

Balfour Beatty AGM Trading Update

13 MAY 2021

Ahead of today's Annual General Meeting (AGM), Balfour Beatty announces an update on trading for the period 1 January 2021 to date.

Group performance and 2021 outlook

The Group's cash performance continues to be positive. For the first four months of the year, the average monthly net cash balance was around £600 million (Full year 2020 average: £527 million; December 2020 net cash balance: £581 million).

The Board continues to expect that the earnings-based businesses (Construction Services and Support Services) will deliver underlying profit from operations for 2021 in line with 2019 (£172 million). For the asset-based business (Infrastructure Investments) the Group has re-commenced the process of selling assets, as demand for high quality infrastructure assets in the secondary market is high.

At the end of March, the Group's order book was £15.7 billion (December 2020: £16.4 billion). Balfour Beatty remains positive about the strong medium term outlook in its core infrastructure markets, where the Group is well positioned and will continue its profitable managed growth strategy through selective bidding.

Operational update

At Construction Services, across the portfolio operations continue to recover from the impacts of the pandemic. The most impacted geography in the first quarter remained UK Construction where strong performance on infrastructure projects for public sector customers continues to be offset by the private sector market.

Support Services has maintained its strong 2020 performance into the new year. The power, road and rail maintenance business units continue to deliver for their customers and in line with the Group's withdrawal from the gas and water sector, the last significant utilities contract completed in March 2021.

At Infrastructure Investments, the business has won two new projects in the year. The student accommodation project at Vanderbilt University reached financial close in April and Balfour Beatty were also appointed preferred bidder for the £130 million Royal Holloway student accommodation project. The Group has re-commenced the process of selling assets, with the first disposal expected to be completed in the first half of the year.

Chairman succession

Charles Allen, Lord Allen of Kensington, CBE, will join the Board of Balfour Beatty following today's Annual General Meeting as a Non-Executive Director and, following a transition period, will assume the position of Chair from 20 July 2021 when he will succeed Philip Aiken, AM who has been Chair since 2015.

Capital allocation framework

The Group's share buyback programme has accelerated in recent weeks. Through the first four months of the year, Balfour Beatty acquired over £58 million of its share capital, and expects to complete the full £150 million for 2021 by year end.

Quote

Leo Quinn, Balfour Beatty Group Chief Executive, said: "The impact of the pandemic, coupled with political changes in the US and UK, have accelerated those Governments' spending plans on infrastructure and sustainability as a means to stimulate economic recovery. Today, Balfour Beatty is very well positioned to capitalise on these changes to grow profitably in its chosen markets."

ENDS

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Notes to editors:

- Balfour Beatty (www.balfourbeatty.com) is a leading international infrastructure group with 26,000 employees driving the delivery of powerful new solutions, shaping thinking, creating skylines and inspiring a new generation of talent to be the change-makers of tomorrow.
- We finance, develop, build, maintain and operate the increasingly complex and critical infrastructure that supports national economies and deliver projects at the heart of local communities.
- Over the last 112 years we have created iconic buildings and infrastructure all over the world including: the £1.5 billion A14 improvement scheme - Britain's biggest road project; Hong Kong's HK\$5.5 billion world-class harbour theatre project for the West Kowloon Cultural District Authority; and the 12.5 mile \$429 million North Metro Commuter Rail line in Colorado, US.