

**Balfour Beatty**

# 2025 full year results presentation

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11 March 2026

M3 Junction 9 Improvement Scheme, UK



**Balfour Beatty**

**Philip Hoare**  
Group Chief Executive

2025 UK Early Careers Festival welcoming c.400 apprentices and graduates



## Strong performance and confident outlook

2025

Full year expectations delivered with profitable growth and increased cash

**9%**

EPS growth

Outlook

Record order book with momentum in chosen growth markets

**£23 billion**

order book

Shareholder returns

Attractive and sustainable shareholder returns

**£200 million**

share buyback

# The next chapter of growth

## *Evolve*

Strengthen our core



Improve margins across the portfolio

Drive operational excellence through improved project delivery

Invest in our people

## *Energise*

Accelerate profitable growth



US Construction expansion

Leverage high growth UK energy and defence markets

Deeper customer relationships

## *Explore*

Shape what's next



Responsive to dynamic markets

Explore adjacencies

Disciplined investment in technology capability and partnerships

Increase long-term value



**Balfour Beatty**

**Phil Harrison**  
Chief Financial Officer

Hanslope Junction track renewal, UK

## Headline numbers: strong year of growth

£m (unless otherwise stated)	2025	2024	Variance
Group revenue	10,767	10,015	8%
Profit from earnings-based businesses*	293	252	16%
Profit from operations*	252	248	2%
Profit for the year*	239	227	5%
Basic earnings per share*	47.6p	43.6p	9%
Dividends per share	14.0p	12.5p	12%
	2025	2024	
Order book	£22.7bn	£18.4bn	23%
Directors' valuation of Investments portfolio	£1.1bn	£1.3bn	(15)%
Period end net cash <sup>‡</sup>	1,446	943	53%
Average net cash <sup>‡</sup>	1,212	766	58%

\* before non-underlying items

<sup>‡</sup> excluding Infrastructure Investments (non-recourse) net borrowings and lease liabilities

## Construction Services: UK margin ahead of 3% target

£m	2025			2024		
	Revenue	PFO*	PFO %	Revenue	PFO*	PFO %
UK	3,112	110	3.5%	3,011	81	2.7%
US	4,509	25	0.6%	3,638	40	1.1%
Gammon	1,090	36	3.3%	1,550	38	2.5%
<b>Total</b>	<b>8,711</b>	<b>171</b>	<b>2.0%</b>	<b>8,199</b>	<b>159</b>	<b>1.9%</b>

\* before non-underlying items

- 8% growth in PFO
- UK: surpassed long-term 3% PFO margin target:
  - 3.2% margin when excluding one-off £11 million insurance recovery
- US: strong growth in Buildings offset by delays at one Civils project:
  - robust second half performance
  - margin improvement forecast for 2026 and 2027
- Gammon: improved PFO margin %

## Support Services: Power expansion drives PFO growth

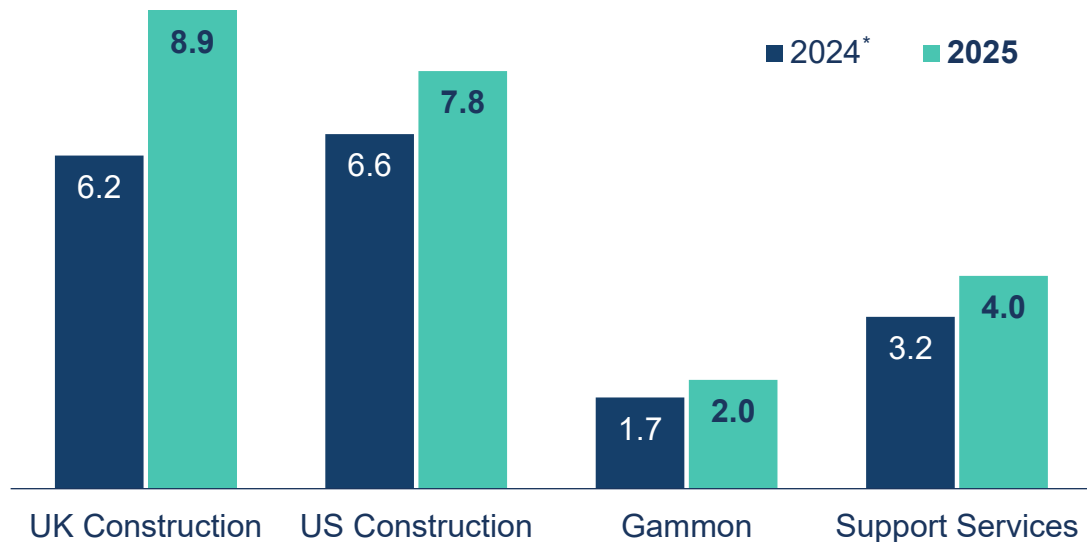
£m	2025	2024
Revenue		
Utilities	631	385
Transportation	796	825
<b>Total</b>	<b>1,427</b>	<b>1,210</b>
<b>Profit from operations*</b>	<b>122</b>	<b>93</b>
<b>PFO %*</b>	<b>8.5%</b>	<b>7.7%</b>

\* before non-underlying items

- Profitable recurring revenues underpinned by long-term frameworks
- 18% revenue growth driven by increased Power T&D activity
- Profit growth driven by revenue and margin % improvement in the Power T&D business
- Strong performance across the segment

# Group order book: 23% increase with growth in all divisions

£22.7 billion order book



\* 2024 order book retranslated at closing 2025 exchange rate

- 44% increase in UK Construction driven by new power generation projects:
  - 88% of orders are target cost or cost plus
- Strong progress in US Construction, with larger order books in both Buildings and Civils
- Gammon growth driven by Northern Metropolis and buildings orders
- 25% increase in Support Services driven by Rail and Power T&D
- Significant further pipeline of awarded but not contracted work

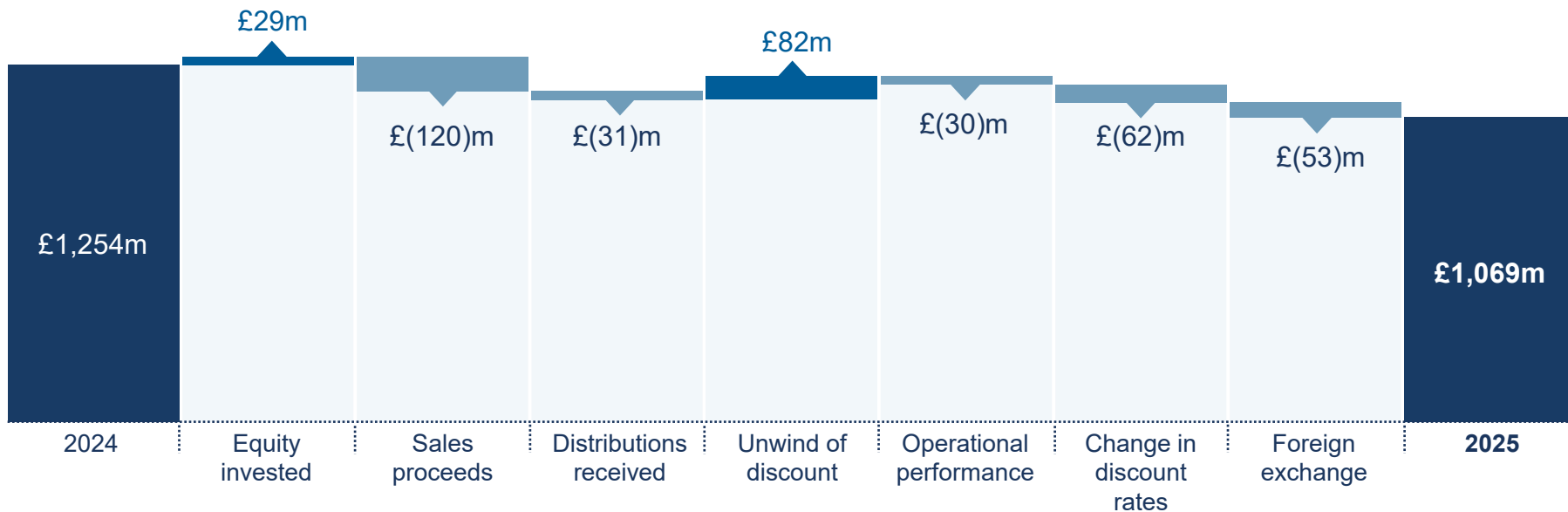
## Infrastructure Investments: £120 million disposal proceeds

£m	2025	2024
Pre-disposals operating (loss)*	(31)	(8)
Gain on disposals	36	43
<b>Investments profit*</b>	<b>5</b>	35
Subordinated debt interest receivable	24	29
Infrastructure concessions' net interest	(13)	(10)
<b>Investments pre-tax profit*</b>	<b>16</b>	54

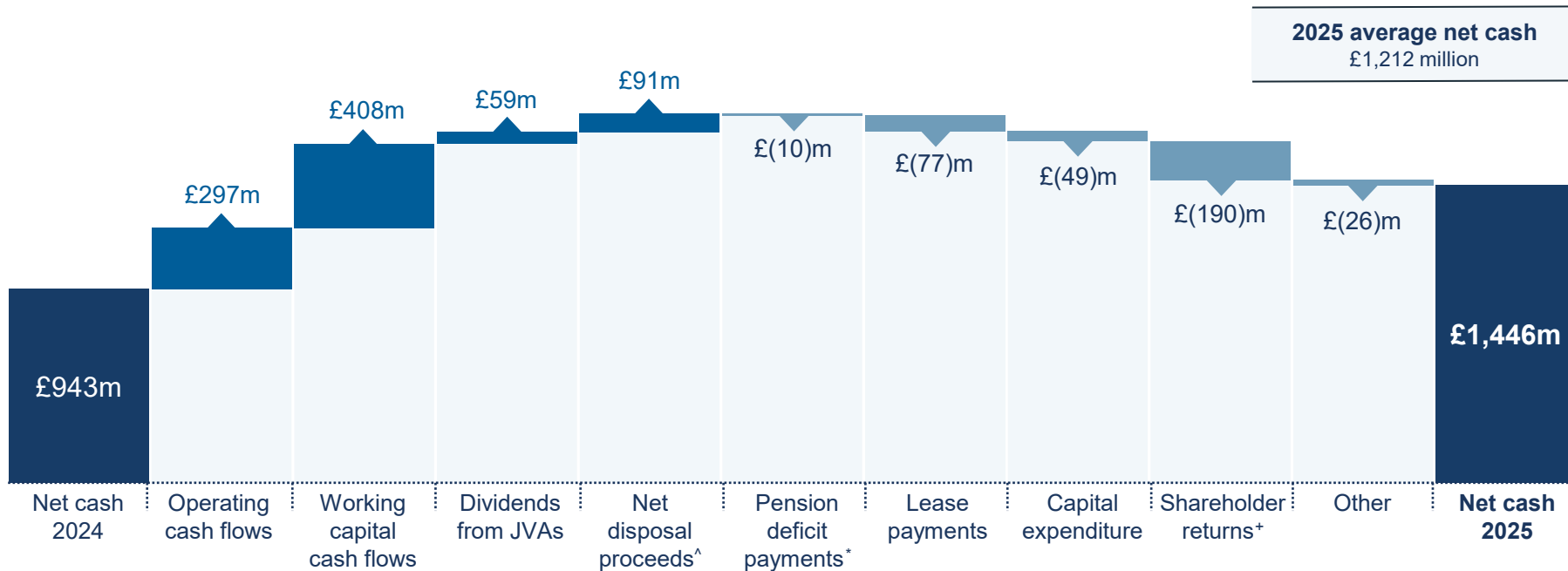
\* before non-underlying items

- Increased operating loss due to higher US military housing costs
- Monitorship anticipated to complete in June 2026
- Crystallised £120 million of Directors' valuation with 12 asset disposals
  - £36 million gain and all completed at or above Directors' valuation
  - all transactions delivered end-to-end cash multiples in the range of 2 to 2.5 times
- Net interest income £8 million lower, with 2024 impairment write-back not repeated

# £1.1 billion Infrastructure Investments Directors' valuation



# Strong cash performance



<sup>^</sup> includes £29 million of equity invested

<sup>\*</sup> includes £2 million of regular funding

<sup>+</sup> includes £1 million of costs

**2026 cash outlook**

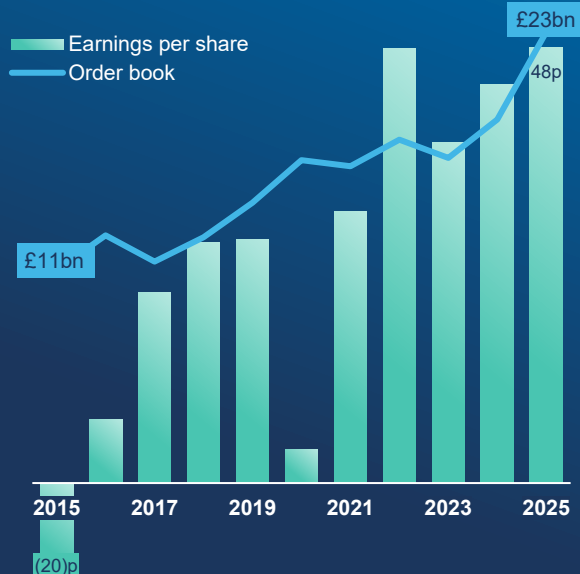
- Average net cash: £1.3 – 1.5 billion
- Working capital: Broadly flat

## Consistent capital allocation policy

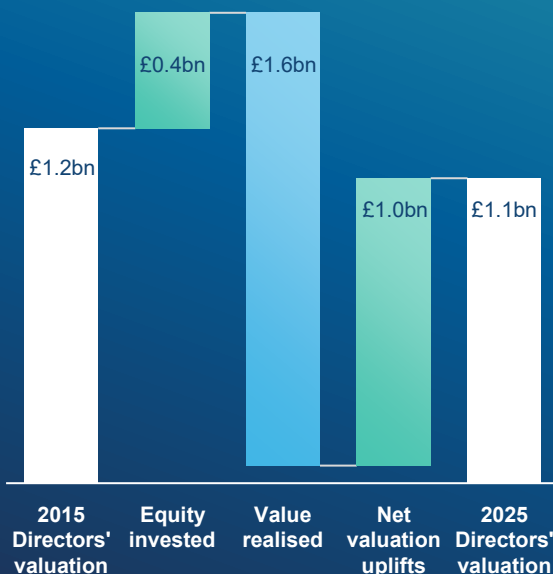
<p>Continued investment in organic growth opportunities</p>	<p>Active realisation of Investments portfolio</p>	<p>Strong but efficient balance sheet</p>	<p>Sustainable ordinary dividend</p>	<p>Additional cash returns via share buybacks</p>
<p><b>£77 million</b> invested in capex and Investments</p>	<p><b>£120 million</b> proceeds from 12 asset disposals - above Directors' valuation</p>	<p><b>£1.2 billion</b> strong average net cash position</p>	<p><b>12% increase</b> to 14p full year dividend</p>	<p><b>£200 million</b> share buyback underway</p>

# Foundations set for further growth

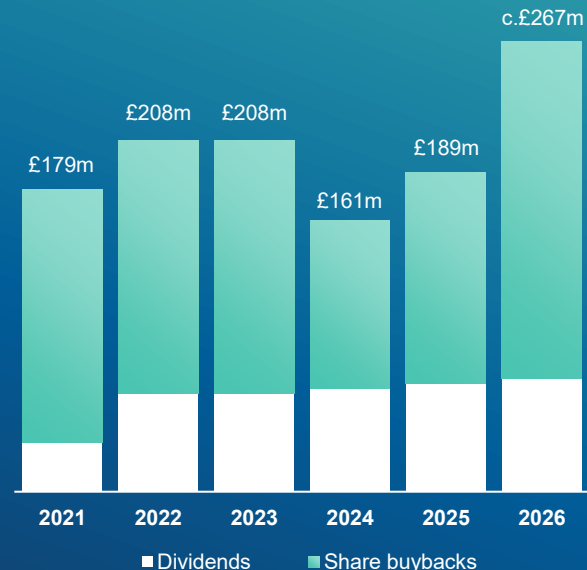
## Transformed financial performance and record order book



## Track record of value creation in Investments portfolio



## Over £1.2 billion of shareholder returns 2021 – 2026



# 2026 outlook

Further growth in  
earnings-based  
businesses

- **High single-digit % growth forecast for earnings-based business PFO:**
  - Construction Services: PFO margin growth in UK and US Construction
  - Support Services: further growth in Power T&D revenue and PFO margin remaining above 8%
- **Infrastructure Investments:**
  - small PFO loss prior to disposals
  - gain on disposals in the range of £5 - 15 million
- **Net finance income in range of £28 - 32 million and P&L tax charge close to statutory rates**
- **Average net cash in range of £1.3 - £1.5 billion**

**Balfour Beatty**

**Philip Hoare**  
Group Chief Executive

Hinkley Point C tunnelling and marine works, UK



# Strong and diversified Group

**£22.7 billion**

high quality & diversified order book

39% UK Construction



18% Support Services



34% US Construction



9% Gammon



**£1.1 billion**

Investments portfolio

35% UK



65% US



**Momentum**

in growth markets

▶ UK Energy

▶ UK Defence

▶ UK Transport

▶ US Buildings

Deep end-to-end expertise

Design & Engineering

Programme Management

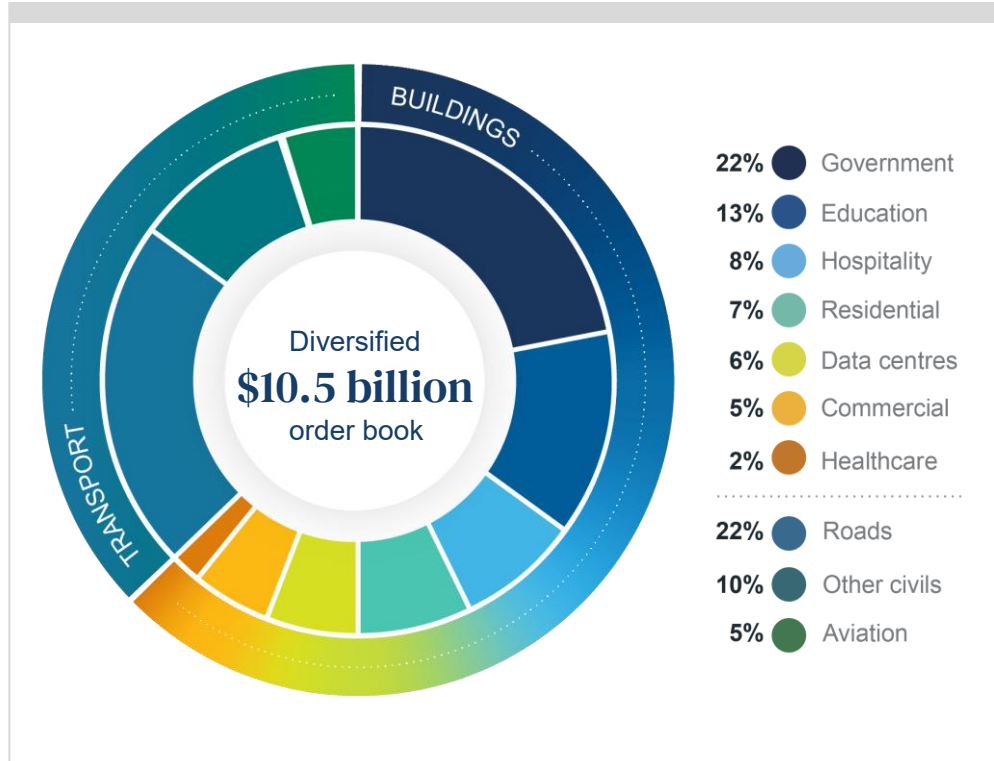
Construction Management

Construction

Operations & Maintenance

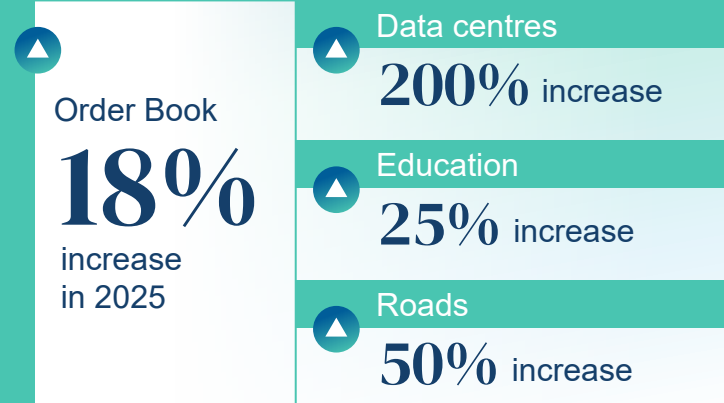
Project Finance

# US Construction: significant growth opportunity



## Organic growth strategy: revenue up 28%

- Further geographic expansion
- Leveraging existing customer relationships

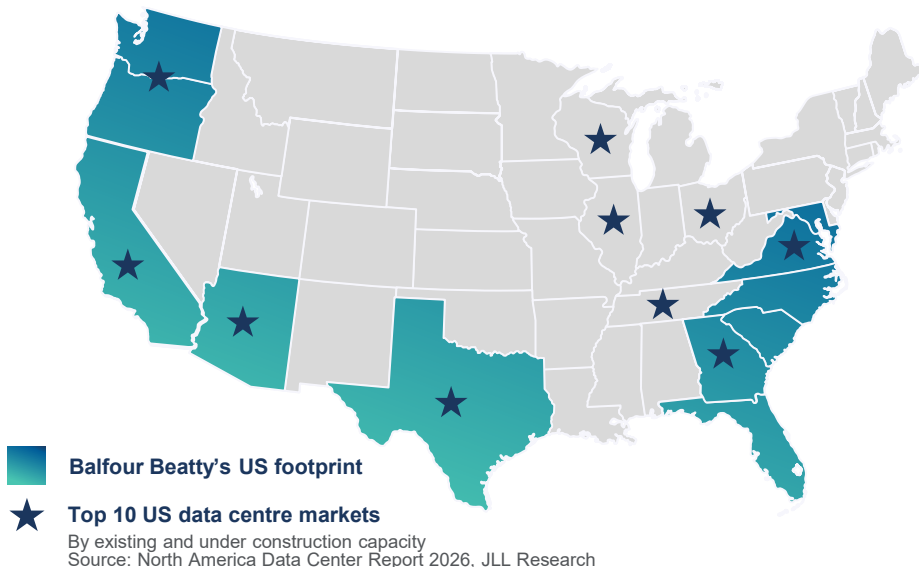


# US Construction: rising demand for data centre expertise

## Strong opportunity

### US data centres: \$250 billion market 2026 - 2029

Source: FMI 2026 North American engineering and construction industry overview: Q1 2026



### Continued market growth

- Market compound annual growth rate forecast at 17% (2025 – 2029)
- Growing demand in Group's US footprint



### 20+ year delivery record in Northwest

- Four live projects in Oregon and Washington
- Shell and core delivery



### Leveraging customer relationships to expand outside core markets

- Recent success in Virginia
- Targeted projects in Texas, Georgia and Pennsylvania



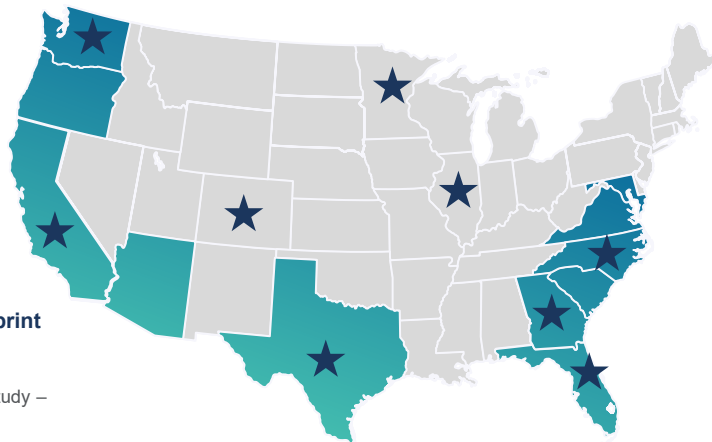
**Customers:** long-term relationships and proven delivery of c.80 data centres over 20 years

# US Construction: growth in aviation investment

Expert capabilities and delivery record in growing market

**US aviation:  
\$140 billion market  
2026 – 2029**

Source: Internal estimates



 **Balfour Beatty's US footprint**

 **Top US aviation markets**  
Airport Infrastructure Needs Study –  
Airports Council International



### Strong track record

- Projects currently being delivered at Los Angeles, Sacramento, Raleigh Durham, Orlando and Jacksonville airports



### Multidisciplinary experience

- Diverse aviation infrastructure capabilities, including terminals, people movers, airfields, baggage solutions



### Significant pipeline of opportunities

- Growing programme of investment driven by increased demand



### Group wide capability



Delivering multiple infrastructure projects across 20 US airports over two decades



Track record of delivery across Gatwick, Edinburgh and Heathrow airports



Working at Hong Kong International Airport for 30 years, most recently with two major schemes for the Three Runway Project

# UK growth markets: strong momentum

## Energy



c.£70bn

Addressable market to 2031  
2025 Spending Review and RII0 –T3 estimates

- c.£3 billion order to deliver one third of Sizewell C civil works
- Secured £833 million Net Zero Teesside contract



## Defence



c.£15bn

Addressable market to 2030  
internal estimate of six key defence segments

- Selected for second major Rolls-Royce defence scheme
- Delivering for Defence Infrastructure Organisation and Defence Nuclear Enterprise



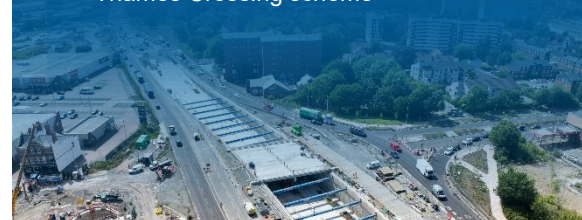
## Transport



c.£85bn

Addressable market to 2030  
(excl. HS2) 2025 Spending Review

- Secured £315 million Warwickshire highways maintenance contract
- UK Government approval for Lower Thames Crossing scheme

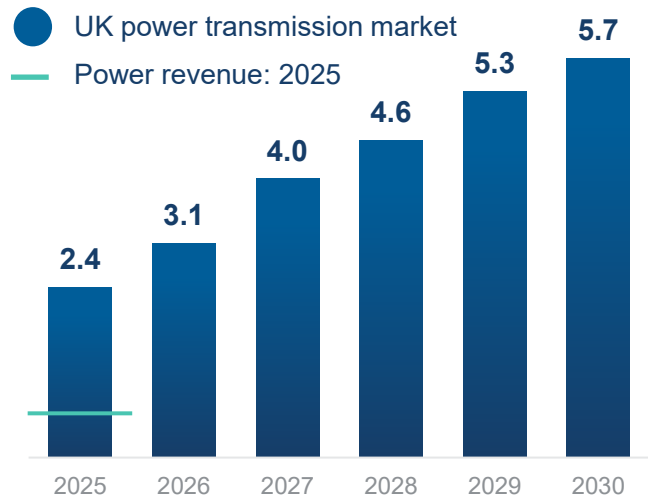


**Skills investment:** investing in the next generation with 9% of UK workforce in earn and learn roles

# UK Power Transmission: leading share of growing market

## Target market: 2025-30 (£bn)

Source: Internal estimates



**25%** estimated 2025 market share

**£0.6 billion**

2025 revenue

**£1.6 billion**

Order book

**£6 - 8 billion**

Further pipeline

**Largest workforce and end-to-end capabilities**

Design

Substations

Underground cables

Overhead lines

Steel fabrication

Commissioning



**Skills investment:** industry-leading training centre for overhead line operatives

# UK Power Generation: long term workload secured

## Constructing the next wave of onshore UK power stations

# £4 billion

10-year secured pipeline

- **Trusted delivery partner:** supporting UK energy security and journey to net zero
- **Market leading civil engineering solutions:** unique end-to-end capabilities
- **Long-term market:** Government target to quadruple UK nuclear capacity by 2050

**Capability:** civil nuclear construction credentials matched to opportunities in defence sector



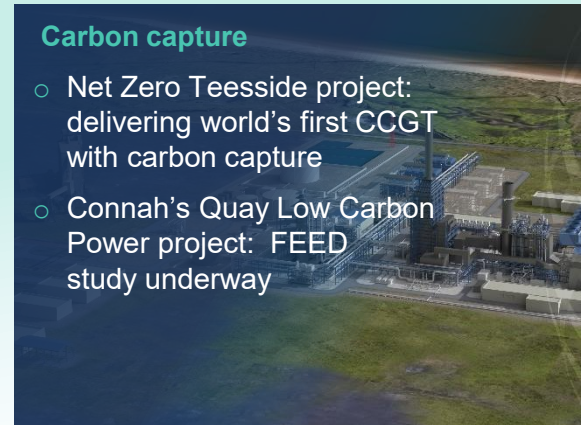
### Nuclear new build

- Hinkley Point C: UK's first new nuclear power station in a generation
- Sizewell C: intelligent replication of Hinkley Point C



### Carbon capture

- Net Zero Teesside project: delivering world's first CCGT with carbon capture
- Connah's Quay Low Carbon Power project: FEED study underway



### Emerging opportunity SMRs



# UK Defence: well positioned in complex market

## Government commitment to increase defence spending

**c.£15 billion**

addressable market to 2030

- Multiple major project bids being mobilised in 2026

**c.£1.5 billion**

of secured work

- Two long-term contracts with Rolls-Royce
- Delivering schemes for Defence Infrastructure Organisation and Defence Nuclear Enterprise customers

### Our differentiators

Extensive capability

Strong balance sheet

Complex nuclear experience

UK domiciled

Security clearance

Ringfenced & secure IT

*“An engine for growth – driving jobs and prosperity through a new partnership with industry, radical procurement reforms and backing UK businesses.”*

UK Government Strategic Defence Review 2025

Nuclear submarine HMS Vanguard (Source: MOD)

**Digital:** £7.5 million investment in cyber security platform, aligned with UK Government standards and clearance levels



# UK Transport: strong positions in high spend market

## Resilience and responsiveness to dynamic markets

# £85 billion

Addressable market to 2030

- Deep and diverse road and rail capabilities well matched to changes in customer demand
- Major long-term order book positions and growth opportunities in the medium term
- Well positioned for major aviation programmes
  - Proven track record at London airports
  - Live Edinburgh Airport project

### Roads

- £315 million Warwickshire maintenance contract renewed
- Lower Thames Crossing being delivered with private finance
- £25 billion RIS3 pivot towards maintenance and renewals



### Rail

- £750 million long term rail orders secured in 2025
- Ongoing work at two major HS2 schemes
- Railways bill:
  - prioritising major enhancements over renewals
  - influential strategic & mayoral authorities driving investment

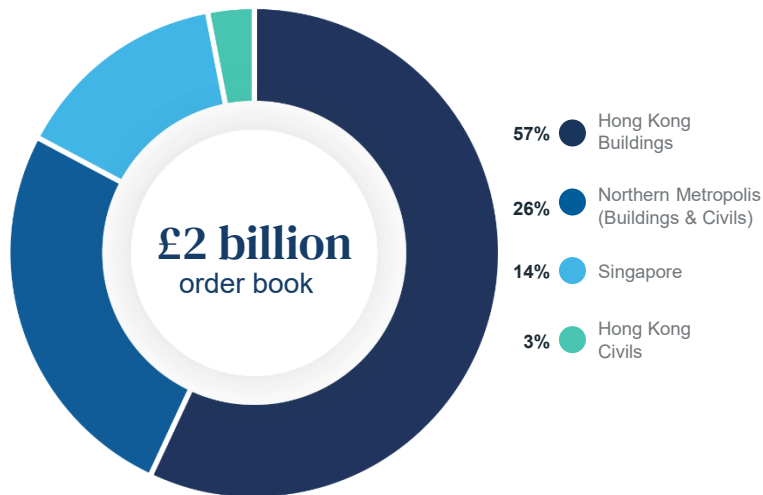


**Sustainability:** 7.8% reduction in Group carbon intensity; reducing rail fleet emissions and improving performance through Engine Carbon Clean technology

# Gammon: strong reputation and high-quality delivery

Expert capabilities aligned to long-term infrastructure demand

▲ 18% order book growth



## Hong Kong Government committed to major infrastructure development

- Additional funds committed for 2026 – 2028
- Northern Metropolis development underway and Gammon winning work - 26% of order book
- Railway network expansion coming to market



Robust Singapore pipeline across commercial and tourism sectors



**Productivity:** digital twins helping manage the expansion of Terminal 2 at Hong Kong International Airport and robots taking on painting and material handling tasks at Cyberport commercial development

# Infrastructure Investments: improving landscape

## Project opportunities across UK and US

### UK Government plans to fund public infrastructure with private finance

- NISTA combines Infrastructure Projects Authority with Treasury
- Early focus on Lower Thames Crossing

### Major Electric Vehicle charging contract secured in Kent

- 20-year concession with Kent County Council
- 10,000 on-street chargers to be installed



### Fort Carson refinancing raises \$444 million for redevelopment

- c.400 new homes and upgrading c.350 existing homes
- 25-year ground lease extension to 2074



**Capability:** long history and deep expertise in public private partnerships

# A powerful platform for growth

Confidence in creating further long-term value and sustainable shareholder returns

- Strong 2025 performance with momentum building into 2026
- Significant and high-quality order book
- Disciplined governance processes
- Well positioned in growing markets, with increasing demand for the Group's expertise
- Robust balance sheet and consistent capital allocation framework
- Unlocking the next chapter of growth: Evolve, Energise, Explore

**Balfour Beatty**

# Appendix

Queensway Bridge, Hong Kong



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# Balfour Beatty investment proposition



## High quality and de-risked portfolio

- Diverse portfolio across UK, US & Hong Kong
- Record £23 billion order book
- Robust governance and disciplined bidding



## Expert capability

- Track record of complex infrastructure delivery
- Unique end-to-end capabilities
- Industry leading employee engagement



## Sustained growth drivers

- Governments driving growth through infrastructure
- Capabilities aligned to growth markets
- UK demand outweighing supply



## Responsible goals

- Evolved sustainability strategy launched in 2024
- Net zero carbon emissions targets verified by SBTi
- Ambitious community targets



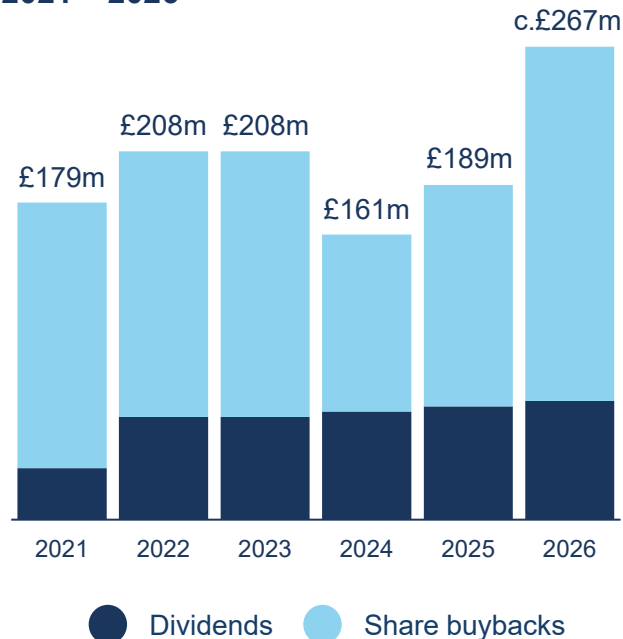
## Financial strength

- Strong cash generation
- £1.1 billion Investments portfolio
- Sector leading balance sheet



**Attractive future shareholder returns underpinned by sustained growth opportunities and financial strength**

## Over £1.2 billion of shareholder returns 2021 – 2026



# Building New Futures Sustainability Strategy

## Protecting and enhancing the environment



Climate change



Nature positive



Resource efficiency



7.8% reduction in the Group's carbon emissions intensity using the market-based methodology



Launched nature positive principles in the UK underpinning the setting of annually evolving targets



Switched to responsible workwear and PPE in the UK using certified recycled fabrics and Better Cotton Initiative materials

## Leaving a positive social legacy



Supply chain integrity



Community engagement



Employee diversity, equity and inclusion



Over £2 billion spent with SMEs in the UK; completed 405 modern-slavery audits over last three years; 42 labour agency audits in 2025



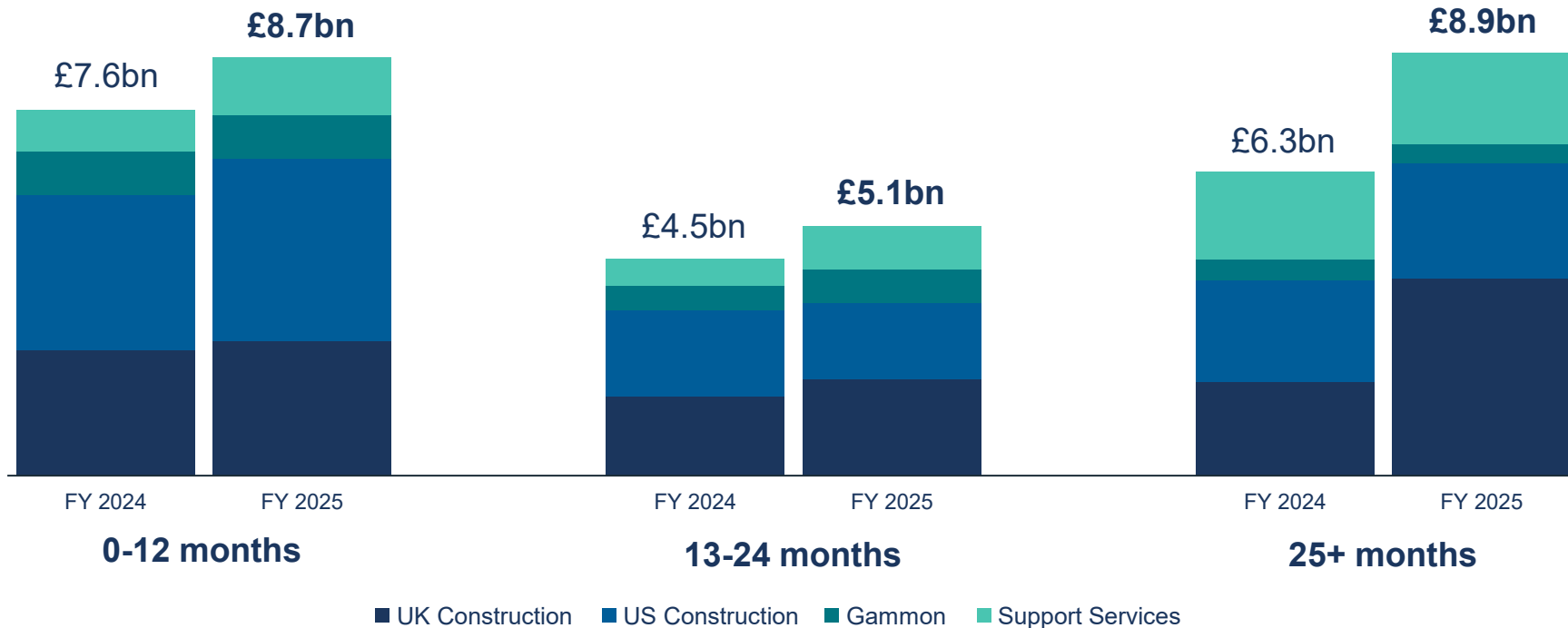
Over £1 billion of social value delivered in the UK; £630k donated to charities



Hosted c.40 Gender Circles for colleagues to connect, share experiences and discuss gender at work – helping identify and address barriers to inclusion

# Order book by phase

Total FY 2025 £22.7bn  
Total FY 2024 £18.4bn



# Underlying profit from operations

£m	2025*	2024*
UK Construction	110	81
US Construction	25	40
Gammon	36	38
<b>Construction Services</b>	<b>171</b>	<b>159</b>
<b>Support Services</b>	<b>122</b>	<b>93</b>
<b>Earnings-based businesses</b>	<b>293</b>	<b>252</b>
<b>Infrastructure Investments</b>		
Pre-disposals operating loss	(31)	(8)
Gain on disposals	36	43
<b>Corporate activities</b>	<b>(46)</b>	<b>(39)</b>
<b>Total</b>	<b>252</b>	<b>248</b>

\* before non-underlying items

## Group balance sheet

£m	2025	2024
Goodwill and intangible assets	1,075	1,122
Current working capital	(1,639)	(1,228)
Net cash (excluding infrastructure concessions)	1,446	943
Investments in joint ventures and associates	363	385
PPP financial assets	18	21
Infrastructure concessions – non-recourse net debt	(411)	(335)
Net retirement benefit (liabilities) / assets	(48)	2
Net deferred tax assets	46	47
Other assets and liabilities	302	173
<b>Net assets</b>	<b>1,152</b>	<b>1,130</b>

# Cash flow

£m	2025	2024
Operating cash flows before working capital movements and pension deficit payments	297	208
Working capital (outflow)/inflow	408	99
• Pension deficit payments <sup>‡</sup>	(10)	(30)
<b>Cash from operations</b>	<b>695</b>	<b>277</b>
Dividends from joint ventures & associates	59	71
Capital expenditure	(49)	(28)
Lease payments (inc. interest paid)	(77)	(66)
Share buybacks <sup>‡</sup>	(126)	(101)
Dividends paid	(64)	(61)
Infrastructure Investments		
Disposal proceeds	120	43
New investments	(29)	(28)
Other	(26)	(6)
<b>Net cash movement</b>	<b>503</b>	<b>101</b>
Opening net cash <sup>*</sup>	943	842
<b>Closing net cash<sup>*</sup></b>	<b>1,446</b>	<b>943</b>
<b>Average net cash<sup>*</sup></b>	<b>1,212</b>	<b>766</b>

£m	2025	2024
<b>Working capital flows</b>		
Inventories	2	(34)
Net contract assets	376	165
Trade and other receivables	(217)	(225)
Trade and other payables	264	(6)
Provisions	(17)	199
<b>Working capital outflow<sup>^</sup></b>	<b>408</b>	<b>99</b>

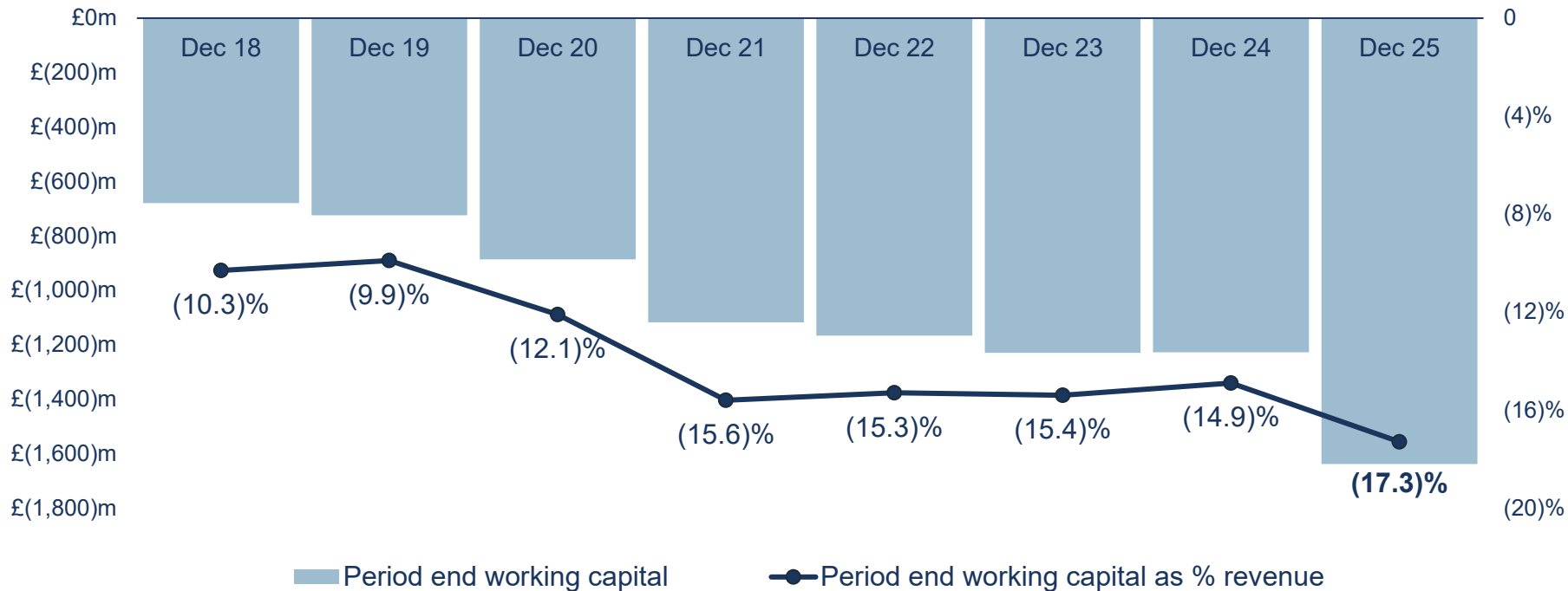
<sup>^</sup> excluding impact of foreign exchange and disposals

<sup>\*</sup> excluding Infrastructure Investments (non-recourse) net borrowings

<sup>‡</sup> includes £2 million (2024: £2 million) of regular funding

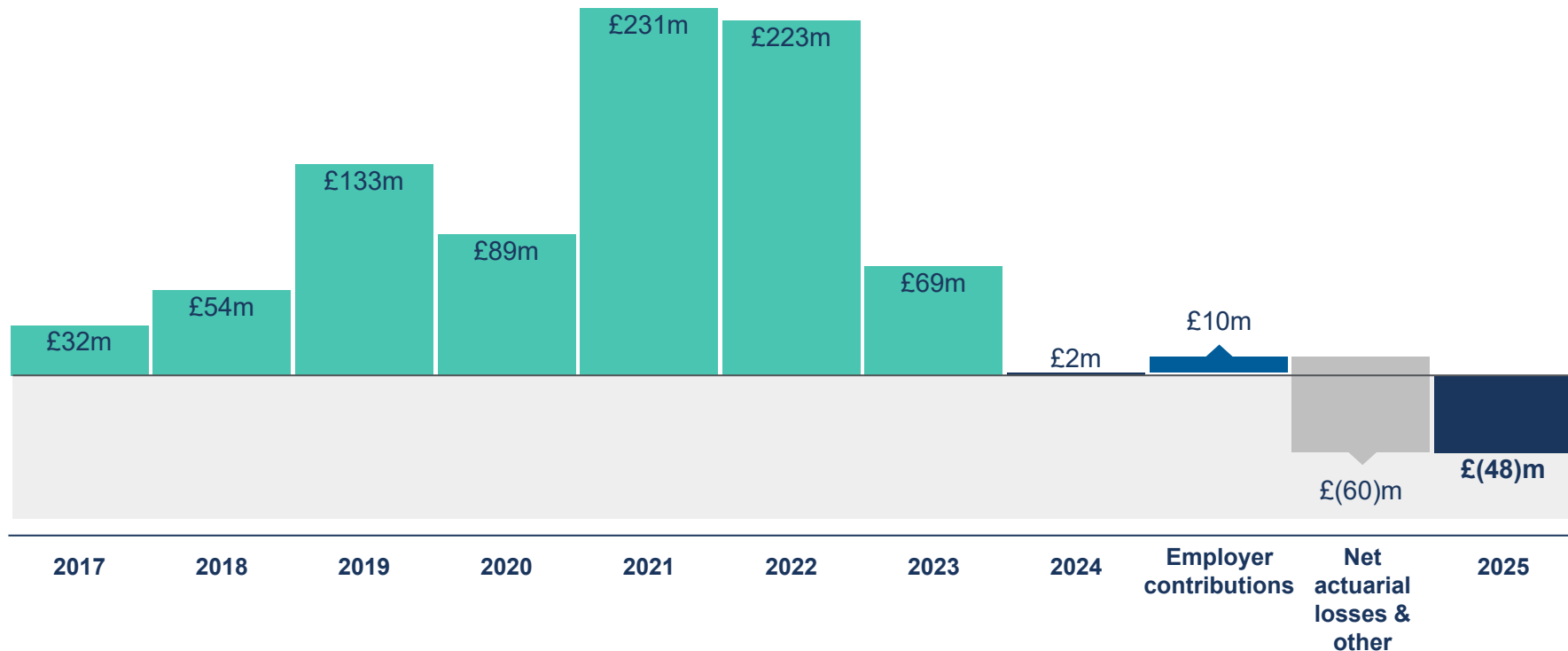
<sup>\*</sup> includes £1 million (2024: £1 million) of share buyback costs

# Working capital – Group



Including non-underlying items

# Pensions: balance sheet movement

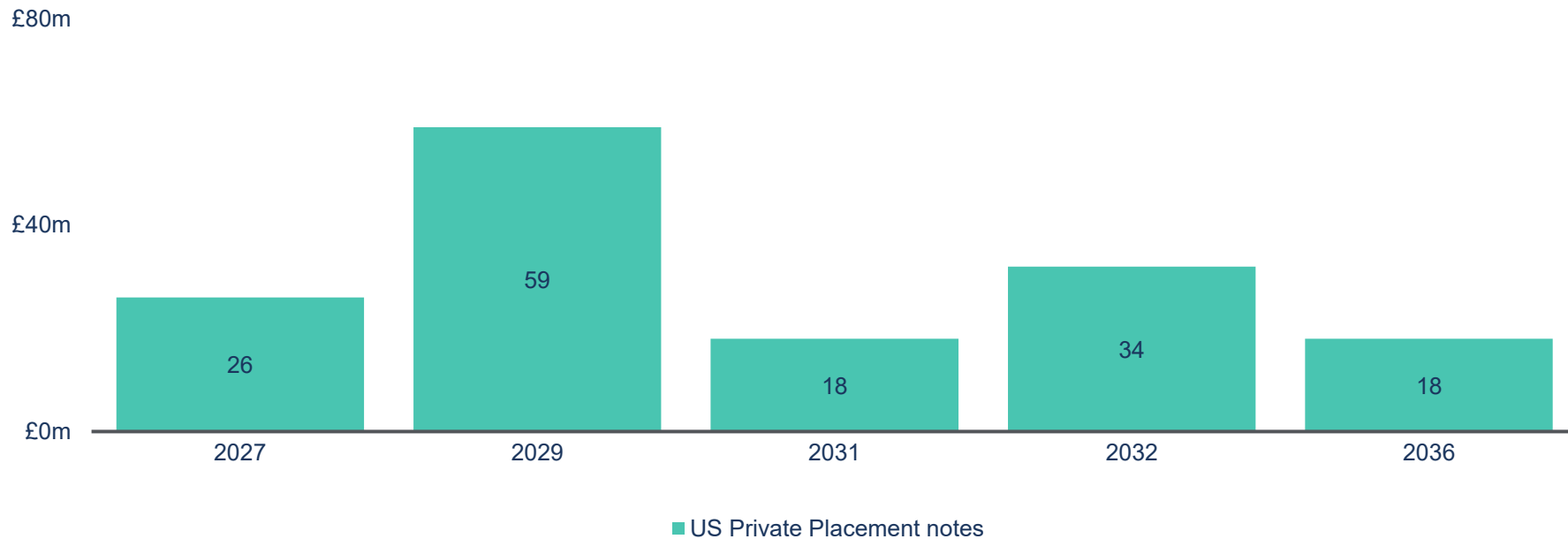


## Net finance income

£m

		2025	2024
Subordinated debt interest receivable	26		
Interest on infrastructure concession assets	1		
Interest on non-recourse borrowings	(14)	13	5
Net finance income – pension schemes		1	4
Other interest receivable	52		
Other interest payable	(6)	46	35
US private placement		(10)	(10)
Interest on lease liabilities		(9)	(7)
Impairment of loans and accrued interest relating to joint ventures and associates		(2)	14
<b>Net finance income</b>		<b>39</b>	<b>41</b>

# Borrowing repayment profile



**Balfour Beatty**