Balfour Beatty

2025 full year results presentation

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≠	**1,446**	943	53%
Average net cash≠	**1,212**	766	58%

** before non-underlying items*
≠ 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%
Total	**8,711**	**171**	**2.0%**	8,199	159	1.9%

** 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

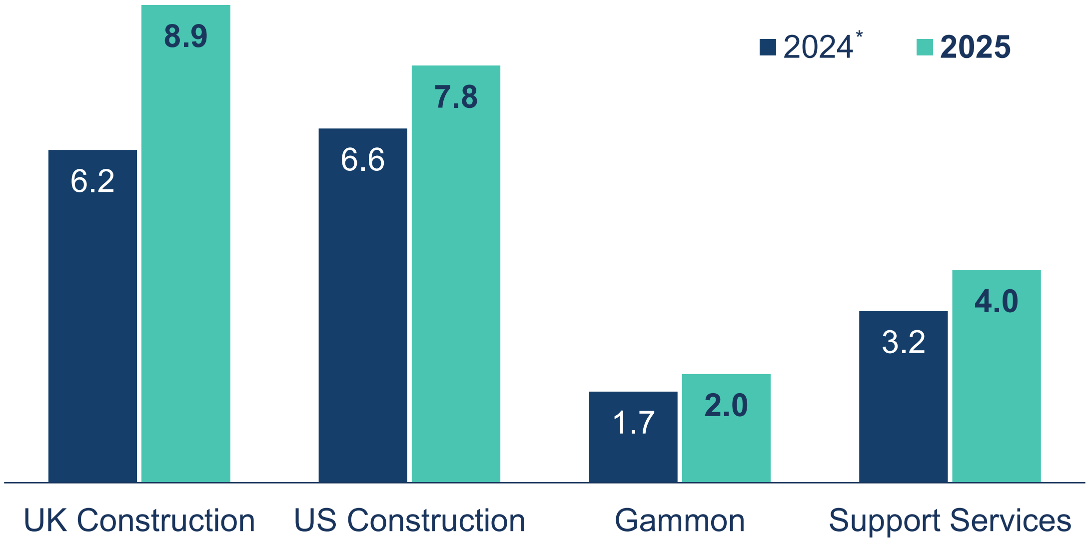
£m	2025	2024
Revenue		
Utilities	631	385
Transportation	796	825
Total	**1,427**	1,210
Profit from operations*	**122**	93
PFO %*	**8.5%**	7.7%

** 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

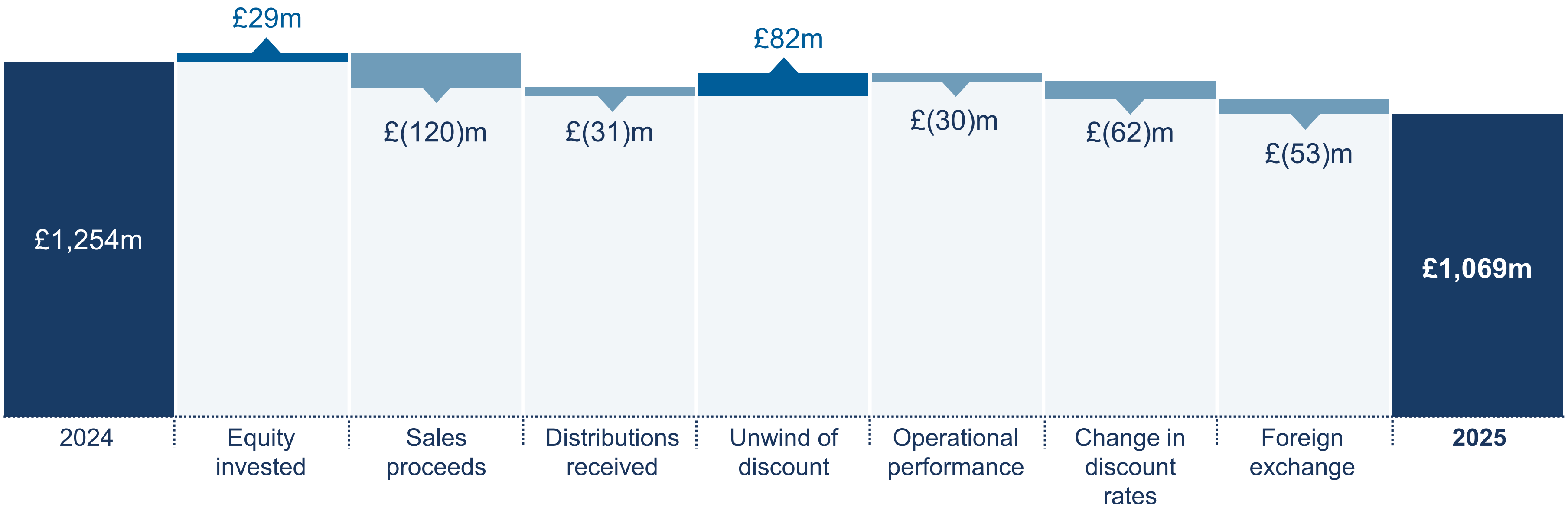
Infrastructure Investments: £120 million disposal proceeds

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

** before non-underlying items*

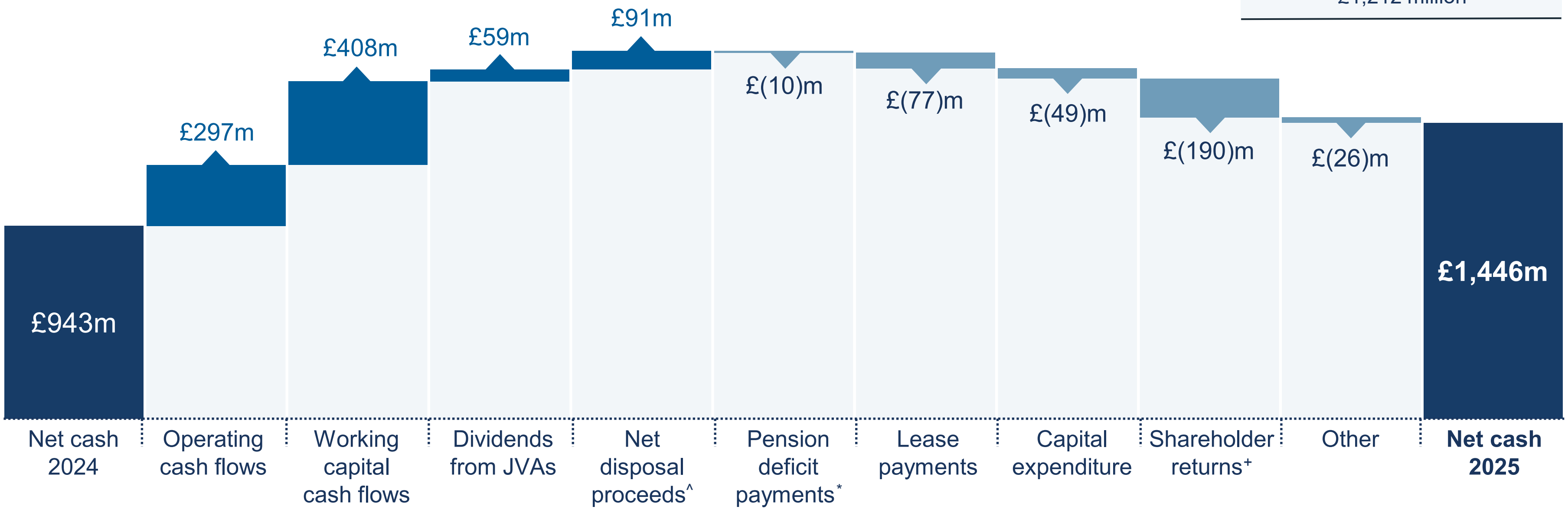
- Increased operating loss due to higher US military housing costs
- Monitorship anticipated to complete in June 2026
- Crystalised £120 million of Directors' valuation with 12 asset disposals
  - £36 million gain and all completed at or above Directors' valuation
  - all transactions delivered end-to-end 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

2025 average net cash
£1,212 million



^ *includes £29 million of equity invested*
* *includes £2 million of regular funding*
\+ *includes £1 million of costs*

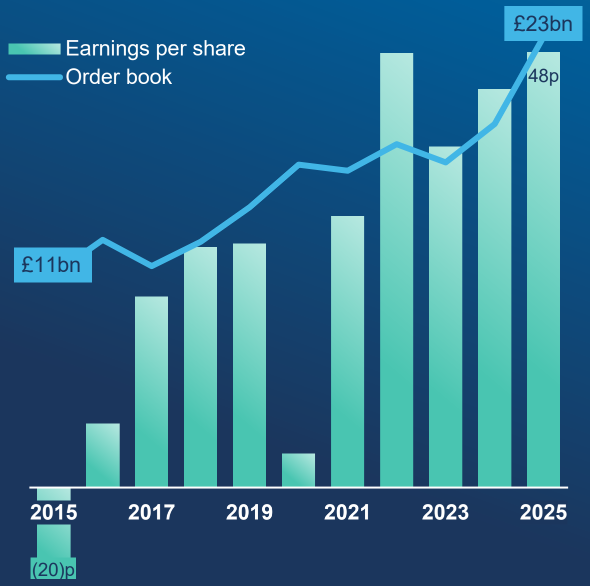
2026 cash outlook
- Average net cash: £1.3 – 1.5 billion
- Working capital: Broadly flat

Consistent capital allocation policy

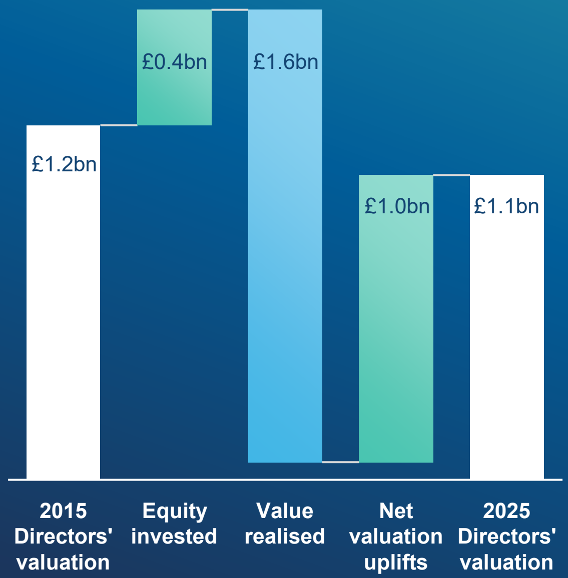
Continued investment in organic growth opportunities	Active realisation of Investments portfolio	Strong but efficient balance sheet	Sustainable ordinary dividend	Additional cash returns via share buybacks
£77 million invested in capex and Investments	**£120 million** proceeds from 12 asset disposals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

Foundations set for further growth

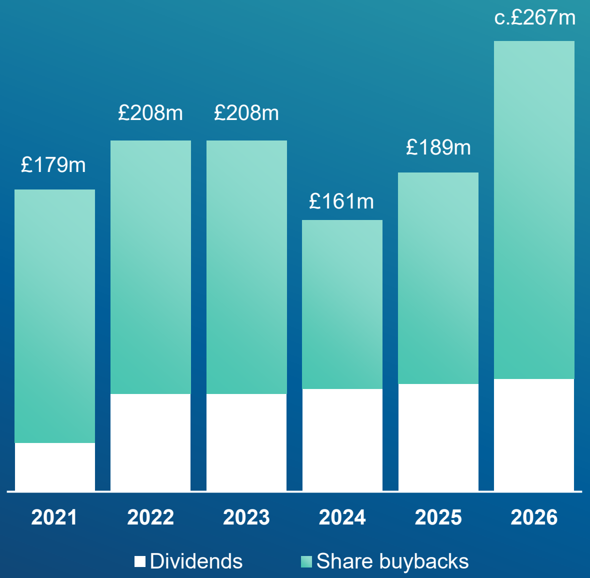
Transformed financial performance and record order book



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**

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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

22% Government
13% Education
8% Hospitality
7% Residential
6% Data centres
5% Commercial
2% Healthcare

22% Roads
10% Other civils
5% Aviation

Organic growth strategy: revenue up 28%

- Further geographic expansion
- Leveraging existing customer relationships

Order Book **18%** increase in 2025

Data centres **200%** increase

Education **25%** increase

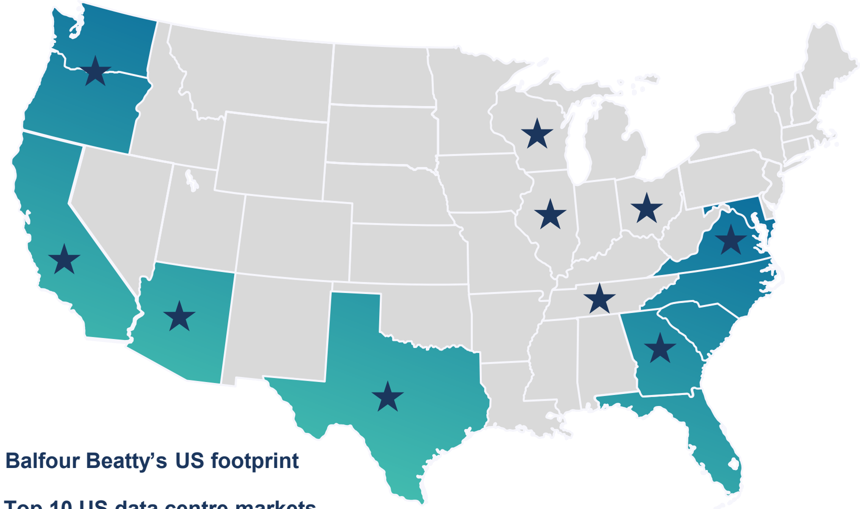
Roads **50%** increase

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



Balfour Beatty's US footprint

★ Top 10 US data centre markets

By existing and under construction capacity
Source: North America Data Center Report 2026, JLL Research

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

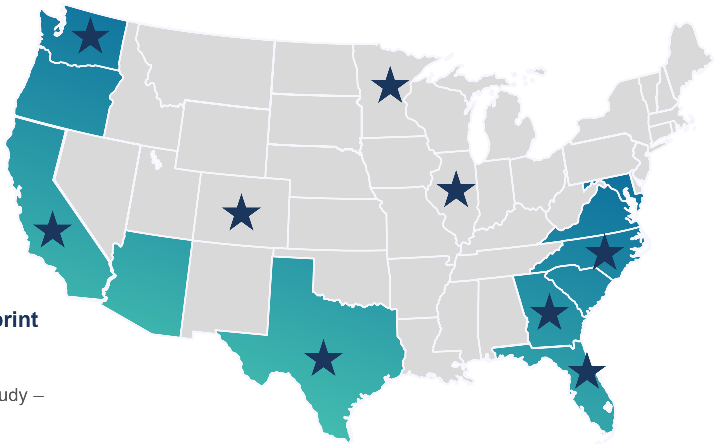
Customers: long-term relationships and proven delivery of c.80 data centres over 20 years

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 RIIO –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

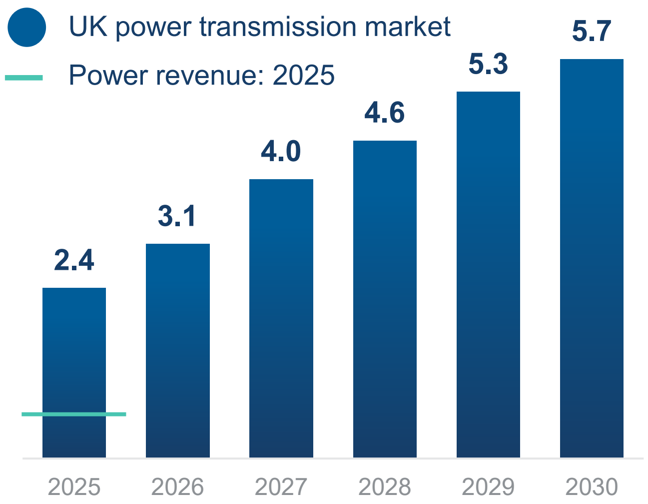
- Secured £315 million Warwickshire highways maintenance contract
- UK Government approval for Lower Thames Crossing scheme

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

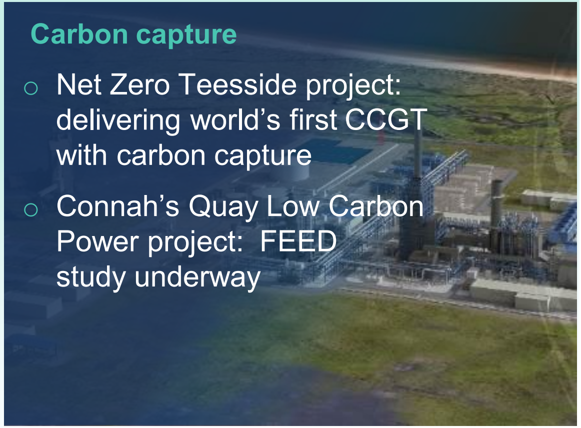
£4 billion
10-year secured pipeline

- **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
- Complex nuclear experience
- Security clearance
- Strong balance sheet
- UK domiciled
- 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 though 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

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Q&A

Mixed-use development, Texas, US

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