

Chairman's statement



JM BARRY GIBSON

This statement marks the end of my tenure as Chairman of HomeServe, so I want to start my review by paying tribute to the talented people I have had the privilege to work with during my 17 years on the Board. HomeServe is a company with big ambitions that attracts great people – not least because of the force of nature that is Richard Harpin, our exceptionally talented Founder and Chief Executive. I have thoroughly enjoyed working with Richard, the Board and everyone at HomeServe, and am reminded every day that our core values of courage, persistence and integrity really do permeate our business.

HomeServe has done the right thing by our people throughout this pandemic-dominated year, ensuring that our office-based staff were able to work from home comfortably and productively, that our engineers were safe and well-supported as they visited customers' houses, not furloughing anyone or making people redundant as a result of the pandemic. We used our in-house engineering capacity well in the UK while we were only allowed to do emergency jobs, and are very proud of the 3,000 free emergency jobs we did for key workers. Our care for our people paid dividends. As at March 2021, employee engagement exceeded pre-pandemic levels.

People strategy has been a key topic for the Board this year – making sure we have the right people in all of our key seats. It is a pleasure to welcome to the Board Ross Clemmow in the new role of CEO, EMEA, and also new Non-Executive Director Roisin Donnelly, who brings 30 years of marketing and advisory experience. We ended the year one appointment away from reaching the Hampton Alexander target of one third female Board representation, and will continue to work towards this target this year.

The Board agenda this year has been well balanced between overseeing the operational resilience of our business, and planning for the future. Our operating

“Throughout my career, I have always stuck to the simple principle that if we look after our people, our people will look after our customers. Never has this been more important than during the COVID pandemic.”

results speak for themselves, notwithstanding the impact on the statutory results (FY21 statutory PBT: £47.2m FY20: £137.9m) of exceptional charges. We were delighted to deliver a 6% uplift to £191.3m in adjusted profit before tax, the profit measure we use to manage the business. Strategically, the Board focused on four key topics. We remain wholeheartedly convinced by our growth prospects in North America and encouraged by the progress being made at Checkatrade to build a market-leading online platform to match consumers with trades. In the UK, we took the difficult decision to fully impair our investment in the eServe customer relationship management system, and in the coming years the Board will support the UK business as it embraces digitisation and automation and refreshes its customer base. The Board also spent considerable time on international business development. With the exception of our high potential joint venture with Mitsubishi Corporation in Japan, we decided to adopt a “near neighbour” strategy, to make the most of our existing infrastructure and minimise risk, and focus on adjacent territories such as Canada, Belgium and Portugal.

Given the resilience of our business in FY21 and strong prospects for future growth, the Board proposes a final dividend of 19.8p to take the total dividend for the year to 26.0p. This represents an increase of 10%, significantly ahead of FY21 growth in adjusted earnings per share.

To fulfil our purpose to make home repairs and improvements easy, our strategy, in a nutshell, is to match customers' needs with trades, to generate repeat and recurring income. In order to assure the long-term sustainability of our business, we must do this responsibly, not least because of the deep emotional attachment we all have to our homes.

The last topic I want to highlight is our progress this year on articulating our responsible business approach, which is based around four key pillars.



In the course of the year, we have done the right thing for our customers, our people and our communities, put more formal responsible business policies in place and for the first time, committed to a carbon reduction pathway of 1.5 degrees by 2030 in respect of our Scope 1 & 2 emissions, a 42% reduction on our 2020 baseline.

With operational resilience proven and future prospects strong, I am delighted to be handing over the Chairmanship of this great company to Tommy Breen. I do so in the certain knowledge that I am leaving HomeServe and all of its stakeholders in good hands. It remains for me to say a very sincere thank you to everyone who has supported me in my time with the company, and to wish you all the very best for the future.

JM Barry Gibson
Chairman
18 May 2021

Our Chairman designate



I want to start by acknowledging the importance of the contribution Barry has made to HomeServe in his 17 years on the Board. HomeServe is built on strong foundations and has an exciting future ahead of it. Barry's influence and oversight have been significant in getting us to where we are today.

I am excited and honoured to be taking over as Chairman at a time of opportunity for significant development of the business in the coming years.

Since joining the Board in January, I have spent the time meeting (albeit virtually) many of the senior team and getting to understand the business. I am hugely impressed with the entrepreneurial culture, drive and ambition emanating from Richard and percolating throughout the Group.

I am looking forward to working with Richard and all of the Board on behalf of all of our stakeholders, to continue the great HomeServe growth story.

Tommy Breen
Chairman designate