

3 March 2025

**Severfield plc  
(‘the Company’ or ‘the Group’)  
Trading update**

Severfield plc, the market-leading structural steel group, announces the following trading update for the year ending 29 March 2025.

**FY25 trading**

In our interim results announcement on 26 November 2024, we highlighted that the market backdrop in the UK and Europe was challenging. Since then, market conditions have shown no signs of improvement, with pricing remaining at tighter levels for longer than expected in a competitive market and project opportunities continuing to be either cancelled or delayed. This includes a large project for which production was expected to commence in January and which has been recently delayed until early FY26. The UK and Europe order book at 1 February 2025, excluding this large project for which the full order has yet to be received, was £403m, of which £281m is for delivery over the next 12 months (1 November 2024: £410m, of which £307m was for delivery over the next 12 months).

Whilst the Group has sought to mitigate the effects of these prevailing market conditions through new project awards, our normal contract execution improvements and cost reductions, as well as the cancellation of the share buyback programme, it has not been possible to secure sufficient work in the short term to fully offset the non-recovery of factory overheads in Q4. This, together with a revised contract judgement to reflect changes on a long-term nuclear project originally tendered in 2019, means that the Group now expects underlying profit before tax for the full year to be in the range of £18m - £20m.

Net debt (pre-IFRS 16 basis) at 31 January was £55m. This represented RCF drawings of £40m and outstanding acquisition-related loans of £15m. The net debt position (pre-IFRS 16 basis) for the full year is expected to be in the range of £45m - £50m, providing cash headroom of £25m - £30m, in line with the Group's expectations.

The bridge remedial works programme is progressing as expected and our view of testing and remedial costs and insurance recoveries is broadly unchanged, with more clarity expected in the coming weeks as discussions with affected clients, relevant industry authorities, insurers and other stakeholders progress.

**Outlook**

Whilst we continue to see a good pipeline of project opportunities, client decision-making continues to be deferred and projects are not being awarded or progressing within normal timescales, consistent with the current lower level of business confidence in the UK economy as a whole. This, in tandem with the absence of large ‘anchor’ projects in the order book and a general market backdrop which is not expected to improve in the short-term, is having a consequential impact on FY26. As noted above, the Group is seeking to mitigate the ongoing impact of these market conditions through ongoing cost reduction actions. As such, underlying profit before tax for FY26 is now expected to be below our revised expectations for FY25.

Looking further ahead, we have already secured some attractive large projects for FY27, and we are also seeing future large opportunities in sectors such as data centres, manufacturing (industrial) and commercial offices, including the emergence of several planned large developments in London. Our businesses also remain well positioned to win work in markets with positive long term growth trends including those which are driving the green energy transition. Our prospects across these markets provide the board with confidence that the Group will deliver attractive shareholder returns in the future and our medium term growth targets remain unchanged.

For further information, please contact:

Severfield	Alan Dunsmore Chief Executive Officer	01845 577 896
	Adam Semple Chief Financial Officer	01845 577 896
Jefferies International	Will Soutar	020 7029 8000
Panmure Liberum	Nicholas How	020 3100 2000
Camarco	<a href="mailto:severfield@camarco.co.uk">severfield@camarco.co.uk</a>	
	Ginny Pulbrook Tom Huddart	07961 315 138 07967 521 573

**Notes**

Except as otherwise stated ‘2025 and FY25’, ‘2026 and FY26’ and ‘2027 and FY27’ refer to the 52-week periods ending 29 March 2025, 28 March 2026 and 27 March 2027. The Group's accounts are made up to an appropriate weekend date around 31 March each year.

**Notes to editors**

Severfield is the UK's market leader in the design, fabrication and construction of structural steel, with a total capacity of c.150,000 tonnes of steel per annum. The Group has seven sites, c.1,900 employees and expertise in large, complex projects across a broad range of sectors. The Group also has an established presence in the expanding Indian market through its joint venture partnership with JSW Steel (India's largest steel producer).

**Inside information**

This announcement contains inside information as stipulated under the Market Abuse Regulation (EU) No.596/2014 (as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018) and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations. On the publication of this announcement via a Regulatory Information Service, such information is now considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of Severfield is Adam Semple, Chief Financial Officer.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTUPUWCWUPAGQP