

24 April 2025

**Severfield plc  
(‘the Company’ or ‘the Group’)  
Pre-close trading update**

Severfield plc, the market leading structural steel group, today issues the following trading update for the year ended 29 March 2025. The Group will confirm the announcement date for the FY25 results in due course.

**FY25 results**

The Group expects FY25 underlying profit before tax to be in the range of £18m - £20m, in line with our expectations which were established at the time of the trading update on 3 March.

Net debt (pre-IFRS 16 basis) at 29 March was £44m, which is better than expectations. Net debt represented RCF drawings of £30m and amortising term loans of £14m, providing year-end facility headroom of c.£30m.

**Operational update**

We continue to take appropriate cost reduction actions to mitigate the effects of the trading pressures the Group is currently facing. We have recently completed a headcount review which will result in a reduction in Group headcount of c.6% through a combination of redundancies and the non-recruitment of approved vacancies. In addition, there is an even stronger than normal focus on cash generation and conservation. This includes careful working capital management, the acceleration of certain tax refunds from HMRC, a reduction in planned capital expenditure, taking into account the significant investment in the asset base over recent years, and other ongoing cost reduction actions.

**Secured workload**

The UK and Europe order book remains solid and stands at £440m at 1 April (1 February: £403m), of which £327m (1 February: £281m) is for delivery over the next 12 months. The order book remains well-diversified and contains a good mix of projects across the Group's key market sectors including in Europe, with 20 per cent of the order book representing projects in continental Europe and Ireland (1 February: 21 per cent).

The Indian order book of £210m at 1 April (1 November: £197m) is at record levels and contains a good mix of higher margin commercial work of 79 per cent (1 November: 77 per cent). This order book reflects a construction sector in India which continues to grow strongly, together with the increased use of steel as a construction material.

**Bridge remedial works programme**

The bridge remedial works programme is progressing as expected and, whilst the balance of cost and associated recoveries continues to evolve over time, our overall view of testing and remedial costs net of insurance proceeds is broadly unchanged, at an estimated non-underlying net cost of c.£20m. The Group has incurred testing and remedial cash costs of c.£18m in FY25 and the remaining cash costs are expected to be incurred in FY26 and FY27. Discussions with the Group's professional indemnity ('PI') insurers have made good progress and they have now confirmed coverage. The insurers have also indicated that they will make an interim payment by mid-June, following the completion of a quantum verification exercise with their loss adjusters. A further update will be provided at the time of the FY25 results announcement.

**Outlook**

Whilst we continue to see a good pipeline of project opportunities, the market backdrop in the UK and Europe remains challenging, with pricing remaining at tighter levels for longer than expected in a competitive market and some projects not being awarded or progressing within normal timescales, all of which is consistent with the current lower level of business confidence in the UK economy as a whole. As such, our expectations for FY26 are unchanged from those communicated at the time of the trading update on 3 March.

Looking further ahead, we have already secured some attractive large projects for FY27, and we are also seeing significant future opportunities in sectors such as manufacturing (industrial), commercial offices, including the emergence of several planned large developments in London, and data centres, driven by Artificial Intelligence ('AI') applications which are driving even greater dependence on data centre infrastructure. Our businesses also remain well positioned to win work in other 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 Capital	Nicholas How	020 3100 2000
Camarco	<a href="mailto:severfield@camarco.co.uk">severfield@camarco.co.uk</a> Ginny Pulbrook Tom Huddart	020 3757 4980 020 3757 4980

**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.1,800 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).

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

TSTPPUCACUPAGAW