India	Others	Total
		£m	£m	£m
Non-current assets:	Property, plant and equipment	0.8	0.7	1.5
	Right-of-use asset	1.7	-	1.7
	Intangible assets	0.5	2.4	2.9
	Deferred tax asset	1.0	-	1.0
Current assets:	Trade and other receivables	13.6	1.7	15.3
	Income tax receivable	-	0.1	0.1
	Cash and cash equivalents	-	6.1	6.1
Current liabilities:	Borrowings – bank overdrafts	(1.3)	-	(1.3)
	Lease liabilities	(0.4)	-	(0.4)
	Trade and other payables	(15.0)	(5.1)	(20.1)
	Deferred income	-	(2.0)	(2.0)
	Income tax liabilities	-	(0.4)	(0.4)
	Employee benefit obligations	(0.6)	-	(0.6)
Non-current liabilities:	Lease liabilities	(1.3)	-	(1.3)
	Trade and other payables	(14.4)	-	(14.4)
	Deferred tax liabilities	-	(0.2)	(0.2)
Net (liabilities)/assets		(15.4)	3.3	(12.1)
Non-controlling interest share of net liabilities/assets		6.9	(0.1)	6.8
Net (liabilities)/assets acquired		(8.5)	3.2	(5.3)
Goodwill (provisional)		8.6	11.5	20.1
Purchase consideration		0.1	14.7	14.8
Consideration satisfied by:				
Cash paid		-	7.4	7.4
Fair value of associate holding, prior to acquisition		-	5.6	5.6
Deferred consideration > 1 year		-	1.7	1.7
Conversion of convertible cumulative preference shares ('CCPS')		0.1	-	0.1
		0.1	14.7	14.8

Savills Property Services (India) Private Limited ('Savills India')

On 12 August 2024, the Group increased its shareholding in Savills India, a full-service real estate consultancy business in India. CCPS held by the Group converted into Class A equity shares, bringing the Group's shareholding from a 19.5% investment to a 55% owned subsidiary. The CCPS were held as a financial asset held at FVPL and immediately prior to the transaction were fair valued to £0.1m, with the fair value re-measurement recognised in the income statement.

Total acquisition consideration is provisionally determined at £0.1m, being the fair value of the original 19.5% investment and the CCPS that converted into equity.

Goodwill of £8.6m has been provisionally determined. Goodwill is attributable to the experience and expertise of key staff members and is not expected to be deductible for tax purposes.

The acquired business contributed revenue of £23.8m and profit of £1.3m to the Group for the period from the date of acquisition to 31 December 2024. Had the acquisition been made at the beginning of the financial year, revenue would have been £52.9m and a profit of £1.1m would have been recognised.

The fair value of trade and other receivables is £13.6m, of which £6.9m relates to trade receivables. The gross contractual amount for trade receivables is £7.4m, £0.5m of which is expected to be uncollectible.

Other acquisitions

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%. On 1 July 2024, Savills Projects Holdings Pte Ltd acquired 100% shareholding of PMCC Actus Sdn Bhd (subsequently renamed Actus Sdn Bhd), leading to a 60% effective Group shareholding of the specialist project management business in Malaysia. In addition, on 29 July 2024 the Group purchased a further 20% equity interest in LCA Core Sdn Bhd Group, a leading supply chain and logistics consultancy business in Malaysia, bringing total shareholding to 60%. Furthermore, on 1 August 2024, the Group acquired 100% of Medasil Desarrollos S.L, a residential property management business in Spain.

Total acquisition consideration for these transactions is provisionally determined at £14.7m. Cash consideration for these transactions amounted to £7.4m. An additional £1.7m of the acquisition consideration relates to deferred consideration. The remainder of the acquisition consideration relates to the fair value of the initial 50% investment in Riviera Estates SAS and the initial 40% investment in LCA Core Sdn Bhd as both were previously held as associates.

Goodwill of £11.5m 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.

Acquisition-related costs of £0.2m have been expensed as incurred to the income statement and classified within other operating expenses.

The acquired businesses contributed revenue of £2.8m and a profit of £0.3m to the Group for the period from acquisition to 31 December 2024. Had the acquisitions been made at the beginning of the financial year, revenue would have been £8.0m and the profit would have been £0.4m. The impact on the Group's overall revenue and profits is not material.

The fair value of trade and other receivables acquired is £1.7m, £1.1m of which relates to trade receivables. The gross contractual amount for trade receivables is £1.3m, £0.2m of which is expected to be uncollectible.

2023 acquisitions and prior year restatement

In the year ended 31 December 2023, the Group acquired 100% equity interest in Nash Bond, 100% of the equity interest in Automotive Property Consultancy Holdings Limited, 51% of the equity interest in BeLiving SRL (subsequently renamed Savills Residential Italy SRL), 100% of the equity of Predibisa, Sociedade de Mediação Imobiliária, Lda. and a 55% equity interest in Site 8 Pty Limited (subsequently renamed Savills Retail Management Pty Ltd).

During the current year, provisional fair values relating to the acquisition of Nash Bond were finalised, resulting in an increase of £0.4m to the value of current assets and a £0.3m decrease to current liabilities acquired. The value of deferred consideration payable also increased by £0.7m (impacting current liabilities), therefore there was no change to the value of goodwill recognised upon acquisition. These adjustments are considered measurement period adjustments in accordance with IFRS 3 and as a result the 31 December 2023 comparatives have been restated.

10. Borrowings

	2024 £m	2023 £m
Non-current		
Unsecured bank loans	-	0.1
Loan notes	120.0	150.0
Transaction costs (issuance of loan notes and RCF arrangement fees)	(0.4)	(0.8)
	119.6	149.3
Current		
Bank overdrafts	9.8	4.2
Unsecured bank loans due within one year or on demand	1.5	3.0
Loan notes due within one year or on demand	30.0	0.7
	41.3	7.9
	160.9	157.2

As at 31 December 2024, the Group held a £360.0m multi-currency revolving credit facility ('RCF'), which included an additional £90.0m accordion facility, expiring in June 2026. As at 31 December 2024 none (2023: none) of the RCF was drawn. On 20 February 2025, the £360.0m RCF was cancelled and replaced with a new £360.0m RCF, which has an initial 4-year term (with two 1-year extension options) and can be increased by an additional £90.0m accordion facility.

Non-current loan notes reflect the £150.0m of debt held by the Group 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. £30.0m is repayable in June 2025.

Movements in borrowings are analysed as follows:

	2024 £m	2023 £m
Opening amount as at 1 January	157.2	159.7
Additional borrowings (including overdraft movement)*	90.3	107.2
Repayments of borrowings	(88.2)	(109.9)
Addition through business combination	1.3	-
Amortisation of transaction costs	0.4	0.6
Foreign exchange	(0.1)	(0.4)
Closing amount as at 31 December	160.9	157.2

* 2024 includes a £5.1m increase in overdraft balances within additional borrowings. 2023 includes £1.5m increase in overdraft balances.

The Group has the following undrawn borrowing facilities:

	2024			2023		
	Fixed £m	Floating £m	Total £m	Fixed £m	Floating £m	Total £m
Expiring within 1 year or on demand	0.1	61.2	61.3	3.0	58.8	61.8
Expiring between 1 and 5 years	-	360.0	360.0	0.2	360.0	360.2
	0.1	421.2	421.3	3.2	418.8	422.0

11. Related party transactions

As at 31 December 2024, there were £0.5m of loans receivable from joint ventures, £1.2m of loans receivable from associates and £0.2m of loans payable to associates (2023: £0.1m of loans receivable from joint ventures and £1.9m of loans receivable from associates and £0.2m of loans payable to associates).

There were no other 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.

12. Annual report and accounts

Copies of the Annual Report and Accounts for the year ended 31 December 2024 will be circulated to shareholders on 7 April 2025 and will also be available from the investor relations section of the Company website at www.ir.savills.com or from:

Savills plc, 33 Margaret Street, London, W1G 0JD
Telephone: 020 7499 8644

Directors' responsibilities in respect of the financial statements

We confirm that to the best of our knowledge:

- that the consolidated financial statements, prepared in accordance with UK-adopted international accounting standards give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole; and
- the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The contents of this announcement, including the responsibility statement above, have been extracted from the annual report and accounts for the year ended 31 December 2024, which will be available on publication at www.ir.savills.com. Accordingly, this responsibility statement makes reference to the financial statements of the Company and the Group and the relevant narrative appearing in that annual report and accounts rather than the contents of this announcement.

On behalf of the Board

Mark Ridley
Group Chief Executive

Chris Lee
Group Legal Director and Company Secretary

13 March 2025

Forward-looking statements

The financial information contained in this announcement has not been audited. Certain statements made in this announcement are forward-looking statements and are therefore subject to risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events. These forward-looking statements include, but are not limited to, statements relating to the Company's expectations.

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