

29 July 2025

MORGAN SINDALL GROUP PLC
('Morgan Sindall' or 'Group')

RESULTS FOR THE HALF YEAR (HY) ENDED 30 June 2025

Record first half results and continued strong dividend growth

Group Highlights

"It has been another record half year for the Morgan Sindall Group. These results further demonstrate our track record of delivering strong revenue and profit growth, supported by robust cash generation, enabling continued investment in our Partnership businesses, while importantly supporting strong dividend growth.

In the period, we have continued to make significant strategic and operational progress across the Group. Expectations for the Group are underpinned by the medium-term fundamentals for Fit Out which are expected to remain favourable, together with both our UK construction and partnership programmes which expect to benefit from the recent government investment commitments. As a result, we have increased the medium-term targets for both the Fit Out and Construction divisions.

The strength of our first half performance, together with the visibility provided by our high-quality and growing order book for the remainder of the year, places us in a strong position to deliver an outcome for 2025 which is in line with our current expectations."

John Morgan, Group Chief Executive

	HY 2025	HY 2024	Change
Revenue	£2,370m	£2,214m	+7%
Operating profit - adjusted ¹	£91.8m	£65.5m	+40%
Profit before tax - adjusted ¹	£95.9m	£70.1m	+37%
Earnings per share - adjusted ¹	153.1p	112.5p	+36%
Period end net cash	£390m	£351m	+£39m
Interim dividend per share	50.0p	41.5p	+20%
Operating profit - reported	£91.3m	£65.5m	+39%
Profit before tax - reported	£95.4m	£70.1m	+36%
Basic earnings per share - reported	155.7p	113.1p	+38%

¹ 'Adjusted' is defined as before intangible amortisation of £0.4m and exceptional building safety charge of £0.1m. (HY 2024: before intangible amortisation of £0.3m and exceptional building safety credit of £0.3m)

- **Strong growth delivers record results**
 - Revenue **up 7%** to £2.4bn
 - Adjusted profit before tax **up 37%** to £95.9m
 - PBTA margin expansion to **4.0%** (HY 2024: 3.2%)
- **Continued balance sheet strength**
 - Net cash of £390m (HY 2024: £351m)
 - Average daily net cash of £354m (HY 2024: £372m)
- **High quality secured order book at £12.0bn** (HY 2024: £8.7bn, FY 2024: £11.4bn)
- **Interim dividend up 20% to 50p per share (HY 2024: 41.5p)**

Highlights

Divisional Highlights

	Revenue		Operating Profit ²		Operating %		Orderbook ¹	
	£m	Change	£m	Change	£m	Change	£m	Change
Partnership Housing	405	+6%	13.2	+13%	3.3%	+20bps	2,198	+6%
Mixed Use Partnerships	26	-56%	(1.5)	n/a	n/a	n/a	4,584	+50%
Fit Out	838	+33%	58.1	+41%	6.9%	+30bps	1,445	+19%
Construction	523	+1%	16.1	+14%	3.1%	+40bps	1,129	+32%
Infrastructure	482	-9%	18.4	-7%	3.8%	+10bps	1,873	+11%
Property Services	104	+1%	0.5	n/a	0.5%	n/a	781	-22%
Group/Eliminations	(8)	n/a	(13.0)	n/a	n/a	n/a	(5)	n/a
Total	2,370	+7%	91.8	+40%	3.9%	+90bps	12,005	+5%

- A strong performance from **Partnership Housing** against the backdrop of a housing market which continues to experience a slow pace of recovery; operating profit² increasing by 13% to £13.2m (HY 2024: £11.7m). The average capital employed for the year is expected to be between c£400m and £430m, as the business continues to optimise investment in partnerships opportunities for future growth.
- The first half trading performance in **Mixed Use Partnerships** included increased investment costs relating to schemes yet to start on site and those representing future opportunities, resulting in an operating loss² in the period of £1.5m (HY 2024: Operating profit £0.5m). At the same time, the division has continued to build selectively on its prior year successes in converting five schemes previously at preferred bidder stage to signed development agreements. The average capital employed for the year is expected to be between c£105m and £115m.
- **Fit Out** delivered another significant and market-leading performance in the first half with operating profit up 41% to £58.1m (HY 2024: £41.3m), with strong volumes and operational leverage, leading to an operating margin of 6.9% (HY 2024: 6.6%).
- A robust performance from **Construction**; operating profit² up 14% to £16.1m (HY 2024: £14.1m) supported by an operating margin within its medium-term target range.
- The first half trading performance for **Infrastructure** has benefited from ongoing disciplined focus on operational delivery and risk management, while also commencing early planning and design activities for a number of recently awarded large frameworks; operating profit was down 7% to £18.4m (HY 2024: £19.7m), with an operating margin within its medium-term target range.
- Following the conclusion of its business remediation plan in 2024, **Property Services** has continued to stabilise its business activities, resulting in a small profit in the first half of this year. Given the alignment of its ongoing activities to Construction, the division will fully integrate into the Construction division from 1st January 2026; until then it will continue to report as a standalone division.
- As a result of current performance, market position held together with future prospects and the decision to integrate Property Services into the Construction division, the medium-term targets for both Fit Out and Construction have been upgraded as of 29th July 2025, which can be found on page 6.

¹ The 'secured order book' is the sum of the 'committed order book', the 'framework order book' and (for Partnership Housing and Mixed Use Partnerships) the Group's share of the gross development value of secured schemes (including the development value of open market housing schemes).

The 'committed order book' represents the Group's share of future revenue that will be derived from signed contracts or binding letters of intent. The 'framework order book' represents the Group's expected share of revenue from the frameworks on which the Group has been appointed. This excludes prospects where confirmation has been received as preferred bidder only, with no formal contract or binding letters of intent in place.

² Adjusted before intangible amortisation of £0.4m and exceptional building safety charge of £0.1m

Enquiries

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Presentation

- There will be an analyst and investor presentation at 08.30am at Deutsche Numis, 45 Gresham Street, London EC2V 7BF on 29 July 2025. Coffee and registration will be from 08.30am
- A copy of these results is available at: www.morgansindall.com
- The presentation will be available via live webcast from 08.30am on 29 July 2025 at www.morgansindall.com.

Note to Editors

Morgan Sindall Group

Morgan Sindall Group plc, the Partnerships, Fit Out and Construction Services Group, reported annual revenues of £4.5bn in full year 2024, employing over 8,000 employees and operating in the public, regulated and private sectors. It reports through six divisions of Partnership Housing, Mixed Use Partnerships, Fit Out, Construction, Infrastructure and Property Services.

Operating Review

Basis of preparation

In addition to presenting the financial performance of the business on a statutory basis, adjusted performance measures are also disclosed. Refer to the 'Other Financial Information' section which sets out the basis for the calculations. These measures are not an alternative or substitute to statutory UK-adopted IAS measures but are seen as more useful in assessing the performance of the business on a comparable basis and are used by management to monitor the performance of the Group.

Performance information included in the Divisional Review is given on an adjusted basis, unless otherwise stated.

Summary Group Financial Results

The Group delivered a strong trading performance in the first half of 2025, with a significant contribution from the Fit Out division. Group revenue increased by 7% up to £2,370m (HY 2024: £2,214m), while adjusted operating profit increased by 40% to £91.8m (HY 2024: £65.5m). Adjusted operating margin was 3.9%, 90bps higher than the prior year (HY 2024: 3.0%).

The Group continued to benefit from elevated interest rates, albeit on a slightly lower average net cash profile, resulting in a slightly lower level of net finance income of £4.1m compared to the prior period (HY 2024: £4.6m). Adjusted profit before tax was up 37% to £95.9m (HY 2024: £70.1m).

The adjusted tax charge for the period was £24.1m (statutory tax charge of £22.4m), an adjusted effective rate of 25%.

The adjusted earnings per share increased 36% to 153.1p (HY 2024: 112.5p), while the statutory basic earnings per share of 155.7p was up 38% (HY 2024: 113.1p).

In the period, the Group continued to experience growth in its high-quality secured order book, closing at £12,005m, up 39% on the prior period (HY 2024: £8,663m) and up 5% on the year end position (FY 2024: £11,419m). Maintaining contract selectivity and bidding discipline to ensure there remains the appropriate risk balance in the order book continues to be a priority and of critical importance to the future success of the Group.

Net cash at the end of the period was £390m (HY 2024: £351m) and the average daily net cash for the six months was £354m (HY 2024: £372m). Of this total, £41.4m was held in jointly controlled operations or held for future payment to designated suppliers (JVs/PBAs).

Operating cash flow for the period was an outflow of £16.7m (HY 2024: outflow of £36.1m), as the Group continued its net investment in Partnership Housing by £128m, where it has continued to invest in developing its new sites, whilst also reflecting the usual seasonal working capital movements within Construction

Services and Fit Out, typically experienced in the first half of the year. Operating cash for the last twelve months was an inflow of £154.1m.

Looking ahead, the Group continues to expect that the average daily net cash for 2025 will be in excess of £330m.

The proposed interim dividend has increased by 20% to 50.0p per share (HY 2024: 41.5p), this reflects the increase in profit in the period, the strong balance sheet and the Board's confidence in the long-term future prospects of the Group.

The Capital Allocation Framework remains unchanged since December 2023 and can be found in the Group's Annual Report and Accounts for the period ending 31st December 2024.

General Market Conditions

Expectations for the Group are underpinned by the medium-term fundamentals for Fit Out which are expected to remain favourable, supported by our UK construction and partnership programmes which would benefit from the recent government investment commitments announced in the first half of 2025. While these improving conditions provide tailwinds for the Group, the slow pace of recovery in the private housing market, prolonged higher interest rates and low economic growth in the UK continue to persist.

Against the backdrop of the affordable home targets set out by government in 2024, the Group welcomed the investment commitments made in the June 2025 Spending Review to support the delivery of these targets over the medium-term. Notably, the government has committed £39bn over 10 years to the new Affordable Homes Programme, representing the largest cash injection into social housing over the last 50 years. Further, the social housing sector will also benefit from a 10-year rent settlement that allows landlords to raise rents by 1% above inflation, providing housing associations both medium and long-term visibility over revenues and therefore investment planning decisions.

Following closely behind was the launch of the National Housing Bank and £16bn of new public investment to unlock and bring forward large and complex sites at pace through the provision of infrastructure finance and guarantees, while also unlocking private investment.

In well-established sectors for the Group, the Spending Review announced an increase in planned spending commitments in Defence, Transport, Nuclear, Energy and Education, providing several attractive long-term bidding opportunities

In Fit Out, the medium-term fundamentals are expected to remain favourable as business and market changes impacting tenants continue to be a supportive driver, as well as ongoing lease expiries, the requirement for greater energy efficiency from offices, more flexible and collaborative workspaces, the use of office space as a tool for enhancing staff retention and brand image, underpinned by clients requiring increasingly complex projects.

Elsewhere, the slow pace of recovery in the UK housing market continued to persist as sales activity was tempered by affordability constraints impacted by high mortgage rates. Planning reforms announced last year continue to progress, albeit at a moderate pace; the Group envisages that it will take some time for the changes to be implemented and effective.

Group Outlook for 2025

The strength of our first half performance, together with the visibility provided by our high-quality and growing order book for the remainder of the year, places us in a strong position to deliver an outcome for 2025 which is in line with our current expectations.

The 2025 outlook for each division is detailed in the Divisional Review.

Medium-term divisional targets

To provide a framework for future performance, each division operates to a medium-term financial target or set of targets (the 'target' or 'targets') and are referred to in the Divisional Review.

As a result of current performance, market position held together with future prospects and the decision to integrate Property Services into the Construction division from 1 January 2026, the medium-term targets for Fit Out and Construction have been upgraded as of 29th July 2025.

Division		Medium-term target
Partnership Housing		Operating margin of 8% / return on capital up towards 25% (Unchanged)
Mixed Use Partnerships		Return on capital up towards 25% (Unchanged)
Fit Out	↑	Annual operating profit of £80m - £100m (previously £60m - £85m)
Construction	↑	Operating margin of 3.0% - 3.5% pa, Revenue > £1.5bn ¹ (previously 3.0% - 3.5% pa and Revenue > £1bn)
Infrastructure		Operating margin of 3.75% - 4.25% pa, revenue > £1bn (Unchanged)

↑ Increased medium-term target updated in July 2025

¹ Includes Property Services (FY 2024 revenue of £223m)

Partnership Housing

	HY 2025 £m	HY 2024 £m	Change
Revenue	405	381	+6%
Operating profit	13.2	11.7	+13%
Operating margin	3.3%	3.1%	+20bps
Average capital employed ¹ (last 12 months)	393.0	289.3	+36%
Capital employed ¹ (at period end)	434.1	332.6	+31%
ROCE ^{1,2} (last 12 months)	10%	11%	

In the period the division continued to strengthen its long-term partnerships with the public sector, notably in the award of two long-term partnerships with Cardiff & Vale of Glamorgan Council and Barnet Council, while demand for contracting remained strong as the division continued with construction of the contracted affordable homes on mixed-tenure sites to optimise activity.

Revenues in the period were up 6% to £405m (HY 2024: £381m), driven by **Contracting** which was up 21% to £311m (77% of divisional total) compared to the prior year. **Mixed-tenure** revenue declined by 23% to £94m (23% of divisional total) compared to the prior year.

Both contracting and mixed-tenure activities maintained their strong margins in the period, which resulted in operating profit¹ increasing by 13% to £13.2m (HY 2024: £11.7m) with an operating margin of 3.3% (HY 2024: 3.1%).

Against the backdrop of the severe social housing shortage in the UK, the longer-term development of the business and its partnerships with local authorities and housing associations to support the delivery of social affordable housing has continued with strong momentum through its work winning efforts. Reflecting this ongoing activity and investment in future growth, the capital employed¹ at the period end was £434.1m, an increase of £101.5m on the prior year (HY 2024: £332.6m) and £115.4m higher than at the year-end (FY 2024: £318.7m). Whilst the average capital employed increased in the period as we continued investment in the partnership activities, the overall ROCE² for the last 12-month period fell slightly from the prior period to 10% (HY 2024: 11%).

The division continues to maintain a high-quality secured order book, through ongoing successful client engagement leading to work being awarded through frameworks or through direct negotiation. The secured

engagement leading to work being awarded through frameworks or through direct negotiation. The secured order book at the period end was £2,198m, 6% higher than the prior year end (HY 2024: £2,081m), with a further £2,849m at preferred bidder stage.

Mixed Tenure

The strategy to increase the number and size of mixed-tenure sites continued. The division had 68 active mixed-tenure sites at various stages of construction and sales, up from 66 at the prior year end and 63 from the prior period. There was an average of 166 open market units per site, with an average site duration of 47 months, providing long-term visibility of activity.

During the year, 625 units were completed across open market sales and social housing (including through joint ventures) compared to 784 units in the prior period, noting that the number of open market sales within this decreased by 10% to 327. The average sales price was £254k compared to the prior year average of £222k.

Notable work won in the period included an 820-home scheme in Barnstaple in Partnership with Livewest, 146 homes in Coalville; 141 homes on the old Northgate hospital site in Morpeth, and the 193-home former Edensor School site in Stoke-on-Trent. Preferred bidder status was also secured with North Yorkshire Council as their Development Partner, while the division's existing partnership with Suffolk County Council achieved a key milestone by commencing its first project in Newmarket in the period.

Contracting

Partnership Housing continued to experience robust levels of demand with clients awarding work either through frameworks or direct negotiation. The total number of equivalent units built increased by 16% to 1,838, up from 1,584 in the prior period.

Key contracting schemes awarded in the period included a £31m 'Extra Care' scheme for Saffron, a £19m follow on Phase of Barne Barton for Clarion, the £12m Crick Road Phase 3 for Monmouthshire County Council, a £10m development for Thirteen Group in Spencerbeck, a £22m project in Narberth for Enfy's Homes and a £20m Refurbishment contract for Leicester City Council.

Divisional outlook for Partnership Housing

Partnership Housing's medium-term targets are to generate a return on average capital employed up towards 25% and to deliver an operating margin of 8%.

Looking ahead to 2025, while we expect the gradual recovery in the housing market to continue, solid profit growth is still expected in the year, with the ROCE^{1,2} expected to be similar to 2024 levels as we continue to invest. We remain confident in the medium-term fundamentals of the sector and remain well positioned to support the Government's affordable home plans across the country over the forthcoming years.

The average capital employed^{1,2} is expected to increase towards c£400m to £430m, reflecting the increased scale of the business and stage of its developments.

¹ Capital Employed is calculated as total assets (excluding goodwill, intangibles and cash) less total liabilities (excluding exceptional Building Safety provisions, corporation tax, deferred tax, inter-company financing and overdrafts)

² Return on Average Capital Employed = (Adjusted operating profit plus interest from JVs) divided by average capital employed

Mixed Use Partnerships

	HY 2025	HY 2024	Change
	£m	£m	
Revenue	26	59	-56%
Operating profit ¹	(1.5)	0.5	n/a
Average capital employed ² (last 12 months)	101.5	89.9	+11.6
Capital employed ² at period end	126.9	92.4	+37%
ROCE ^{2 & 3} (last 12 months)	(0.5%)	10%	

In the period Mixed Use Partnerships reported a loss, reflecting increased investment expenditure relating to schemes yet to start on site and for schemes which represent future opportunities for the division. As a result, the ROCE³ for the last 12 months was significantly down on the prior year, based on average capital employed² of £101.5m.

Importantly, the division continued to build on its prior year successes in the first half by converting five schemes previously at preferred bidder stage to signed development agreements, while also converting a

number of opportunities into preferred bidder schemes.

At the end of the period, the division's order book amounted to £4,584m, 150% up on the prior period (HY 2024: £1,830m), reflecting the continued success the division has had in converting a number of schemes previously at preferred bidder stage into in to secured long-term partnership agreements, with a further £695m at preferred bidder stage.

In the period, the division secured long term partnerships with Durham County Council to deliver the first phase of the Durham Innovation District at Aykley Heads and with Manchester City Council for the regeneration of the Civic Centre, Wythenshawe, where the division also signed a collaboration agreement with Wythenshawe Community Housing Group to advance delivery of the first phases of new homes. The division agreed to add a further site to its existing long-term partnership with Oldham Council. Additionally, ECF, the division's strategic joint venture with Homes England and Legal & General, entered into new long-term partnerships with local authorities in Northampton and Hull to bring forward major town centre regeneration programmes.

Elsewhere, the division completed a 215,000 sq ft Civil Service Hub at Talbot Gateway, Blackpool and commenced construction of a 53,000 sq ft office building for the Ministry of Defence. In Bury, construction began on a four-storey Travel Hub, marking the first phase of our regeneration of Prestwich Village Centre.

Progress continued across other active schemes, including at Stroudley Walk in Bromley-by-Bow and, through ECF, Plot C2, a 23-storey residential building, and Willlohaus, an affordable Passivhaus apartment building, both in Salford.

The division's development portfolio included 6 projects on site at the end of the period, totalling £196m gross development value (GDV)⁴, with a further 6 projects, with a GDV of £81m expected to start on site in the second half of this year and a further 15 planned to start in 2026 with a GDV of £465m.

Divisional outlook for Mixed Use Partnerships

The medium-term target for Mixed Use Partnerships is to generate a return on capital up towards 25%.

While the division continues to build a substantial development order book for a number of long-term sizeable schemes, the level of investment relating to those schemes yet to start on site and future opportunities is likely to result in profits for the year being close to break-even levels. The average capital employed for the year is expected to be between c£115m and £125m.

¹ Before exceptional Building Safety Charge of £0.1m (HY 2024: Credit of £0.3m). See Note 2 of the consolidated financial statements

² Capital Employed is calculated as total assets (excluding goodwill, intangibles and cash) less total liabilities (excluding exceptional Building Safety provisions, corporation tax, deferred tax, inter-company financing and overdrafts)

³ Return on Average Capital Employed = (Adjusted operating profit plus interest from JVs) divided by average capital employed

⁴ Represents the divisions share of the gross development value

Fit Out

	HY 2025	HY 2024	Change
	£m	£m	
Revenue	838	630	+33%
Operating profit	58.1	41.3	+41%
Operating margin	6.9%	6.6%	+30bps

Fit Out delivered another market-leading performance in the first half of the year, enjoying significant growth for both revenue and operating profit. With revenue increasing by 33% to £838m (HY 2024: £630m) and operating profit up 41% to £58.1m (HY 2024: £41.3m) the division achieved a strong margin of 6.9% (HY 2024: 6.6%); once again strongly influenced by exceptional volumes and operational leverage. The division's focus on consistent operational delivery and enhanced customer experience continues to underpin its excellent performance in the period, complemented by a high-quality workload through disciplined and focused bidding, which in turn supports the division's strong brand reputation and market position.

The overall balance of the business has been reasonably consistent over recent years, with any movements in geography, type of work and sectors served not indicative of any longer-term trends; the London region remains the division's largest market, accounting for 73% of revenue (HY 2024: 72%) while other regions accounted for the balance of revenue, reinforcing Fit Out's focused but agile approach to its markets and understanding of its own capabilities and skills.

Underpinning the current and future performance is a high-quality workload, with the secured order book strong at £1,445m at the end of the period, 19% up on the prior year position (HY 2024: £1,210m) and in line with the year end position (FY 2024: £1,439m).

Commercial

Notable projects won in London during the period included 355,000 sq ft for A&O Shearman at 2 Broadgate; 78,000 sq ft for Standard Chartered Bank near Moorgate and 77,500 sq ft for Dentons UK and Middle East LLP. Key regional project wins in the period included two projects for Arm - 110,000 sq ft in Cambridge and 71,000 sq ft in Manchester.

Commercial fit out projects on site or completed in London during the period included Citi in Canary Wharf; 380,000 sq ft for PwC at More London; 277,000 sq ft for Latham & Watkins on Leadenhall Street; 156,000 sq ft for Unilever in Kingston-upon-Thames; 158,000 sq ft for Travers Smith; 129,000 sq ft for JLL at 1 Broadgate; 114,000 sq ft for law firm Reed Smith near Spitalfields; 110,000 sq ft for a professional services firm; 109,000 sq ft for Aviva at 80 Fenchurch Street, 101,000 sq ft fit out for Investec on Gresham Street; two projects totalling 99,500 sq ft for Deloitte at New Street Square; 83,000 sq ft for Wise in Worship Square and 56,000 sq ft for Standard Chartered Bank. At a regional level, this included: 185,000 sq ft for a UK consumer, corporate and wealth and private banking franchise in Northampton; two projects for Lloyds Banking Group - 160,000 sq ft in Leeds and 152,500 sq ft in Birmingham; and 144,000 sq ft for Wirral Borough Council.

Science & Research and Higher Education

In the period, key projects won in the year included 28,000 sq ft at Begbroke Science Park for University of Oxford and 15,000 sq ft for Queen Mary University. Projects on site or completed during the period included 310,000 sq ft for British Land at 1 Triton Square in London and 100,000 sq ft at Durham University School of Business.

Design & Build

Key projects won in this segment during the period included 100,000 sq ft of lab and research facilities for Riverlabs in Ware; 78,000 sq ft for EDF in Bristol and 60,000 sq ft for Monster Energy Europe in Uxbridge. Projects on site or completed during the period included 120,000 sq ft for Wood Group at Green Park in Reading and 50,000 sq ft for Mapletree at Green Park in Reading.

Frameworks

Notable Projects won under frameworks and corporate partnerships included £4m of works for the Mayor's Office for Policing and Crime (MOPAC), with a future order book of £29m.

Divisional outlook for Fit Out

Given the current continuation of the favourable Fit Out market, the increased medium-term target for Fit Out is to deliver an average annual operating profit of £80m-£100m.

Based on the timing of projects in the order book and the current visibility the division has of future workload for the forthcoming year, the division is expected to have another strong year in 2025, with profits expected to significantly exceed the top end of this increased target range.

Construction

	HY 2025 £m	HY 2024 £m	Change
Revenue	523	519	+1%
Operating profit	16.1	14.1	+14%
Operating margin	3.1%	2.7%	+40bps

Construction's revenue remained broadly in line with the prior period at £523m (HY 2024: £518.5m), while

operating profit increased by 14% to £16.1m (HY 2024: £14.1m), resulting in an operating margin of 3.1% (HY2024: 2.7%). The strong profit performance was once again attributable to the improvement in the overall quality of earnings through disciplined contract selectivity and operational delivery together with prudent risk management within its order book.

The business is c90% public sector focused, with projects primarily delivered through frameworks and with education continuing to be the largest market sector served at around 45%, with increasing exposure to health, defence and justice work.

The division continued to experience strong momentum in winning new work, with the secured order book at £1,129m, 32% ahead of the prior year (HY 2024: £856m). In addition to its secured order book, there continues to be a significant amount of suitable work available in the market aligned to the sectors that the division operates within, much of which is being generated through negotiated or existing frameworks. At the end of the period, the division had a further £1,345m of work at preferred bidder stage, providing visible confidence of a sizeable ongoing workload for the forthcoming periods.

Key work won in the period included a £78m life sciences redevelopment in Canary Wharf, the £24m Bishops Auckland Leisure Centre for Durham County Council as well as the new £29m Caerphilly Leisure Centre in South Wales, the £27m redevelopment of Southampton Outdoor Sports Centre, the £35m Alconbury Weald Secondary School for Cambridge County Council alongside six emergency services projects and five defence projects totalling £32m and £91m respectively and the £34m Clydach Additional Learning Needs School for Rhondda Cynon Taf County Borough Council.

Divisional outlook for Construction

Based on the market position held, together with future prospects and the decision to integrate Property Services into the Construction division from 1 January 2026, the increased medium-term target for Construction is to deliver an operating margin between 3.0% and 3.5% per annum with an annual revenue target in excess of £1.5bn.

For 2025, the operating margin is expected to be in the middle of its medium-term target range with revenues also set to exceed £1bn.

Infrastructure¹

	HY 2025 £m	HY 2024 £m	Change
Revenue	482	530	-9%
Operating profit	18.4	19.7	-7%
Operating margin	3.8%	3.7%	+10bps

Following its strong work winning successes in the prior year, Infrastructure's trading performance in the first half for both revenue and profits reflected the early phasing and nature of projects delivered through these recently awarded large frameworks, while still ensuring a high-quality operational delivery across its existing contract portfolio. Revenue decreased by 9% to £482m (HY 2024: £530m) with operating profit declining by 7% to £18.4m (HY 2024: £19.7m), while its operating margin expanded by 10 basis points to 3.8% compared to this time last year. (HY 2024: 3.7%).

Infrastructure's order book of £1,873m was 11% up compared to the prior period (HY 2024: £1,682m), with a further £668m of work at preferred bidder stage. The order book continues to remain long term in nature, with around 98% derived through existing frameworks. The division remains focused on the key sectors of energy, nuclear, rail, highways, water and defence. Its markets have significant long-term committed investment programmes in place, largely driven by government and regulatory objectives. The division continues to see its clients awarding large long-term frameworks to its delivery partners, with projects

focused on delivering the strategic outcomes over the term of the framework.

Following ScottishPower's £5.4bn partnership announcement at the end 2024, the division has been appointed as the sole contractor for the Denny to Wishaw Network Optimisation project in the Early Contractor Involvement phase. In addition, they have secured the substation portfolio for the North West region as part of National Grid's Electricity Transmission Partnership.

Elsewhere the division made good progress on a number of key projects, including a project on the Shetland Islands which is reaching completion. The project for Scottish & Southern Electricity Network (SSEN) will play a key role in the connection of the Viking wind farm, capable of generating 500MW. The energy business also continues to make progress on a number of schemes for National Grid Electricity Transmission along with growth on the Great Grid Partnership. The division's nuclear business unit continues to progress with the Electrical Upgrade programme at Sellafield, along with the Programme and Project Partners Sellafield Product and Residue Store Retreatment Plant (SRP) achieving a major milestone with the topping off of the 30m high roof.

In Rail, works are progressing well on the Beckton Depot upgrade for Transport for London along with Surrey Quays and Colindale stations. Work is also progressing on the Liverpool Street Station roof refurbishment, which was awarded in 2024 by Network Rail, where one of the UK's busiest transport hubs is now benefiting from increased natural light. With the award of the AMP8 Framework with Wessex Water in 2024, the team has commenced works on several Combined Sewer Overflow projects across the framework.

In the Baker Hicks design business, design and assurance services have been provided to key OEMs and contractors on the Eastern Green Link 1 & 2 Schemes, one of the largest electrical infrastructure projects to be delivered in the UK, with a combined capex programme value of £6.5bn, which will form an electrical 'superhighway', unlocking the renewable energy reserves in the North Sea, supporting the transition of the UK's energy use from fossil fuels to renewable resource. Work continued during the year on an innovative feed additive facility for East Dunbartonshire Council in Dalry, North Ayrshire to reduce methane emissions from cattle.

Divisional outlook for Infrastructure

The medium-term target for Infrastructure is to deliver an operating margin between 3.75% and 4.25% per annum, with an annual revenue target in excess of £1bn.

For the full year, based upon the timing of projects and the projected type of work, its operating margin is expected to be in the middle of the medium-term range, while revenues continue to be expected to be slightly below £1bn. This is underpinned by their continued focus on long-term client relationships, disciplined contract selectivity, risk management and project delivery.

¹ Design results are reported within Infrastructure

Property Services

	HY 2025	HY 2024	Change
	£m	£m	
Revenue	104	103	+1%
Operating profit/(loss) ¹	0.5	(11.0)	n/a
Operating margin ¹	0.5%	-10.7%	n/a

¹ before intangible amortisation of £0.4m (HY 2024: £0.3m)

Following the completion of the business remediation programme at the end of 2024, the division has continued to stabilise its business activities resulting in a small profit in the first half of this year of £0.5m (HY 2024: Operating Loss £11.0m).

Revenues remained in line with the prior period at £104m (HY 2024: £103m), with a secured order book at £781m, down 22% from the prior year (HY 2024: £1,006m) and 12% from the full year position (FY 2024: £887m), as the division focussed its efforts on operational delivery across its existing contract portfolio, as well as rebalancing its maintenance activities more towards planned work. Of the orderbook remaining, 89% is for 2026 and beyond, with future growth for 2025 onwards expected to come through existing client contracts.

Divisional outlook for Property Services

Given the alignment of its ongoing activities to Construction, the division will fully integrate into the Construction division from 1st January 2026; until then it will continue to report as a standalone division through to 31st December 2025 and is still positioned to deliver a modest profit in 2025.

Other Financial Information

Other Financial Information

1. Net finance income. Net finance income was £4.1m, a decrease of £0.5m compared to HY 2024.

	HY 2025 £m	HY 2024 £m	Change £m
Interest income on bank deposits	8.1	8.9	(0.8)
Amortisation of bank fees & non-utilisation fees	(1.0)	(1.0)	-
Interest expense on lease liabilities	(2.0)	(1.8)	(0.2)
Other	(1.0)	(1.5)	+0.5
Total net finance income	4.1	4.6	(0.5)

2. Tax. A reported tax charge of £22.4m is shown for the year (HY 2024: £17.5m). This equates to an effective tax rate of 23.5% on profit before tax. The adjusted tax charge is £24.1m (HY 2024: £17.8m).

	HY 2025 £m	HY 2024 £m
Profit before tax	95.4	70.1
Less: share of underlying ¹ net loss/(profit) in joint ventures	(1.8)	0.1
Profit before tax excluding joint ventures	93.6	70.2
Statutory tax rate	25.0%	25.0%
Current tax charge at statutory rate	(23.4)	(17.6)
Tax on underlying ¹ joint venture profits ²	(0.5)	-
Tax on exceptional items	1.6	0.2
Residential Property Developer tax	-	(0.1)
Other adjustments	(0.1)	-
Tax charge as reported	(22.4)	(17.5)
<i>Tax on amortisation</i>	<i>(0.1)</i>	<i>(0.1)</i>
<i>Tax on exceptional items</i>	<i>(1.6)</i>	<i>(0.2)</i>
Adjusted tax charge	(24.1)	(17.8)

¹ Underlying net profit of joint ventures excludes the exceptional Building Safety charge of £0.1m related to joint ventures (HY2024: Charge £0.6m)

² Most of the Group's joint ventures are partnerships where profits are taxed within the Group rather than the joint venture

3. Net working capital. 'Net Working Capital' is defined as 'Inventories plus Trade & Other Receivables (including Contract Assets), less Trade & Other Payables (including Contract Liabilities)' adjusted as below.

	HY 2025 £m	HY 2024 £m	Change £m
Inventories	559.5	417.3	+142.2
Trade & Other Receivables ¹	755.3	772.5	(17.2)
Trade & Other Payables ²	(1,319.6)	(1,238.9)	(80.7)
Net working capital	(4.8)	(49.1)	+44.3

¹ Adjusted to exclude capitalised arrangement fees and accrued interest receivable of £1.5m (HY 2024: £1.8m) and exceptional Building Safety receivables of £11.6m (HY 2024: £8.1m).

² Adjusted to exclude accrued interest payable of £0.5m (HY 2024: £0.6m).

4. Cash flow. Operating cash flow was an outflow of £16.7m (HY 2024: outflow of £36.1m). Free cash flow was an outflow of £31.5m (HY 2024: outflow of £50.0m).

HY 2025	HY 2024	Last 12
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	£m	£m	Months
Operating profit - adjusted	91.8	65.5	188.9
Depreciation	19.7	15.3	37.5
Share option expense	4.3	4.4	10.4
Movement in fair value of shared equity loans	-	-	-
Reversal of impairment of joint ventures	-	-	(5.1)
Share of underlying ¹ net loss/(profit) of joint ventures	(1.8)	0.1	(6.5)
Other operating items ²	(3.2)	5.9	0.8
Change in working capital	(112.6)	(104.9)	(41.5)
Net capital expenditure (including repayment of finance leases)	(15.9)	(22.4)	(35.6)
Dividends and interest received from joint ventures	1.0	-	5.2
Operating cash flow	(16.7)	(36.1)	154.1
Income taxes paid	(22.5)	(22.3)	(44.1)
Net interest received/(paid) (non-joint venture)	7.7	8.4	15.5
Free cash flow	(31.5)	(50.0)	125.5

¹ 'Underlying net profit of joint ventures excludes the exceptional building safety charge (£0.1m) related to joint ventures

² 'Other operating items' includes provision utilised building safety provision (£2.8m), an increase in provisions (£0.2m) and a gain on disposal of PPE (£0.2m).

5. Net cash. Net cash at 30 June 2025 was £390m, as a result of a net cash outflow of £102.9m from 1 January 2025, with movements summarised as:

	£m
Net cash as at 1 January 2025	492.4
Free cash flow (as above)	(31.5)
Dividends	(42.3)
Other ¹	(29.1)
Net cash as at 30 June 2025	389.5

¹ 'Other' includes the purchase of shares in the Company by the employee benefit trust (£14.2m) and net loan repayments received from JVs (£24.1) less proceeds from the exercise of share options (£9.1m) and proceeds from the issue of new shares (£0.1m).

6. Capital employed by strategic activity. An analysis of the capital employed in **Construction Services** and **Fit Out** shows a decrease of £88.4m since the prior period, split as follows:

Capital employed^{1,2} in Construction Services and Fit Out	HY 2025 £m	HY 2024 £m	Change £m
Construction	(252.9)	(228.4)	(24.5)
Infrastructure	(68.4)	(84.5)	+16.1
Fit Out	(125.1)	(70.6)	(54.5)
Property Services	16.4	41.9	(25.5)
	(430.0)	(341.6)	(88.4)

An analysis of capital employed in the **Partnership** activities shows an increase of £136.0m since the prior period, split as follows:

Capital employed^{1,2} in Partnerships	HY 2025 £m	HY 2024 £m	Change £m
Partnership Housing	434.1	332.6	+101.5
Mixed Use Partnerships	126.9	92.4	+34.5
	561.0	425.0	+136.0

¹ Total assets (excluding goodwill, intangibles, inter-company financing and cash) less total liabilities (excluding corporation tax, deferred tax, inter-company financing and overdrafts)

² Adjusted to exclude Building Safety provisions

7. Dividends. The Board of Directors has proposed an interim dividend of 50.0p per share, an increase of 20% on the prior year interim dividend (HY 2024: 41.5p). This will be paid on 23 October 2025 to shareholders on the register on 3 October 2025. The ex-dividend date will be 2 October 2025.

8. Principal risks and uncertainties. The Board continues to take a proactive approach to recognising and mitigating risk with the aim of protecting and safeguarding the interests of the Group and its shareholders in the changing environment in which it operates.

Details of the principal risks facing the Group and mitigating actions are included within the 2024 Annual Report. These are still considered to be relevant risks and uncertainties for the Group at this time and are summarised below (in no order of magnitude):

Summary of principal risks as per 2024 Annual Report:

Economic change and uncertainty - UK construction continues to benefit from sustained government investment commitments reinforced in the June Spending Review. This strengthens support for the Group's market segments particularly in regeneration, construction and infrastructure (primary areas in the UK targeted for growth). In addition, the Group's diversity of offering and strong balance sheet protects the business from cyclical changes in individual markets.

Exposure to UK housing market - The Group's long-term public sector partnerships models, Government support and together with the UK's affordable housing need. Prior headwinds such as inflation, mortgage rates and cost of living have slightly eased during the reporting period, albeit we are seeing slowing sales pace and minor increases in average selling prices. Planning constraints continue to contribute to a slowdown in sales despite Government commitments to speed up the process and in Mixed Use Partnerships, identifying forward funders on some schemes is impacting start on site and potential viability.

Poor contract selection and/or bidding - The Group continues its selective approach to tendering work predominantly through frameworks and two -stage negotiated procurement. The Group remains focussed on maintaining a quality orderbook by operating within its target markets and proven capabilities

Health and Safety - The Group remains focussed on protecting the health, safety and wellbeing of its people, supply chain and other key stakeholders. It continues to monitor health and safety performance closely and invest significantly in its HSE management systems. Failure to do so could damage the Group's reputation as a responsible employer and affect its ability to secure future work.

Failure to attract and retain talented people to maintain and grow the business - Talented people are key to the Group's success, needed to deliver successful projects and a positive customer experience. Skills shortages in construction remain an industry issue for the foreseeable future. In the short to medium-term, the Group is focussing on increasing its diversity across a number of areas.

Insolvency of key client, subcontractor, joint venture partner or supplier - There have been no further major supply chain or main contractor insolvencies in the reporting period. However, this remains a risk as its supply chain partners may be trading with strained finances as a result of challenging market conditions and borrowing pressures. The Group's teams are acutely aware of this and have increased their due diligence as well as providing help and assistance where appropriate. In some limited circumstances the Group has supported key partners with more favourable terms to assist their cash flow while obtaining assurance on production progress and forms of guarantee.

Mismanagement of working capital and investments - The Group's strong balance sheet and cash position continue to support long term investment in partnership schemes and protect against economic downturns. Its effective management of working capital and investments is a key differentiator and provides confidence to clients and investors.

Climate change - Failure to protect the environment in which the Group operates by reducing carbon emissions and waste and to fully consider potential environmental risks on projects could cause delays to projects and damage the Group's reputation. The Group has been acknowledged as leaders in its sector, however, there is a recognition that there is much to do as progress continues towards its 2045 net zero goal.

UK cyber activity and failure to invest in information technology - Recent Cyber-attacks in the UK retail

UK cyber activity and failure to invest in information technology. Recent cyber attacks in the UK retail industry have highlighted the importance of effective cyber security controls. To counter this risk the Group continues to invest in its IT and cyber infrastructure. The Group has re-certified to ISO27001 and the Government's Cyber Essentials Plus scheme. It is the first company to achieve Defence Cyber Certification (DCC) developed with the UK Ministry of Defence positioning the Group as a trusted partner for government contracts. The Group views effective IT and cyber risk management as essential to avoid system downtime, data loss and reputational damage that could also result in significant fines and/or prosecution.

Cautionary forward-looking statement

These results contain forward-looking statements based on current expectations and assumptions. Various known and unknown risks, uncertainties and other factors may cause actual results to differ from any future results or developments expressed or implied from the forward-looking statements. Each forward-looking statement speaks only as of the date of this document. The Group accepts no obligation to publicly revise or update these forward-looking statements or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.

Financial Statements

For the six months ended 30 June 2025

Condensed consolidated income statement

For the six months ended 30 June 2025

		Six months to 30 June 2025 (unaudited) £m	Six months to 30 June 2024 (unaudited) £m	Year ended 31 Dec 2024 (audited) £m
	Notes			
Revenue		2,369.5	2,214.2	4,546.2
Cost of sales		(2,094.3)	(1,978.0)	(4,016.3)
Gross profit		275.2	236.2	529.9
Analysed as:				
Adjusted gross profit		275.2	235.3	528.6
Exceptional building safety items	3	-	0.9	1.3
Impairment loss on contract assets		-	-	(21.0)
Administrative expenses		(187.4)	(171.4)	(360.0)
Share of net profit of joint ventures	7	1.7	(0.7)	3.2
Other operating income		1.8	1.4	9.9
Operating profit		91.3	65.5	162.0
Analysed as:				
Adjusted operating profit		91.8	65.5	162.6
Exceptional building safety items	3	(0.1)	0.3	(0.1)
Amortisation of intangible assets		(0.4)	(0.3)	(0.5)
Finance income		8.1	8.9	18.2
Finance expense		(4.0)	(4.3)	(8.3)
Profit before tax		95.4	70.1	171.9
Analysed as:				
Adjusted profit before tax		95.9	70.1	172.5
Exceptional building safety items	3	(0.1)	0.3	(0.1)
Amortisation of intangible assets		(0.4)	(0.3)	(0.5)
Tax	4	(22.4)	(17.5)	(40.2)
Profit for the period		73.0	52.6	131.7
Attributable to:				
Owners of the Company		73.0	52.6	131.7
Earnings per share				
Basic	6	155.7p	113.1p	281.4p
Diluted	6	149.3p	110.0p	271.5p

There were no discontinued operations in either the current or comparative periods.

Condensed consolidated statement of comprehensive income

For the six months ended 30 June 2025

	Six months to 30 June 2025 (unaudited) £m	Six months to 30 June 2024 (unaudited) £m	Year ended 31 Dec 2024 (audited) £m
Profit for the period	73.0	52.6	131.7
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange movement on translation of overseas operations	0.1	-	(0.3)
Net (loss)/gain arising on revaluation of cash flow hedges	-	-	(0.1)
	0.1	-	(0.4)
Other comprehensive income/(expense)	0.1	-	(0.4)
Total comprehensive income	73.1	52.6	131.3

Attributable to:

Owners of the Company	73.1	52.6	131.3
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Condensed consolidated statement of financial position

At 30 June 2025

		30 June 2025 (unaudited) £m	30 June 2024 (unaudited) £m	31 Dec 2024 (audited) £m
	Notes			
Assets				
Goodwill and other intangible assets		217.8	218.3	218.1
Property, plant and equipment		93.9	93.8	95.1
Investment property		0.6	0.8	0.6
Investments in joint ventures	7	136.7	121.1	111.9
Non-current assets		449.0	434.0	425.7
Inventories		559.5	417.3	476.0
Contract assets		302.9	332.1	224.6
Trade and other receivables	8	465.5	450.3	453.5
Current tax assets		6.7	2.9	6.6
Cash and cash equivalents	11	465.8	391.9	544.2
Current assets		1,800.4	1,594.5	1,704.9
Total assets		2,249.4	2,028.5	2,130.6
Liabilities				
Contract liabilities		(99.9)	(97.8)	(110.4)
Trade and other payables	9	(1,208.6)	(1,116.6)	(1,130.3)
Lease liabilities		(22.5)	(21.2)	(22.6)
Borrowings	11	(76.3)	(41.4)	(51.8)
Provisions	10	(79.1)	(70.4)	(85.1)
Current liabilities		(1,486.4)	(1,347.4)	(1,400.2)
Net current assets		314.0	247.1	304.7
Trade and other payables	9	(11.6)	(24.9)	(16.6)
Lease liabilities		(48.7)	(44.8)	(44.1)
Deferred tax liabilities		(2.1)	(8.7)	(2.1)
Provisions	10	(23.3)	(22.6)	(20.4)
Non-current liabilities		(85.7)	(101.0)	(83.2)
Total liabilities		(1,572.1)	(1,448.4)	(1,483.4)
Net assets		677.3	580.1	647.2
Equity				
Share capital		2.4	2.4	2.4
Share premium account		65.8	56.1	65.7
Other reserves		1.0	1.3	0.9
Retained earnings		608.1	520.3	578.2
Equity attributable to owners of the Company		677.3	580.1	647.2
Total equity		677.3	580.1	647.2

Condensed consolidated cash flow statement

For the six months ended 30 June 2025

		Six months to 30 June 2025 (unaudited) £m	Six months to 30 June 2024 (unaudited) £m	Year ended 31 Dec 2024 (audited) £m
	Notes			
Operating activities				
Operating profit		91.3	65.5	162.0
Adjusted for:				
Exceptional building safety items	3	(2.8)	(2.8)	2.1

Amortisation of intangible assets		0.4	0.3	0.5
Underlying share of net profit of equity-accounted joint ventures	7	(1.8)	0.1	(4.6)
Depreciation		17.3	15.3	33.1
Impairment of property, plant and equipment		2.4	-	-
Share-based payments		4.3	4.4	10.5
Gain on disposal of property, plant and equipment		(0.2)	(0.3)	(0.7)
Reversal of impairment on investments in joint ventures		-	-	(5.1)
(Decrease)/increase in provisions excluding exceptional building safety items	10	(0.2)	0.3	8.7
Operating cash inflow before movements in working capital		110.7	82.8	206.5
Increase in inventories		(83.5)	(72.6)	(131.3)
(Increase)/decrease in contract assets		(78.3)	(61.5)	46.0
(Increase)/decrease in receivables		(12.6)	10.9	7.8
(Decrease)/increase in contract liabilities		(10.5)	2.0	14.6
Increase in payables		72.3	24.7	29.1
Movements in working capital		(112.6)	(96.5)	(33.8)
Cash (outflow)/ inflow from operations		(1.9)	(13.7)	172.7
Income taxes paid		(22.5)	(22.3)	(43.9)
Net cash (outflow)/inflow from operating activities		(24.4)	(36.0)	128.8
Investing activities				
Interest received		8.4	8.9	18.0
Dividends from joint ventures		1.0	-	4.2
Proceeds on disposal of property, plant and equipment		0.8	0.3	1.9
Purchases of property, plant and equipment		(3.4)	(10.9)	(18.2)
Purchases of intangible fixed assets		(0.1)	-	-
Capital advances to joint ventures	7	(34.7)	(24.1)	(29.1)
Capital repayments from joint ventures	7	10.6	8.9	27.9
Net cash (outflow)/inflow from investing activities		(17.4)	(16.9)	4.7
Financing activities				
Interest paid		(0.6)	(0.5)	(1.9)
Dividends paid	5	(42.3)	(36.5)	(56.1)
Repayments of lease liabilities		(13.2)	(11.8)	(25.8)
Proceeds on issue of share capital		0.1	0.1	9.7
Payments by the Trust to acquire shares in the Company		(14.2)	(22.2)	(47.2)
Proceeds on exercise of share options		9.1	13.6	19.5
Net cash outflow from financing activities		(61.1)	(57.3)	(101.8)
Net (decrease)/increase in cash and cash equivalents		(102.9)	(110.2)	31.7
Cash and cash equivalents at the beginning of the period		492.4	460.7	460.7
Cash and cash equivalents at the end of the period	11	389.5	350.5	492.4

Cash and cash equivalents presented in the consolidated cash flow statement include bank overdrafts. See note 11 for a reconciliation to cash and cash equivalents presented in the consolidated statement of financial position.

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2025

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
1 January 2025	2.4	65.7	0.9	578.2	647.2
Profit for the period	-	-	-	73.0	73.0
Other comprehensive income	-	-	0.1	-	0.1
Total comprehensive (expense)/income	-	-	0.1	73.0	73.1
Share-based payments	-	-	-	4.3	4.3
Issue of shares at a premium	-	0.1	-	-	0.1
Purchase of shares in the Company by the Trust	-	-	-	(14.2)	(14.2)
Exercise of share options	-	-	-	9.1	9.1
Dividends paid	-	-	-	(42.3)	(42.3)
30 June 2025 (unaudited)	2.4	65.8	1.0	608.1	677.3

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
1 January 2024	2.4	56.0	1.3	508.4	568.1
Profit for the period	-	-	-	52.6	52.6
Total comprehensive income	-	-	-	52.6	52.6
Share-based payments	-	-	-	4.4	4.4
Issue of shares at a premium	-	0.1	-	-	0.1
Exercise of share options	-	-	-	13.6	13.6
Purchase of shares in the Company by the Trust	-	-	-	(22.2)	(22.2)
Dividends paid	-	-	-	(36.5)	(36.5)
30 June 2024 (unaudited)	2.4	56.1	1.3	520.3	580.1

Share	Share premium	Other	Retained	Total
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	share capital £m	premium account £m	Other reserves £m	retained earnings £m	total equity £m
1 January 2024	2.4	56.0	1.3	508.4	568.1
Profit for the year	-	-	-	131.7	131.7
Other comprehensive income	-	-	(0.4)	-	(0.4)
Total comprehensive income	-	-	(0.4)	131.7	131.3
Share-based payments	-	-	-	10.5	10.5
Tax relating to share-based payments ¹	-	-	-	11.4	11.4
Issue of shares at a premium	-	9.7	-	-	9.7
Purchase of shares in the Company by the Trust	-	-	-	(47.2)	(47.2)
Exercise of share options	-	-	-	19.5	19.5
Dividends paid	-	-	-	(56.1)	(56.1)
31 December 2024 (audited)	2.4	65.7	0.9	578.2	647.2

¹ Tax relating to share-based payments includes a current tax credit of £5.8m and a deferred tax credit of £5.6m.

Other reserves

Other reserves include:

- Capital redemption reserve of £0.6m (30 June 2024: £0.6m, 31 December 2024: £0.6m) which was created on the redemption of preference shares in 2003.
- Hedging reserve of £(0.9)m (30 June 2024: £(0.8)m), 31 December 2024: £(0.9)m) arising under cash flow and net investment hedge accounting. Movements on the effective portion of hedges are recognised through the hedging reserve, whilst any ineffectiveness is taken to the income statement.
- Translation reserve of £1.3m (30 June 2024: £1.5m, 31 December 2024: 1.2m) arising on the translation of overseas operations into the Group's functional currency.

Retained earnings

Retained earnings include shares in Morgan Sindall Group plc purchased in the market and held by the Morgan Sindall Employee Benefit Trust to satisfy options under the Group's share incentive schemes. The number of shares held by the Trust at 30 June 2025 was 1,027,669 (30 June 2024: 965,018, 31 December 2024: 1,241,722) with a cost of £56.6m (30 June 2024: £23.8mm, 31 December 2024: £51.5m).

Notes to the consolidated financial statements

For the six months ended 30 June 2025

Basis of preparation

General information

The financial information for the year ended 31 December 2024 set out in this half year report does not constitute the Company's statutory accounts as defined by section 434 of the Companies Act 2006. A copy of the statutory accounts for that year was delivered to the Registrar of Companies. The auditor reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain a statement under s498(2) or (3) of the Companies Act 2006. This half year report has not been audited or reviewed by the auditor pursuant to the Auditing Practices Board guidance on the Review of Interim Financial Information. Figures as at 30 June 2025 and 2024 and for the six months ended 30 June 2025 and 2024 are therefore unaudited.

Basis of preparation

The annual financial statements of Morgan Sindall Group plc are prepared in accordance with the requirements of the Companies Act 2006 and UK-adopted international accounting and reporting standards (UK IAS) The condensed consolidated financial statements included in this half year report were prepared in accordance with IAS 34 'Interim Financial Reporting'. While the financial information included in this half year report was prepared in accordance with the recognition and measurement criteria of UK IAS, this half year report does not itself contain sufficient information to comply with UK IAS.

Going concern

As at 30 June 2025, the Group had cash of £465.8m and total overdrafts repayable on demand of £76.3m (together net cash of £389.5m). Should further funding be required the Group has total committed banking facilities of £180m which are in place for greater than one year. The directors have reviewed the Group's forecasts and projections and have modelled certain downside scenarios which show that the Group will have a sufficient level of headroom

have modelled certain downside scenarios which show that the Group will have a sufficient level of headroom within facility limits and covenants for the going concern period, which the directors have defined as the period from the date of approval of the 30 June 2025 financial statements through to 8 August 2026. After making enquiries the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the going concern period to 29 July 2026. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

Tax

A tax charge of £22.4m is shown for the six month period (six months to 30 June 2024: £17.5m, year ended 31 December 2024: £40.2m). This tax charge is recognised based upon the best estimate of the average effective income tax rate on profit before tax for the full financial year.

Changes in accounting policies

There have been no significant changes to accounting policies, presentation or methods of preparation since the Group's latest annual audited financial statements for the year ended 31 December 2024.

Seasonality

The Group's activities are generally not subject to significant seasonal variation.

2 Business segments

For management purposes, the Group is organised into six operating divisions: Partnership Housing, Mixed Use Partnerships, Fit Out, Construction, Infrastructure and Property Services, and this is the structure of segment information reviewed by the Chief Operating Decision Maker (CODM). The CODM is determined to be the Board of directors and reporting provided to the Board is in line with these six divisions, which have been considered to be the Group's operating segments.

The six operating divisions' activities are as follows:

- Partnership Housing: Lovell Partnerships Limited is focused on working in partnerships with local authorities and housing associations. Activities include mixed-tenure developments, building and developing homes for open market sales and for social/affordable rent, design and build house contracting and planned maintenance and refurbishment.
- Mixed Use Partnerships: Muse Places Limited is focused on transforming the urban landscape through partnership working and the development of multi-phase sites and mixed-use regeneration.
- Fit Out: Overbury plc specialises in fit out and refurbishment in commercial, central and local government offices and further education. Morgan Lovell plc provides office interior design and build services direct to occupiers.
- Construction: Morgan Sindall Construction focuses on education, healthcare, commercial, industrial, leisure and retail markets.
- Infrastructure: Morgan Sindall Infrastructure focuses on energy, nuclear, rail, highways, water and defence markets. Infrastructure also includes the BakerHicks design activities based out of the UK and Switzerland.
- Property Services: Morgan Sindall Property Services Limited provides response and planned maintenance for social housing and the wider public sector.

Group activities represent costs and income arising from corporate activities which cannot be meaningfully allocated to the operating segments. These include the costs of the Group Board, treasury management, corporate tax coordination, Group finance and internal audit, insurance management, company secretarial services, Group general counsel services, information technology services, finance income and finance expense.

Six months to 30 June 2025

	Partnership Housing	Mixed Use Partnerships	Fit Out	Construction	Infrastructure	Property Services	Group Activities	Eliminations	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
External revenue	404.7	25.9	837.1	522.8	474.8	104.2	-	-	2,369.5
Inter-segment revenue	-	-	0.5	-	7.6	-	-	(8.1)	-
Total revenue	404.7	25.9	837.6	522.8	482.4	104.2	-	(8.1)	2,369.5

Adjusted operating profit/(loss) (Note

14)	13.2	(1.5)	58.1	16.1	18.4	0.5	(13.0)	-	91.8
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Amortisation of intangible assets	-	-	-	-	-	(0.4)	-	-	(0.4)
Exceptional operating items	-	(0.1)	-	-	-	-	-	-	(0.1)
Operating profit/(loss)	13.2	(1.6)	58.1	16.1	18.4	0.1	(13.0)	-	91.3

Finance income									8.1
Finance expense									(4.0)
Profit before tax									95.4

Six months to June 2024

	Partnership Housing	Mixed Use Partnerships	Fit Out	Construction	Infrastructure	Property Services	Group Activities	Eliminations	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
External revenue	380.5	59.1	629.8	517.9	523.8	103.1	-	-	2,214.2
Inter-segment revenue	-	-	0.6	0.6	6.3	-	-	(7.5)	-
Total revenue	380.5	59.1	630.4	518.5	530.1	103.1	-	(7.5)	2,214.2

Adjusted operating profit/(loss) (Note 14)	11.7	0.5	41.3	14.1	19.7	(11.0)	(10.8)	-	65.5
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Amortisation of intangible assets	-	-	-	-	-	(0.3)	-	-	(0.3)
Exceptional operating items	-	0.3	-	-	-	-	-	-	0.3
Operating profit/(loss)	11.7	0.8	41.3	14.1	19.7	(11.3)	(10.8)	-	65.5

Finance income									8.9
Finance expense									(4.3)
Profit before tax									70.1

Year ended 31 December 2024

	Partnership Housing	Mixed Use Partnerships	Fit Out	Construction	Infrastructure	Property Services	Group Activities	Eliminations	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
External revenue	855.9	90.5	1,299.2	1,043.3	1,034.1	223.2	-	-	4,546.2
Inter-segment revenue	5.3	-	1.1	0.8	12.9	-	-	(20.1)	-
Total revenue	861.2	90.5	1,300.3	1,044.1	1,047.0	223.2	-	(20.1)	4,546.2

Impairment loss on contract assets	-	-	-	-	-	(21.0)	-	-	(21.0)
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Adjusted operating profit/(loss) (Note 14)	36.1	1.5	99.0	30.9	38.5	(17.8)	(25.6)	-	162.6
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Amortisation of intangible assets	-	-	-	-	-	(0.5)	-	-	(0.5)
Exceptional operating items	(2.7)	5.9	-	0.1	-	(3.4)	-	-	(0.1)
Operating profit/(loss)	33.4	7.4	99.0	31.0	38.5	(21.7)	(25.6)	-	162.0

Finance income									18.2
Finance expense									(8.3)
Profit before tax									171.9

During the period ended 30 June 2025, the period ended 30 June 2024, and the year ended 31 December 2024, inter-segment sales were charged at prevailing market prices and significantly all of the Group's operations were carried out in the UK.

Segment assets and liabilities are not presented as these are not reported to the CODM.

3 Exceptional building safety item

	Notes	Six months to 30 June 2025 £m	Six months to 30 June 2024 £m	Year ended 31 Dec 2024 £m
Net releases/(additions) on building safety provisions	10	-	0.9	(8.0)
Insurance and recoveries recognised in receivables		-	-	9.3
Exceptional building safety credit within cost of sales		-	0.9	1.3
Exceptional building safety charge within joint ventures	7	(0.1)	(0.6)	(1.4)
Total exceptional building safety (charge)/credit		(0.1)	0.3	(0.1)

In the current period, the legal and constructive obligations related to the Pledge (including reimbursement of grants provided by the Building Safety Fund), the Building Safety Act and associated fire safety regulations have been reassessed based on further information. The overall movement in the building safety items is a net charge of £0.1m and is shown separately as an exceptional item consistent with prior year treatment.

As at 30 June 2025, the exceptional building safety credit was nil (30 June 2024: £0.3m, 31 December 2024: £0.1m charge) and a £0.1m charge (30 June 2024: £0.6m charge, 31 December 2024: £1.4m charge) has been recognised in respect of the Group's share of constructive and legal obligations to remediate legacy building safety issues within joint ventures, and this has been recognised within the Group's share of net profit of joint ventures.

At the reporting date the Group had not yet made any reimbursements to the Building Safety Fund for amounts previously granted and drawn on any of the developments for which the Group has taken responsibility for. As notified by the MHCLG, any repayments will only be requested upon final completion of all the relevant works. On this basis, any repayments are only likely to commence towards the middle of H2 2025 at the earliest.

4 Tax

The effective tax rate applied for the period was 23.5% (six months to 30 June 2024: 25.0%, year ended 31 December 2024: 23.4%). This reflects the anticipated full year effective rate before adjusting items, as amended for the tax effect of adjusting items incurred in the first half of the financial year.

Deferred tax has been measured using the enacted rates that are expected to apply to the period in which each asset or liability is expected to unwind.

The adjusted effective tax rate for the period was 25.0% (six months to 30 June 2024: 25.4%, year ended 31 December 2024: 24.3%) with the difference between the reported and adjusted rates reflecting adjustments to exclude the impact of the amortisation of intangibles and movements within exceptional items.

5 Dividends

Amounts recognised as distributions to equity holders in the period:

	Six months to 30 June 2025 £m	Six months to 30 June 2024 £m	Year ended 31 Dec 2024 £m
Final dividend for the year ended 31 December 2024 of 90p per share	42.3	-	-
Final dividend for the year ended 31 December 2023 of 78.0p per share	-	36.5	36.5
Interim dividend for the year ended 31 December 2024 of 41.5p per share	-	-	19.6
	42.3	36.5	56.1

A proposed interim dividend of 50.0p per share for 2025 was approved by the Board on 28 July 2025 and will be paid on 23 October 2025 to shareholders on the register at 3 October 2025. The ex-dividend date is 2 October 2025.

6 Earnings per share

	Six months to 30 June 2025 £m	Six months to 30 June 2024 £m	Year ended 31 Dec 2024 £m
Operating profit attributable to the owners of the Company	73.0	53.6	124.7

Profit attributable to the owners of the Company	13.0	52.6	131.7
Adjustments:			
Exceptional building safety items	0.1	(0.3)	0.1
Amortisation of intangible assets	0.4	0.3	0.5
Tax relating to the above adjustments	(1.7)	(0.3)	(1.8)
Adjusted earnings	71.8	52.3	130.5

	30 June 2025	30 June 2024	31 Dec 2024
	Number of shares (millions)	Number of shares (millions)	Number of shares (millions)
Basic weighted average number of ordinary shares	46.9	46.5	46.8
Dilutive effect of share options and conditional shares not vested	2.0	1.3	1.7
Diluted weighted average number of ordinary shares	48.9	47.8	48.5
Basic earnings per share	155.7p	113.1p	281.4p
Diluted earnings per share	149.3p	110.0p	271.5p
Adjusted earnings per share	153.1p	112.5p	278.8p
Diluted adjusted earnings per share	146.8p	109.4p	269.1p

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options and long-term incentive plan shares was based on quoted market prices for the period that the options were outstanding. The average share price for the period was £36.01 (30 June 2024: £23.36, 31 December 2024: £28.05).

A total of 598,962 share options that could potentially dilute earnings per share in the future were excluded from the above calculations because they were anti-dilutive at 30 June 2025 (30 June 2024: 1,416,101, 31 December 2024: 1,806).

7 Investments in joint ventures

Investments in equity-accounted joint ventures are as follows:

		Six months to 30 June 2025	Six months to 30 June 2024	Year ended 31 Dec 2024
	Notes	£m	£m	£m
1 January		111.9	106.6	106.6
Equity-accounted share of net profits:				
Underlying share of net profits		1.8	(0.1)	4.6
Exceptional building safety charge	3	(0.1)	(0.6)	(1.4)
		1.7	(0.7)	3.2
Capital advances to joint ventures		34.7	24.1	29.1
Capital repayments by joint ventures		(10.6)	(8.9)	(27.9)
Non-cash impairment reversal - other operating income		-	-	5.1
Dividends received		(1.0)	-	(4.2)
End of period		136.7	121.1	111.9

During the period ended 30 June 2025, an exceptional building safety charge of £0.1m (30 June 2024: £0.6m charge, 31 December 2024: £1.4m charge) has been recognised in respect of the Group's share of constructive and legal obligations to remediate legacy building safety issues within joint ventures.

8 Trade and other receivables

	30 June 2025	30 June 2024	31 Dec 2024
	£m	£m	£m
Amounts falling due within one year			
Trade receivables	294.1	308.7	300.2
Amounts owed by joint ventures	15.7	17.7	15.8
Prepayments	25.4	24.0	16.1
Insurance receivables	23.5	10.8	23.1
Other receivables	33.5	29.2	29.0
	392.2	390.4	384.2
Amounts falling due after more than one year			
Trade receivables	73.3	59.9	69.3
	73.3	59.9	69.3
Trade and other receivables	465.5	450.3	453.5

The Group holds third party insurances that may mitigate the contract and legal liabilities described in note 10 - Provisions. Insurance receivables are recognised when reimbursement from insurers is virtually certain.

9 Trade and other payables

	30 June 2025	30 June 2024	31 Dec 2024
	£m	£m	£m
Trade payables	244.0	228.9	211.1
Amounts owed to joint ventures	0.2	0.2	0.2
Other tax and social security	128.1	133.6	139.3
Accrued expenses	784.6	717.2	729.8
Deferred income	2.9	4.3	7.1
Land creditors	27.8	18.3	30.8
Other payables	21.0	14.1	12.0
Current	1,208.6	1,116.6	1,130.3
Land creditors	10.3	22.2	15.3
Other payables	1.3	2.7	1.3
Non-current	11.6	24.9	16.6

The directors consider that the carrying amount of trade payables approximates to their fair value. No interest was incurred on outstanding balances.

10 Provisions

	Building Safety £m	Self-insurance £m	Contract & legal £m	Other £m	Total £m
1 January 2024	56.1	19.2	18.3	2.5	96.1
Utilised	(2.5)	(0.4)	(3.5)	-	(6.4)
Additions	0.9	4.0	3.1	-	8.0
Released	(1.8)	(1.6)	(0.2)	(1.1)	(4.7)
30 June 2024	52.7	21.2	17.7	1.4	93.0
Utilised	(4.8)	(0.9)	(4.1)	-	(9.8)
Additions	11.0	0.3	18.4	1.1	30.8
Released	(2.1)	(1.4)	(5.0)	-	(8.5)
1 January 2025	56.8	19.2	27.0	2.5	105.5
Utilised	(2.8)	(1.7)	(2.1)	(0.1)	(6.7)
Additions	-	3.5	3.7	0.2	7.4
Released	-	(0.2)	(3.6)	-	(3.8)
30 June 2025	54.0	20.8	25.0	2.6	102.4
Current	54.0	-	25.0	0.1	79.1
Non-current	-	20.8	-	2.5	23.3
30 June 2025	54.0	20.8	25.0	2.6	102.4

Building Safety provisions

Management have reviewed legal and constructive obligations arising from the Developers Pledge, the Building Safety Act and other associated fire regulations. Where obligations exist, these have been evaluated for the likely cost to address, including repayments of the Building Safety Fund. As a result of this review process provisions are recognised, as reported in the table above, excluding those recognised in joint ventures. The provision is expected to be utilised in the next two years, with repayments to the Building Safety Fund commencing in H2 2025. See note 3 for further detail.

The Group also holds third party insurances that may mitigate the liabilities. Third party insurance reimbursement in respect of these provisions has been recognised as a separate asset, but only when the reimbursement is virtually certain. See notes 3 and 8 for details of mitigating insurance receivables recognised at the period end. Note 12 includes details of contingent liabilities related to building safety.

Self-insurance provisions

Self-insurance provisions comprise the Group's self-insurance of certain risks and include £12.2m (30 June 2024: £11.4m, 31 December 2024: £11.5m) held in the Group's captive insurance company, Newman Insurance Company Limited (the 'Captive').

The Group makes provisions in respect of specific types of claims incurred but not reported (IBNR). The valuation of IBNR considers past claims experience and the risk profile of the Group. These are reviewed periodically and are intended to provide a best estimate of the most likely or expected outcome.

Contract and legal provisions

Contract and legal provisions include liabilities, loss provisions, defect and warranty provisions on contracts that have reached completion.

The Group also holds third party insurances that may mitigate the liabilities. Third party insurance reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. See note 8 for details of mitigating insurance assets recognised at the period end. Note 12 includes details of contingent liabilities related to claims.

Other provisions

Other provisions include property dilapidations and other personnel related provisions.

11 Net cash

	30 June 2025	30 June 2024	31 Dec 2024
	£m	£m	£m
Cash and cash equivalents	465.8	391.9	544.2
Bank overdrafts presented as borrowings due within one year	(76.3)	(41.4)	(51.8)
Cash and cash equivalents reported in the consolidated cash flow statement	389.5	350.5	492.4
Net cash	389.5	350.5	492.4

Included within cash and cash equivalents is £26.5m which is the Group's share of cash held within jointly controlled operations (30 June 2024: £28.0m, 31 December 2024: £23.1m). There is £14.9m included within cash and cash equivalents held for future payments to designated suppliers (30 June 2024: £21.9m, 31 December 2024: £26.0m).

The Group has £180m of committed loan facilities maturing more than one year from the balance sheet date, of which £15m mature in June 2027 and £165m in October 2027. These facilities are undrawn at 30 June 2025.

Average daily net cash during the period to 30 June 2025 was £353.7m (30 June 2024: £371.8m, 31 December 2024: £374.2m). Average daily net cash is defined as the average of the period's end of day balances of the net cash (as defined above) over the course of the reporting period. Management use this as a key metric in monitoring the performance of the business.

12 Contingent liabilities

Group banking facilities and surety bond facilities are supported by cross guarantees given by the Company and participating companies in the Group. There are contingent liabilities in respect of surety bond facilities, guarantees and claims under contracting and other arrangements, including joint arrangements and joint ventures entered into in the normal course of business.

Contingent liabilities may also arise in respect of subcontractor and other third party claims made against the Group, in the normal course of trading. These claims can include those relating to cladding/legacy fire safety matters, and defects. A provision for such claims is only recognised to the extent that the Directors believe that the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation. However, such claims are predominantly covered by the Group's insurance arrangements. Recoveries under insurance arrangements are recognised as insurance receivables when they are considered virtually certain.

Building Safety

At 30 June 2025, provisions in respect of liabilities arising from the Developers Pledge, the Building Safety Act and other associated fire regulations totalled £61.0m (30 June 2024: £58.8m, 31 December 2024: £63.7m), including those related to joint ventures.

The ongoing legislative and regulatory changes in respect of legacy building safety issues create uncertainty around the extent of remediation required for legacy buildings, the liability for such remediation, recoveries from other parties and the time to be considered. It is possible that as remediation work proceeds, additional remedial works are required that may not have been identified from the reviews and physical inspections undertaken to date. The scope of buildings and remediation works to be considered may also change as legislation and regulations continue to evolve.

Uncertainties also exist in respect of the timing and extent of expected recoveries from other third parties involved in developments.

13 Subsequent events

There were no subsequent events that affected the financial statements of the Group.

14 Adjusted Performance Measures

In addition to monitoring and reviewing the financial performance of the operating segments and the Group on a statutory basis, management also use adjusted performance measures which are also disclosed in the annual report. These measures are not an alternative or substitute to statutory IFRS measures but are seen by management as useful in assessing the performance of the business on a comparable basis. These financial measures are also aligned to the measures used internally to assess business performance in the Group's budgeting process and when determining compensation. The Group also uses other non-statutory measures which cannot be derived directly from the financial statements. There are four alternative performance measures used by management and disclosure in the annual report which are:

'Adjusted'

In all cases the term 'adjusted' excludes the impact of intangible amortisation and exceptional items. This is used to improve the comparability of information between reporting periods and aid the reader's understanding of the activities across the Group's portfolio.

Below is a reconciliation between the reported gross profit, operating profit and profit before tax measures on a statutory basis and the adjustment made to calculate adjusted gross profit, adjusted operating profit and adjusted profit before tax.

Adjusted basic earnings per share and adjusted diluted earnings per share are the statutory measures excluding the post-tax impact of intangible amortisation and exceptional items, and the deferred tax charge arising due to changes in UK corporation tax rates. See note 6 for a detailed reconciliation of the adjusted earnings per share measures.

Gross profit

	Note	Six months to 30 June 2025 £m	Six months to 30 June 2024 £m	Year ended 31 Dec 2024 £m
Reported		275.2	236.2	529.9
<i>Adjust for: exceptional building safety items¹</i>	3	-	(0.9)	(1.3)
Adjusted		275.2	235.3	528.6

Operating profit

	Note	Six months to 30 June 2025 £m	Six months to 30 June 2024 £m	Year ended 31 Dec 2024 £m
Reported		91.3	65.5	162.0
<i>Adjust for: exceptional building safety items¹</i>	3	0.1	(0.3)	0.1
<i>Adjust for: amortisation of intangible assets</i>		0.4	0.3	0.5
Adjusted		91.8	65.5	162.6

Profit before tax

	Note	Six months to 30 June 2025 £m	Six months to 30 June 2024 £m	Year ended 31 Dec 2024 £m
Reported		95.4	70.1	171.9
<i>Adjust for: exceptional building safety items¹</i>	3	0.1	(0.3)	0.1
<i>Adjust for: amortisation of intangible assets</i>		0.4	0.3	0.5
Adjusted		95.9	70.1	172.5

¹ The exceptional building safety items include amounts recognised in cost of sales (Enil credit (30 June 2024: £0.9m credit, 31 December 2024: £1.3m credit)) and share of net profit of joint ventures (£0.1m charge (30 June 2024: £0.6m charge, 31 December 2024: £1.4m charge)). See note 3.

'Net cash'

Net cash is defined as cash and cash equivalents less borrowings and non-recourse project financing. Lease liabilities are not deducted from net cash. A

reconciliation of this number at the reporting date can be found in note 11. In addition, management monitor and review average daily net cash as good discipline in managing capital. Average daily net cash is defined as the average of the period's end of day balances of the net cash over the course of a reporting period.

'Operating cash flow'

Management use an adjusted measure for operating cash flow as it encompasses other cash flows that are key to the ongoing operations of the Group such as repayments of lease liabilities, investment in property, plant and equipment, investment in intangible assets, and returns from equity accounted joint ventures. Operating cash flow can be derived from the cash inflow from operations reported in the consolidated cash flow statement as shown below.

Operating cash flow conversion is operating cash flow divided by adjusted operating profit as defined above.

	Six months to 30 June 2025 £m	Six months to 30 June 2024 £m	Year ended 31 Dec 2024 £m
Cash (outflow)/inflow from operations - reported	(1.9)	(13.7)	172.7
Dividends from joint ventures	1.0	-	4.2
Proceeds on disposal of property, plant and equipment	0.8	0.3	1.9
Purchases of property, plant and equipment	(3.4)	(10.9)	(18.2)
Repayments of lease liabilities	(13.2)	(11.8)	(25.8)
Operating cash flow	(16.7)	(36.1)	134.8

'Return on capital employed'

Management use return on capital employed (ROCE) in assessing the performance and efficient use of capital within the Partnership activities. ROCE is calculated as adjusted operating profit plus interest received from joint ventures divided by average capital employed. Average capital employed is based on a 13-point average of total assets (excluding goodwill, other intangible assets and cash) less total liabilities (excluding corporation tax, deferred tax, intercompany financing and overdrafts).

Responsibility Statement

The directors confirm that to the best of their knowledge:

- (a) the unaudited condensed consolidated financial statements, which have been prepared in accordance with UK adopted IAS 34 'Interim Financial Reporting', give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by DTR 4.2.4R;
- (b) the half year report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the half year report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board

John Morgan
Chief Executive Officer

Kelly Gangotra
Chief Financial Officer

29 July 2025



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