

Balfour Beatty

UK Power Transmission & Distribution: Investor Day

15 October 2026

Image: Skye 132kV Reinforcement Project, Scotland





Balfour Beatty

Philip Hoare

Group Chief Executive

Image: Kinardochy Substation 400kV overhead line, UK

Strong and diversified Group

Core geographies by revenue



Growth markets

▶ UK Energy

▶ UK Defence

▶ UK Transport

▶ US Buildings

Profitable growth framework

Evolve
Energise
Explore

End-to-end capability

Design & Engineering

Programme Management

Construction Management

Construction

Operations & Maintenance

Project Finance

£21 billion high-quality & diversified order book

£1.1 billion Investments portfolio

Profitable growth framework: long-term value creation

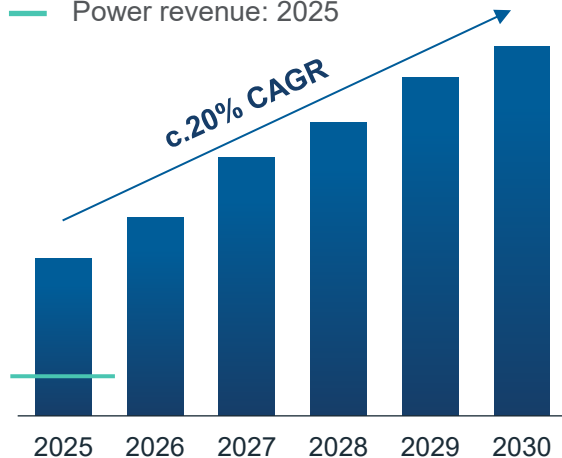


UK Power Transmission: growth accelerating

Target market: 2025-30

Source: Internal estimates

- UK power transmission market
- Power revenue: 2025



25% estimated 2025 market share

Strong momentum following three years of growth



**£366 million
H1 revenue**

130% increase vs
H1 2023



**£2.1 billion
order book**

Five-fold increase
vs H1 2023

**£6-8 billion
of further
pipeline
awarded**

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

Design & engineering

Specialist plant

Project management

Construction delivery

Manufacturing

Commissioning



Balfour Beatty

Nick Crossfield

Divisional CEO: UK Defence,
Power & Regional Infrastructure

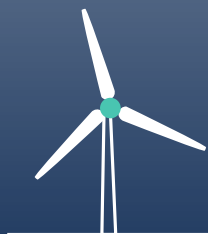
Image: Tealing Substation, Dundee



Balfour Beatty delivers across all of the onshore grid

Balfour Beatty market

Offshore wind & interconnectors (HVDC)



Transmission network 275kV and above (HVAC)



Distribution network 132kV and below (HVAC)



1

2

3

4

5

6

7

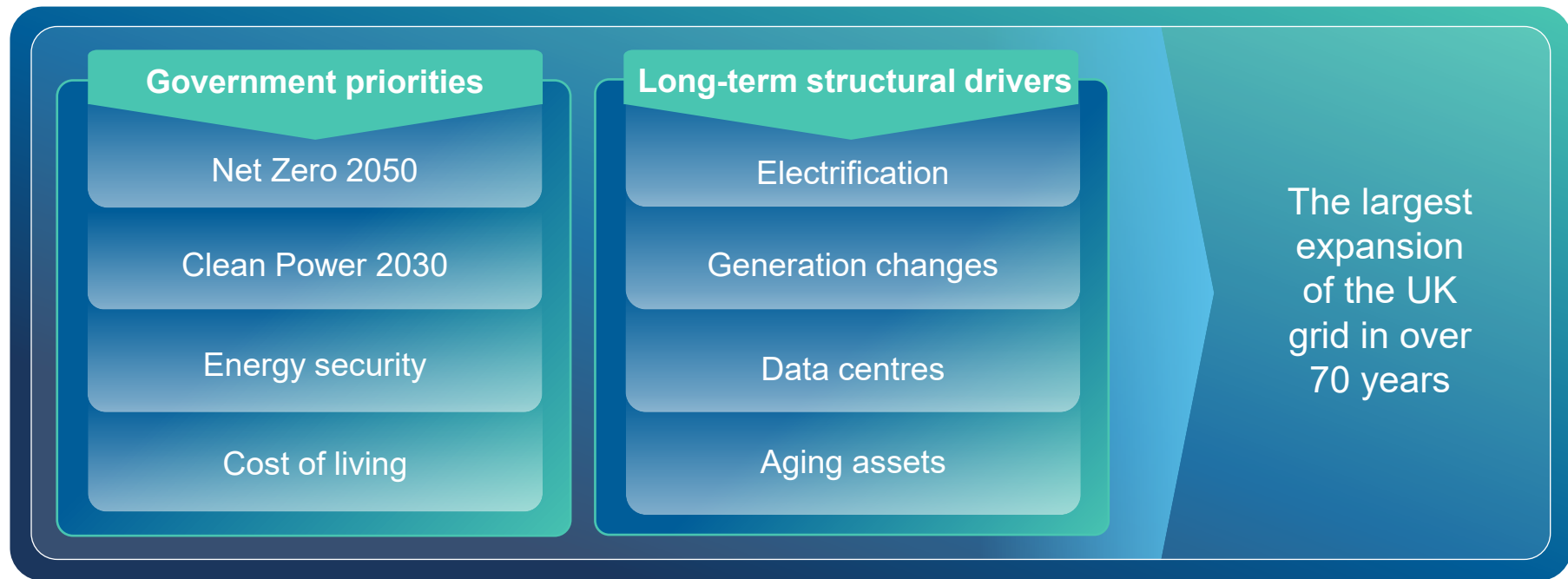
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9

Key	1	2	3	4	5	6	7	8	9
Asset class	Offshore cabling	HVDC converter stations	HVDC onshore cabling	Transmission substations	Transmission overhead lines	Transmission cabling	Distribution substations	Distribution overhead lines	Distribution cabling
Capability held	No	Yes	Yes	Yes	Yes	Yes	132kV only	132kV only	Yes

Structural demand is driving sustained market growth

The UK electricity network must expand at an unprecedented pace to meet the demands that are being placed on it



The transmission investment is clearly set out until 2031

c.£80bn of investment to 2031 provides strong platform for growth, with further plans beyond 2030

nationalgrid

- Plans to upgrade 3,500km of overhead lines and build 25 new substations
- Growing workforce by c50%
- **£35bn investment programme spanning 2026-2031**

Example projects

BTNO, Woolavington, Eastern
Green Link 2 Cabling



- Developing network for 20% of UK clean power demand
- Support 37,000 jobs
- **£29bn investment programme spanning 2026-2031**

Example projects

Beaulay-Peterhead, Longside,
Argyll, Skye



- Plans to build 12 substations and upgrade 450km of overhead lines
- 1,400 new direct jobs created and 11,000 jobs in supply chain
- **Up to £12bn investment programme from 2026-31**

Example projects

Windyhill-Denny North

The distribution opportunity

Distribution represents a further growth opportunity for Balfour Beatty, as client investment is expected to accelerate. Growth will be targeted based upon our value offering



Balfour Beatty has a 10% market share in distribution¹



£50bn of investment forecast to 2050, at least double current annual levels²



Investment will accelerate most steeply in next 5-10 years, driven by local generation and electrification



This increased demand will likely result in more multi-stage contracts and long-term, strategic partnerships in RIIO-ED3 (2028-2033)



Our target market is large, complex programmes where Balfour Beatty's end-to-end capabilities and scale adds most value

¹ Internal estimates

² National Infrastructure Commission, Electricity distribution networks: Creating capacity for the future (February 2025)

Beyond 2030, the market outlook remains very strong

Capacity constraints and demand increases will continue to be prevalent in the medium to long-term, driving further grid investment

Without investment, the cost of insufficient grid capacity¹ will treble between 2031 and 2035

Electricity demand will accelerate and more than double by 2050

“Beyond 2030” report reconfirms investment need:

£89bn already identified post-2030, compared to £64bn pre-2030²

43 major transmission projects already identified at a value of £33bn

In areas where Balfour Beatty has a strong presence

Half require early investment and delivery by the mid-2030s

Map of recommended Beyond 2030 network (NESO)



¹ Being curtailment charges to switch off generation and balancing costs to maintain grid stability

² National Energy System Operator (NESO) “Beyond 2030 – Electricity Transmission Update” (June 2026)

Balfour Beatty

Iain Smith

New Business & Strategy Director
Power Transmission & Distribution

Tony Wilson

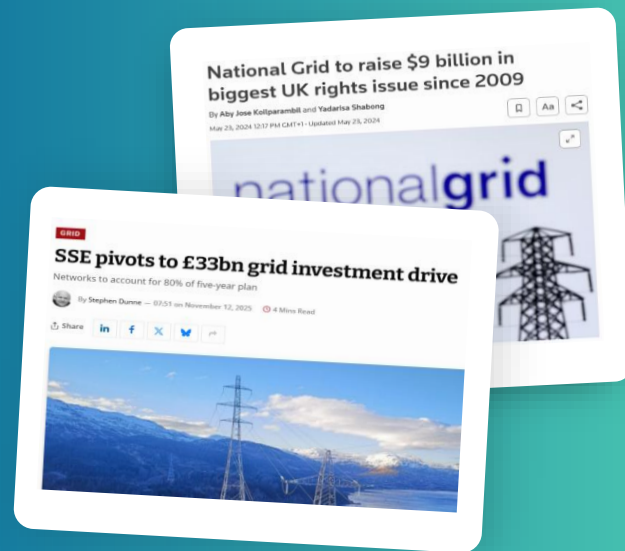
Managing Director
Power Transmission & Distribution

Image: London Power Tunnels



How power transmission and distribution is funded

- Government policy and demand outlook set wider context
- NESO identifies whole-system network requirements
- Balfour Beatty's clients, the network owners, develop investment plans
- OFGEM approve investment as value for money
- The network owners finance and build the infrastructure
- Regulated returns are recovered through electricity bills
- This investment is not funded through the treasury



Investing in the grid is the sustainable route to lower energy bills

Significant funding underpins market growth

The regulatory mechanisms are already in place to fund investment and accelerate priority projects

RIIO

(Revenue = Incentives + Innovation + Outputs)

- RIIO are the regulatory investment periods for the network owners
- Established since 2013, it balances investment certainty with consumer value
- RIIO-T3, for transmission, is from 2026-31
- RIIO-ED3, for distribution, will be from 2028-33

RIIO is well-established and supports investment certainty

ASTI

(Accelerated Strategic Transmission Investment)

- Introduced in 2022 for major transmission schemes
- Earlier funding supports development, design and procurement
- OFGEM continue to scrutinise cost and consumer value

ASTI has enabled earlier investment to help speed up infrastructure build

Leading framework positions provide access to growth

We have secured routes into the principal customer programmes and different asset classes, through which most of this capital investment is being procured

Client	Region	Framework position	Value ¹	Asset types
	England & Wales	Electricity Transmission Partnerships	£9bn	  
		HVDC Civil Framework	£12bn	 
		RIO Frameworks	Not disclosed	  
		Distribution Frameworks	Not disclosed	 
	North Scotland	Pathway to 2030 Framework (ASTI)	£10bn	   
		RIO Frameworks	Not disclosed	  
	South Scotland	Strategic Overhead Line Agreement	£3bn	
 Overhead lines  Underground cables  Substations  Converter stations				

¹ Client's full published value for framework, where available. Where unavailable, these are combinations of long-standing frameworks without published values.

Multi-stage contracting creates greater project certainty

Former approach:
Traditional Design & Build model



Single Design & Build (D&B) contract

Current approach:
Multi-stage contract model



Initial design



Detailed design
and procurement



Construction

Part A / first phase

Part B / second phase

Benefits of early involvement

Surveys

Consents

Design

Value
engineering

Procurement

Improved project certainty

Cost
certainty

Schedule
certainty

Cost
efficiency

Our position is supported by a set of clear differentiators

We operate in the complex, specialist and large-scale part of the market, where barriers to entry are high and the capabilities of Balfour Beatty offer the most value

Barriers to entry



- Safety critical industry, accreditations needed
- Highly regulated clients with strict specifications
- Long-term frameworks
- Specialist knowledge and capabilities
- Scale and breadth

Balfour Beatty differentiators



- 100-year track record of delivering complex, major power projects
- End-to-end offering, deploying specialist capabilities across the project lifecycle
- The largest design and delivery workforce, deployed nationwide
- Leading the industry in investment in capacity and innovation



We are proven in delivering major, complex power projects

Balfour Beatty has been involved in most major transmission upgrades in the last 20 years, and is now delivering the next phase of the UK's most significant power projects

Completed schemes

Peterhead

SSE's first 400kV substation



Viking Link

The longest interconnector in the world



Hinkley Connection

World first "T Pylon" structures



In delivery

Netherton Hub

Green energy hub that is bigger than Monaco



Woolavington

Connecting the UK's largest EV battery factory



Argyll

Major electricity upgrade for Argyll & Bute



Mobilisations

Beaulieu-Peterhead

The largest overhead line project in the UK



Skye

Securing power for Skye & the Western Isles



Birkhill Wood

Connecting 3 offshore wind farms to power 4 million homes



Overhead lines



Underground cables



Substations



Converter stations

We have end-to-end capability from design to energisation

Balfour Beatty can integrate delivery and deploy multiple specialist capabilities on power projects



Spotlight: design & engineering

- 550 designers in UK and India
- Integrated design and construction is a Balfour Beatty differentiator
- 4D and digital tools
- Supported by Strategic Design Partners



Spotlight: specialist plant

- Largest specialist transmission plant holding in the industry
- Significant investment in upgrading equipment in readiness for growth



Spotlight: construction delivery

- Ground engineering capability delivers piling and ground works for overhead lines and substations
- Investing in design, plant and innovation to support growth in Power works



Spotlight: Manufacturing – Painter Brothers

Balfour Beatty is the only contractor with in-house manufacturing of steel towers and substation structures, meaning we can offer vertical delivery, whilst also supplying structures into the wider market

Overview

52,000m²

Hereford
manufacturing
facility

1 of 3

major suppliers
in the UK
industry

>1,500

towers being
supplied for
Balfour Beatty

5,000t

2023 capacity
per year

10,000t

current capacity
per year

15,000t

planned capacity
per year



Painter Brothers supports the integrated, vertical delivery of power projects

In-house capability

In-house precision steel fabrication strengthens Balfour Beatty's end-to-end infrastructure proposition

Vertical offering

Our unique vertical offering reduces interfaces and supports efficient delivery

Wider market

It's specialist capability means it is also supplying the wider market with towers and structures

We deploy the largest workforce in the UK

We have made significant strides in growing our people base, supported by a nationwide specialist supply chain and our dedicated training schools

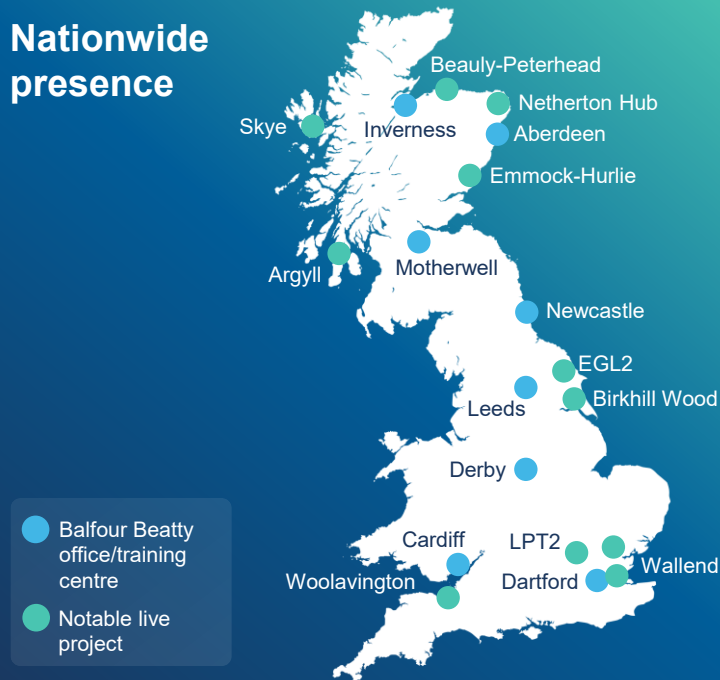
Largest T&D workforce in the industry

- **550** design and engineering
- **900** construction delivery
- **300** project and construction management
- **750** specialist project support staff
- Underpinned by our long-term, strategic supply chain

Recruiting and developing at pace

- **2024** – 562 experienced hires and 71 early careers
- **2025** – 642 experienced hires and 94 early careers
- **2026** – 700 experienced hires and 94 early careers

Nationwide presence



We are investing in growth and innovation

Project workforce (direct & supply chain)

2030
c6,000

2026
c3,200

2024
c1,500

Attract

- Industry attraction campaign
- Record inter-company transfers
- Record early careers
- Utilising adjacent industries

Develop

- Industry leading OHL training school
- 17 bespoke development pathways
- Incubator programmes
- Further plans to expand facilities

Retain

- Improving site working environments
- Developing our employee value offering

Innovate

- Utilising AI for productivity improvements
- Implementing technology solutions such as drones and robotics
- Design and methodology standardisation



Strong position, proven capability and disciplined delivery

This market offers an excellent long-term growth opportunity for Balfour Beatty



Exceptional market growth: 20% CAGR

Investment need is clear up to and beyond 2030



Unrivalled market position

Balfour Beatty has a market leading position and track record, with long-term customer relationships and framework positions



Unique integrated capability

Our combination of end-to-end capability in a specialist market, supported by our major programme experience, is difficult to replicate



Investment in the future

We are actively investing in people, supply chain and productivity to support safe and effective delivery at scale



Significant value creation

We are focused on better outcomes for customers, consumers and shareholders as we build a grid fit for the future