

23 June 2026

Results for the year ended 28 March 2026

FY26 results in line with expectations; stronger balance sheet and refreshed strategy support margin recovery

Severfield plc, the market leading structural steel group, announces its results for the year ended 28 March 2026.

Adjusted measures ¹ £m	Year ended ³ 28 March 2026	Year ended ³ 29 March 2025	Change
Underlying operating profit (before JVs and associates)	12.7	21.7	(41)%
Underlying operating margin (before JVs and associates)	2.8%	4.8%	(200)bps
Underlying profit before tax	10.5	18.1	(42)%
Underlying basic earnings per share	2.7p	4.3p	(37)%
Net debt	28.2	43.3	(15.1)
Underlying operating cash conversion	145%	66%	+79pp
Underlying return on capital employed ('ROCE')	7.5%	9.3%	(180)bps

Statutory measures £m	Year ended ³ 28 March 2026	Year ended ³ 29 March 2025	Change
Revenue	454.3	450.9	+1%
Operating loss	(35.1)	(13.7)	(156)%
Operating margin	(7.7)%	(3.0)%	(470)bps
Loss before tax	(39.9)	(17.5)	(128)%
Basic (loss) / earnings per share	(12.0)p	(4.7)p	(7.3)p

Financial Highlights

- UK and European order book increased to £507m, of which £339m is scheduled for delivery over the next 12 months; headwinds of lower margin projects secured in a challenging market, progressively rolling off during FY27. Increase in number of live Pre-Construction Services Agreements
- Record JSSL order book of £344m and record output of 125 kt; increasing exposure to higher-margin commercial work. JSSL is expected to form an increasingly important contributor to Group growth and profitability over the medium-term
- Stable revenue at £454.3m (2025: £450.9m); strong H2 despite a challenging market backdrop
- Underlying¹ profit before tax of £10.5m, in line with market expectations
- Underlying¹ basic earnings per share of 2.7p (2025: 4.3p)
- Net debt of £28.2m reflecting strong cash management, resulting in leverage of 1.2x with c.£39m year-end facility headroom
- Banking facilities extended to June 2029 with two one-year extension options and accordion facility to support future growth
- £50.3m of non-underlying costs, consisting predominantly of £8.3m of bridge remedial costs, £12.6m Modular Solution closure related costs and £22.2m of non-cash impairment of goodwill and investments
- Consistent with the prior year, no final dividend proposed, reflecting the Board's priority to maintain balance sheet strength and financial flexibility. Intention to reinstate, subject to sustainable cash generation and financial framework

Operational Highlights

- Updated senior leadership team and organisational structure in place, led by Paul McNerney, Chief Executive Officer, and Andrew Page, Chief Financial Officer
- Portfolio simplification successfully completed, with the planned exit from Modular Solutions progressing as expected, enabling increased focus
- Continued strong execution across core sectors including the Agratas gigafactory in Somerset, Hinkley Point nuclear power station, and successful delivery of the Salisbury Square development, the new City of London Police headquarters
- Strategy & Transformation Director appointed; with four transformation programmes underway, incorporating previous initiatives across manufacturing, project delivery and business development to drive operational efficiency and profitable growth
- Bridge remedial programme continuing to progress well and expected to be substantially complete during FY27; £15.7m increase in costs partially offset by an additional £7.5m of insurance recoveries secured, taking total insurance recoveries to £27.5m
- Capacity expansion in India progressing as planned, with the development of the Gujarat facility supporting future growth and increased geographic diversification
- Strong progress made on our existing digital transformation initiatives, now embedded within the Group's broader transformation programmes

Strategy update with medium-term ambitions

- Refreshed strategy focused on improving returns and higher margins rather than pursuing volume growth
- Prioritising geographies and industry sectors where engineering expertise and delivery capability provide a clear

- Monitoring geographies and industry sectors where engineering expertise and delivery capability provide a clear competitive advantage, while increasing the use of partnerships to improve flexibility, reduce capital intensity and support returns
- New organisational structure implemented to reduce fragmentation, strengthen client relationships and support optimisation across priority geographic markets and sectors
- New Clients & Markets function - supporting deeper relationships, improved opportunity selection and a clearer understanding of client requirements
- Evolution from fabrication-led to a more integrated, flexible, capital-light delivery model, leveraging internal capabilities alongside a carefully selected network of delivery partners to enhance scalability and returns
- Factory utilisation will be actively managed, in line with demand, supported by increased use of partnerships to enhance flexibility and capital efficiency
- Tighter operational discipline, enhanced governance and a more rigorous approach to execution will improve consistency of delivery and support margin
- Ongoing initiatives to enhance efficiency and cost optimisation across all service lines will support competitiveness and margin progression in the medium term
- The output of the strategic review is a refreshed set of medium-term ambitions, including:
 - Revenue of c.£500m-£550m
 - Sustainable operating margin of 7-8%
 - Underlying profit before tax of £40-50m (including £10m from India JV)
 - ROCE >15%
 - Leverage 1.0x - 1.5x
 - Cash conversion in excess of 90%
 - A sustainable dividend, underpinned by cash generation and a disciplined financial framework

Outlook - Repositioning for profitable growth

- The Group's order book underpins future activity levels providing good visibility of earnings and supporting factory utilisation
- FY27 is expected to be a transition year, with first half profitability continuing to reflect lower margin work secured in a tighter pricing environment, whilst several larger and higher-value projects are expected to commence later in FY27
- The Board expects FY27 underlying profit before tax to be in line with previous guidance of £12m-£15m

Paul McNerney, Chief Executive Officer commented

"FY26 was a challenging year for Severfield, with profitability impacted by competitive pricing, delays to project awards, and lower activity in parts of our core markets. Against this backdrop, the Group delivered stable revenue, underlying profit before tax in line with expectations and significantly improved net debt through strong cash management.

We have taken decisive action to simplify the portfolio, strengthen operational discipline and focus the business on sectors and geographies where our engineering capability gives us a clear competitive advantage. Our refreshed strategy is designed to improve margin quality, cash generation and returns, supported by a more integrated and capital-efficient delivery model.

While FY27 remains a transition year, our order book, growing Indian platform and transformation initiatives give us confidence in the Group's medium-term potential."

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Notes to financials:

¹ stated before non-underlying items of £50.3m (2025: £35.6m) including non-cash impairment charges of £22.2m (2025: £nil), SMS closure costs of £12.6m (2025: £nil), estimated bridge testing and remedial costs (net of insurance recoveries) of £5.7m (2025: £23.4), other bridge-related costs of £2.6m (2025: £9.1), the amortisation of acquired intangible assets of £2.6m (2025: £2.6m) and other non-underlying costs of £4.6m (2025: £2.9). Non-underlying items have been separately identified by virtue of their magnitude or nature to enable a full understanding of the Group's financial performance and to make year-on-year comparisons. They are excluded by management for planning, budgeting and reporting purposes and for the internal assessment of operating performance across the Group and are normally excluded by investors, analysts and brokers when making investment and other decisions (see note 3).

² the Group excludes IFRS 16 lease liabilities from its measure of net funds / debt as they are excluded from the definition of net debt as set out in the Group's borrowing facilities (see note 8).

³ except as otherwise stated '2025 and FY25' and '2026 and FY26' refer to the 52-week periods ended 29 March 2025, and 28 March 2026, respectively. '2027 and FY27' and '2028 and FY28' refer to the 52-week periods ending 27 March 2027 and 25 March 2028, respectively. The Group's accounts are made up to an appropriate weekend date around 31 March each year.

⁴ a reconciliation of the Group's underlying results to its statutory results is provided in the Alternative Performance Measures ('APMs') section (see note 8).

Notes to editors:

Severfield is a 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 six 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

Chief Executive Officer's review

Resilient performance against a challenging market backdrop

The Group delivered a resilient performance in FY26, with revenue and underlying profit before tax in line with expectations. Revenue of £454.3m (2025: £450.9m) was flat on the prior year, with a relatively strong second half performance driven by contract progression and disciplined execution.

The UK and Europe structural steelwork market remained subdued throughout the year, reflecting ongoing macroeconomic and geopolitical uncertainty. Competitive bidding conditions and a constrained pipeline of larger projects continued to place pressure on margins, whilst delays to project start dates further impacted profitability. Against this backdrop, underlying profit before tax for the year was £10.5m (2025: £18.1m), with an underlying operating profit margin of 2.8% (2025: 4.8%).

Despite these challenges, the group delivered a strong operational performance, supported by disciplined project execution, focused cash management and continued progress across several strategically important sectors. We continue to see encouraging tendering activity and a pipeline of attractive large scale projects, particularly for FY28 and beyond, underpinning confidence in the Group's medium term prospects.

The Group reported a statutory operating loss of £35.1m (2025: £13.7m), reflecting £50.3m of non-underlying items recognised during the year. These principally comprised non-cash impairment charges, costs associated with the strategic exit from the Modular Solutions business and bridge testing and remedial costs. Whilst these items significantly impacted the statutory result, they largely relate to portfolio simplification, the resolution of legacy matters and actions taken to support the Group's refreshed strategy. These actions, together with continued progress on the bridge remedial programme, strengthen the platform for future performance by increasing focus on the Group's core structural steel activities and enhancing operational and financial resilience.

The Group enters FY27 with an order book of £507m (1 November 2025: £429m), spread across a broad range of sectors and geographies. With £339m scheduled for delivery over the next 12 months (1 November 2025: £324m), this provides good forward visibility and supports factory activity levels across the Group's core markets. A balanced mix of near-term revenue projects secured in a tighter pricing environment and longer-duration anchor projects provides a strong volume base for Q4 FY27 and into FY28; transitioning towards a higher-margin mix of work.

During the year, we continued to make good progress on several major projects. At the Agratas site in Somerset, a nationally significant battery manufacturing facility for Jaguar Land Rover and Tata Motors, the structural steelwork for the main building is now complete, with ancillary works ongoing. We have successfully delivered a number of major data centre projects across Europe and have also progressed several complex commercial developments in London, including Salisbury Square, the new City of London Police Headquarters.

In India, JSSL continued to perform strongly, delivering record output of 125,000 tonnes and generating revenue of £154.8m and profit before tax of £7.8m, resulting in a Group share of profit after tax of £3.0m. JSSL ended the year with a record order book of £344m (1 November 2025: £286m), providing strong visibility and reflecting growing exposure to higher-margin commercial projects. Expansion of the Gujarat facility continued to progress as planned, enhancing the business's ability to capitalise on the significant long-term growth opportunities within the Indian market.

The Group continues to monitor geopolitical developments, including the situation in the Middle East, alongside broader economic conditions that may affect project timing, supply chains, and client investment decisions. While disruption to shipping routes and commodity markets may create some cost and lead-time pressures, the Group's direct exposure remains limited, reflecting its established approach of securing steel prices at contract stage and the largely pass-through nature of steel costs within the industry. The Group has not experienced a material impact on trading or its order book to date.

Having spent my first eight months with the Group, I have been deeply impressed by the strength of Severfield's engineering capability, long-standing client relationships and proven delivery track record. The Group also benefits from a well-diversified business across sectors, geographies and clients, reducing exposure to individual market cycles, while operating in markets supported by long-term structural demand. These qualities provide a strong foundation for future growth and reinforce my confidence in the opportunities ahead.

Building on these strengths, we have undertaken a comprehensive review of the business and refined our strategy with a clear focus on project selectivity, margin progression, cash generation and disciplined capital allocation. The refreshed strategy prioritises sectors and projects where our engineering expertise, delivery capability and client relationships provide a clear competitive advantage. By strengthening our contract selectivity and focusing on higher-quality revenue, we aim to deliver improved margins, stronger cash generation and sustainable long-term value for shareholders.

Our strategy for the future - delivering profitable growth and improved returns

The Group's refreshed strategy targets four principal goals:

- Delivering profitable growth through improved margin quality, disciplined project selection and strong cash conversion
- Reinforcing our position as the leading engineering partner for complex, high value projects, where delivery certainty is critical
- Building a high-performance culture - where our people are safe, engaged and accountable for operational excellence
- Doing good and building communities to deliver lasting value

Each strategic goal builds on our core strengths in engineering excellence and delivery certainty, underpinned by a highly skilled workforce aligned to consistent execution. This provides a strong foundation to deliver focused growth while making a positive contribution across our core markets and communities.

The Group is driving a disciplined shift away from prioritising volume towards selecting the right work in the right markets and in the right sectors with a greater emphasis on margin progression and cash generation. This is supported by a transition to a more flexible, capital-light business model, incorporating increased use of strategic partnerships. The Group is therefore transitioning from a fabrication-led model towards a more integrated, flexible and

transform the Group's business, transitioning from a traditional project-based model to a more integrated, flexible and capital-efficient delivery approach, enabling it to capture greater value through expanded services and delivery capabilities.

Driving improvements in margin quality, cash and returns in the medium term

The Group's strategy is expected to deliver improved performance through a number of clearly defined drivers:

- Improved sector mix: increasing exposure to higher-value growth sectors where the Group has a clear competitive advantage
- Disciplined project selection: improving the quality and consistency of earnings
- Cost and productivity actions: supporting efficiency and margin improvement across the business
- Flexible, capital-light delivery: enhancing scalability, reducing capital intensity and improving returns
- Scaling India: delivering strong growth and increasing operating leverage, driving a growing contribution to Group performance

Together, these drivers support the Group's medium-term ambition to deliver:

- Revenue of c.£500m-£550m
- Sustainable operating margin of 7-8%
- Underlying profit before tax of £40-50m (including £10m from India JV)
- ROCE >15%
- Leverage 1.0x - 1.5x
- Cash conversion in excess of 90%
- A sustainable dividend, underpinned by cash generation and a disciplined financial framework

Our integrated service offering

The Group is evolving beyond a traditional linear, manufacturing led delivery model to a broader, more integrated service proposition, combining internal capability with strategic delivery partners across the following four service offerings:

- Design & Engineering
- Manufacturing
- Delivery
- Project Management

This new proposition allows the Group to engage earlier, stay involved for longer and ultimately capture greater value across the project lifecycle while supporting improved margin progression and stronger cash generation through a more capital-efficient delivery model.

We are already making strong progress against this approach, with integrated delivery opportunities underway, including our work with Ørsted on the Hornsea 3 offshore wind farm. We are also developing new partnerships to broaden our service offering and access new market opportunities. For example, we have recently entered into a partnership with energy infrastructure provider GEG Global, creating a framework for collaboration on future projects.

Focused geographic and sector exposure

The Group continues to prioritise its core markets of the UK, Europe and India, reinforcing its established position while focusing on opportunities aligned with its capabilities:

- UK - improving sector mix and margin quality through focus on higher growth, higher margin sectors with complex engineering requirements
- Europe - expanding exposure to large and growing markets, through a disciplined capital light delivery model, supporting long-term growth and diversification
- India - scaling a rapidly growing platform through a strong joint venture, driving increasing contribution to Group growth and profitability

This combination of integrated services and targeted geographic focus supports higher-quality growth, improved margin potential and increasing contribution from higher-value activities in the medium term.

A. Markets (UK)

The Group will apply a disciplined approach to project selection in the UK, focusing on complex projects with attractive margin characteristics. Emphasis will be placed on projects where barriers to entry are high, and where scale, complexity and delivery certainty and speed are critical to client outcomes. In the UK, our sectors include Commercial, Industrial & Defence, Transport Infrastructure (including Bridges), Nuclear, Stadia & Leisure, Data Centres and Power, Energy & Processing. This approach supports improved sector mix, stronger margins and more consistent project delivery.

B. Markets (Europe)

In Europe, the Group is well positioned to increase its exposure to complex projects in large and growing markets. Activity is focused on sectors including Energy, Transport, Commercial, Industrial and Nuclear, with opportunities varying by country.

The business operates through a flexible delivery model that leverages both local presence and expertise, such as that found in the Netherlands, with our proven global experience in successfully delivering major projects. This provides a platform for disciplined and efficient expansion into additional European markets in the medium term, supporting long-term growth and diversification.

C. Markets (India)

The Group's joint venture with JSW Steel ("JSW"), JSW Severfield Structures Limited ("JSSL") allows favourable access to the large and rapidly expanding Indian market, combining Severfield's engineering and project delivery expertise with JSW's strong local market position and industrial capabilities.

The joint venture is currently focused on delivering structural steel solutions across key sectors including commercial, industrial, infrastructure and data centres, with value creation today primarily driven through full-service delivery as well as leveraging contract manufacturing. This is supported by an increasingly flexible delivery model, including the use of selected subcontractors and the potential to expand capacity in the medium term. This positions the business to scale efficiently in line with market demand and as such, JSSL is expected to form an increasingly important contributor to Group growth and profitability over the medium-term.

Delivering performance through transformation

Execution of the strategy is supported by a transformation programme to improve margin quality, cash generation and operational performance across the Group.

Initial progress includes improved factory utilisation, increased use of delivery partners, and over £3m of annualised cost savings delivered through structural and process improvements. The transformation programme has the following key components:

1. Clients & Markets Focus - better connecting client needs with our technical and operational capability

The Group is strengthening its client engagement model to improve visibility of opportunities and enable earlier involvement in project development. This includes a more coordinated, country-led structure and a dedicated Clients & Markets function, supporting deeper relationships, improved opportunity selection and a clearer understanding of client requirements.

2. Manufacture 360 - optimising manufacturing performance and production capability

To support the evolution of the Group's service offering and delivery model, the manufacturing strategy is being refined to enhance utilisation, improve flexibility and maintain strong quality standards. Key priorities include optimising factory utilisation, increasing use of delivery partners and making targeted investments in our production capability.

Manufacturing capacity will be actively managed in line with demand, with increased use of strategic delivery partnerships supporting a more flexible and capital-efficient model. This includes aligning manufacturing capability more closely with key geographic markets, particularly in Europe, to improve efficiency and support growth.

The Group will continue to invest selectively to retain critical capability and value-add activities, including enhancements to paint and protection capacity at Dalton. This balanced approach supports improved efficiency, greater agility, more consistent financial performance and aligns production more closely with market requirements.

As part of the ongoing strategic review, the Group is assessing how best to optimise its manufacturing footprint and geographic alignment.

3. Engineering Excellence - strengthening technical capability, innovative solutions and market leadership

Engineering capability remains a core differentiator for the Group, supporting delivery of complex and technically demanding projects across its core markets. The refreshed strategy places greater emphasis on strengthening this capability through targeted investment in skills, standardisation and a more rigorous approach to execution and governance, supporting access to higher-value projects, improved delivery consistency and stronger margin quality.

4. Performance and Productivity - improving agility, controls, cash generation and cost competitiveness

The Group is progressing a focused programme of initiatives to improve operational efficiency and optimise its cost base across all service lines. This includes process improvements, organisational simplification and targeted cost reduction actions, supported by digitalisation and investment in technology.

These actions are already delivering results, with over £3m annualised cost savings achieved to date, and are expected to support ongoing margin improvement, cash discipline and enhanced competitiveness.

Together, these initiatives support improved margin quality, stronger cash generation and more consistent delivery across the Group.

Outcome

The execution of this strategy supports higher-quality growth, improved margins, stronger cash generation, driven by disciplined project selection, a broader integrated service offering and a more flexible, capital-light delivery model, underpinning the Group's medium-term ambition to deliver significant growth in profitability.

Outlook

- The Group's order book underpins future activity levels providing good visibility and supporting factory utilisation
- FY27 is expected to be a transition year. Profitability in the first half will continue to reflect lower margin work secured in a competitive pricing environment while larger and higher-quality projects are expected to commence later in FY27
- The Board expects FY27 underlying profit before tax to be in line with previous guidance of £12m-£15m

Looking beyond FY27, the Board remains confident in the Group's medium-term prospects, supported by its order book, growth opportunities in India and the benefits of the refreshed strategy. Taken together these support the Group's ambition to deliver revenue of c.£500m-£550m; sustainable operating margin of 7-8%; £40m-£50m of underlying profit before tax (including £10m from India JV); a ROCE in excess of 15%; leverage 1.0x - 1.5x cash conversion above 90%; and a sustainable dividend, underpinned by cash generation and a disciplined financial framework, and by doing so, create significant shareholder value.

Operational review

The Operational Review provides an overview of Group performance together with updates from each of the Group's reporting segments. The analysis reflects the operating structure in place during FY26 and is presented on a consistent basis with prior reporting. Future reporting will be aligned to the Group's revised operating structure from the FY27 interim results onwards.

2026 (£m)	Revenue	UOP*	UPBT*
Core Construction Operations	442.5	12.7	12.7
Modular Solutions	16.3	-	(0.5)
India	-	-	3.0

Central items / eliminations	(4.5)	-	(4.7)
Group	454.3	12.7	10.5
<i>Underlying operating margin</i>		2.8%	

2025 (£m)	Revenue	UOP*	UPBT*
Core Construction Operations	435.4	21.3	21.3
Modular Solutions	24.2	0.4	0.4
India	-	-	0.1
Central items / eliminations	(8.7)	-	(3.7)
Group	450.9	21.7	18.1
<i>Underlying operating margin</i>		4.8%	

*The references to underlying operating profit (before JVs and associates) and underlying profit before tax are set out on page 3. A reconciliation of the Group's underlying results to its statutory results is provided in the Alternative Performance Measures ('APMs') section (see note 8).

Revenue of £454.3m (2025: £450.9m) was broadly in line with the prior year, reflecting resilient activity levels within Core Construction Operations, offset by the lower revenue from Modular Solutions following the decision to discontinue the business. Revenue from Core Construction Operations increased to £442.5m (2025: £435.4m), supported by higher revenues from our Nuclear and Infrastructure division.

Underlying operating profit (before JVs and associates) of £12.7m (2025: £21.7m) represents a decrease of £9.0m (41 per cent) compared with the prior year. This primarily reflects a more challenging trading environment in the UK and Europe, characterised by competitive pricing pressure, delays to project start dates and a less favourable project mix, partially offset by disciplined project execution and operational performance across the portfolio. Underlying operating margin reduced to 2.8% (2025: 4.8%).

The Group's share of profit from JSSL, our Indian joint venture, increased to £3.0m (2025: £0.1m), reflecting record output levels, a record order book and increasing exposure to higher-margin commercial projects. Performance was supported by strong project execution and continued progress on the expansion of the Gujarat facility providing additional capacity.

Underlying profit before tax was £10.5m (2025: £18.1m), reflecting lower profitability within Core Construction Operations, partially offset by the improved contribution from JSSL.

The statutory loss before tax was £39.9m (2025: £17.5m), after accounting for £50.3m of non-underlying items. Non-underlying items in the year primarily relate to:

- Non-cash impairment charges in respect of the Infrastructure business and the Group's investment in CMF. The Infrastructure impairment reflects a reassessment of the business following the implementation of a refreshed strategy focused on its core markets and operational improvement. Whilst we remain positive about the long-term opportunities in the business, the assessment incorporated updated forecasts of future cash flows, resulting in a reduction in the recoverable amount.
- The bridge testing and remedial programme, where further testing and the development of project-specific solutions resulted in higher estimated costs. These additional costs were substantially offset by further insurance recoveries secured during the year. The programme is now entering its final phases and is expected to be substantially complete in FY27.
- The strategic exit from the Modular Solutions business, with closure and restructuring costs incurred to support the orderly wind-down of operations and increase focus on the Group's core structural steel activities.

Core Construction Operations

£m	2026	2025	Change
Revenue	442.5	435.4	+2%
Underlying profit before tax	12.7	21.3	(40)%
Revenue:			
Commercial and Industrial	318.2	349.6	(9)%
Nuclear and Infrastructure	124.3	85.9	+45%

Revenue of £442.5m (2025: £435.4m) increased by £7.1m, year on year, driven by higher volumes in the Nuclear and Infrastructure division. Underlying operating profit decreased by 40% to £12.7m (2025: £21.3m), reflecting competitive pricing pressures, delays to project commencement and a less favourable project mix during the period, particularly in the first half of the year.

Market conditions across the UK and Europe remained challenging during the year, with macroeconomic uncertainty, delayed investment decisions and competitive bidding conditions continuing to impact project award timings and pricing. Despite this backdrop, the Group maintained a disciplined approach to project selection and ended the year with an order book of £507m (1 November 2025: £429m), of which £339m is scheduled for delivery over the next 12 months.

Order intake remained resilient throughout the year, with approximately £190m of new work secured during the first half and a further £150m in the second half. The order book provides good visibility across a diverse range of sectors, geographies and clients, with increasing exposure to continental Europe and Ireland reflecting the Group's growing market presence and strategic focus on attractive end markets.

Activity was supported by continued demand across data centres, infrastructure, energy and industrial sectors, despite the absence of several large projects that had been anticipated to come to market. The Group continued to strengthen its position in continental Europe, securing repeat business and progressing projects in sectors benefiting from favourable structural growth drivers, including industrial development, energy infrastructure and digital infrastructure.

Commercial and Industrial

The Commercial and Industrial order book stood at £262m at 1 June 2026 (1 November 2025: £202m). During the year, the Group secured a number of strategically important projects, including a significant data centre project in

year, the Group secured a number of strategically important projects, including a significant data centre project in Finland and several Commercial buildings, including Project Vista, the redevelopment of the old ITV studios on the South Bank of the River Thames in London, further strengthening the Group's position in digital infrastructure and complex engineering projects.

Revenue decreased by 9% to £318.2m (2025: £349.6m), reflecting a weaker order book entering the year and challenging market conditions across a number of commercial and industrial sectors.

Despite these conditions, the Group continued to make good progress across a number of major projects. At Agratas in Somerset, the UK's largest battery manufacturing facility, the main production building has been completed, with ancillary buildings, secondary steelwork and link bridges continuing through to late 2026. During the year, the Group also secured an additional package of work to provide steel framing in support of the mechanical and electrical fit-out programme.

In Europe, work continued on Project ONE for INEOS in Antwerp, one of the largest investments in the European chemicals industry in recent decades, whilst the Group also progressed a number of data centre projects across Finland and Sweden. In London, progress continued at Salisbury Square, providing a new Police headquarters and court facilities for the City of London, and South Molton Triangle, a technically complex mixed-use development incorporating retained heritage facades. Fabrication also progressed on 50 Fenchurch Street, a 36-storey commercial office development.

The Group has secured several major projects for delivery in FY27 and beyond, including Project Vista, together with additional data centres and commercial offices.

Nuclear and Infrastructure

The Nuclear and Infrastructure ("N&I") order book stood at £245m at 1 June 2026 (1 November 2025: £220m). Of this, 59% represents transport infrastructure, 33% relates to power and energy (including nuclear) and 8% comprises process industries projects. The order book was further strengthened through the increase in the scope of the steelwork package at Old Oak Common station, adding to the Group's existing involvement in this highly complex HS2 project.

Revenue increased by 45% to £124.3m (2025: £85.9m), reflecting the strong order book entering the year and increased activity levels across the division. During the period, the Group progressed several significant projects across the nuclear, transport infrastructure, power and process industries sectors.

In the nuclear sector, work continued on Turbine Hall 1 at Hinkley Point C, with Unit 1 steelwork now predominantly fabricated and site works progressing. At the Sellafield Retreatment Plant ("SRP"), internal steelwork erection is substantially complete, whilst fabrication of the external steelwork is underway following completion of the design and detailing phases. The Group also continued work on the MEH Electrical package at Hinkley Point C, with activities scheduled to continue until late 2026.

Within process industries, work progressed at Saltend Chemical Park in East Yorkshire for Mitsubishi Chemical, comprising the fabrication, painting and installation of primary steelwork for a new production line alongside the existing processing plant which produces Soamol, a high-performance polymer used in a variety of industrial applications, together with an extensive network of secondary steelwork and pipe support structures. Design and detailing activities are substantially complete, with fabrication expected to complete during FY27 ahead of project completion in 2027.

In the transport infrastructure sector, the Group successfully completed and installed the York Severus footbridge and progressed the adjacent road bridge crossing the East Coast Main Line. Good progress was also made on the Baker Viaduct scheme as part of the TransPennine Route Upgrade, with the first two phases completed and handed over to the client, and fabrication of the remaining phases underway. Looking ahead, Old Oak Common station continues to progress through off-site development, with construction expected to commence in 2027.

The Group also continued work on Ørsted's Horns Rev 3 offshore wind farm, one of the largest offshore wind developments currently under construction globally. The project includes the supply of boat landings, ladders, anode cages and supported internal platform structures.

Modular Solutions

£m	2026	2025	Change
Revenue	16.3	24.2	(33)%
Underlying operating profit (before JVs and associates)	-	0.4	(0.4)
Share of results of CMF*	(0.5)	-	(0.5)
Underlying profit before tax	(0.5)	0.4	(0.9)

*In 2026, CMF reported revenue of £21.2m (2025: £26.8m) and a loss after tax of £1.0m.

During the year, the Board completed a strategic review of the Modular Solutions business and concluded that it represented a sub-scale, non-core activity with limited strategic fit alongside the Group's core structural steel operations. Accordingly, the decision was taken to discontinue the business, with new sales and tendering activity ceasing in December 2025. As part of the process, management explored potential sale options with the objective of preserving employment and maintaining continuity for clients and the supply chain. Whilst interest was received from a number of parties, no formal offers were made.

The business is now being wound down in a controlled manner, whilst continuing to fulfil remaining client commitments. Construction Metal Forming ("CMF"), which operates as a separate joint venture, is unaffected by this decision and continues to trade independently.

The Modular Solutions division generated total revenue of £16.3m in FY26 (2025: £24.2m). Excluding internal revenue, it generated external revenues of £11.8m in FY26 (2025: £15.5m). Revenue reduced as the business stopped selling and wound down its remaining order book.

The decision to discontinue the business resulted in losses and closure-related costs during the year. Whilst management acted promptly to withdraw from new sales activity and reduce the cost base, certain fixed costs could not be removed immediately due to operational requirements, employee consultation processes and the orderly wind-down of operations. These costs reflect the direct consequences of implementing the exit decision and have been

presented as non-underlying items within the Group's results.

The exit from Modular Solutions represents an important step in simplifying the Group's portfolio and increasing focus on its core structural steel activities. It also supports the Group's refreshed strategy, enabling greater focus on selective market sectors that generate higher margins, targeting better quality of earnings through the disciplined allocation of capital.

The Group's share of results from CMF was a loss of £0.5m (2025: £nil). Performance was impacted by lower activity levels during the year, reflecting subdued conditions within the Commercial and Industrial sector, where projects typically incorporate significant metal decking and purlin packages. As a result, reduced volumes led to lower capacity utilisation and profitability.

Outlook

Looking ahead, the Group remains well positioned to benefit from long-term investment themes across infrastructure, energy security, defence, transportation and digital infrastructure. Whilst pricing conditions remain competitive and project award timescales continue to be extended, these sectors align closely with the Group's refreshed strategy, which is focused on increasing exposure to projects where its engineering expertise, project management capability and delivery track record provide a clear competitive advantage, supporting improved margins, stronger cash generation and attractive long-term returns.

The medium-term outlook for the Group's core Nuclear & Infrastructure markets remains positive. The UK Government's £725bn 10-year infrastructure strategy and National Infrastructure Pipeline are expected to support sustained investment across nationally significant infrastructure, transport, energy security and defence projects. The Group continues to see a growing pipeline of opportunities across nuclear, electricity transmission and distribution, defence infrastructure and major transport programmes, where long-term investment commitments, technical complexity and high barriers to entry create attractive opportunities for higher-value work.

Recent commitments to increased defence spending across both the UK and Europe are also expected to drive investment in defence manufacturing, military infrastructure and strategic national assets. These programmes typically require complex engineering solutions, rigorous project delivery and specialist technical expertise, aligning closely with the Group's capabilities and strategic focus.

In Europe, investment in electricity networks and energy security infrastructure continues to accelerate, supported by increasing demand for power, electrification and grid resilience. Combined with the Group's strong market position, proven track record in delivering complex infrastructure projects and refreshed strategic focus, this provides an encouraging platform for sustainable growth and long-term value creation.

INDIA

£m	2026	2025	Change
Revenue	154.8	103.3	+50%
EBITDA	14.0	7.1	+97%
Operating profit	11.5	4.5	+156%
Operating margin	7.4%	4.3%	310 bps
Finance expense	(3.7)	(4.2)	+0.5
Profit before tax	7.8	0.3	+7.5
Tax	(1.8)	(0.1)	(1.7)
Profit after tax	6.0	0.2	+5.8
Group share of profit after tax (50%)	3.0	0.1	+2.9
Tonnage output	125,000 t	64,000 t	+95%
Order book (1 June 26 / 1 Nov 25)	344	286	+58

India remains a key strategic priority for the Group through its joint venture, JSW Severfield Structures Limited ("JSSL"). The market continues to offer attractive long-term growth opportunities, supported by urbanisation, infrastructure investment and increasing adoption of structural steel solutions. Structural steel penetration remains significantly below that of more mature markets, providing substantial headroom for future growth as clients increasingly prioritise speed, quality, sustainability and execution certainty.

JSSL delivered a record performance during the year, achieving record output, profitability and order intake. Production output increased by 95% to approximately 125,000 tonnes, including subcontracted work (2025: 64,000 tonnes), reflecting strong execution across major projects, improved operational utilisation and robust demand across commercial buildings, data centres, industrial facilities and infrastructure sectors. Momentum is further evidenced by a record order book of £344m (1 November 2025: £286m), comprising an increasingly favourable mix of higher-margin commercial, data centre and technically complex projects. The order book provides significant coverage for the year ahead, with the majority of anticipated revenues already secured. The focus is therefore on disciplined project execution and delivery.

Revenue increased by 50% to £154.8m (2025: £103.3m), whilst operating profit more than doubled to £11.5m (2025: £4.5m), delivering an operating margin of 7.4% (2025: 4.3%). The improvement reflected higher production volumes, a stronger project mix, improved factory utilisation and continued operational efficiencies across the business. Finance costs reduced to £3.7m (2025: £4.2m), reflecting lower borrowings, resulting in profit before tax increasing to £7.8m (2025: £0.3m). Profit after tax increased to £6.0m (2025: £0.2m), of which the Group's 50% share was £3.0m (2025: £0.1m).

The Indian construction market continues to offer significant long-term growth opportunities. Commercial real estate remains buoyant, supported by record office leasing activity and continued expansion of Global Capability Centres. Data centres represent one of the most attractive growth sectors, driven by cloud computing, artificial intelligence, enterprise digitisation and data localisation requirements. Industrial and advanced manufacturing projects, including semiconductors, electronics and renewable energy infrastructure, are also creating attractive opportunities for steel-intensive construction solutions. Public investment in rail, road and bridge infrastructure continues to provide a substantial long-term pipeline, further enhanced by JSSL's recent RDSO approval, which expands access to railway bridges, road-over-bridges and wider transportation infrastructure projects.

Development of the Gujarat facility continues to progress well and forms an important part of JSSL's long-term growth strategy. The new open-yard facilities at Gujarat became operational during the year, increasing manufacturing capability and supporting larger and more geographically diverse projects. By the end of FY27, the Gujarat facility is expected to increase total annual production capacity to approximately 224,000 tonnes, including subcontractor capacity, strengthening JSSL's ability to service growing demand across commercial buildings, data centres, industrial facilities and infrastructure projects. Whilst the opportunity remains substantial, management remains

focused on scaling at the right pace, ensuring that growth does not compromise operational processes, execution standards or product quality.

Outlook

The outlook remains very positive. With a strong order book, expanding client base, increasing consultant engagement, additional manufacturing capacity and exposure to some of the fastest-growing segments of the Indian construction market, JSSL is well positioned to create significant long-term value. As India's economy continues to expand and structural steel adoption increases, the business remains focused on scaling at the right pace, balancing growth opportunities with operational excellence, quality and disciplined capital deployment.

People and Planet

Safety

At Severfield, the safety of our people remains our highest priority and is fundamental to everything we do. During FY26, the Group maintained a strong safety performance, with an Accident Frequency Rate ("AFR") of 0.09 (2025: 0.08) and an Incident Frequency Rate ("IFR") of 1.25 (2025: 1.23). The number of high-potential incidents ("HIPOs") reported increased to 58 (2025: 37), reflecting our continued focus on identifying, reporting and addressing potential risks across our operations. Whilst this represents an increase on the prior year, HIPO levels remain significantly below those reported historically.

During the year, we further strengthened our safety culture through proactive reporting, targeted interventions and a sustained focus on preventing serious incidents and injuries. Creating an environment where every employee feels safe, inspired to speak up and take accountability for safety, and where our performance is admired across the industry. This is central to the Group's refreshed strategy and underpins our ambition to deliver operational excellence across the business.

Sustainability

Sustainability remains a key strategic priority for the Group and is embedded throughout our operations. During FY26, Severfield continued to make strong progress against its environmental, social and governance ("ESG") objectives, maintaining a number of leading external accreditations and recognitions.

Key achievements during the year included:

- Retaining MSCI's highest ESG rating of 'AAA' for the fifth consecutive year
- Achieving a CDP 'A' score for climate change mitigation for the third consecutive year and an 'A' rating for supply chain engagement for the second consecutive year
- Maintaining third-party carbon neutral accreditation for Scope 1, Scope 2 and operational Scope 3 emissions across our manufacturing, office and construction operations
- Maintaining procurement of 100% renewable electricity across all owned facilities in the UK and Europe
- Continuing progress towards our approved Science Based Targets initiative ("SBTi") Net Zero targets through a range of emissions reduction initiatives across the business
- Maintaining our BES 6001 responsible sourcing accreditation at the 'Very Good' level
- Being recognised in the Financial Times Europe's Climate Leaders ranking for the sixth consecutive year

The Group continued to deliver social value in line with the National TOMs (Themes, Outcomes and Measures) framework through a range of community engagement, local supply chain, fundraising and volunteering initiatives. During the year, the Group also established new partnerships to support the delivery of our social value commitments, including programmes focused on literacy and digital inclusion within local communities. In recognition of our commitment to apprenticeships, graduate development and other 'earn and learn' programmes, Severfield achieved Platinum membership of The 5% Club.

Overall, the Group delivered a resilient operational performance in a challenging market environment, supported by disciplined project execution and a diversified order book. The strategic exit from Modular Solutions further simplifies the Group and increases focus on its core structural steel activities. Looking ahead, the Group is well positioned to benefit from long-term investment themes across infrastructure, energy security, defence and digital infrastructure, supported by its growing presence in continental Europe and strong momentum in India through JSSL. In parallel, continued investment in safety, people and sustainability underpins operational excellence and supports the delivery of sustainable growth and long-term value for stakeholders.

Financial review

Alternative measures* £m	2026	2025	Change
Underlying operating profit (before JVs and associates)	12.7	21.7	(41)%
Underlying operating margin (before JVs and associates)	2.8%	4.8%	(200) bps
Underlying profit before tax	10.5	18.1	(42)%
Underlying basic earnings per share	2.7p	4.3p	(1.6)p
Underlying operating cash conversion	145%	66%	+79pp
Underlying return on capital employed ('ROCE')	7.5%	9.3%	(180) bps

* The basis for stating results on an underlying basis is set out on page 3. A reconciliation of the Group's underlying results to its statutory results is provided in the Alternative Performance Measures ('APMs') section (see note 8).

Statutory measures £m	2026	2025	Change
Revenue	454.3	450.9	+1%
Operating loss	(35.1)	(13.7)	(156)%
Operating margin	(7.7)%	(3.0)%	(470) bps
Loss before tax	(39.9)	(17.5)	(128)%
Basic loss per share	(12.0)p	(4.7)p	(7.3)p

Revenue of £454.3m (2025: £450.9m) was broadly in line with the prior year. Increased activity within the Nuclear &

Infrastructure division, including progress on a number of major projects, offset more challenging market conditions within the Commercial & Industrial sector. Revenue performance reflects a strong second half, supported by disciplined project execution and operational delivery across the Group.

Underlying operating profit (before JVs and associates) of £12.7m (2025: £21.7m) was 41% lower than the prior year, with the underlying operating margin reducing to 2.8% (2025: 4.8%). This primarily reflects competitive pricing pressures and a less favourable project mix, particularly during the first half of the year. Statutory operating loss was £35.1m (2025: £13.7m), reflecting the impact of £50.3m of non-underlying items, including impairment charges, Modular Solutions closure costs and bridge-related costs.

Underlying profit before tax, the Group's primary measure of profitability, was £10.5m (2025: £18.1m), a reduction of 42% on the prior year. The Group recognised a statutory loss before tax of £39.9m (2025: £17.5m), principally reflecting the non-underlying items recognised during the year. The underlying tax charge was £2.4m (2025: £5.2m), representing an effective tax rate (excluding JVs) of 29.5% (2025: 28.6%). The elevated tax rate principally reflects the impact of non-deductible expenses and the geographic mix of profits. The total tax credit recognised during the year was £4.3m (2025: £3.4m), which includes a £6.6m (2025: £8.6m) tax credit on non-underlying items, representing only a 13.1% effective tax rate, largely reflecting the c.£22m of non-deductible impairment charges.

Underlying basic earnings per share decreased by 1.6p to 2.7p (2025: 4.3p), reflecting lower underlying profitability during the year. Basic loss per share was 12.0p (2025: 4.7p), reflecting the increase in non-underlying items recognised during the period.

Non-underlying items

Non-underlying items for the year of £50.3m (2025: £35.6m) consisted of the following:

£m	2026	2025
Bridge testing and remedial costs (net of insurance recoveries)	5.7	23.4
Other bridge-related costs	2.6	9.1
Amortisation of acquired intangible assets	2.6	2.6
Other non-underlying costs	4.6	2.9
Legacy employment tax (credit) / charge	-	(1.4)
Acquisition-related credits	-	(1.0)
Asset impairment charge	22.2	-
Modular Solutions closure costs	12.6	-
Non-underlying items	50.3	35.6

Non-underlying items totalled £50.3m (2025: £35.6m). These comprised amortisation of acquired intangible assets of £2.6m (2025: £2.6m), impairment charges of £22.2m (2025: nil), Modular Solutions closure related costs of £12.6m (2025: nil), net bridge testing and remedial costs of £5.7m (2025: £23.4m), comprising costs of £13.2m (2025: £43.4m), net of insurance recoveries of £7.5m (2025: £20.0m), other bridge-related costs of £2.6m (2025: £9.1m) and other non-underlying costs of £4.6m (2025: £2.9m).

The non-cash impairment charge of £22.2m predominantly comprises the impairment of goodwill relating to the infrastructure business of £11.5m and an impairment of the Group's investment in CMF of £9.9m.

Following the Board's decision to discontinue the Modular Solutions business during the second half of FY26, the Group recognised non-underlying closure and restructuring costs of £12.6m. Prior to the decision to exit the business, Modular Solutions had reported an operating loss of £1.1m during the first half of the year, however management expected performance to improve during the second half as several key contracts were being tendered for delivery in H2. Following the strategic review, management implemented a controlled withdrawal from new sales and tendering activity whilst continuing to fulfil the remaining client order book and undertake an orderly wind-down of operations.

The total charge of £12.6m includes £3.8m of losses that are caused as a direct financial consequence of implementing the exit decision, including reduced operational leverage and under-recovery of fixed costs as future workload declined following the cessation of new sales activity. The remaining £8.8m relates to closure and restructuring activities associated with the discontinuation of the business, including a £4.1m onerous contract provision for the Modular Solutions facility, which is now surplus to requirements, together with redundancy costs, asset impairments and other exit-related costs.

The Board considers these costs to be non-underlying in nature as they arise from a significant strategic restructuring decision, are one-off and non-recurring, and are not reflective of the ongoing trading performance of the Group's continuing operations. Presenting these items separately provides greater transparency and allows stakeholders to better assess the underlying performance of the business and compare results on a consistent basis across reporting periods.

The bridge testing and remedial programme continued to progress during the year. Following further testing activities and the development of project-specific remedial solutions, the Group recognised an additional provision of £13.2m, reflecting both costs incurred during the year and the current estimate of remaining testing and remedial costs across affected bridge projects. The Group also secured and received additional insurance recoveries of £7.5m during the year, increasing total insurance recoveries recognised to £27.5m.

Other bridge-related costs of £2.6m principally comprise provisions for third-party claims together with other incremental costs and legal fees associated with the bridge remedial programme. The Group continues to engage constructively with clients and other stakeholders and, based on discussions to date, has not been notified of any significant additional consequential costs beyond those already provided for. In some instances, any potential claims may also be subject to contractual liability caps or other contractual limitations.

Other non-underlying costs of £4.7m predominantly comprise £1.5m of transformation-related expenditure incurred in support of the Group's strategic transformation programme and strategic activities, £1.2m relating to changes within the executive management team during the year, and £1.4m of exceptional refinancing costs associated with the previous extension of the Group's banking facilities in July 2025.

The amortisation of acquired intangible assets of £2.6m represents the non-cash amortisation of customer relationships identified on the acquisitions of DAM Structures and VSCH.

Cash flow and financing

£m	2026	2025
Cash generated from / (used in) operations	23.2	(6.1)
Capital disposal proceeds / (expenditure)	1.0	(6.9)
Underlying operating cash conversion	145%	66%
Net debt (pre-IFRS-16 basis)**	(28.2)	(43.1)
Net debt	(46.6)	(63.6)

** The Group excludes IFRS 16 lease liabilities from its measure of net funds / debt as they are excluded from the definition of net debt as set out in the Group's borrowing facilities. A reconciliation of the Group's underlying results to its statutory results is provided in the APMs section (see note 8).

Net debt (pre-IFRS-16 basis**) at the year-end was £28.2m, with RCF drawings of £45.0m and amortising term loans of £7.6m, offset by cash of £24.4m, providing facility headroom of c.£39m. Year-end leverage (pre-IFRS-16 basis) was 1.2x. There remains an enhanced focus on cash generation and conservation, including careful working capital management, a reduction in planned capital expenditure, the disposal of certain non-core assets, and other ongoing cost reduction actions in support of a stronger balance sheet and our objective of improving ROCE.

Cash generated from operations was £23.3m (2025: cash used in operations of £6.1m). Operating cash flow before working capital movements and bridge-remedial related costs was an outflow of £4.5m (2025: outflow of £3.3m). Net working capital reduced by £27.8m (cash inflow), mainly reflecting positive movements in trade creditors, stock and contract debtors. The increase in trade creditors relates to the higher contract activity in H2, whilst the reduction in trade debtors relates to focused cash control and the unwind of several significant contract investments at the prior year end.

Bridge-remedial related cash outflows were £19.8m, which was offset by insurance proceeds of £27.5m. At the year end, £20.7m of provisions relating to bridge remedial works remained on the balance sheet. The remedial works are expected to be substantially complete during FY27 and, accordingly, the majority of the associated cash outflows are anticipated to occur during the year. These outflows are expected to be supported by continued strong cash management, including a £10m advance payment secured in May 2026 for a significant project commencing in FY27.

Net capital proceeds of £1.0m (2025: £6.9m expenditure), included £2.9m of capital expenditure and £3.9m of proceeds from the disposal of fixed assets, predominantly relating to the mothballed ex-Harry Peers factory in Bolton - this reflects a reduced capital investment programme consistent with the Group's focus on cash conservation. This compares to annual depreciation of £10.8m (2025: £9.9m).

Post year-end, on 11 June 2026, the Group completed the refinancing of its banking facilities. The new facilities comprise a £60.0 million revolving credit facility, a £7.6 million term loan facility amortising through to December 2027, and an accordion option of up to £30.0 million, subject to lender consent. The facilities have an initial term to June 2029, with two one-year extension options on the revolving credit facility, subject to lender consent.

The facilities remain unsecured and replace the Group's previous banking facilities. The refinancing enhances the Group's liquidity position and financial flexibility and was completed on improved commercial terms, including the removal of the debt service cover covenant. The refinancing has no impact on the Group's financial position at the reporting date.

Pensions

The Group's net defined benefit pension liability at 28 March 2026 was £2.9m (2025: £6.9m), comprising scheme liabilities of £28.0m (2025: £29.6m) and scheme assets of £25.1m (2025: £22.8m). The deficit reduced by £4.0m during the year, principally reflecting employer contributions of £2.9m together with the impact of higher bond yields, which increased the discount rate used to value scheme liabilities.

The latest triennial actuarial valuation of the Atlas Ward Pension Scheme, with an effective date of 5 April 2023, identified a funding deficit and resulted in the agreement of a Schedule of Contributions with the Scheme Trustees. Under this arrangement, deficit recovery contributions are approximately £246,000 per month, in addition to meeting the ongoing administration costs of the Scheme. The next triennial actuarial valuation, with an effective date of 5 April 2026, is currently underway and will determine future funding requirements. Given the significant improvement in the Scheme's funding position since the previous valuation, the Group anticipates that future deficit recovery contributions will reduce from current levels.

All other pension arrangements within the Group are of a defined contribution nature.

Dividends and capital allocation

The Group maintains a disciplined and balanced approach to capital allocation, focused on supporting sustainable long-term growth, maintaining financial resilience and delivering attractive returns for shareholders. Capital allocation decisions will continue to be assessed against clear financial and strategic criteria, including expected returns, cash generation, balance sheet resilience and alignment with the Group's long-term strategic priorities.

The Group's capital allocation priorities are to:

- Support the ongoing requirements of the business and invest in profitable organic growth opportunities;
- Pursue selective strategic investments and growth opportunities that enhance the Group's market position and long-term earnings potential;
- Maintain a strong balance sheet and appropriate financial flexibility; and
- Deliver sustainable shareholder returns over the long term through a sustainable dividend policy when supported by earnings, cash generation and financial position.

The Group's refreshed strategy is expected to support a more flexible and less capital-intensive growth profile in the medium term, with increasing emphasis on higher-value engineering and project management activities, strategic partnerships and disciplined investment decisions.

As a result of the ongoing challenging market conditions and the Board's focus on maintaining a strong balance sheet and financial flexibility, no final dividend is proposed for the financial year ended 28 March 2026. The Board is confident in the Group's strategic direction and intends to resume distributions when earnings, cash generation and market conditions support a sustainable return to dividends.

Paul McNeerney
Chief Executive Officer
23 June 2026

Andrew Page
Chief Financial Officer

Consolidated income statement

For the year ended 28 March 2026

	Year ended 28 March 2026			Year ended 29 March 2025		
	Underlying 2026 £000	Non- underlying 2026 £000	Total 2026 £000	Underlying 2025 £000	Non- underlying 2025 £000	Total 2025 £000
Revenue	454,254	-	454,254	450,913	-	450,913
Operating costs	(441,557)	(50,319)	(491,876)	(429,260)	(35,475)	(464,735)
Operating profit/(loss) before share of results of JVs and associates	12,697	(50,319)	(37,622)	21,653	(35,475)	(13,822)
Share of results of JVs and associates	2,477	-	2,477	101	-	101
Operating profit/(loss)	15,174	(50,319)	(35,145)	21,754	(35,475)	(13,721)
Net finance expense	(4,716)	(12)	(4,728)	(3,621)	(170)	(3,791)
Profit/(loss) before tax	10,458	(50,331)	(39,873)	18,133	(35,645)	(17,512)
Tax	(2,353)	6,616	4,263	(5,195)	8,620	3,425
Profit/(loss) for the year attributable to the equity holders of the parent	8,105	(43,715)	(35,610)	12,938	(27,025)	(14,087)

Earnings per share:

Basic	2.74p	(14.77)p	(12.03)p	4.28p	(8.92)p	(4.66)p
Diluted	2.74p	(14.77)p	(12.03)p	4.28p	(8.92)p	(4.66)p

Further details of 2026 non-underlying items are disclosed in note 3. A reconciliation of the Group's underlying results to its statutory results is disclosed in note 8.

Consolidated statement of comprehensive income

For the year ended 28 March 2026

	Year ended 28 March 2026 £000	Year ended 29 March 2025 £000
Items that will not be reclassified to profit and loss:		
Actuarial gain on defined benefit pension scheme	1,432	2,313
Tax relating to components that will not be reclassified	(358)	(578)
	1,074	1,735
Items that may be reclassified to profit and loss:		
(Losses)/gains taken to equity on cash flow hedges	(840)	809
Reclassification adjustments on cash flow hedges	201	(1,529)
Exchange difference on foreign operations	(1,719)	(5,663)
Tax relating to components that may be reclassified	145	175
	(2,213)	(6,208)
Other comprehensive expense for the year	(1,139)	(4,473)
Loss for the year from continuing operations	(35,610)	(14,087)
Total comprehensive expense for the year attributable to equity holders of the parent	(36,749)	(18,560)

Consolidated balance sheet
As at 28 March 2026

	As at 28 March 2026 £000	As at 29 March 2025 £000
ASSETS		
Non-current assets		
Goodwill	86,780	97,587
Other intangible assets	136	2,809
Property, plant and equipment	88,728	96,699
Right-of-use assets	17,945	20,051
Interests in JVs and associates	23,027	32,936
Deferred tax assets	1,398	1,584
Contract assets, trade and other receivables	658	2,618
	218,672	254,284
Current assets		
Inventories	7,419	11,809
Contract assets, trade and other receivables	110,471	116,393
Derivative financial instruments	-	103
Current tax assets	2,238	2,793
Cash and cash equivalents	24,361	15,520
	144,489	146,618
Total assets	363,161	400,902
LIABILITIES		
Current liabilities		
Bank overdrafts	-	-
Trade and other payables	(98,239)	(82,092)
Provisions	(31,711)	(30,508)
Derivative financial instruments	(507)	-
Financial liabilities - borrowings	(3,800)	(6,200)
Financial liabilities - leases	(3,550)	(4,097)
	(137,807)	(122,897)
Non-current liabilities		
Trade and other payables	-	(130)
Provisions	(6,529)	(7,581)
Retirement benefit obligations	(2,873)	(6,855)
Financial liabilities - borrowings	(48,800)	(52,600)
Financial liabilities - leases	(14,896)	(16,364)
Deferred tax liabilities	(5,615)	(11,515)
	(78,713)	(95,045)
Total liabilities	(216,520)	(217,942)
NET ASSETS	146,641	182,960
EQUITY		
Share capital	7,405	7,405
Share premium	88,522	88,522
Other reserves	(3,925)	(924)
Retained earnings	54,639	87,957
TOTAL EQUITY	146,641	182,960

Consolidated statement of changes in equity
For the year ended 28 March 2026

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
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At 30 March 2025	7,405	88,522	(924)	87,957	182,960
Total comprehensive expense for the year	-	-	(2,358)	(34,391)	(36,749)
Equity settled share-based payments	-	-	(643)	1,073	430
At 28 March 2026	7,405	88,522	(3,925)	54,639	146,641

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
At 31 March 2024	7,739	88,522	4,728	119,762	220,751
Total comprehensive expense for the year	-	-	(6,383)	(12,177)	(18,560)
Equity settled share-based payments	-	-	(920)	2,115	1,195
Purchase of owned shares	-	-	(9,262)	-	(9,262)
Cancellation of own shares	(334)	-	9,596	(9,262)	-
Allocation of owned shares	-	-	1,317	(1,317)	-
Dividend paid	-	-	-	(11,164)	(11,164)
At 29 March 2025	7,405	88,522	(924)	87,957	182,960

Consolidated cash flow statement
For the year ended 28 March 2026

	Year ended 28 March 2026 £000	Year ended 29 March 2025 £000
Net cash flow from/(used in) operating activities	22,875	(522)
Cash flows from investing activities		
Proceeds on disposal of other property, plant and equipment	825	909
Proceeds on disposal of land and buildings	3,004	-
Purchases of land and buildings	-	(32)
Purchases of other property, plant and equipment	(2,875)	(7,796)
Payment of deferred and contingent consideration	-	(120)
Net cash from/(used in) investing activities	954	(7,039)
Cash flows from financing activities		
Interest paid	(4,832)	(3,185)
Dividends paid	-	(11,164)
Purchase of owned shares (net of SAYE cash received)	-	(8,556)
Proceeds from borrowing	-	45,000
Repayment of borrowings	(6,200)	(6,200)
Repayment of obligations under finance leases	(4,136)	(3,208)
Net cash (used in)/from financing activities	(15,168)	12,687
Net effect of exchange rates	180	-
Net increase in cash and cash equivalents	8,841	5,126
Cash and cash equivalents at beginning of year	15,520	10,394
Cash and cash equivalents at end of year	24,361	15,520

1) Basis of preparation

The preliminary announcement has been prepared on the basis of accounting policies as set out in the statutory accounts for the year ended 28 March 2026. The consolidated financial statements have been prepared on the historical cost convention, except for the revaluation of financial instruments. The financial statements are prepared in accordance with UK-adopted International Accounting Standards and in conformity with the Companies Act 2006.

The preliminary announcement is made up to an appropriate Saturday around 31 March each year. For 2026, trading is shown for the 52-week period ended on 28 March 2026 (2025: 52-week period ended on 29 March 2025).

shown for the 52-week period ended on 28 March 2026 (2025: 52-week period ended on 29 March 2025).

The financial statements of the Group's joint venture, JSSL, are made up to the year ended 31 March 2026 (2025: year ended 31 March 2025).

The preliminary announcement does not constitute the statutory financial statements of the Group within the meaning of Section 434 of the Companies Act 2006. The statutory financial statements for the year ended 29 March 2025 have been filed with the Registrar of Companies. The auditor has reported on those financial statements and on the statutory financial statements for the year ended 28 March 2026, which will be filed with the Registrar of Companies following the annual general meeting. Both the audit reports were unqualified, did not draw attention to any emphasis of matter, without qualifying their report, and did not contain any statements under Section 498(2) or (3) of the Companies Act 2006.

The preliminary announcement has been agreed with the Company's auditor for release.

2) Segment reporting

In line with the requirements of IFRS 8, operating segments are identified on the basis of the information that is regularly reported and reviewed by the chief operating decision maker ('CODM'). The Group's CODM is deemed to be the Executive Committee, who are primarily responsible for the allocation of resources and the assessment of performance of the segments. Consistent with previous periods, management continues to identify multiple operating segments, primarily at an individual statutory entity level, which are reported and reviewed by the CODM. For the purpose of presentation under IFRS 8, the individual operating segments meet the aggregation criteria that allows them to be aggregated and presented as one reportable segment for the Group. However, in the current year, management consider it appropriate to disclose two operating segments as described below.

§ Core Construction Operations - comprising the combined results of the Commercial and Industrial ('C&I') and Nuclear and Infrastructure ('N&I') divisions, including the results of Severfield Europe Holdings ('SEH').

§ Modular Solutions - comprising Severfield Modular Solutions ('SMS') and the Group's share of profit (50 per cent) from the joint venture company, Construction Metal Forming Limited ('CMF').

The separate presentation of the Modular Business as 'Modular Solutions' aligns with the maturity of the SMS business, which was established in 2018.

The constituent operating segments that make up 'Core Construction Operations' have been aggregated because the nature of the products across the businesses, whilst serving different market sectors, are consistent in that they relate to the design, fabrication and erection of steel products. They have similar production processes and facilities, types of clients, methods of distribution, regulatory environments and economic characteristics. This is reinforced through the use of shared production facilities across the Group.

The C&I and N&I divisions presented in the operational review of the preliminary announcement were established in April 2022 to provide better client service and increased organisational clarity, both internally and externally. These still meet the aggregation criteria to be presented as one reportable segment under IFRS 8 and are therefore presented as such within Core Construction Operations.

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

	Core Construction Operations	Modular Solutions	JSSL	Central costs/ eliminations	Total
Year ended 28 March 2026:	£000	£000	£000	£000	£000
Revenue	442,472	16,323	-	(4,541)	454,254
Underlying operating profit	12,697	-	-	-	12,697
<i>Underlying operating profit margin</i>	<i>2.9%</i>	<i>0.0%</i>			2.8%
Result from joint ventures					
- Bouwcombinatie Van Wijnen	-	-	-	-	-
- CMF	-	(489)	-	-	(489)
- JSSL	-	-	2,966	-	2,966
Finance costs	-	-	-	(4,716)	(4,716)
Underlying profit before tax	12,697	(489)	2,966	(4,716)	10,458
 Non-underlying items (note 3)	 (25,004)	 (22,720)	 -	 (2,607)	 (50,331)
Profit/(loss) before tax	(12,307)	(23,209)	2,966	(7,323)	(39,873)
 Other material items of income and expense:					
- Depreciation of owned property, plant and equipment	(6,809)	(189)	-	-	(6,998)
- Depreciation of right-of-use assets	(3,770)	(42)	-	-	(3,812)
- Other operating income	2,070	40	-	-	2,110

Year ended 39 March 2025:	Core Construction Operations £000	Modular Solutions £000	JSSL £000	Central costs/ eliminations £000	Total £000
Revenue	435,448	24,152	-	(8,687)	450,913
Underlying operating profit	21,285	368	-	-	21,653
<i>Underlying operating profit margin</i>	<i>4.9%</i>	<i>1.5%</i>			4.8%
Result from joint ventures					
- Bouwcombinatie Van Wijnen	6	-	-	-	6
- CMF	-	8	-	-	8
- JSSL	-	-	87	-	87
Finance costs	-	-	-	(3,621)	(3,621)
Underlying profit before tax	21,291	376	87	(3,621)	18,133
Non-underlying items (note 3)	(36,610)	-	-	965	(35,645)
Profit before tax	(15,319)	376	87	(2,656)	(17,512)
Other material items of income and expense:					
- Depreciation of owned property, plant and equipment	(7,028)	(189)	-	-	(7,217)
- Depreciation of right-of-use assets	(2,687)	(42)	-	-	(2,729)
- Other operating income	2,557	344	-	-	2,901

Revenue

All revenue is derived from construction contracts and related assets. Additional disclosures are made under IFRS 15 to enable users to understand the relative size of the divisions. An analysis of the Group's revenue is as follows:

	2026 £000	2025 £000
Commercial and Industrial	318,232	349,588
Nuclear and Infrastructure	124,240	85,860
Core Construction Operations	442,472	435,448
Modular Solutions	16,323	24,152
Elimination of inter-segment revenue (Modular Solutions)	(4,541)	(8,687)
Total Group revenue	454,254	450,913

Geographical information

The following table presents revenue according to the primary geographical markets in which the Group operates. This disaggregation of revenue is presented for the Group's two operating segments described above.

	2026 £'000	2025 £'000
Core Construction Operations - revenue by destination		
United Kingdom	274,086	265,300
Republic of Ireland and continental Europe	168,386	170,148
	442,472	435,448
Modular Solutions - revenue by destination		
United Kingdom	16,323	23,007
Rest of world	-	1,145
	16,323	24,152
Elimination of intercompany revenue (UK)	(4,541)	(8,687)
	11,782	15,465

All revenue is derived from construction contracts and related assets. Group revenue includes revenue of £108,503,000

(2025: £50,262,000), relating to two major clients (2025: one major client), who individually contributed more than 10 per cent of Group revenue in the year ended 28 March 2026.

3) Non-underlying items

	2026 £000	2025 £000
Amortisation of acquired intangible assets	2,606	2,609
Legacy employment tax charge	-	(1,373)
Impairment Charges	22,186	-
Unwinding of discount on contingent consideration - DAM structures	12	170
Fair value adjustment to contingent consideration - DAM structures	-	(1,135)
Modular Solutions closure costs	12,640	-
Other non-underlying costs	4,608	2,848
Bridge testing and remedial costs	13,208	43,367
Insurance recoveries	(7,500)	(20,000)
Other bridge-related costs	2,571	9,159
Non-underlying items before tax	50,331	35,645

The amortisation of acquired intangible assets of £2,606,000 (2025: £2,609,000) represents the amortisation of client relationships which were identified on the acquisitions of DAM Structures and VSCH in 2021 and 2023, respectively.

The impairment charges of £22,186,000 include the non-cash impairments of the infrastructure CGU goodwill of £11,474,000 and our joint venture investment in CMF of £9,872,000.

The Modular Solutions closure costs of £12,640,000 include all costs associated with the Group's strategic decision to discontinue the business. Following the Board's decision to exit the business during the second half of FY26, management implemented a controlled withdrawal from new sales and tendering activity whilst continuing to fulfil the remaining client order book and undertake an orderly wind-down of operations. As a result, the business experienced a significant reduction in future workload and overhead recovery during the period, whilst the underlying fixed cost base could not be removed immediately due to operational requirements, employee consultation processes and the consideration of potential sale opportunities. Losses recognised of £3,843,000 (including £1,143,000 recognised in H1) therefore reflect the direct financial consequences of implementing the exit decision, including reduced operational leverage, under-recovery of fixed costs. Other closure and restructuring-related costs from the discontinuation process of £8,797,000 were also recognised, including £4,075,000 in relation to an onerous contract provision for the new Modular Solutions factory which is now surplus to requirements.

The bridge testing and remedial programme continued to progress throughout the year. Following further testing activities and the continued development of project-specific remediation solutions, the Group has updated its estimate of the total cost to complete the programme and recognised an additional £13,208,000 provision in the year. This reflects both costs incurred during the period and the Group's current estimate of the remaining testing and remedial costs across all affected bridge projects. During the year, the Group recognised additional insurance recoveries of £7,500,000 in respect of bridge testing and remedial costs. These recoveries were received in full during the year and increase the total insurance recoveries recognised to £27,500,000.

Other bridge-related costs of £2,571,000 include provisions for third-party claims, along with other incremental costs associated with the bridge remedial programme. These have been presented as a non-underlying expense as the directors believe presenting an underlying result which excludes the effect of bridge remedial works to be meaningful and useful information and facilitates analysis of the impact of the remedial programme. In the absence of notification of any further consequential claims and noting that, in certain cases, such claims may be limited by contractual liability caps, the Group's current assumption is that any further costs will remain with the respective parties.

Other non-underlying costs of £4,608,000 include £1,513,000 of transformation-related expenditure incurred in support of the Group's strategic transformation programme and the delivery of the Board's refreshed strategy. The charge also includes £1,163,000 relating to changes within the executive management team during the year, including severance costs associated with the departure of the former Chief Financial Officer.

The balance includes £1,405,000 of exceptional refinancing costs incurred in connection with the one-year extension of the Group's banking facilities agreed in July 2025. Given the uncertainty arising from the bridge testing and remedial programme and its impact on the Group's financial position, the refinancing was limited to a one-year extension and required extensive engagement with lenders and advisers. The refinancing arrangements incorporated specific amendments and additional requirements reflecting the bridge testing and remedial programme, resulting in advisory and transaction fees that were significantly higher than would typically be incurred as part of a routine refinancing. Accordingly, these costs are considered non-recurring in nature and are not reflective of the Group's underlying financing activities.

Costs related to the bridge weld issue, along with the associated insurance recovery income, and redundancies have been separately identified and presented as non-underlying items, reflecting their one-off and material nature.

4) Taxation

The taxation charge comprises:

	2026 £000	2025 £000
Current tax		
Corporation tax charge	(2,059)	3,945
Foreign tax relief / other relief	1,550	445
Foreign tax suffered	(1,550)	(445)
Adjustments to prior years' provisions	390	(1,088)

	(1,669)	2,857
Deferred tax		
Current year charge	6,665	73
Adjustments to prior years' provisions	(733)	495
	5,932	568
Total tax charge	4,263	3,425

5) Dividends

	2026 £000	2025 £000
Amounts recognised as distributions to equity holders in the year:		
2026 final - nil per share (2025: 2.3p per share)	-	7,013
2026 interim - nil per share (2025: 1.4p per share)	-	4,151
	-	11,164

The directors have made the decision to continue to suspend the final dividend (2025: £nil).

6) Earnings per share

Earnings per share is calculated as follows:

	2026 £000	2025 £000
Earnings/(loss) for the purposes of basic earnings per share being net profit attributable to equity holders of the parent company	(35,610)	(14,087)
Earnings for the purposes of underlying basic earnings per share being underlying net profit attributable to equity holders of the parent company	8,105	12,938
Number of shares	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	295,900,490	302,512,024
Effect of dilutive potential ordinary shares	-	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	295,900,490	302,512,024

Basic loss per share	(12.03)p	(4.66)p
Underlying basic earnings per share	2.74p	4.28p
Diluted loss per share	(12.03)p	(4.66)p
Underlying diluted earnings per share	2.74p	4.28p

Basic earnings per share is calculated by dividing the profit after tax attributable to the equity holders of the parent by the weighted average number of ordinary shares in issue during the year, excluding shares held in employee benefit trusts. These shares are treated as cancelled for the purpose of the calculation, as dividend rights have been waived other than for a nominal amount.

For the purposes of diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to reflect the potential dilutive effect of outstanding share awards. However, as the Group incurred a loss for the year, no such adjustment has been made, in accordance with IAS 33, since the inclusion of potentially dilutive shares would be anti-dilutive.

Underlying earnings per share are also presented to provide a more representative measure of the Group's underlying financial performance, excluding the impact of non-underlying items.

7) Net cash flow from operating activities

	2026 £000	2025 £000
Profit/(loss) before tax	(39,873)	(17,512)
Adjustments:		
Net finance expense	4,728	3,791
Depreciation of property, plant and equipment	6,998	7,217
Depreciation of right-of-use assets	3,812	2,729

Gain on disposal of other property, plant and equipment	(1,133)	(413)
Fixed asset impairments	22,975	-
Amortisation of intangible assets	2,673	2,699
Movements in pension scheme	(2,550)	(2,296)
Share of results of JVs and associates	(2,477)	(101)
Share-based payments	434	489
Exchange adjustments	(355)	100
Operating cash flows before movements in working capital	(4,768)	(3,297)
(Increase)/decrease in inventories	4,390	(161)
(Increase)/decrease in receivables	7,310	(30,597)
Increase/(decrease) in payables	16,295	27,999
Cash (used in)/generated from operations	23,227	(6,056)
Tax paid	(352)	5,534
Net cash flow from operating activities	22,875	(522)

Net debt

The Group's net debt are as follows:

	2026 £000	2025 £000
Borrowings	(7,600)	(13,800)
Cash and cash equivalents	24,361	15,520
Rolling credit facility	(45,000)	(45,000)
Unamortised debt arrangement fees	64	150
	(28,175)	(43,130)

The Group excludes IFRS 16 lease liabilities from its measure of net funds/debt as they are excluded from the definition of net debt as set out in the Group's borrowing facilities.

8) Alternative Performance Measures

The Group provides alternative performance measures, including underlying operating profit and underlying profit before tax, to enable users to better understand the performance and earnings trends of the Group. The Group's alternative performance measures are not defined by IFRS and are therefore considered to be non-GAAP measures. The measures may not be comparable to similar measures used by other companies and they are not intended to be a substitute for, or superior to, measures defined under IFRS.

In order to facilitate understanding of the APMs used by the Group, and their relationship to reported IFRS measures, definitions and numerical reconciliations are set out below.

Alternative performance measure ('APM')	Definition	Rationale
Underlying operating profit (before JVs and associates)	Operating profit before non-underlying items and the results of JVs and associates.	Profit measure reflecting underlying trading performance of wholly owned subsidiaries.
Underlying profit before tax	Profit before tax before non-underlying items.	Profit measure widely used by investors and analysts.
Underlying basic earnings per share ('EPS')	Underlying profit after tax divided by the weighted average number of shares in issue during the year.	Underlying EPS reflects the Group's operational performance per ordinary share outstanding.
Net funds / (debt) (pre-IFRS 16)	Balance drawn down on the Group's revolving credit facility, with unamortised debt arrangement costs added back, less cash and cash equivalents (including bank overdrafts) before IFRS-16 lease liabilities.	Measure of the Group's cash indebtedness before IFRS-16 lease liabilities, which are excluded from the definition of net funds / (debt) in the Group's borrowing facilities. This measure supports the assessment of available liquidity and cash flow generation in the reporting period.
Operating cash conversion	Cash generated from operations (before net capital expenditure, interest and tax) expressed as a percentage of underlying EBITDA (before JVs and associates)	Measure of how successful we are in converting profit to cash through management of working capital. Widely used by investors and analysts.
Underlying return on capital employed	Underlying operating profit divided by the average of opening and closing capital employed. Capital employed is defined as shareholders' equity excluding retirement benefit obligations (net of tax), acquired intangible assets and net funds	Measures the return generated on the capital we have invested in the business and reflects our ability to add shareholder value over the long term. We have an asset-intensive business model and ROCE reflects how productively we deploy those capital resources.

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Economic value generated and distributed	Economic value generated reflects Group revenue. Economic value distributed is operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments.	A basic indication of how the Group has created wealth for its stakeholders and an important ESG measure.

Reconciliations to IFRS measures

	2026 £000	2025 £000
<u>A. Underlying operating profit (before JVs and associates)</u>		
Underlying operating profit (before JVs and associates)	12,697	21,653
Non-underlying operating items	(50,319)	(35,645)
Share of results of JVs and associates	2,477	101
Operating profit/(loss)	(35,145)	(13,721)
<u>B. Underlying profit before tax</u>	2026 £000	2025 £000
Underlying profit before tax	10,458	18,133
Non-underlying items	(50,331)	(35,645)
Profit/(loss) before tax	(39,873)	(17,512)
<u>C. Underlying basic EPS</u>	2026 £000	2025 £000
Underlying net profit attributable to equity holders of the parent Company	8,105	12,938
Non-underlying items after tax	(43,715)	(27,025)
Net profit attributable to equity holders of the parent Company	(35,610)	(14,087)
Weighted average number of ordinary shares	295,900,490	302,512,024
Underlying basic earnings per share	2.74p	4.28p
Basic loss per share	(12.03)p	(4.66)p
<u>D. Net debt (pre-IFRS 16)</u>	2026 £000	2025 £000
Borrowings	(7,600)	(13,800)
Cash and cash equivalents	24,361	15,520
Revolving credit facility	(45,000)	(45,000)
Unamortised debt arrangement costs	64	150
Net debt (pre-IFRS 16)	(28,175)	(43,130)
IFRS 16 lease liabilities	(18,446)	(20,461)
Net debt (post-IFRS 16)	(46,621)	(63,591)
<u>E. Operating cash conversion</u>	2026 £000	2025 £000
Cash (used in) / generated from operations	23,227	(6,056)
Non-underlying operating profit	50,319	35,475
Non-underlying non-cash items*	(25,591)	(2,690)

Non-underlying non-cash items	(23,361)	(2,003)
Non-underlying working capital movements**	(13,758)	(5,958)
Underlying cash generated from operations	34,206	20,852
Underlying EBITDA (before JVs and associates)	23,574	31,689
Operating cash conversion	145%	66%

* Includes amortisation and impairments that are classified as non-underlying

** Largely relates to movement on non-underlying provisions (i.e. bridges) and insurance debtors.

Reconciliations to IFRS measures

	2026	2025
F. Underlying return on capital employed	£000	£000
Underlying operating profit		
Underlying operating profit (before JVs and associates)	12,697	21,653
Share of results from JVs and associates	2,477	101
Underlying operating profit	15,174	21,754
Capital employed		
Shareholders' equity	146,641	182,960
Cash and cash equivalents (net of overdraft)	(24,361)	(15,520)
Borrowings	52,600	58,800
Net debt (for ROCE purposes)	28,239	43,280
Acquired intangible assets	-	(2,606)
Retirement benefit obligation (net of deferred tax)	2,155	5,140
	177,035	228,774
Average capital employed	202,904	233,505
Underlying return on capital employed	7.5%	9.3%

Principal and emerging risks

The Board has carried out a robust assessment of the principal and emerging risks and uncertainties facing the Group, including those that could impact its profitability, financial position, reputation and ability to deliver its strategic objectives. Full details of the Group's principal risks, together with the associated mitigations and linkages to strategy and key performance indicators, are set out in the FY26 Annual Report.

The Group's principal risks comprise health and safety, supply chain, people, commercial and market environment, contract pricing, cyber security, onerous contract terms and product risk. During FY26, the Board increased the assessment of supply chain risk to reflect ongoing market uncertainty, geopolitical developments and the importance of maintaining resilient supply chain partnerships and removed industrial relations as a principal risk. The assessment of all other principal risks remained unchanged. The Board continues to monitor these risks closely and considers that the Group's risk management and internal control framework remains appropriate and effective.

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