

BALFOUR BEATTY PLC RESULTS FOR THE HALF YEAR ENDED 27 JUNE 2025

13 August 2025

Strong UK results driving growth in earnings-based businesses

On track to achieve full year expectations with high quality order book momentum

Leo Quinn, Balfour Beatty Group Chief Executive, said: "Our continuing strong cash generation is underpinned by a growing order book with improved margins and lower risk contract forms. This provides the Board with increasing confidence in significant future cash generation that supports our ongoing dividends and share buybacks. This is demonstrated by the momentum in our key growth areas in the first half.

"Support Services has delivered a 35% profit uplift driven by the power transmission business, UK Construction has achieved its long-standing 3% margin target earlier than expected and, in US Construction, Buildings reported strong revenue growth from its strategy of focused expansion. Furthermore, recent UK Government announcements confirm a deep pipeline of major infrastructure projects which closely align with the Group's unique expert capabilities and will further enhance the quality of the future order book. Balfour Beatty's market leading positions and ongoing success are a testament to the expertise, dedication and hard work of our people."

On track to achieve full year expectations with further growth in 2026

- Continue to expect an increase in underlying profit from operations (PFO) from the earnings-based businesses in 2025 with strong UK Construction and Support Services growth offsetting lower US Construction profit
- Infrastructure Investments: £30 - £40 million gain on disposals forecast, small pre-disposals loss expected in second half
- £19.5 billion order book (FY2024: £18.4 billion) giving visibility and underpinning further growth in 2026 and beyond
- A ten year, c.£20 billion, pipeline of work in addition to order book, including Sizewell C and power transmission schemes

First half growth from the earnings-based businesses

- PFO from earnings-based businesses up 7% to £108 million (2024: £101 million)
- Underlying EPS reduced 6% to 14.4 pence per share (2024: 15.3 pence)
- Non-underlying pre-tax credit of £37 million, including £50 million release of US Civils provision following SH161 settlement

Underlying profit from operations of £77 million in line with prior year

- UK Construction: Delivered profitable underlying growth to achieve 3% margin target one year ahead of expectations
- US Construction: First half loss with strong Buildings performance offset by cost overruns at one Civils project; recoveries being pursued
- Support Services: PFO up 35% to £46 million driven by growth in the power transmission business
- Infrastructure Investments: £10 million loss (2024: £7 million loss). Agreement in principle with US Department of Justice to extend military housing monitorship to 6 June 2026

Balance sheet and cash flow strength support sustainable and attractive shareholder returns

- Average net cash³ increased to £1,102 million (FY2024: £766 million) – expecting £1.1 - 1.2 billion for full year
- Directors' valuation of the Investments portfolio decreased 8% to £1.2 billion (FY2024: £1.3 billion)
- Half year dividend increased by 11% to 4.2 pence per share (2024: 3.8p). £188 million shareholder returns in 2025

(£ million unless otherwise specified)	HY 2025		HY 2024	
	Underlying ²	Total	Underlying ²	Total
Revenue ¹	5,150	5,150	4,677	4,677
Profit from earnings-based businesses	108	146	101 [#]	116
Profit from operations	77	114	77 [#]	91
Pre-tax profit	95	132	98	112
Profit for the period	73	101	81	96
Basic earnings per share	14.4p	19.8p	15.3p	18.1p
Dividends per share		4.2p		3.8p

	HY 2025	FY 2024	HY 2024
Order book ¹	£19.5bn	£18.4bn	£16.6bn
Directors' valuation of Investments portfolio	£1.2bn	£1.3bn	£1.3bn
Net cash – recourse ³	1,237	943	785
Average net cash – recourse ³	1,102	766	735

Segment analysis	HY 2025			HY 2024		
	Revenue ¹	PFO ^{2, #}	PFO margin ²	Revenue ¹	PFO ^{2, #}	PFO margin ²
	£m	£m	%	£m	£m	%
UK Construction	1,563	56	3.6%	1,458	34	2.3%
US Construction	2,087	(11)	(0.5)%	1,703	18	1.1%
Gammon	547	17	3.1%	714	15	2.1%
Construction Services	4,197	62	1.5%	3,875	67	1.7%
Support Services	662	46	6.9%	554	34	6.1%
Earnings-based businesses	4,859	108	2.2%	4,429	101	2.3%
Infrastructure Investments	291	(10)		248	(7)	
Corporate activities		(21)			(17)	
Total	5,150	77		4,677	77	

Notes:

¹ Including share of joint ventures and associates

² Before non-underlying items (Note 8)

³ Excluding non-recourse net borrowings, which comprise cash and debt ringfenced within certain infrastructure investments project companies

Underlying profit from operations, or PFO, as defined in the Measuring our financial performance section

A reconciliation of the Group's performance measures to its statutory results is provided in the Measuring our financial performance section

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Investor and analyst presentation:

A presentation to investors and analysts will be made at Deutsche Numis, 45 Gresham Street, London, EC2V 7BF at 09:00 (GMT) on 13 August 2025. There will be a live webcast of this on: www.balfourbeatty.com/webcast. The webcast will be recorded and subsequently available at [Results, reports and presentations - Investors - Balfour Beatty plc](#).

2025 HALF YEAR RESULTS ANNOUNCEMENT

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GROUP CHIEF EXECUTIVE'S OVERVIEW

Executive summary

Balfour Beatty's first half performance was largely positive, with increased PFO from the earnings-based businesses, an enhanced order book and increased cash, all underlining the strength of the Group's foundations for future growth. In the earnings-based businesses, PFO rose by 7% as UK Construction achieved its long-standing 3% PFO margin target a year earlier than expected, and US Buildings and Support Services delivered strong revenue growth while maintaining margins, demonstrating notable progress in two of the Group's chosen growth areas. The US Civils business recorded a first half loss from operations due to cost overruns on a highways project in Texas, for which recoveries are being pursued. The Directors' valuation of the Investments portfolio has reduced by 8% to £1.2 billion (FY2024 £1.3 billion) due to increased discount rates and sterling strengthening against the US dollar.

The Group's outlook across its four strategic growth markets - UK energy transition and security, UK transport, UK defence, and US buildings - has continued to strengthen, supported by successful bidding activity and increased clarity around the UK's infrastructure agenda. The UK Government has started to make progress with its objective to stimulate economic growth by investing in and enabling infrastructure development, with its support for clean energy projects, private financing for public infrastructure, planning reform and modernising the UK's defence estate all beneficial to the Group. More generally, the £725 billion 10-year infrastructure strategy and National Infrastructure Pipeline bring improved certainty and clarity for the industry as a whole, allowing UK contractors and their suppliers to plan accordingly and invest in capability.

Given this, the Group has been able to pursue its bidding with a high level of selectivity and discipline. In the UK energy sector, Balfour Beatty has started work on the £833 million Net Zero Teesside Carbon Capture project and made further progress with each of the three power transmission network owners, while Sizewell C, for which Balfour Beatty will deliver one third of the main civils works, has now passed final investment decision and is expected to go to contract in the coming months. In UK transport, the rail business secured around £500 million of new orders, while further Government funding was confirmed for various road projects which the Group had previously been awarded, including the Lower Thames Crossing and A66. US Buildings delivered a further 6% growth in its order book, which is now 26% higher than a year ago on constant exchange rate (CER).

In total, the Group's £19.5 billion order book has grown by 6% (11% at CER) in the first half, with growth in each segment, and continues to give clear visibility in the short and medium term. Given Balfour Beatty's focus on robust governance and disciplined bidding, the order book comprises a portfolio of projects that the Group believes has the appropriate contractual terms and conditions for the risk undertaken. In addition to the reported order book, much of the work which the Group has been awarded in both the power transmission and distribution sector and in the UK defence sector are being contracted on a phased or task order basis and represent a further significant volume of future activity.

As of August 2025, Balfour Beatty is engaged in discussions with the US Department of Justice about Balfour Beatty Communities' plea agreement and monitorship, and has agreed in principle to extend both to 6 June 2026.

Financial summary

Balfour Beatty reported underlying profit from operations from its earnings-based businesses of £108 million in the first half of 2025 (2024: £101 million), with particularly strong growth in UK Construction and Support Services largely offset by a loss in US Construction, where the cost of delays at one civils project in Texas cancelled out a strong performance from the Buildings business. Underlying profit from operations for the Group remained flat at £77 million, with the increase from the earnings-based businesses offset by a loss in Infrastructure Investments and higher central costs. At a PFO level, and prior to disposals, Infrastructure Investments remains profitable when excluding the costs associated with the monitor's work. Non-underlying items after tax were a

gain of £28 million (2024: £15 million) and included the release of a £50 million legal provision established in 2024 in relation to a US Civils project completed in 2012.

Balfour Beatty's financial strength remains a competitive differentiator, and its average net cash position increased to £1,102 million in the first half (FY 2024: £766 million), as a result of increased operating cashflows and working capital inflows in most divisions. The Directors' valuation of the Investments portfolio decreased to £1.2 billion (FY 2024: £1.3 billion) as a result of increased discount rates and sterling strengthening against the US dollar.

Given the Group's ongoing cash generation, strong order book, growing opportunities and established competitive positions in the UK energy, transport and defence sectors and in selected US buildings sectors, the Board has confidence in Balfour Beatty's capacity to deliver significant and attractive future shareholder returns. The current tranche of Balfour Beatty's multi-year share buyback programme, £125 million for 2025, is progressing well and is on track to complete by the end of the year. In addition, the Board has declared an interim dividend of 4.2 pence per share (2024: 3.8 pence).

Continued expansion and progress in the Group's growth markets

Balfour Beatty's selective geographic and operational diversity is an essential part of the Group's business model. The breadth of capabilities, clients and locations in the Group's focused portfolio provides resilience against sector-specific challenges, while its deep understanding of each of these areas allows for early sighting of new opportunities. For the past 18 months, Balfour Beatty has been concentrated on delivering profitable growth from four key markets, which were identified as having an increasing volume of attractive opportunities that closely align to the Group's end-to-end capabilities and experience in delivering large complex infrastructure projects. The outlook for these markets - energy, transport and defence in the UK and buildings in the US - has continued to strengthen in the first half of 2025, which underpins the Board's ongoing confidence in profit growth from the earnings-based businesses in 2025 and beyond.

UK energy transition and security: In the year to date the Group has progressed opportunities across a variety of technologies and major clients, including:

- Signed an £833 million contract with Technip Energies to act as the construction partner for Net Zero Teesside Power - an onshore power, capture and compression project which is poised to be the world's first gas-fired power station with carbon capture and storage;
- Signed the Programme Alliance Agreement in partnership with Laing O'Rourke and Bouygues Travaux Publics to deliver the main civil works at the new Sizewell C Nuclear power station, which achieved a £38 billion final investment decision in July 2025;
- Good progress on Scottish and Southern Electricity Networks (SSEN) power transmission and distribution projects, with planning consent granted for the £690 million Skye 132kV Reinforcement project and a major order received from SSEN for Balfour Beatty's steel fabrication facility to manufacture towers for the ASTI programme, with manufacture and testing of a new tower type underway;
- A very busy period with National Grid as Balfour Beatty work on direct allocations projects as well as longer term framework opportunities, including the Group being awarded the North East region of the Electricity Transmission Partnership. The Group is seeing record activity with National Grid which will lead to a growth in the order book through the remainder of 2025 and 2026;
- Further progress with Scottish Power Energy Networks (SPEN), with the Group being a preferred bidder on SPEN's Strategic Agreement for Transmission Overhead Line Works.

UK Defence: In the first half, Balfour Beatty has been onsite delivering defence infrastructure projects for clients including Rolls-Royce, AWE and the Defence Infrastructure Organisation. In June, the UK Government released the Strategic Defence Review, declaring defence as an engine for growth, which will boost prosperity, jobs and security for people across the UK and called for a new partnership with industry, including improved contract management, faster delivery, and a move to industry-standard construction methods. This alignment with Balfour Beatty's capabilities, and the Group's experience in defence infrastructure and high-security environments, means it is well placed to support the UK Government's objectives in this sector.

UK Transport: Balfour Beatty's UK Rail business had a particularly strong period for orders in the first half of the year, securing around £500 million of new work, including civil engineering works under CP7, track renewal with the Central Rail Systems Alliance and fleet

supply and operation for Network Rail. The Group was also awarded c.£100 million of major highways work for the M3 Junction 9 scheme.

UK transport is an area of strength for Balfour Beatty, which is expected to contribute to growth in the medium-term. The Government have been clear that a focus on investing in connectivity and unlocking opportunity across the country means that transport is a key driver of economic growth, however timeframes remain uncertain. Specifically for Balfour Beatty, Government support and funding for the Lower Thames Crossing, the A66 and the North Hykeham Relief Road bring further certainty to projects which the Group has been completing preconstruction work on in recent years. More generally, recent announcements also included a £16 billion investment for local transport projects in England's city regions, funding for rail network enhancement, a new bank of major road network schemes and support for the Heathrow expansion, all of which will bring opportunities to the Group.

US buildings: Balfour Beatty's US buildings operations are focused primarily on specific, high growth regions, with construction spending in the Group's chosen states projected to grow 6% per year to 2029. This strategy means that, despite a period of economic uncertainty in the US, demand in US Buildings key sectors has remained strong for Balfour Beatty, and following 24% growth in the order book across 2024, a further 6% growth has been delivered in the first half of 2025. This order book growth has been driven by increases in most client subsectors, including: residential, with new apartment buildings in Washington DC and North Carolina contracted; hospitality, aided by the \$385 million contract to construct the Grand Hyatt Miami Beach hotel; education, with new school projects in North Carolina, California and Florida; and data centres, where new orders of c\$150 million were taken in the Northwest. The order book growth over the past 18 months has contributed to a large increase in work delivered, with a 36% increase in volumes compared to the first half of 2024 at CER.

Construction Services: Strong performance in UK and in US buildings impacted by US Civils delay

UK Construction: The Group's market-leading position in the UK infrastructure market is built on its scale and vertically integrated capability for delivering major projects. In the year to date, the division has continued to deliver some of the country's most significant infrastructure schemes. At HS2 Area North, the Balfour Beatty VINCI joint venture completed the 472-metre River Tame West Viaduct at Delta Junction in North Warwickshire and Europe's heaviest ever box-slide, with the JV team sliding a 14,500-tonne concrete box structure into position to allow trains to pass under the A46 dual carriageway. At Old Oak Common Station, the Balfour Beatty VINCI SYTRA joint venture began the installation of the first high-speed platform slabs, while at the conventional station, construction of the retaining wall commenced. At Hinkley Point C, good progress continues to be made on the underground marine works for the new nuclear power station, with the adit connections completed in two of the three tunnels.

The division achieved a 3.6% PFO margin during the period (2024: 2.3%), thereby achieving the Group's ambition to deliver a 3% PFO margin in UK Construction.

US Construction: The Group's earning-based activities in the US delivered a mixed performance in the first half. The US Buildings business delivered 92% of US Construction revenues for the period and continues to expand, with higher volumes and further order book growth, while maintaining its high delivery standards. New projects started in the period are representative of the diversity of the portfolio and include the new Inglewood High School Campus in California, a social services campus for The Salvation Army of North Texas Dallas, the 17 storey, 800 guestroom, Grand Hyatt Miami Beach hotel in Florida and the Portals IV 356-unit residential project in Washington DC. Other operational milestones achieved in the period include the topping out of a new psychiatric residential treatment facility in Columbia, South Carolina, and the completion of the Gipson Play Plaza in Raleigh, North Carolina, which is now the largest adventure playground in the Southeast.

The performance of the Group's US Civils division, which represents 8% of US Construction revenues in the period, was negatively impacted by cost overruns and schedule delays on a single joint venture highways project in Texas, which commenced in 2019 and is due to finish in mid-2026. As to be expected, the Group are pursuing cost recoveries.

As communicated previously, in recent years Balfour Beatty has been pivoting the US Civils business towards a more concentrated portfolio of projects, with a heavier weighting towards highways and bridges in the Southeast and Texas. These activities have historically been profitable for the Group. The Group also decided to cease bidding for joint venture design build highways projects

in Texas, seeking to further de-risk project contracting and execution. As part of this strategy, the Group was recently awarded an \$889 million contract by the Texas Department of Transportation to reconstruct a 3.7km section of Interstate 30 in Dallas County, scheduled for completion in 2031, reflective of the Group's capabilities and focus going forward. The Group remains confident that US highways will be a profitable activity for the Group in the medium term.

Gammon: Balfour Beatty's Hong Kong based 50:50 joint venture with Jardine Matheson has performed well in the first half and grown PFO. As expected, with the major projects at Hong Kong International Airport moving towards completion, the volume of work completed by Gammon in the period has reduced, however PFO margin has improved. The Hong Kong construction sector remains positive during a difficult fiscal period for the region, with Government commitments to invest in infrastructure projects, and in particular to accelerate the development of the Northern Metropolis. Other upcoming opportunities for Gammon include the railway network extension, with wide ranging plans including a connection between the New Development Area in Hong Kong with Shenzhen, and a HK\$100 billion project recently announced by the Hong Kong Airport Authority to develop an airport city that aims to integrate commercial activities, art, entertainment, and leisure.

Operationally, Gammon's work on Terminal 2 at the International Airport is progressing well, with the Terminal opening in stages from September this year. The team are progressing on the final fitting out works within the building, while externally the viaduct and roadworks are nearing completion. The business is also making good progress on the Central Kowloon Route, a major three-lane road which will connect the Yau Ma Tei Interchange in West Kowloon with the Kai Tak Development Area in East Kowloon. Gammon has major work packages covering critical tunnel infrastructure, complex electrical and mechanical systems and ventilation buildings, with the route due to open to traffic in December. Gammon's order book remained flat at £1.9 billion, which is a 12% increase at CER, with a strong intake of orders in the buildings sector.

Support Services: Growth underway with increased activities in power transmission

Support Services is focused on power, plant, road and rail maintenance and is characterised by profitable recurring revenues underpinned by long term contracts. For full year 2025, Support Services is expected to deliver towards the top of its targeted PFO margin range of 6-8%.

The power transmission business has delivered strong growth in the period and has recruited over 850 people since the start of 2024. In the first half, Balfour Beatty mobilised the Bramford to Twinstead Reinforcement project for National Grid, a scheme with 18km of new 400kV overhead lines and 11km of new 400kV underground cable. The Group also mobilised the Eastern Green Link 2 Cabling project for Prysmian, installing 67km of 525kV HVDC cables. These projects are both critical parts of National Grid's Great Grid Upgrade. Good progress was made in the construction of new substations at Little Horsted, Norwich and Wallend, all of which are to enable the connection of new green energy, while the Group also finished installing the cables on the 3.5km North Wessex Downs VIP scheme, which will complete this year. In Scotland, the team have mobilised to site and begun early works on the Skye Reinforcement project following consents being given and have also mobilised on Argyll Substations. Progress continues on the early contractor involvement phase on the Group's ASTI projects for SSEN and on the upgrade of the 170km Kincardine to Kintore overhead line on the East Coast of Scotland.

The road maintenance business has continued to perform well in the first half of 2025, matching the high volume of work delivered in the first half of 2024. The business is in a busy period of bidding as it pursues profitable growth, with a number of Local Authority opportunities coming to market in the near future. The rail business has had a strong first half, particularly with regard to winning work, signing long-term agreements which underpin the business for up to ten years.

On 1 August 2025, the Group completed the disposal of Omnicom Balfour Beatty, its specialist rail measurement hardware and intelligent software business, for a consideration of £24 million (subject to a typical post completion working capital adjustment) to Hitachi Rail. After deducting cost of disposal, the Group is anticipating recording an estimated gain on disposal of £20 million within its non-underlying results in the second half of the year.

Infrastructure Investments: Two investments in multifamily housing

Balfour Beatty continues to invest in attractive new opportunities and has added two new projects to the portfolio in the first half of the year. The Gathering at Arbor Greens in Newberry, Florida, and River Pointe in Conroe, Texas, are two multifamily housing communities with c.300 units each. The Group has maintained its disciplined approach to investments and disposals to ensure the delivery of investment hurdle rates. The Group's current focus remains on investment opportunities in:

- Residential: Balfour Beatty continues to see attractive US multifamily housing come to market, providing opportunity to invest profitably in the regeneration of these properties.
- Student accommodation: Across the UK and US, demand for student accommodation remains strong as universities continue to improve their facilities to attract students.
- US P3: Balfour Beatty continues to pursue investment and construction opportunities in public-private partnerships, and, to date, 41 states (plus DC) have passed legislation allowing P3 projects.
- Energy transition: As the UK's energy mix transitions to more renewable sources, and the UK adopts more sustainable transport such as electric vehicles, there are opportunities for private sector investment.

The Group continues to see opportunities in student accommodation and in the first half of the year was awarded predevelopment agreements to develop on-campus accommodation at the University of Florida and the Wentworth Institute of Technology. In the UK, construction of the West Slope student accommodation development at Sussex University is ongoing.

In US military housing, the Group have started construction at Ft Carson on the first 56 new homes of a c.475 new home project, for which a ground lease extension is under negotiation and required to finance the wider redevelopment. Construction is also underway on a 76-home project at Fort Gordon.

The Group continues to work with the independent compliance monitor, appointed by the US Department of Justice (DoJ) in 2021 and commencing work in 2022. As of August 2025, Balfour Beatty is engaged in discussions with the DoJ about Balfour Beatty Communities' plea agreement and monitorship, and has agreed in principle to extend both to 6 June 2026.

Outlook

Balfour Beatty are on track to achieve full year earnings expectations, with further growth in 2026. The Board continues to expect an increase in PFO from its earnings-based businesses for the full year, with UK Construction, Gammon and Support Services expected to continue their good performance, offsetting reduced expectations for US Construction which is now expected to deliver full year PFO of roughly £20 million due to the loss in US Civils. Infrastructure Investments financial performance is expected to improve in the second half, with the full year loss forecast to be slightly larger than at the half year, prior to disposals. Gains on investment disposals for the full year are now expected to be in the range of £30 - £40 million. The Board expects net finance income of around £30 million for 2025 and for the effective tax rates in each of the three geographies to remain close to statutory rates.

The Group's average cash in 2025 is now expected to be in the range of £1.1 – £1.2 billion, with capital expenditure between £40 and £50 million and a working capital outflow in the second half of the year.

The Group's longer-term outlook remains positive. The acceleration of growth achieved by UK Construction and Support Services in the first half of the year further demonstrates the earnings potential of the Group. When coupled with increasing opportunities in the four key growth markets it has positioned itself for – energy, transport and defence sectors in the UK and the US buildings market - the Board continues to have confidence in Balfour Beatty's ongoing ability to deliver profitable managed growth and strong cash generation, and in turn, sustainable and attractive shareholder returns.

RESULTS OVERVIEW

Unless otherwise stated, all commentary in this section and the Divisional financial reviews is on an underlying basis.

Throughout this report, Balfour Beatty has presented financial performance measures which are used to manage the Group's performance. These financial performance measures are chosen to provide a balanced view of the Group's operations and are considered useful to investors as these measures provide relevant information on the Group's past or future performance, position or cash flows. These measures are also aligned to measures used internally to assess business performance in the Group's budgeting process and when determining compensation. An explanation of the Group's financial performance measures and appropriate reconciliations to its statutory measures are provided in the Measuring Our Financial Performance section. Non-underlying items are the cause of the differences between underlying and statutory profitability. Additionally, underlying revenue includes the Group's share of revenue in joint ventures and associates.

Group financial summary

Underlying revenue increased by 10% (12% at CER) to £5,150 million (2024: 4,677 million) driven by increases at US Construction, UK Construction and Support Services, partially offset by a reduction at Gammon. Statutory revenue, which excludes joint ventures and associates, was £4,522 million (2024: £3,885 million).

Construction Services revenue was up 8% (10% at CER) to £4,197 million (2024: £3,875 million), with increased US Construction and UK Construction activities partially offset by reduced volumes at the major Hong Kong airport projects. Support Services revenue increased by 19% to £662 million (2024: £554 million) driven by growth in the power transmission business.

Underlying profit / (loss) from operations²	HY 2025 £m	HY 2024 £m
UK Construction	56	34
US Construction	(11)	18
Gammon	17	15
Construction Services	62	67
Support Services	46	34
Earnings-based businesses	108	101
Infrastructure Investments pre-disposals operating (loss) / profit	(12)	(7)
Infrastructure Investments gain on disposals	2	–
Corporate activities	(21)	(17)
Total underlying profit from operations	77	77

² Before non-underlying items (Note 8)

Underlying profit from operations of £77 million was in line with prior year (2024: £77 million), with a £7 million increase in PFO from the earnings-based businesses offset by a £3 million increase in the Infrastructure Investments loss and a £4 million increase in corporate activity costs. Statutory profit from operations was £114 million (2024: £91 million).

Including net finance income of £18 million (2024: £21 million), underlying pre-tax profit was £95 million (2024: £98 million). The taxation charge on underlying profits was £22 million (2024: £17 million) and results in an underlying profit after tax of £73 million (2024: £81 million). Total statutory profit after tax for the period was £101 million (2024: £96 million), as a result of the net effect of non-underlying items.

Underlying basic earnings per share was 14.4 pence (2024: 15.3 pence), which, along with non-underlying earnings per share of 5.4 pence (2024: 2.8 pence), gave a total basic earnings per share of 19.8 pence (2024: 18.1 pence). This included the benefit from the basic weighted average number of ordinary shares reducing to 509 million (2024: 528 million) as a result of the Group's share buyback programme.

Non-underlying items

The Board believes non-underlying items should be separately identified on the face of the income statement to assist in understanding the underlying financial performance achieved by the Group. Non-underlying items after taxation were a net credit of £28 million for the period (2024: £15 million). This included two significant items.

Firstly, the Group has recognised a £50 million credit in relation to a US Civils project completed in 2012. In 2024, the Group recognised a provision of £52 million for a claim received from the North Texas Tollway Authority (NTTA) on a project to provide design and build services in relation to the extension of NTTA's President George Bush Turnpike Highway (SH161 in Texas) through a joint operation formed with Fluor Enterprise Inc. in which the Group owned a 40% share. This project completed in 2012. This provision, net of insurance recoveries, represented damages awarded to NTTA through a jury verdict in November 2024, and also included pre-judgement interest and legal costs. This charge was recognised in the Construction Services segment in 2024 and included within the Group's non-underlying results due to the size of the provision. The Group maintained the view that these damages are a result of design elements of the contract which were performed by subcontractors to the joint operation. In June 2025, an all-party settlement was reached between NTTA, the joint operation, as well as its design subcontractors. The Group's share of the settlement was fully funded by its insurers resulting in no cost to the Group. As such, the Group has released this provision in full after taking into account legal cost incurred.

Secondly, a charge of £11 million has been recognised in the half-year in relation to the Group's obligations under the UK Building Safety Act (BSA). In 2024, following further developments and clarifications in the legal landscape of the Building Safety Act (BSA) introduced in 2022, progression of the Group's investigation and due diligence as well as adjudications on claims received to date, the Group's reassessment of its provision for BSA claims resulted in an increase in the provision of £83m. The provision did not include potential recoveries from third parties. The increase was recognised as a non-underlying charge due to its size and the nature of the cost, which arose from a change in legislation. In the half-year period, the Group increased its provision by £11 million as a result of new claims received in the period, reassessments to previously provided claims and legal costs incurred. Consistent with the treatment adopted in 2024, this has been recognised as a non-underlying charge in the Construction Services segment.

Further detail is provided in Note 8.

Cash flow performance

The total cash movement in the first half resulted in a £294 million increase (2024: £57 million decrease) in the Group's period end net cash position to £1,237 million (FY 2024: £943 million), excluding non-recourse net borrowings, largely driven by a £290 million working capital inflow. Operating cash flows were ahead of profit from operations, while there was a £65 million outflow for the current tranche of the multi-year share buyback programme.

Cash flow performance	HY 2025 £m	HY 2024 £m
Operating cash flows	161	128
Working capital inflow/(outflow)	290	(76)
Pension deficit payments*	(8)	(14)
Cash from operations	443	38
Lease payments (including interest paid)	(37)	(33)
Dividends from joint ventures and associates	28	32
Capital expenditure	(23)	(12)
Share buybacks	(65)	(72)
Infrastructure Investments		
- disposal proceeds	2	–
- new investments	(20)	(12)
Other	(34)	2
Net cash movement	294	(57)
Opening net cash*	943	842
Closing net cash*	1,237	785

* Including £1 million (2024: £1 million) of regular funding

* Excluding infrastructure investments (non-recourse) net borrowings

Working capital

The £290 million net working capital inflow (2024: £76 million outflow) was driven by increased negative working capital in UK Construction, primary due to timing, and advance receipts on several projects in US Construction.

Working capital flows^	HY 2025 £m	HY 2024 £m
Inventories	4	(38)
Net contract assets	97	(66)
Trade and other receivables	(169)	(106)
Trade and other payables	416	151
Provisions	(58)	(17)
Working capital inflow / (outflow)^	290	(76)

^ Excluding impact of foreign exchange and disposals

Including the impact of foreign exchange and non-operating items, negative (i.e. favourable) current working capital increased to £1,643 million (FY 2024: £1,228 million). Negative working capital as a percentage of revenue for the first half was 18.2% (FY 2024: 14.9%).

Net cash/borrowings

The Group's average net cash increased in the first half to £1,102 million (FY 2024: £766 million, HY 2024: £735 million). The Group's net cash position at the half year, excluding non-recourse net borrowings, was £1,237 million (FY 2024: £943 million; HY 2024 £785 million).

Non-recourse net borrowings, held in Infrastructure Investments entities consolidated by the Group, were £384 million (FY 2024: £335 million; HY 2024: £279 million). The balance sheet also included £176 million for lease liabilities (FY 2024: £162 million; HY 2024: £151 million). Statutory net cash at half year was £677 million (FY 2024: £446 million; HY 2024: £355 million).

Share buyback

On 6 January 2025, Balfour Beatty commenced an initial £50 million tranche of its 2025 share buyback programme, which was subsequently increased, following the release of its 2024 full year results, to £125 million on 12 March 2025. In the first half, the Group purchased 14 million shares for a total consideration of £65 million. These shares are currently held in treasury with no voting rights. This tranche of the multi-year share buyback programme is on track to complete by the end of 2025.

Banking facilities

The Group's £450 million core Revolving Credit Facility (RCF) extends to June 2028. The RCF remains a Sustainability Linked Loan, and the Group continues to be incentivised to deliver annual measurable performance improvement in three key areas: Carbon Emissions, Social Value generation and an independent Environment, Social and Governance (ESG) rating score. The RCF remained undrawn at 27 June 2025.

The Group retains an additional £30 million bilateral committed facility on similar terms to the core RCF. This facility has a maturity of December 2027. At 27 June 2025 the bilateral committed facility remained undrawn.

Going concern

The Directors have considered the Group's medium term cash forecasts and conducted stress-test analysis on these projections in order to assess the Group's ability to continue as a going concern. Having also made appropriate enquiries, the Directors consider it reasonable to assume that the Group has adequate resources to continue for the period of at least 12 months from the date of approval of the condensed financial statements and, for this reason, have continued to adopt the going concern basis. Further detail is provided in Note 1.3 Going Concern.

Pensions

Balfour Beatty and the trustees of the Balfour Beatty Pension Fund (BBPF) have previously agreed to a journey plan approach to managing the BBPF whereby the BBPF was aiming to reach self-sufficiency by 2027. A formal triennial funding valuation is due with effect from 31 March 2025 with discussions between the Group and the Trustees to agree this triennial valuation underway.

The Company and trustees of the Railways Pension Scheme (RPS) agreed the 31 December 2022 formal valuation in the first half of 2024 and, as a result, Balfour Beatty agreed to continue making deficit contributions of £6 million per annum until February 2025. The next formal triennial funding valuation of the RPS is due with effect from 31 December 2025.

The Group's balance sheet includes net retirement benefit assets of £15 million (FY 2024: £2 million) as measured on an IAS 19 basis, with the surplus on the BBPF (£57 million) partially offset by deficits on RPS (£11 million) and other schemes (£31 million).

Dividend

The Board is committed to a sustainable ordinary dividend which is expected to grow over time, targeted at a pay-out ratio of 40% of underlying profit after tax excluding gain on disposal of Investments assets. As announced at the time of the 2022 full year results, going forward, the Board expects the interim dividend to be roughly one third of the prior year's full year dividend. Aligned to this, and following a 2024 full year dividend of 12.5 pence, the Board has declared an interim dividend of 4.2 pence for 2025 (2024: 3.8 pence).

DIVISIONAL FINANCIAL REVIEWS

CONSTRUCTION SERVICES

Underlying revenue at £4,197 million was up 8% (2024: £3,875 million), a 10% increase at CER, with higher volumes in US Construction and UK Construction partially offset by lower volumes at Gammon. Underlying profit from operations reduced to £62 million (2024: £67 million) as the cost of delays to a US Construction civils job more than offset strong growth at UK Construction. The order book grew by 4% (10% at CER) in the period to £15.8 billion (FY 2024: £15.2 billion).

Construction Services	HY 2025			HY 2024			FY 2024
	Revenue ¹	PFO	Order book ¹	Revenue ¹	PFO	Order book ¹	Order book ¹
	£m	£m	£bn	£m	£m	£bn	£bn
UK Construction	1,563	56	6.3	1,458	34	6.1	6.2
US Construction	2,087	(11)	7.6	1,703	18	5.6	7.1
Gammon	547	17	1.9	714	15	2.0	1.9
Underlying ²	4,197	62	15.8	3,875	67	13.7	15.2
Non-underlying	–	38		–	15		–
Total	4,197	100	15.8	3,875	82	13.7	15.2

¹ Including share of joint ventures and associates

² Before non-underlying items (Note 8)

A reconciliation of the Group's performance measures to its statutory results is provided in the Measuring our financial performance section

UK Construction: Revenue in UK Construction increased by 7% to £1,563 million (2024: £1,458 million) driven largely by increased volumes in the Group's Scottish operations.

UK Construction achieved its long-standing PFO margin target of 3% in the period, with strong project delivery, the improved risk profile of its portfolio and a one-off £10 million insurance recovery contributing to underlying profit from operations of £56 million (2024: £34 million). This represents a 3.6% PFO margin (2024: 2.3%). The full year PFO margin for UK Construction is expected to be around 3.0% prior to including the insurance recovery.

The UK Construction order book grew by 2% to £6.3 billion (FY 2024: £6.2 billion), with new additions including the Net Zero Teesside project and various projects through the SCAPE Civil Engineering public sector procurement frameworks, through which Balfour Beatty has been helping to shape and strengthen local communities for the last ten years. 79% of the UK Construction order book is from public sector and regulated industry clients and 82% of orders are now on either target cost or cost plus contractual terms.

US Construction: Revenue in US Construction increased by 22% (26% at CER) to £2,087 million (2024: £1,703 million), driven by an increase in buildings activities, slightly offset by a reduction in civils.

US Construction made an underlying loss from operations of £11 million (2024: profit of £18 million), with the cost of schedule delays at a US Civils highways project in Texas more than offsetting strong performance from the US Buildings business. Second half performance is expected to be stronger, with full year PFO for 2025 expected to be around £20 million.

The US Construction order book grew by 7% (17% at CER) to £7.6 billion (FY 2024: £7.1 billion). At constant exchange rate, 6% growth in US Buildings was largely driven by growth in residential, education and hospitality buildings, while 45% growth in US Civils was driven by the addition of a \$889 million contract in Texas to reconstruct a 3.7km section of Interstate 30 in Dallas County.

Gammon: The Group's share of Gammon's revenue decreased by 23% (22% at CER) to £547 million (2024: £714 million). Work on the two major projects at Hong Kong International Airport are moving towards completion and therefore activity levels have declined as forecast.

Underlying profit increased to £17 million (2024: £15 million) representing a 3.1% profit margin (2024: 2.1%) driven by the mix of work completed across Gammon's project portfolio.

The Group's share of Gammon's order book remained flat at £1.9 billion (FY 2024: £1.9 billion) but grew by 12% at CER. Additions to the order book in the first half include: a commercial development in Tung Chung with a 23-storey office tower, 5-storey retail podium and 20-storey data centre; a commercial and residential development in Kowloon with six residential towers; and a five-tower residential development in Tai Po.

SUPPORT SERVICES

The Support Services business provides power, plant, road and rail maintenance and is characterised by profitable recurring revenues underpinned by long term frameworks targeting PFO margin of 6-8%.

Support Services revenue rose 19% to £662 million (2024: £554 million), with increased volumes in the power transmission business driven by growing demand in the sector, in which Balfour Beatty have market leading capabilities. Underlying profit from operations increased 35% to £46 million (2024: £34 million) driven by the higher power volumes. PFO margin increased to 6.9% in the period (2024: 6.1%), with the mix of work being more heavily weighted to the power sector. Support Services is expected to deliver towards the top end of its targeted 6-8% margin range for the 2025 full year.

The Support Services order book increased by 16% to £3.7 billion (FY 2024: £3.2 billion). During the first half, the Rail business signed around £500 million of new orders including: an eight year agreement, with a two year option to extend, to supply, operate and maintain a fleet of high-performance tamping machines to support track renewal and maintenance projects across England, Scotland and Wales; a place on Network Rail's CP7 Western Reactive framework; and further track renewal work with the Central Rail Systems Alliance. The Power order book also grew, driven by an order from SSEN to procure steelworks and other items for the ASTI framework.

Support Services	HY 2025	HY 2024
Order book ¹ (£bn)	3.7	2.9
Revenue ¹ (£m)	662	554
Profit from operations ² (£m)	46	34
Non-underlying items (£m)	—	—
Statutory profit from operations (£m)	46	34

¹ Including share of joint ventures and associates

² Before non-underlying items (Note 8)

A reconciliation of the Group's performance measures to its statutory results is provided in the Measuring our financial performance section.

INFRASTRUCTURE INVESTMENTS

Infrastructure Investments made a £12 million underlying loss from operations in the period (2024: £7 million) driven by monitor and legal costs in military housing and costs relating to the hand back of UK PFI assets. The underlying loss was partially offset by a £2 million profit on disposal, which represents contingent consideration for the University of Texas at Dallas student accommodation disposal completed in 2024.

Infrastructure Investments financial performance is expected to improve in the second half, with the full year loss forecast to be slightly larger than at the half year, prior to disposals. The Group is anticipating a gain on disposals for the full year in the range of £30 - £40 million, with a number of ongoing transactions.

Net investment income in the first half was £4 million (2024: £11 million) with no repeat of the impairment write back of subordinated debt recorded in 2024.

Balfour Beatty continues to invest in attractive new opportunities, each expected to meet its investment hurdle rates. In the first half, the Group invested £20 million in new and existing projects, with two US multifamily housing projects, The Gathering at Arbor Greens in Florida and River Pointe in Texas, added to the portfolio.

Infrastructure Investments	HY 2025 £m	HY 2024 £m
Pre-disposals operating (loss) / profit ²	(12)	(7)
Gain on disposals ²	2	–
(Loss) / profit from operations ²	(10)	(7)
Net investment income [~]	4	11
(Loss) / profit before tax ²	(6)	4
Non-underlying items	(1)	(1)
Statutory (loss) / profit before tax	(7)	3

² Before non-underlying items (Note 8)

[~] Subordinated debt interest receivable, net interest receivable on PPP financial assets and non-recourse borrowings, fair value (loss)/gain on investment asset and impairment to subordinated debt receivable and accrued interest

A reconciliation of the Group's performance measures to its statutory results is provided in the Measuring our financial performance section

Directors' valuation

The Directors' valuation decreased by 8% to £1,158 million (FY 2024: £1,254 million). The portfolio is now 57% weighted towards the US (FY 2024: 58%). The number of projects in the portfolio increased by two to 62 (FY 2024: 60).

Movement in value FY 2024 to HY 2025

£m	FY 2024	Equity invested	Distributions received	Sales proceeds	Unwind of discount	Operational performance	Discount rates	FX	HY 2025
UK	525	1	(8)	0	18	(12)	(29)	-	495
US	729	19	(5)	(2)	24	(5)	(32)	(65)	663
Total	1,254	20	(13)	(2)	42	(17)	(61)	(65)	1,158

Balfour Beatty invested £20 million (2024: £12 million) in new and existing projects, with investment predominantly relating to the addition of multifamily housing projects in Conroe, Texas and Newberry, Florida.

Cash yield from distributions amounted to £13 million (2024: £16 million). Additionally, £2 million of contingent consideration was received in the period in relation to the University of Texas at Dallas student accommodation disposal completed in 2024.

Unwind of discount at £42 million (2024: £40 million) is a function of moving the valuation date forward by six months with the result that future cash flows are discounted by six months less.

Operational performance movements resulted in a £17 million decrease (2024: £16 million increase). This related to a reduction in the valuation of the student accommodation portfolio in the UK and higher than forecast independent compliance monitor costs in US Military Housing

In addition, the discount rates applied to project cashflows were increased to reflect changes in long term interest rates and the secondary market in both the UK and US, leading to a reduction in value of £61m.

The foreign exchange movement was a £65 million decrease, as sterling appreciated against the US dollar (2024: £6 million increase).

Methodology and assumption changes

The methodology for valuing most investments in the portfolio remains the discounted cash flow (DCF) method. Under this methodology cash flows for each project are forecast based on historical and present performance, future risks and macroeconomic forecasts. They also factor in secondary market assumptions. These cash flows are then discounted using different discount rates, which are based on the risk and maturity of individual projects and reflect secondary market transaction experience. The main exception to the use of DCF is for US multi-family housing projects which, due to the perpetual nature of the assets and the depth and liquidity of the rental housing market, are valued based on periodic broker reports for each property.

The valuation methodology used at the previous Directors' valuation is unchanged.

Discount rates applied to the UK portfolio range from 8% to 10.25% (FY 2024: 7.25% to 10.25%) depending on the maturity and risk of each project. The implied weighted average discount rate for the UK portfolio is 9.0% (FY 24: 8.4%). A 1% change in the discount rate would change the value of the UK portfolio by approximately £41 million.

Discount rates applied to the US portfolio range from 6.75% to 10.5% (FY 2024 22: 6.25% to 10.5%), with an implied US weighted average discount rate of 8.4% (FY 2024: 7.9%). A 1% change in the discount rate would change the value of the US portfolio by approximately £74 million.

The portfolio remains positively correlated to inflation. A 1% change in the long-term inflation rate in the UK portfolio would change the valuation by approximately £24 million and a 1% change in the long-term rental growth rate in the US portfolio would change the valuation by approximately £62 million.

As in previous periods, the Directors' valuation may differ significantly from the accounting book value of investments shown in the financial statements, which are produced in accordance with UK-adopted international accounting standards rather than using a discounted cash flow approach. A full reconciliation is provided in section i) of the Measuring Our Financial Performance section.

Portfolio valuation June 2025

Value by sector

Sector	HY 2025	FY 2024	HY 2025	FY 2024
	No. projects	No. projects	£m	£m
Roads	12	12	154	162
Healthcare	2	2	129	133
Student accommodation	5	5	115	137
Energy transition	4	4	67	64
Other	2	2	30	29
UK total	25	25	495	525
US military housing	21	21	531	605
Student accommodation and other PPP	5	5	54	58
Residential housing	11	9	78	66
US total	37	35	663	729
Total	62	60	1,158	1,254

Value by phase

Phase	HY 2025	FY 2024	HY 2025	FY 2024
	No. projects	No. projects	£m	£m
Operations	59	57	1,115	1,208
Construction	3	3	43	46
Total	62	60	1,158	1,254

Value by income type

Income type	HY 2025	FY 2024	HY 2025	FY 2024
	No. projects	No. projects	£m	£m
Availability based	17	17	364	370
Demand – operationally proven (2+ years)	41	39	751	836
Demand – early stage (less than 2 years)	4	4	43	48
Total	62	60	1,158	1,254

Responsibility statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK;
- the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first half of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining second half of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first half of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

Leo Quinn
Group Chief Executive
12 August 2025

Philip Harrison
Chief Financial Officer

Forward-looking statements

This report, including information included or incorporated by reference in it, may include statements that are or may be forward-looking statements, beliefs or opinions, including statements with respect to Balfour Beatty's business, financial condition, operations and prospects. These forward-looking statements may be identified by the use of forward-looking terminology or the negative thereof such as "expects" or "does not expect", "anticipates" or "does not anticipate", "targets", "aims", "continues", "is subject to", "assumes", "budget", "scheduled", "estimates", "risks", "positioned", "forecasts" "intends", "hopes", "believes" or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", "shall", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These events and circumstances include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates, future business combinations or disposals, and any epidemic, pandemic or disease outbreak. If any one or more of these risks or uncertainties materialises, or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors. As a result, you are cautioned not to place any undue reliance on such forward-looking statements.

No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved, and projections are not guarantees of future performance. Forward-looking statements speak only as at the date of this report and, other than in accordance with its legal or regulatory obligations, Balfour Beatty expressly disclaims any obligations or undertaking to update, or revise, any forward-looking statements in this report.

No statement in this report is intended as a profit forecast or profit estimate and no statement in this presentation should be interpreted to mean that Balfour Beatty's earnings per share for the current or future financial years would necessarily match or exceed the historical published earnings per share for Balfour Beatty.

This report does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities. The making of this presentation does not constitute any advice or recommendation regarding any securities.

MEASURING OUR FINANCIAL PERFORMANCE

Providing clarity on the Group's alternative performance measures

The Group has included this section in this report with the aim of providing transparency and clarity on the measures adopted internally to assess performance.

Throughout this report, the Group has presented financial performance measures which are considered most relevant to Balfour Beatty and are used to manage the Group's performance. These financial performance measures are chosen to provide a balanced view of the Group's operations and are considered useful to investors as these measures provide relevant information on the Group's past or future performance, position, or cash flows.

The alternative performance measures adopted by the Group are also commonly used in the sectors it operates in and therefore serve as a useful aid for investors to compare Balfour Beatty's performance to its peers.

The Board believes that disclosing these performance measures enhances investors' ability to evaluate and assess the underlying financial performance of the Group's operations and the related key business drivers.

These financial performance measures are also aligned to measures used internally to assess business performance in the Group's budgeting process and when determining compensation.

Equivalent information cannot be presented by using financial measures defined in the financial reporting framework alone.

Readers are encouraged to review this report in its entirety.

Performance measures used to assess the Group's operations

Underlying profit from operations (PFO)

Underlying PFO is presented before non-underlying items, finance costs and investment income and is the key measure used to assess the Group's performance in the Construction Services and Support Services segments. This is also a common measure used by the Group's peers operating in these sectors.

This measure reflects the returns to the Group from services provided in these operations that are generated from activities that are not financing in nature and therefore an underlying pre-finance cost measure is more suited to assessing underlying performance.

Underlying profit before tax (PBT)

The Group assesses performance in its Infrastructure Investments segment using an underlying PBT measure. This differs from the underlying PFO measure used to measure the Group's Construction Services and Support Services segments because, in addition to margins generated from operations, there are returns to the Investments business which are generated from the financing element of its projects.

These returns take the form of subordinated debt interest receivable, interest receivable on PPP financial assets, and fair value gains on certain investment assets which are included in the Group's income statement in investment income. These are then offset by the finance cost incurred on the non-recourse debt associated with the underlying projects, fair value losses on certain investment assets and any impairment of subordinated debt receivables and accrued interest, which are included in the Group's income statement in finance costs.

Operating cash flow (OCF)

The Group uses an internally defined measure of OCF to measure the performance of its earnings-based businesses and subsequently to determine the amount of incentive awarded to employees in these businesses under the Group's Annual Incentive Plan (AIP). This measure also aligns to one of the vesting conditions attributable to the Group's PSP awards.

Measuring the Group's performance

The following measures are referred to in this report when reporting performance, both in absolute terms and also in comparison to earlier periods:

Statutory measures

Statutory measures are derived from the Group's reported financial statements, which have been prepared in accordance with UK-adopted international accounting standards (IFRS) and in conformity with the requirements of the Companies Act 2006.

Where a standard allows certain interpretations to be adopted, the Group has applied its accounting policies consistently. These accounting policies can be found on pages 199 to 206 of the Annual Report and Accounts 2024.

The Group's statutory measures take into account all of the factors, including those that it cannot influence (principally foreign currency fluctuations) and also non-recurring items which do not reflect the ongoing underlying performance of the Group.

Performance measures

In assessing its performance, the Group has adopted certain non-statutory measures because, unlike its statutory measures, these cannot be derived directly from its financial statements. The Group commonly uses the following measures to assess its performance:

a) Order book

The Group's disclosure of its order book is aimed to provide insight into its pipeline of work and future performance. The Group's order book is not a measure of past performance and therefore cannot be derived from its financial statements.

The Group's order book comprises the unexecuted element of orders on contracts that have been secured. Where contracts are subject to variations, only secured contract variations are included in the reported order book.

Where contracts fall under framework agreements, an estimate is made of orders to be secured under that framework agreement. This is based on historical trends from similar framework agreements delivered in the past and the estimate of orders included in the order book is that which is probable to be secured.

In accordance with IFRS 15 Revenue from Contracts with Customers, the Group is required to disclose the remaining transaction price allocated to performance obligations not yet delivered. This can be found in Note 4.3 in the Annual Report and Accounts 2024. This is similar to the Group's order book disclosure, however it differs for the following reasons:

- The Group's order book includes its share of orders that are reported within its joint ventures and associates. In line with section (e), the Board believes that including orders that are within the pipeline of its joint ventures and associates better reflects the size of the business and the volume of work to be carried out in the future. This differs from the statutory measure of transaction price to be allocated to remaining performance obligations which is only inclusive of secured revenue from the Group's subsidiaries.
- As stated above, for contracts that fall under framework agreements, the Group includes in its order book an estimate of what the orders under these agreements will be worth. Under IFRS 15, each instruction under the framework agreement is viewed as a separate performance obligation and is included in the statutory measure of the remaining transaction price when received but estimates for future instructions are not.

The Group's order book does not include revenue to be earned in its Infrastructure Investments segment as the value of this part of the business is driven by the Directors' valuation of the Investments portfolio. Refer to section (i).

Reconciliation of order book to transaction price to be allocated to remaining performance obligations

	2025 first half £m	2024 first half £m	2024 year £m
Order book (performance measure)	19,470	16,623	18,443
Less: Share of orders included within the Group's joint ventures and associates	(2,554)	(2,360)	(2,322)
Less: Estimated orders under framework agreements included in the order book disclosure	(289)	(65)	–
Add: Transaction price allocated to remaining performance obligations in Infrastructure Investments	2,328	2,035	2,616
Transaction price allocated to remaining performance obligations for the Group (statutory measure)	18,955	16,233	18,737

b) Underlying performance

The Group adjusts for certain non-underlying items which the Board believes assists in understanding the performance achieved by the Group. These items include:

- gains and losses on the disposal of businesses and investments, unless this is part of a programme of releasing value from the disposal of similar businesses or investments such as infrastructure concessions;
- costs of major restructuring and reorganisation of existing businesses;
- costs of integrating newly acquired businesses;
- acquisition and similar costs related to business combinations such as transaction costs;
- impairment and amortisation charges on intangible assets arising on business combinations (amortisation of acquired intangible assets); and
- impairment of goodwill.

These are non-underlying costs as they do not relate to the underlying performance of the Group.

From time to time, it may be appropriate to disclose further items as non-underlying items in order to reflect the underlying performance of the Group.

Further details of non-underlying items are provided in Note 8.

A reconciliation has been provided below to show how the Group's statutory results are adjusted to exclude non-underlying items and their impact on its statutory financial information, both as a whole and in respect of specific line items.

Reconciliation of the half-year ended 27 June 2025 statutory results to performance measures

	2025 first half statutory results £m	Non-underlying items			2025 first half performance measures £m
		Intangible amortisation £m	Net release of provision for claim on legacy project in Texas £m	Provision recognised for BSA claims £m	
Revenue including share of joint ventures and associates (performance)	5,150	–	–	–	5,150
Share of revenue of joint ventures and associates	(628)	–	–	–	(628)
Group revenue (statutory)	4,522	–	–	–	4,522
Cost of sales	(4,293)	–	(50)	11	(4,332)
Gross profit	229	–	(50)	11	190
Gain on disposal of interests in investments	2	–	–	–	2
Amortisation of acquired intangible assets	(2)	2	–	–	–
Other net operating expenses	(140)	–	–	–	(140)
Group operating profit	89	2	(50)	11	52
Share of results of joint ventures and associates	25	–	–	–	25
Profit from operations	114	2	(50)	11	77
Investment income	40	–	–	–	40
Finance costs	(22)	–	–	–	(22)
Profit before taxation	132	2	(50)	11	95
Taxation	(31)	–	12	(3)	(22)
Profit for the period	101	2	(38)	8	73

Reconciliation of the half-year ended 27 June 2025 statutory results to performance measures by segment

	2025 first half statutory results £m	Non-underlying items			2025 first half performance measures £m
		Intangible amortisation £m	Net release of provision for claim on legacy project in Texas £m	Provision recognised for BSA claims £m	
Profit/(loss) from operations					
Segment					
Construction Services	100	1	(50)	11	62
Support Services	46	–	–	–	46
Infrastructure Investments	(11)	1	–	–	(10)
Corporate activities	(21)	–	–	–	(21)
Total	114	2	(50)	11	77

Reconciliation of the half-year ended 28 June 2024 statutory results to performance measures

	2024 first half statutory results £m	Non-underlying items		2024 first half performance measures £m
		Intangible amortisation £m	Rail Germany £m	
Revenue including share of joint ventures and associates (performance)	4,677	–	–	4,677
Share of revenue of joint ventures and associates	(792)	–	–	(792)
Group revenue (statutory)	3,885	–	–	3,885
Cost of sales	(3,677)	–	(21)	(3,698)
Gross profit	208	–	(21)	187
Amortisation of acquired intangible assets	(2)	2	–	–
Other net operating expenses	(145)	–	5	(140)
Group operating profit	61	2	(16)	47
Share of results of joint ventures and associates	30	–	–	30
Profit from operations	91	2	(16)	77
Investment income	40	–	–	40
Finance costs	(19)	–	–	(19)
Profit before taxation	112	2	(16)	98
Taxation	(16)	(1)	–	(17)
Profit for the period	96	1	(16)	81

Reconciliation of the half-year ended 28 June 2024 statutory results to performance measures by segment

	2024 first half statutory results £m	Non-underlying items		2024 first half performance measures £m
		Intangible amortisation £m	Rail Germany £m	
Profit/(loss) from operations				
Segment				
Construction Services	82	1	(16)	67
Support Services	34	–	–	34
Infrastructure Investments	(8)	1	–	(7)
Corporate activities	(17)	–	–	(17)
Total	91	2	(16)	77

Reconciliation of the year ended 31 December 2024 statutory results to performance measures

	2024 statutory results £m	Non-underlying items					2024 performance measures £m
		Intangible amortisation £m	Net release of provisions relating to Rail Germany £m	Recognition of insurance on rectification works in London £m	Provision recognised for BSA claims £m	Recognition of charge for claim on legacy project in Texas £m	
Revenue including share of joint ventures and associates (performance)	10,015	–	–	–	–	–	10,015
Share of revenue of joint ventures and associates	(1,781)	–	–	–	–	–	(1,781)
Group revenue (statutory)	8,234	–	–	–	–	–	8,234
Cost of sales	(7,883)	–	(26)	(43)	83	52	(7,817)
Gross profit	351	–	(26)	(43)	83	52	417
Gain on disposals of interests in investments	43	–	–	–	–	–	43
Amortisation of acquired intangible assets	(4)	4	–	–	–	–	–
Other net operating expenses	(276)	–	5	–	–	–	(271)
Group operating profit	114	4	(21)	(43)	83	52	189
Share of results of joint ventures and associates	59	–	–	–	–	–	59
Profit from operations	173	4	(21)	(43)	83	52	248
Investment income	82	–	–	–	–	–	82
Finance costs	(41)	–	–	–	–	–	(41)
Profit before taxation	214	4	(21)	(43)	83	52	289
Taxation	(36)	(1)	(2)	11	(21)	(13)	(62)
Profit for the year	178	3	(23)	(32)	62	39	227

Reconciliation of the year ended 31 December 2024 statutory results to performance measures by segment

	2024 statutory results £m	Non-underlying items					2024 performance measures £m
		Intangible amortisation £m	Net release of provisions relating to Rail Germany £m	Recognition of insurance on rectification works in London £m	Provision recognised for BSA claims £m	Recognition of charge for claim on legacy project in Texas £m	
Profit/(loss) from operations	£m	£m	£m	£m	£m	£m	£m
Segment							
Construction Services	87	1	(21)	(43)	83	52	159
Support Services	93	–	–	–	–	–	93
Infrastructure Investments	32	3	–	–	–	–	35
Corporate activities	(39)	–	–	–	–	–	(39)
Total	173	4	(21)	(43)	83	52	248

c) Underlying profit before tax

As explained, the Group's Infrastructure Investments segment is assessed on an underlying profit before tax (PBT) measure. This is calculated as follows:

	2025 first half £m	2024 first half £m	2024 year £m
Underlying profit from operations (section (b) and Note 3)	(10)	(7)	35
Add: Subordinated debt interest receivable [^]	13	5	17
Add: Interest receivable on PPP financial assets [^]	1	1	2
Add: Fair value (loss)/gain on investment asset [^]	(1)	–	(2)
Less: Non-recourse borrowings finance cost [^]	(7)	(6)	(12)
Add/(less): Net (impairment)/impairment reversal of subordinated debt and accrued interest receivable [^]	(2)	11	14
Underlying profit before tax (performance)	(6)	4	54
Non-underlying items (section (b) and Note 3)	(1)	(1)	(3)
Statutory profit before tax	(7)	3	51

[^] Refer to Note 6 and Note 7.

d) Underlying earnings per share

In line with the Group's measurement of underlying performance, the Group also presents its earnings per share (EPS) on an underlying basis. The table below reconciles this to the statutory earnings per share.

	2025 first half pence	2024 first half pence	2024 year pence
Statutory basic earnings per ordinary share	19.8	18.1	34.2
Amortisation of acquired intangible assets after tax	0.3	0.2	0.6
Other non-underlying items after tax	(5.7)	(3.0)	8.8
Underlying basic earnings per ordinary share (performance)	14.4	15.3	43.6

e) Revenue including share of joint ventures and associates (JVAs)

The Group uses a revenue measure which is inclusive of its share of revenue generated from its JVAs. As the Group uses revenue as a measure of the level of activity performed by the Group, the Board believes that including revenue that is earned from its JVAs better reflects the size of the business and the volume of work carried out and more appropriately compares to PFO.

This differs from the statutory measure of revenue which presents Group revenue from its subsidiaries.

A reconciliation of the statutory measure of revenue to the Group's performance measure is shown in the tables in section (b). A comparison of the growth rates in statutory and performance revenue can be found in section (j).

f) Operating cash flow (OCF)

The table below reconciles the Group's internal performance measure of OCF to the statutory measure of cash generated from operating activities as reported in the Group's Statement of Cash Flows.

Reconciliation from statutory cash generated from operations to OCF

	2025 first half £m	2024 first half £m	2024 year £m
Cash generated from operating activities (statutory)	423	35	265
Add back: Pension payments including deficit funding (Note 18)	8	14	30
Less: Repayment of lease liabilities (including lease interest payments)	(37)	(33)	(66)
Add: Operational dividends received from joint ventures and associates	28	32	71
Add back: Cash flow movements relating to non-operating items	22	4	13
Less: Operating cash flows relating to non-recourse activities	(15)	(16)	(24)
Operating cash flow (OCF) (performance)	429	36	289

The Group includes/excludes these items to reflect the true cash flows generated from or used in the Group's operating activities:

Pension payments including deficit funding (£8m): the Group has excluded pension payments which are included in the Group's statutory measure of cash flows from operating activities from its internal OCF measure as these primarily relate to deficit funding of the Group's main pension fund, Balfour Beatty Pension Fund (BBPF). The payments made for deficit funding are in accordance with an agreed journey plan with the trustees of the BBPF and are not directly linked to the operational performance of the Group.

Repayment of lease liabilities (including lease interest payments) (£37m outflow): the payments made for the Group's leasing arrangements are included in the Group's OCF measure as these payments are made to third-party suppliers for the lease of assets that are used to deliver services to the Group's customers, and hence to generate revenue. Under IFRS, these payments are excluded from the Group's statutory measure of cash flows from operating activities as these are considered debt in nature under accounting standards.

Operational dividends received from joint ventures and associates (£28m inflow): dividends received from joint ventures and associates which are generated from non-disposal activities are included in the Group's OCF measure as these represent cash returns to the Group from cash flows generated from operating activities within joint ventures and associates. Under IFRS, these returns are classified as investing activities.

Cash flow movements relating to non-operating items (£22m): the Group's OCF measure excludes certain working capital movements that are not directly attributable to the Group's operating activities.

f) Operating cash flow (OCF) continued

Operating cash flows relating to non-recourse activities (£15m): the Group's OCF measure is specifically targeted to drive performance improvement in the Group's earnings-based businesses and therefore any operating cash flows relating to non-recourse activities are removed from this measure. Under IFRS, there is no distinction between recourse and non-recourse cash flows.

g) Recourse net cash/borrowings

The Group also measures its performance based on its net cash/borrowings position at the period end. This is analysed by excluding elements that are non-recourse to the Group as well as lease liabilities.

Non-recourse elements are cash and debt that are ring-fenced within certain infrastructure concession project companies and are excluded from the definition of net debt set out in the Group's borrowing facilities. In addition, lease liabilities which are deemed to be debt in nature under statutory measures are also excluded from the Group's definition of net cash/borrowings as these are viewed to be operational in nature reflecting payments made in exchange for use of assets.

Net cash/borrowings reconciliation

	2025 first half (statutory) £m	Adjustment £m	2025 first half (performance) £m	2024 first half (statutory) £m	Adjustment £m	2024 first half (performance) £m	2024 year (statutory) £m	Adjustment £m	2024 year (performance) £m
Total cash within the Group	1,803	(236)	1,567	1,284	(292)	992	1,558	(265)	1,293
Cash and cash equivalents									
– infrastructure concessions	236	(236)	–	292	(292)	–	265	(265)	–
– other	1,567	–	1,567	992	–	992	1,293	–	1,293
Total debt within the Group	(1,126)	796	(330)	(929)	722	(207)	(1,112)	762	(350)
Borrowings – non-recourse loans	(620)	620	–	(571)	571	–	(600)	600	–
– other	(330)	–	(330)	(207)	–	(207)	(350)	–	(350)
Lease liabilities	(176)	176	–	(151)	151	–	(162)	162	–
Net cash	677	560	1,237	355	430	785	446	497	943

h) Average net cash/borrowings

The Group uses an average net cash/borrowings measure as this reflects its financing requirements throughout the period. The Group calculates its average net cash/borrowings based on the average of opening and closing figures for each month through the period.

The average net cash/borrowings measure excludes non-recourse cash and debt and lease liabilities, and this performance measure shows average net cash of £1,102m (2024: first half £735m; full-year £766m).

Using a statutory measure (inclusive of non-recourse elements and lease liabilities) gives average net cash of £562m (2024: first half £395m; full-year £441m).

i) Directors' valuation of the Investments portfolio

The Group uses a different methodology to assess the value of its Investments portfolio. As described in the Directors' valuation section, the Directors' valuation for most of the investments in the portfolio has been undertaken using forecast cash flows for each project on an asset by asset basis, based on progress to date and market expectations of future performance. These cash flows have been discounted using different discount rates depending on project risk and maturity, reflecting secondary market transaction experience. As such, the Board believes that this measure better reflects the potential returns to the Group from those investments. The Directors have valued the Investments portfolio at £1.16bn at the half-year (2024: first half £1.27bn; full-year £1.25bn).

The Directors' valuation will differ from the statutory carrying value of these investments, which are accounted for using the relevant standards in accordance with IFRS rather than a discounted cash flow approach.

Reconciliation of the net assets of the Infrastructure Investments segment to the comparable statutory measure of the Investments portfolio included in the Directors' valuation

	2025 first half £m	2024 first half £m	2024 year £m
Net assets of the Infrastructure Investments segment (refer to Note 3.2)	610	613	626
Less: Net assets not included within the Directors' valuation – Housing division	(55)	(67)	(60)
Comparable statutory measure of the Investments portfolio under IFRS	555	546	566

Comparison of the statutory measure of the Investments portfolio to its performance measure

	2025 first half £m	2024 first half £m	2024 year £m
Statutory measure of the Investments portfolio (as above)	555	546	566
Difference arising from the Directors' valuation being measured on a discounted cash flow basis compared to the statutory measure primarily derived using a combination of the following IFRS bases:			
<ul style="list-style-type: none"> ▪ historical cost; ▪ amortised cost; and ▪ fair value 	603	724	688
Directors' valuation (performance measure)	1,158	1,270	1,254

The difference between the statutory measure and the Directors' valuation (performance measure) of the Group's Investments portfolio is not equal to the gain on disposal that would result if the portfolio was fully disposed at the Directors' valuation. This is because the gain/loss on disposal would be affected by the recycling of items which were previously recognised directly within reserves, which are material and can alter the resulting gain/loss on disposal.

The statutory measure and the Directors' valuation are fundamentally different due to the different methodologies used to derive the valuation of these assets within the Investments portfolio.

As referred to in the Directors' valuation section, the Directors' valuation for most investments is calculated using discounted cash flows. In deriving these cash flows, assumptions have been made and different discount rates used which are updated at each valuation date.

Unlike the Directors' valuation, the assets measured under statutory measures using the appropriate IFRS accounting standards are valued using a combination of the following methods:

- historical cost;
- amortised cost; and
- fair value for certain assets and liabilities within the PPP portfolio, for which some assumptions are set at inception and some are updated at each valuation date.

There is also an element of the Directors' valuation that is not represented by an asset in the Group's balance sheet. This relates to the management services contracts within the Investments business that are valued in the Directors' valuation based on the future income stream expected from these contracts.

j) Constant exchange rates (CER)

The Group operates across a variety of geographic locations and, in its statutory results, the results of its overseas entities are translated into the Group's presentational currency at average rates of exchange for the period. The Group's key exchange rates applied in deriving its statutory results are shown in Note 2.

To measure changes in the Group's performance compared with the previous period without the effects of foreign currency fluctuations, the Group provides growth rates on a CER basis. These measures remove the effects of currency movements by retranslating the prior period's figures at the current period's exchange rates, using average rates for revenue and closing rates for order book. A comparison of the Group's statutory growth rate to the CER growth rate is provided in the table below:

2025 statutory growth compared to performance growth

	Construction Services				Support Services	Infrastructure Investments	Total
	UK	US	Gammon	Total			
Revenue (£m)							
2025 first half statutory	1,563	2,070	–	3,633	662	227	4,522
2024 first half statutory	1,458	1,692	–	3,150	554	181	3,885
Statutory growth	7%	22%	–	15%	19%	25%	16%
2025 first half performance^	1,563	2,087	547	4,197	662	291	5,150
2024 first half performance retranslated^	1,458	1,658	697	3,813	554	244	4,611
Performance CER growth	7%	26%	(22)%	10%	19%	19%	12%
Order book (£bn)							
2025 first half	6.3	7.6	1.9	15.8	3.7	–	19.5
2024 year	6.2	7.1	1.9	15.2	3.2	–	18.4
Growth	2%	7%	–%	4%	16%	–	6%
2025 first half	6.3	7.6	1.9	15.8	3.7	–	19.5
2024 year retranslated	6.2	6.5	1.7	14.4	3.2	–	17.6
CER growth	2%	17%	12%	10%	16%	–	11%

[^] Performance revenue is underlying revenue including share of revenue from joint ventures and associates as set out in section (e).

INDEPENDENT REVIEW REPORT TO BALFOUR BEATTY PLC

Conclusion

We have been engaged by Balfour Beatty plc (“the Company”) to review the condensed set of financial statements in the half-yearly financial report for the period ended 27 June 2025 which comprises Condensed Group Income Statement, Condensed Group Statement of Comprehensive Income, Condensed Group Statement of Changes in Equity, Condensed Group Balance Sheet, Condensed Group Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the period ended 27 June 2025 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (“ISRE (UK) 2410”) issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors’ responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Mike Barradell
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London E14 5GL

12 August 2025

Condensed Group Income Statement

For the half-year ended 27 June 2025

		2025 first half unaudited			2024 first half unaudited			2024 year audited		
	Notes	Underlying items ¹ £m	Non-underlying items (Note 8) £m	Total £m	Underlying items ¹ £m	Non-underlying items (Note 8) £m	Total £m	Underlying items ¹ £m	Non-underlying items (Note 8) £m	Total £m
Revenue including share of joint ventures and associates		5,150	–	5,150	4,677	–	4,677	10,015	–	10,015
Share of revenue of joint ventures and associates	5.1	(628)	–	(628)	(792)	–	(792)	(1,781)	–	(1,781)
Group revenue		4,522	–	4,522	3,885	–	3,885	8,234	–	8,234
Cost of sales		(4,332)	39	(4,293)	(3,698)	21	(3,677)	(7,817)	(66)	(7,883)
Gross profit/(loss)		190	39	229	187	21	208	417	(66)	351
Gain on disposals of interests in investments		2	–	2	–	–	–	43	–	43
Amortisation of acquired intangible assets		–	(2)	(2)	–	(2)	(2)	–	(4)	(4)
Other operating expenses		(140)	–	(140)	(140)	(5)	(145)	(271)	(5)	(276)
Group operating profit/(loss)		52	37	89	47	14	61	189	(75)	114
Share of results of joint ventures and associates	5.1	25	–	25	30	–	30	59	–	59
Profit/(loss) from operations		77	37	114	77	14	91	248	(75)	173
Investment income	6	40	–	40	40	–	40	82	–	82
Finance costs	7	(22)	–	(22)	(19)	–	(19)	(41)	–	(41)
Profit/(loss) before taxation		95	37	132	98	14	112	289	(75)	214
Taxation	9	(22)	(9)	(31)	(17)	1	(16)	(62)	26	(36)
Profit/(loss) for the period		73	28	101	81	15	96	227	(49)	178
Attributable to										
Equity holders		73	28	101	81	15	96	227	(49)	178
Non-controlling interests		–	–	–	–	–	–	–	–	–
Profit/(loss) for the period		73	28	101	81	15	96	227	(49)	178

¹ Before non-underlying items (Note 8).

	Notes	2025 first half unaudited pence	2024 first half unaudited pence	2024 year audited pence
Earnings per share				
- basic	10	19.8	18.1	34.2
- diluted	10	19.6	18.0	33.7
Dividends per share proposed for the period	11	4.2	3.8	12.5

Condensed Group Statement of Comprehensive Income

For the half-year ended 27 June 2025

	2025 first half unaudited			2024 first half unaudited			2024 year audited		
	Group £m	Share of joint ventures and associates £m	Total £m	Group £m	Share of joint ventures and associates £m	Total £m	Group £m	Share of joint ventures and associates £m	Total £m
Profit for the period	76	25	101	66	30	96	119	59	178
Other comprehensive income/(loss) for the period									
<i>Items which will not subsequently be reclassified to the income statement</i>									
Actuarial gains/(losses) on retirement benefit assets/liabilities	4	–	4	5	–	5	(102)	–	(102)
Fair value revaluations of investments in mutual funds measured at fair value through OCI	–	–	–	2	–	2	2	–	2
Tax on above	(1)	–	(1)	(1)	–	(1)	26	–	26
	3	–	3	6	–	6	(74)	–	(74)
<i>Items which will subsequently be reclassified to the income statement</i>									
Currency translation differences	(24)	(17)	(41)	2	1	3	6	3	9
Fair value revaluations – PPP financial assets	–	(3)	(3)	(1)	(38)	(39)	(2)	(48)	(50)
– cash flow hedges	–	5	5	–	5	5	1	10	11
Tax on above	–	(1)	(1)	–	8	8	–	10	10
	(24)	(16)	(40)	1	(24)	(23)	5	(25)	(20)
Total other comprehensive (loss)/income for the period	(21)	(16)	(37)	7	(24)	(17)	(69)	(25)	(94)
Total comprehensive income for the period	55	9	64	73	6	79	50	34	84
Attributable to									
Equity holders			64			79			84
Non-controlling interests			–			–			–
Total comprehensive income for the period			64			79			84

Condensed Group Statement of Changes in Equity

For the half-year ended 27 June 2025

	Called-up share capital £m	Share premium account £m	Capital Redemption Reserve £m	Share of joint ventures' and associates' reserves £m	Hedging reserves £m	PPP financial assets £m	Currency translation reserve £m	Other reserves			Total £m
								Other ^u £m	Retained profits £m	Non-controlling interests £m	
At 31 December 2023 audited	272	176	74	(27)	(5)	1	115	46	546	10	1,208
Total comprehensive income/(loss) for the period	–	–	–	6	–	(1)	2	1	71	–	79
Ordinary dividends	–	–	–	–	–	–	–	–	(42)	–	(42)
Joint ventures' and associates' dividends	–	–	–	(32)	–	–	–	–	32	–	–
Purchase of treasury shares	–	–	–	–	–	–	–	–	(73)	–	(73)
Movements relating to share-based payments [*]	–	–	–	–	–	–	–	(4)	8	–	4
At 28 June 2024 unaudited	272	176	74	(53)	(5)	–	117	43	542	10	1,176
Total comprehensive income/(loss) for the period	–	–	–	28	1	(1)	4	1	(28)	–	5
Ordinary dividends	–	–	–	–	–	–	–	–	(19)	(1)	(20)
Joint ventures' and associates' dividends	–	–	–	(39)	–	–	–	–	39	–	–
Purchase of treasury shares	–	–	–	–	–	–	–	–	(28)	–	(28)
Cancellation of ordinary shares	(13)	–	13	–	–	–	–	–	–	–	–
Movements relating to share-based payments [*]	–	–	–	–	–	–	–	2	(5)	–	(3)
At 31 December 2024 audited	259	176	87	(64)	(4)	(1)	121	46	501	9	1,130
Total comprehensive income/(loss) for the period	–	–	–	9	–	–	(24)	–	79	–	64
Ordinary dividends	–	–	–	–	–	–	–	–	(44)	(1)	(45)
Joint ventures' and associates' dividends	–	–	–	(28)	–	–	–	–	28	–	–
Purchase of treasury shares	–	–	–	–	–	–	–	–	(65)	–	(65)
Movements relating to share-based payments [*]	–	–	–	–	–	–	–	(4)	2	–	(2)
At 27 June 2025 unaudited	259	176	87	(83)	(4)	(1)	97	42	501	8	1,082

^u Other reserves include £22m of special reserve (2024: first half £22m; full-year: £22m).

^{*} Movements relating to share-based payments include £nil tax credit (2024: first half £nil; full-year: £4m) recognised directly within retained profits.

Condensed Group Balance Sheet

At 27 June 2025

	Notes	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Non-current assets				
Intangible assets – goodwill	12	809	850	854
– other		260	273	268
Service concession contract asset		109	35	69
Property, plant and equipment		139	136	136
Right-of-use assets		167	143	153
Investment properties		127	66	101
Investments in joint ventures and associates	5.2	362	384	385
Investments		16	28	24
PPP financial assets		19	23	21
Trade and other receivables	14	356	296	326
Retirement benefit assets	18	57	125	43
Deferred tax assets		182	176	200
		2,603	2,535	2,580
Current assets				
Inventories		154	163	158
Contract assets	13.1	302	379	229
Trade and other receivables	14	1,148	1,007	1,099
Cash and cash equivalents – infrastructure investments	17.2	236	292	265
– other	17.2	1,567	992	1,293
Current tax receivable		10	12	8
		3,417	2,845	3,052
Assets held for sale		1	–	–
Total assets		6,021	5,380	5,632
Current liabilities				
Contract liabilities	13.2	(837)	(614)	(697)
Trade and other payables	15	(2,138)	(1,942)	(1,778)
Provisions	16	(272)	(203)	(239)
Borrowings – non-recourse loans	17.3	(36)	(10)	(11)
– other	17.3	(180)	(44)	(185)
Lease liabilities		(62)	(52)	(57)
Current tax payable		(8)	(3)	(13)
		(3,533)	(2,868)	(2,980)
Liabilities held for sale		(3)	–	–
		(3,536)	(2,868)	(2,980)
Non-current liabilities				
Contract liabilities	13.2	(1)	(2)	(2)
Trade and other payables	15	(91)	(115)	(88)
Provisions	16	(280)	(197)	(378)
Borrowings – non-recourse loans	17.3	(584)	(561)	(589)
– other	17.3	(150)	(163)	(165)
Lease liabilities		(114)	(99)	(105)
Retirement benefit liabilities	18	(42)	(35)	(41)
Deferred tax liabilities		(140)	(162)	(153)
Derivative financial instruments	21	(1)	(2)	(1)
		(1,403)	(1,336)	(1,522)
Total liabilities		(4,939)	(4,204)	(4,502)
Net assets		1,082	1,176	1,130
Equity				
Called-up share capital		259	272	259
Share premium account		176	176	176
Capital redemption reserve		87	74	87
Share of joint ventures' and associates' reserves		(83)	(53)	(64)
Other reserves		134	155	162
Retained profits		501	542	501
Equity attributable to equity holders		1,074	1,166	1,121
Non-controlling interests		8	10	9
Total equity		1,082	1,176	1,130

Condensed Group Statement of Cash Flows

For the half-year ended 27 June 2025

	Notes	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Cash flows from operating activities				
Cash from operations	17.1	443	38	277
Income taxes paid		(20)	(3)	(12)
Net cash from operating activities		423	35	265
Cash flows from/(used in) investing activities				
Dividends received from:				
- joint ventures and associates – infrastructure investments		11	16	26
- joint ventures and associates – other		17	16	45
- other investments		–	3	1
Interest received – joint ventures – infrastructure investments		1	3	7
Interest received subsidiaries				
- infrastructure investments		2	6	11
- other		25	20	40
Purchases of:				
- service concession contract asset		(37)	(25)	(56)
- property, plant and equipment		(23)	(12)	(28)
- investment properties ⁺		(14)	–	(36)
Investments in and long-term loans to joint ventures and associates		(4)	(12)	(20)
PPP financial assets cash expenditure		(2)	(1)	(5)
PPP financial assets cash receipts		4	3	8
Disposals of:				
- investments in joint ventures – infrastructure investments		2	–	43
- property, plant and equipment – other		3	2	5
- other investments		7	–	5
Net cash (used in)/from investing activities		(8)	19	46
Cash flows used in financing activities				
Purchase of ordinary shares	19	(7)	(2)	(12)
Purchase of treasury shares	19	(65)	(72)	(101)
Proceeds from new loans relating to:				
- infrastructure investments assets	17.4	–	3	36
- other	17.4	–	39	39
Repayments of loans relating to:				
- infrastructure investments assets	17.4	(4)	(4)	(9)
- other	17.4	–	(40)	(40)
Repayment of lease liabilities		(33)	(30)	(59)
Ordinary dividends paid	11	–	–	(61)
Other dividends paid – non-controlling interests		(1)	–	(1)
Interest paid – infrastructure investments		(3)	(6)	(12)
Interest paid – other		(14)	(15)	(31)
Net cash used in financing activities		(127)	(127)	(251)
Net increase/(decrease) in cash and cash equivalents		288	(73)	60
Effects of exchange rate changes		(38)	3	3
Cash and cash equivalents at beginning of period		1,373	1,310	1,310
Cash and cash equivalents at end of period	17.2	1,623	1,240	1,373

⁺ In the first half of 2025, the Group acquired an investment property. Consideration was settled with the seller through a combination of cash payments plus assignment of debt from the seller to the Group. The element of consideration relating to the debt assignment amounting to £22m is not disclosed in the cash flow statement as it is a non-cash transaction. Refer to Note 17.4.

Notes to the financial statements

1.1 Basis of accounting

The condensed Group financial statements for the half-year ended 27 June 2025 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 Interim Financial Reporting as adopted for use in the UK. The condensed Group financial statements should be read in conjunction with the financial statements for the year ended 31 December 2024, which were prepared in accordance with UK-adopted international accounting standards (IFRS) and in conformity with the requirements of the Companies Act 2006 (the Act).

The condensed Group financial statements, which are not audited, have been reviewed and were approved for issue by the Board on 12 August 2025. The financial information included in this report does not constitute statutory accounts for the purposes of Section 434 of the Companies Act 2006. A copy of the Group's audited statutory accounts for the year ended 31 December 2024 has been delivered to the Registrar of Companies. The independent auditor's report on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. The condensed Group financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Accounts 2024 except as described in Note 1.4 below.

1.2 Judgements and key sources of estimation uncertainty

The Group's principal judgements and key sources of estimation uncertainty remain unchanged since the year-end and are set out in Note 2.28 on pages 205 to 206 of the Annual Report and Accounts 2024.

1.3 Going concern

The Directors consider it reasonable to assume that the Group has adequate resources to continue for the period of at least 12 months from the date of approval of these condensed financial statements and, for this reason, have continued to adopt the going concern basis.

The key financial risk factors for the Group remain largely unchanged. The Group's principal risks and the consequent impact these might have on the Group as well as mitigations that are in place are detailed on pages 94 to 105 of the Annual Report and Accounts 2024.

The Group's US private placement and committed bank facilities contain certain financial covenants, such as the ratio of the Group's EBITDA to its net debt which needs to be less than 3.0 and the ratio of its EBITA to net borrowing costs which needs to be in excess of 3.0. These covenants are tested on a rolling 12-month basis as at the June and December reporting dates. At 27 June 2025, both these covenants were passed as the Group had net cash and net interest income from a covenant test perspective.

The Directors have carried out an assessment of the Group's ability to continue as a going concern for the period of at least 12 months from the date of approval of the condensed financial statements. This assessment has involved the review of medium-term cash forecasts of each of the Group's operations. The Directors have also considered the strength of the Group's order book which amounted to £19.5bn at 27 June 2025 and will provide a pipeline of secured work over the going concern assessment period. These base case projections indicate that the headroom provided by the Group's strong cash position and the debt facilities currently in place is adequate to support the Group over the going concern assessment period.

At 27 June 2025, the Group's only debt, other than non-recourse borrowings ring-fenced within certain concession companies, comprised \$208m US private placement (USPP) notes.

1.3 Going concern continued

The Group's £450m committed sustainability linked bank facility remained undrawn at 27 June 2025 and is fully available to the Group until June 2028. The Group's £30m bilateral committed facility also remained undrawn at 27 June 2025 and remains fully available to the Group until December 2027.

The Directors have stress-tested the Group's base case projections of both cash and profit against key sensitivities which could materialise as a result of adverse changes in the economic environment including a deterioration in commercial or operational conditions. The Group has sensitised its projections against severe but plausible downside scenarios which include:

- elimination of a portion of unsecured work assumed within the Group's base case projections and a delay of six months for any awarded but not yet contracted work;
- a deterioration of contract judgements and restriction of a portion of the Group's margins; and
- delay in the disposal of Investments assets by 12 months.

In the severe but plausible downside scenarios modelled, the Group continues to retain sufficient headroom on liquidity throughout the going concern period. Through these downside scenarios, the Group is still expected to be in a net cash position and to remain within its banking covenants through the going concern assessment period.

Based on the above and having made appropriate enquiries, the Directors consider it reasonable to assume that the Group has adequate resources to continue for the going concern period and, for this reason, have continued to adopt the going concern basis in preparing the condensed financial statements.

1.4 Adoption of new and revised standards

The following accounting standards, interpretations and amendments have been adopted by the Group in the current period:

- Amendments to the following standards:
 - IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The above amended standards did not have a material effect on the Group.

1.5 Accounting standards not yet adopted by the Group

The following accounting standards, interpretations and amendments have been issued by the IASB but had either not been adopted by the UK or were not yet effective in the UK at 27 June 2025:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to the following standards:
 - IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments
 - IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity
 - Annual Improvements to IFRS Accounting Standards Volume 11

2 Exchange rates

The following key exchange rates were applied in these financial statements:

Average rates

£1 buys	2025 first half unaudited	2024 first half unaudited	2024 year audited	28 June 2024 – 27 June 2025 % change	31 Dec 2024 – 27 June 2025 % change
US\$	1.30	1.27	1.28	2.4%	1.6%
HK\$	10.14	9.90	9.98	2.4%	1.6%

Closing rates

£1 buys	2025 first half unaudited	2024 first half unaudited	2024 year audited	28 June 2024 – 27 June 2025 % change	31 Dec 2024 – 27 June 2025 % change
US\$	1.37	1.26	1.25	8.7%	9.6%
HK\$	10.76	9.87	9.73	9.0%	10.6%

3 Segment analysis

Reportable segments of the Group:

Construction Services – activities resulting in the physical construction of an asset

Support Services – activities which support existing assets or functions such as asset maintenance and refurbishment

Infrastructure Investments – acquisition, operation, and disposal of infrastructure assets such as roads, hospitals, student accommodation, military housing, offshore transmission networks, waste and biomass and other concessions. This segment also includes the Group's housing development division.

3.1 Income statement – performance by activity

	Construction Services £m	Support Services £m	Infrastructure Investments £m	Corporate activities £m	Total £m
For the half-year ended 27 June 2025 unaudited					
Revenue including share of joint ventures and associates	4,197	662	291	–	5,150
Share of revenue of joint ventures and associates	(564)	–	(64)	–	(628)
Group revenue	3,633	662	227	–	4,522
Group operating profit/(loss) ¹	40	46	(13)	(21)	52
Share of results of joint ventures and associates	22	–	3	–	25
Profit/(loss) from operations ¹	62	46	(10)	(21)	77
Non-underlying items:					
- amortisation of acquired intangible assets	(1)	–	(1)	–	(2)
- provision recognised in relation to claims made under the Building Safety Act	(11)	–	–	–	(11)
- net release of provision recognised in relation to a legacy claim received for a project completed in 2012 in Texas	50	–	–	–	50
	38	–	(1)	–	37
Profit/(loss) from operations	100	46	(11)	(21)	114
Investment income					40
Finance costs					(22)
Profit before taxation					132

¹ Before non-underlying items (Note 8).

3 Segment analysis continued

3.1 Income statement – performance by activity continued

	Construction Services £m	Support Services £m	Infrastructure Investments £m	Corporate activities £m	Total £m
For the half-year ended 28 June 2024 unaudited					
Revenue including share of joint ventures and associates	3,875	554	248	–	4,677
Share of revenue of joint ventures and associates	(725)	–	(67)	–	(792)
Group revenue	3,150	554	181	–	3,885
Group operating profit/(loss) ¹	49	34	(19)	(17)	47
Share of results of joint ventures and associates	18	–	12	–	30
Profit/(loss) from operations ¹	67	34	(7)	(17)	77
Non-underlying items:					
- amortisation of acquired intangible assets	(1)	–	(1)	–	(2)
- provision recognised for rectification works to be carried out on a development in London	16	–	–	–	16
	15	–	(1)	–	14
Profit/(loss) from operations	82	34	(8)	(17)	91
Investment income					40
Finance costs					(19)
Profit before taxation					112

¹ Before non-underlying items (Note 8).

	Construction Services £m	Support Services £m	Infrastructure Investments £m	Corporate activities £m	Total £m
For the year ended 31 December 2024 audited					
Revenue including share of joint ventures and associates	8,199	1,210	606	–	10,015
Share of revenue of joint ventures and associates	(1,569)	–	(212)	–	(1,781)
Group revenue	6,630	1,210	394	–	8,234
Group operating profit/(loss) ¹	118	93	17	(39)	189
Share of results of joint ventures and associates	41	–	18	–	59
Profit/(loss) from operations ¹	159	93	35	(39)	248
Non-underlying items:					
- net release of provisions relating to Rail Germany	21	–	–	–	21
- recognition of insurance recovery in relation to rectification works on a development in London	43	–	–	–	43
- provision recognised in relation to claims made under the Building Safety Act	(83)	–	–	–	(83)
- charge recognised in relation to a legacy claim received for a project completed in 2012 in Texas	(52)	–	–	–	(52)
- amortisation of acquired intangible assets	(1)	–	(3)	–	(4)
	(72)	–	(3)	–	(75)
Profit/(loss) from operations	87	93	32	(39)	173
Investment income					82
Finance costs					(41)
Profit before taxation					214

¹ Before non-underlying items (Note 8).

3 Segment analysis continued

3.2 Assets and liabilities by activity

As at 27 June 2025 unaudited	Construction Services £m	Support Services £m	Infrastructure Investments £m	Corporate activities £m	Total £m
Contract assets – current	179	76	47	–	302
Contract liabilities – current	(631)	(204)	(2)	–	(837)
Inventories	50	46	58	–	154
Trade and other receivables – current	993	85	32	38	1,148
Trade and other payables – current	(1,692)	(279)	(74)	(93)	(2,138)
Provisions – current	(239)	(10)	(2)	(21)	(272)
Working capital*	(1,340)	(286)	59	(76)	(1,643)

* Includes non-operating items and current working capital.

Total assets	2,284	577	1,321	1,839	6,021
Total liabilities	(2,933)	(646)	(711)	(649)	(4,939)
Net (liabilities)/assets	(649)	(69)	610	1,190	1,082

As at 28 June 2024 unaudited	Construction Services £m	Support Services £m	Infrastructure Investments £m	Corporate activities £m	Total £m
Contract assets – current	269	72	38	–	379
Contract liabilities – current	(512)	(99)	(3)	–	(614)
Inventories	72	25	66	–	163
Trade and other receivables – current	863	87	29	28	1,007
Trade and other payables – current	(1,578)	(243)	(54)	(67)	(1,942)
Provisions – current	(182)	(3)	(4)	(14)	(203)
Working capital*	(1,068)	(161)	72	(53)	(1,210)

* Includes non-operating items and current working capital.

Total assets	2,362	490	1,277	1,251	5,380
Total liabilities	(2,559)	(473)	(664)	(508)	(4,204)
Net (liabilities)/assets	(197)	17	613	743	1,176

As at 31 December 2024 audited	Construction Services £m	Support Services £m	Infrastructure Investments £m	Corporate activities £m	Total £m
Contract assets – current	116	70	43	–	229
Contract liabilities – current	(506)	(188)	(3)	–	(697)
Inventories	47	48	63	–	158
Trade and other receivables – current	939	99	22	39	1,099
Trade and other payables – current	(1,470)	(198)	(59)	(51)	(1,778)
Provisions – current	(213)	(6)	(3)	(17)	(239)
Working capital*	(1,087)	(175)	63	(29)	(1,228)

* Includes non-operating items and current working capital.

Total assets	2,209	520	1,309	1,594	5,632
Total liabilities	(2,635)	(524)	(683)	(660)	(4,502)
Net (liabilities)/assets	(426)	(4)	626	934	1,130

3 Segment analysis continued

3.3 Other information

	Construction Services £m	Support Services £m	Infrastructure Investments £m	Corporate activities £m	Total £m
For the half-year ended 27 June 2025 unaudited					
Capital expenditure on property, plant and equipment	6	9	–	8	23
Capital expenditure on service concession contract asset	–	–	37	–	37
Depreciation	12	33	2	4	51
Gain on disposals of interests in investments	–	–	2	–	2
For the half-year ended 28 June 2024 unaudited					
Capital expenditure on property, plant and equipment	4	7	–	1	12
Capital expenditure on service concession contract asset	–	–	25	–	25
Depreciation	12	29	1	4	46
For the year ended 31 December 2024 audited					
Capital expenditure on property, plant and equipment	7	18	–	3	28
Capital expenditure on service concession contract asset	–	–	56	–	56
Depreciation	23	57	3	9	92
Gain on disposals of interests in investments	–	–	43	–	43

3.4 Infrastructure Investments

Underlying profit/(loss) from operations ¹	Group 2025 first half unaudited £m	Share of joint ventures and associates 2025 first half unaudited ⁺ £m	Total 2025 first half unaudited £m	Group 2024 first half unaudited £m	Share of joint ventures and associates 2024 first half unaudited ⁺ £m	Total 2024 first half unaudited £m	Group 2024 year audited £m	Share of joint ventures and associates 2024 year audited ⁺ £m	Total 2024 year audited £m
UK [^]	2	(1)	1	–	7	7	(2)	9	7
North America	(7)	4	(3)	(2)	5	3	2	9	11
Gain on disposals of interests in investments	2	–	2	–	–	–	43	–	43
	(3)	3	–	(2)	12	10	43	18	61
Bidding costs and overheads	(10)	–	(10)	(17)	–	(17)	(26)	–	(26)
	(13)	3	(10)	(19)	12	(7)	17	18	35

⁺ The Group's share of the results of joint ventures and associates is disclosed net of investment income, finance costs and taxation.

[^] Including Ireland.

¹ Before non-underlying items (Note 8).

4 Revenue

4.1 Nature of services provided

4.1.1 Construction Services

The Group's Construction Services segment encompasses activities in relation to the physical construction of assets provided to public and private customers. Revenue generated in this segment is measured over time as control passes to the customer as the asset is constructed. Progress is measured by reference to the cost incurred on the contract to date compared to the contract's end of job forecast (the input method). Payment terms are based on a schedule of value that is set out in the contract and fairly reflect the timing and performance of service delivery. Contracts with customers are typically accounted for as one performance obligation (PO).

Types of assets	Typical contract length	Nature, timing of satisfaction of performance obligations and significant payment terms
Buildings	12 to 36 months	<p>The Group constructs buildings which include commercial, healthcare, education, retail and residential assets. As part of its construction services, the Group provides a range of services including design and/or build, mechanical and electrical engineering, shell and core and/or fit-out and interior refurbishment. The Group's customers in this area are a mix of private and public entities.</p> <p>The contract length depends on the complexity and scale of the building and contracts entered into for these services are typically fixed price.</p> <p>In most instances, the contract with the customer is assessed to only contain one PO as the services provided by the Group, including those where the Group is also providing design services, are highly interrelated. However for certain types of contracts, services relating to fit-out and interior refurbishment may sometimes be assessed as a separate PO.</p>
Infrastructure for small-scale infrastructure works	1 to 3 months	<p>The Group provides construction services to three main types of infrastructure assets: highways, railways and other large-scale infrastructure assets such as waste, water and energy plants.</p> <p>Highways represent the Group's activities in constructing motorways in the UK, US and Hong Kong. This includes activities such as design and construction of roads, widening of existing motorways or converting existing motorways. The main customers are government bodies.</p>
24 to 60 months for large-scale complex construction		<p>Railway construction services include design and managing the construction of railway systems delivering major multi-disciplinary projects, track work, electrification and power supply. The Group serves both public and private railways including high-speed passenger railways, freight and mixed traffic routes, dense commuter networks, metros and light rail.</p> <p>Other infrastructure assets include construction, design and build services on large-scale complex assets predominantly servicing the waste, water and energy sectors.</p> <p>Contracts entered into relating to these infrastructure assets can take the form of fixed-price, cost-plus or target-cost contracts with shared pain/gain mechanisms. Contract lengths vary according to the size and complexity of the asset build and can range from a few months for small-scale infrastructure works to four to five years for large-scale complex construction works.</p> <p>In most cases, the contract itself represents a single PO where only the design and construction elements are contracted. In some instances, the contract with the customer will include maintenance of the constructed asset. The Group assesses the maintenance element as a separate PO and revenue from this PO is recognised in the Support Services segment. Refer to Note 4.1.2.</p>

4 Revenue continued

4.1 Nature of services provided continued

4.1.2 Support Services

The Group's work in this segment supports existing assets through maintaining, upgrading and managing services across utilities and infrastructure assets. Revenue generated in this segment is measured over time as control passes to the customer as and when services are provided. Progress is measured by reference to the cost incurred on the contract to date compared to the contract's end of job forecast (the input method). Payments are structured as milestone payments set out in the respective contracts.

Types of assets	Nature, timing of satisfaction of performance obligations and significant payment terms
Utilities	<p>Within the Group's services contracts, the Group provides support services to various types of utility assets.</p> <p>For contracts servicing power transmission and distribution assets, the Group constructs and maintains electricity networks, including replacement or new build of overhead lines, underground cabling, cable tunnels and offshore windfarm maintenance. Contracts entered into are normally fixed-price and contract lengths can vary from 12 to 36 months. Each contract is normally assessed to contain one PO. However, where a contract contains both a construction phase and a maintenance phase, these are assessed to contain two separate POs.</p>
Infrastructure	<p>The Group provides maintenance, asset and network management and design services in respect of highways, railways and other publicly available assets. The customer in this area of the Group is mainly government bodies. Types of contract include a fixed schedule of rates, fixed-price, target-cost arrangements and cost-plus.</p> <p>Contract terms range from 1 to 25 years. Where contracts include a lifecycle element, this is accounted for as a separate PO and recognised when the work is delivered.</p>

4 Revenue continued

4.1 Nature of services provided continued

4.1.3 Infrastructure Investments

The Group invests directly in a variety of assets, predominantly consisting of infrastructure assets where there are opportunities to manage the asset upon completion of construction. The Group also invests in real estate type assets, in particular private residential and student accommodation assets. Revenue generated in this segment is from the provision of construction, maintenance and management services and also from the recognition of rental income. The Group's strategy is to hold these assets until optimal values are achieved through disposal of mature assets.

Types of services	Nature, timing of satisfaction of performance obligations and significant payment terms
Service concessions	<p>The Group operates a UK and US portfolio of service concession assets comprising assets in the roads, healthcare, student accommodation, biomass and waste and offshore transmission sectors. The Group accounts for these assets under IFRIC 12 Service Concession Arrangements.</p> <p>Where the Group constructs and maintains these assets, the two services are deemed to be separate performance obligations and accounted for separately. If the maintenance phase includes a lifecycle element, this is considered to be a separate PO.</p> <p>Contract terms can be up to 40 years. The Group recognises revenue over time using the input method. Consideration is paid through a fixed unitary payment charge spread over the life of the contract.</p> <p><i>Revenue from this service is presented across Buildings, Infrastructure or Utilities in Note 4.2.</i></p>
Management services	<p>The Group provides real estate management services such as property development and asset management services. Contract terms can be up to 50 years. The Group recognises revenue over time as and when service is delivered to the customer.</p> <p><i>Revenue from this service is presented within Buildings in Note 4.2.</i></p>
Housing development	<p>The Group also develops housing units on land that is owned by the Group. Revenue is recognised on the sale of individual units at the point in time when control of the asset is transferred to the purchaser. This is deemed to be when an unconditional sale is achieved.</p> <p><i>Revenue from this service is presented within Buildings in Note 4.2.</i></p>

4 Revenue continued

4.2 Disaggregation of revenue

The Group presents a disaggregation of its underlying revenue according to the primary geographical markets in which the Group operates as well as the types of assets serviced by the Group. The nature of the various services provided by the Group is explained in Note 4.1. This disaggregation of underlying revenue is also presented according to the Group's reportable segments as described in Note 3.

For the half-year ended 27 June 2025 unaudited

Segment	Primary geographical markets	United Kingdom £m	United States £m	Rest of world £m	Total £m
Construction Services	Revenue including share of joint ventures and associates	1,563	2,087	547	4,197
	Group revenue	1,563	2,070	—	3,633
Support Services	Revenue including share of joint ventures and associates	661	—	1	662
	Group revenue	661	—	1	662
Infrastructure Investments	Revenue including share of joint ventures and associates	108	180	3	291
	Group revenue	61	165	1	227
Total revenue	Revenue including share of joint ventures and associates	2,332	2,267	551	5,150
	Group revenue	2,285	2,235	2	4,522

Segment	Revenue by types of assets serviced	Buildings £m	Infrastructure £m	Utilities £m	Other £m	Total £m
Construction Services	Revenue including share of joint ventures and associates	2,342	1,537	261	57	4,197
	Group revenue	2,001	1,314	261	57	3,633
Support Services	Revenue including share of joint ventures and associates	7	344	295	16	662
	Group revenue	7	344	295	16	662
Infrastructure Investments	Revenue including share of joint ventures and associates	254 ⁺	33	4	—	291
	Group revenue	226 ⁺	1	—	—	227
Total revenue	Revenue including share of joint ventures and associates	2,603	1,914	560	73	5,150
	Group revenue	2,234	1,659	556	73	4,522

Timing of revenue recognition	Construction Services £m	Support Services £m	Infrastructure Investments £m	Total £m
Over time	4,195	662	279	5,136
At a point in time	2	—	12	14
Revenue including share of joint venture and associates	4,197	662	291	5,150
Over time	3,631	662	215	4,508
At a point in time	2	—	12	14
Group revenue	3,633	662	227	4,522

⁺ Includes rental income of £30m including share of joint ventures and associates or £17m excluding share of joint ventures and associates.

4 Revenue continued

4.2 Disaggregation of revenue continued

For the half-year ended 28 June 2024 unaudited

Segment	Primary geographical markets	United Kingdom £m	United States £m	Rest of world £m	Total £m
Construction Services	Revenue including share of joint ventures and associates	1,458	1,703	714	3,875
	Group revenue	1,458	1,692	—	3,150
Support Services	Revenue including share of joint ventures and associates	554	—	—	554
	Group revenue	554	—	—	554
Infrastructure Investments	Revenue including share of joint ventures and associates	90	156	2	248
	Group revenue	44	137	—	181
Revenue including share of joint ventures and associates		2,102	1,859	716	4,677
Group revenue		2,056	1,829	—	3,885

Segment	Revenue by types of assets serviced	Buildings £m	Infrastructure £m	Utilities £m	Other £m	Total £m
Construction Services	Revenue including share of joint ventures and associates	1,906	1,680	218	71	3,875
	Group revenue	1,584	1,279	216	71	3,150
Support Services	Revenue including share of joint ventures and associates	6	363	171	14	554
	Group revenue	6	363	171	14	554
Infrastructure Investments	Revenue including share of joint ventures and associates	208 ⁺	37	3	—	248
	Group revenue	179 ⁺	2	—	—	181
Revenue including share of joint ventures and associates		2,120	2,080	392	85	4,677
Group revenue		1,769	1,644	387	85	3,885

Timing of revenue recognition	Construction Services £m	Support Services £m	Infrastructure Investments £m	Total £m
Over time	3,872	553	242	4,667
At a point in time	3	1	6	10
Revenue including share of joint venture and associates	3,875	554	248	4,677
Over time	3,147	553	175	3,875
At a point in time	3	1	6	10
Group revenue	3,150	554	181	3,885

⁺ Includes rental income of £30m including share of joint ventures and associates or £17m excluding share of joint ventures and associates.

4 Revenue continued

4.2 Disaggregation of revenue continued

For the year ended 31 December 2024 audited

Revenue by primary geographical markets		United Kingdom £m	United States £m	Rest of world £m	Total £m
Construction	Revenue including share of joint ventures and associates	3,010	3,638	1,551	8,199
Services	Group revenue	3,010	3,619	1	6,630
Support	Revenue including share of joint ventures and associates	1,209	–	1	1,210
Services	Group revenue	1,209	–	1	1,210
Infrastructure	Revenue including share of joint ventures and associates	201	401	4	606
Investments	Group revenue	99	295	–	394
Total revenue	Revenue including share of joint ventures and associates	4,420	4,039	1,556	10,015
	Group revenue	4,318	3,914	2	8,234

Revenue by types of assets serviced		Buildings £m	Infrastructure £m	Utilities £m	Other £m	Total £m
Construction	Revenue including share of joint ventures and associates	4,178	3,465	417	139	8,199
Services	Group revenue	3,420	2,657	414	139	6,630
Support	Revenue including share of joint ventures and associates	12	782	385	31	1,210
Services	Group revenue	12	782	385	31	1,210
Infrastructure	Revenue including share of joint ventures and associates	445 ⁺	153	8	–	606
Investments	Group revenue	390 ⁺	4	–	–	394
Total revenue	Revenue including share of joint ventures and associates	4,635	4,400	810	170	10,015
	Group revenue	3,822	3,443	799	170	8,234

Timing of revenue recognition		Construction Services £m	Support Services £m	Infrastructure Investments £m	Total £m
Over time		8,194	1,209	587	9,990
At a point in time		5	1	19	25
Revenue including share of joint ventures and associates		8,199	1,210	606	10,015
Over time		6,625	1,209	375	8,209
At a point in time		5	1	19	25
Group revenue		6,630	1,210	394	8,234

+ Includes rental income of £48m including share of joint ventures and associates or £26m excluding share of joint ventures and associates.

5 Share of results and net assets of joint ventures and associates

5.1 Income statement

	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Revenue	628	792	1,781
Operating profit	36	35	90
Investment income	36	47	90
Finance costs	(45)	(54)	(85)
Profit before taxation	27	28	95
Taxation	(3)	(9)	(18)
Profit after taxation from joint ventures and associates	24	19	77
Adjustment for expected credit losses at Group level	1	11	(18)
Profit after taxation	25	30	59

5.2 Balance sheet

	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Intangible assets			
– Infrastructure Investments intangible	13	13	13
– other	19	11	21
Property, plant and equipment	40	22	63
Investment properties	193	269	173
Investments in joint ventures and associates	6	9	5
Money market funds	–	52	1
PPP financial assets	1,061	1,097	1,099
Military housing projects	106	115	116
Net borrowings	(838)	(793)	(811)
Other net liabilities	(359)	(533)	(420)
Share of net assets of joint ventures and associates	241	262	260
Goodwill	29	31	32
Reclassify negative investment to provisions	7	8	7
Loans to joint ventures and associates	85	83	86
Total investment in joint ventures and associates	362	384	385

6 Investment income

	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Subordinated debt interest receivable	13	5	17
Interest receivable on PPP financial assets	1	1	2
Interest received on bank deposits	25	20	40
Other interest receivable and similar income	–	1	2
Impairment reversal of loans to joint ventures and associates	–	11	17
Net finance income on pension scheme assets and obligations (Note 18)	1	2	4
	40	40	82

7 Finance costs

	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Non-recourse borrowings – bank loans and overdrafts	7	6	12
US private placement – finance cost	5	5	10
Interest on lease liabilities	4	3	7
Fair value loss on investment asset	1	–	2
Other interest payable – committed facilities	1	1	2
– letter of credit fees	–	1	1
– other finance charges	2	3	4
Impairment of loans to joint ventures and associates – loans	1	–	2
– accrued interest	1	–	1
	22	19	41

8 Non-underlying items

	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Items credited to/(charged against) profit			
8.1 Amortisation of acquired intangible assets	(2)	(2)	(4)
8.2 Other non-underlying items:			
– net release/(charge) recognised in relation to a claim received on a legacy project completed in 2012 in Texas	50	–	(52)
– provision recognised in relation to claims made under the Building Safety Act	(11)	–	(83)
– recognition of insurance recovery in relation to rectification works on a development in London	–	–	43
– net release of provisions relating to Rail Germany	–	16	21
Total other non-underlying items	39	16	(71)
Credited to/(charged against) profit before taxation	37	14	(75)
8.3 Tax (charges)/credits:			
– tax on provision recognised in relation to a claim received on a legacy project completed in 2012 in Texas	(12)	–	13
– tax on provision recognised in relation to claims made under the Building Safety Act	3	–	21
– tax on insurance recovery in relation to rectification works on a development in London	–	–	(11)
– tax on other items above	–	1	3
Total tax (charge)/credit	(9)	1	26
Non-underlying items credited to/(charged against) profit for the period	28	15	(49)

8.1 The amortisation of acquired intangible assets comprises: customer contracts £1m (2024: first half £1m; full-year £3m); and customer relationships £1m (2024: first half £1m; full-year £1m). The charge was recognised in the following segments: Construction Services £1m (2024: first half £1m; full-year £1m) and Infrastructure Investments £1m (2024: first half £1m; full-year £3m).

8.2.1 In 2024 the Group recognised a provision of £52m for a claim received from the North Texas Tollway Authority (NTTA) on a project to provide design and build services in relation to the extension of NTTA's President George Bush Turnpike Highway (SH161 in Texas) through a joint operation formed with Fluor Enterprise Inc. in which the Group owned a 40% share. This project completed in 2012. This provision, net of insurance recoveries, represented damages awarded to NTTA through a jury verdict in November 2024, and also included pre-judgement interest and legal costs. This charge was recognised in the Construction Services segment in 2024 and included within the Group's non-underlying results due to the size of the provision.

The Group maintained the view that these damages are a result of design elements of the contract which were performed by subcontractors to the joint operation. In June 2025, an all-party settlement was reached between NTTA and the joint operation as well as its design subcontractors. The Group's share of the settlement was fully funded by its insurers resulting in no cost to the Group. As such, the Group has released this provision in full after taking into account legal cost incurred.

8.2.2 In 2024, following further developments and clarifications in the legal landscape of the Building Safety Act (BSA), introduced in 2022, progression of the Group's investigation and due diligence as well as adjudications on claims received to date, the Group reassessed its provision for BSA claims which resulted in an increase in the provision of £83m. The provision did not include potential recoveries from third parties. The increase was recognised in non-underlying due to its size and the nature of the cost, which arose from a change in legislation.

In the half-year period, the Group increased its provision by £11m as a result of new claims received in the period, reassessments to previously provided claims and legal costs incurred. Consistent with the treatment adopted in 2024, this charge was recognised within non-underlying and in the Construction Services segment.

9 Taxation

	Underlying items 2025 first half unaudited ¹ £m	Non- underlying items (Note 8) 2025 first half unaudited £m	Total 2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Total UK tax	26	(3)	23	15	29
Total non-UK tax	(4)	12	8	1	7
Total tax charge*	22	9	31	16	36
UK current tax	9	(3)	6	4	12
Non-UK current tax	9	(1)	8	(1)	16
Total current tax	18	(4)	14	3	28
UK deferred tax	17	–	17	11	17
Non-UK deferred tax	(13)	13	–	2	(9)
Total deferred tax	4	13	17	13	8
Total tax charge*	22	9	31	16	36

* Excluding joint ventures and associates.

¹ Before non-underlying items (Note 8).

The Group has recognised a £9m tax charge (2024: first half £1m credit; full year: £26m credit) within non-underlying items in the period. Refer to Note 8.3. The Group tax charge excludes amounts for joint ventures and associates, except where tax is levied at the Group level.

In addition to the Group tax charge/(credit) above, tax of £2m has been charged (2024: first half £7m credit; full-year £36m credit) directly to other comprehensive income, comprising: a deferred tax charge of £1m for subsidiaries (2024: first half £1m charge; full-year £26m credit) and a deferred tax charge in respect of joint ventures and associates of £1m (2024: first half £8m credit; full-year £10m credit). A tax credit of £nil (2024: first half £nil; full-year £4m) has been recognised directly in equity relating to share-based payments.

10 Earnings per share

	2025 first half unaudited		2024 first half unaudited		2024 year audited	
	Basic £m	Diluted £m	Basic £m	Diluted £m	Basic £m	Diluted £m
Earnings						
Earnings	101	101	96	96	178	178
Amortisation of acquired intangible assets after tax	2	2	1	1	3	3
Other non-underlying items after tax	(30)	(30)	(16)	(16)	46	46
Underlying earnings	73	73	81	81	227	227
	Basic m	Diluted m	Basic m	Diluted m	Basic m	Diluted m
Weighted average number of ordinary shares	509	514	528	532	521	528

The basic earnings per ordinary share is calculated by dividing the profit for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares and shares held in the Employee Share Ownership Trust.

The diluted earnings per ordinary share uses an adjusted weighted average number of shares and includes shares that are potentially outstanding in relation to equity-settled share-based payment arrangements.

Potential dilutive effect of ordinary shares issuable under equity-settled share-based payment arrangements is 5m (2024: first half 4m; full-year 7m).

10 Earnings per share continued

	2025 first half unaudited		2024 first half unaudited		2024 year audited	
	Basic Pence	Diluted Pence	Basic pence	Diluted pence	Basic pence	Diluted pence
Earnings per share						
Earnings per ordinary share	19.8	19.6	18.1	18.0	34.2	33.7
Amortisation of acquired intangible assets after tax	0.3	0.3	0.2	0.2	0.6	0.6
Other non-underlying items after tax	(5.7)	(5.7)	(3.0)	(3.0)	8.8	8.7
Underlying earnings per ordinary share	14.4	14.2	15.3	15.2	43.6	43.0

11 Dividends on shares

	2025 first half unaudited		2024 first half unaudited		2024 year audited	
	Per share pence	Amount £m	Per share pence	Amount £m	Per share pence	Amount £m
Proposed dividends for the period						
Interim 2024	–	–	3.8	19	3.8	19
Final 2024	–	–	–	–	8.7	44 ^a
Interim 2025	4.2	21 ^{&}	–	–	–	–
			3.8	19	12.5	63
Recognised dividends for the period						
Final 2023		–		42		42
Interim 2024		–		–		19
Final 2024		44		–		–
		44		42		61

^a The Group declared a final dividend of 8.7p for 2024 which was estimated to amount to £44m based on the number of shares that would be on the register on 16 May 2025. Based on the actual number of shares, a payment of £44m was made on 30 June 2025.

[&] Amount dependent on number of shares on the register on 31 October 2025.

The final 2024 dividend of 8.7 pence per share was paid on 2 July 2025 to holders on the register on 16 May 2025. The ordinary shares were quoted ex-dividend on 15 May 2025.

The Board is declaring an interim dividend of 4.2 pence per share, which will be payable on 5 December 2025 to holders on the register on 31 October 2025. The last date for DRIP (Dividend Reinvestment Plan) elections is 14 November 2025.

12 Intangible assets – goodwill

	Cost £m	Accumulated impairment losses £m	Carrying amount £m
At 31 December 2023 audited	1,069	(224)	845
Currency translation differences	3	2	5
At 28 June 2024 unaudited	1,072	(222)	850
Currency translation differences	2	2	4
At 31 December 2024 audited	1,074	(220)	854
Currency translation differences	(46)	1	(45)
At 27 June 2025 unaudited	1,028	(219)	809

As at 27 June 2025, the Group performed an assessment to identify indicators of impairment relating to goodwill allocated to cash-generating units (CGUs). This included a review of internal and external indicators of impairment and consideration of the year-to-date performance of the relevant CGUs and any changes in key assumptions. The outcome of this assessment was that there were no indications of impairment which could reasonably be expected to eliminate the headroom computed as at 31 December 2024. As a result of this assessment, no impairment charges were recorded in the first half of 2025 (2024: first half £nil; full-year £nil).

A full detailed impairment review will be conducted on all CGUs as at 31 December 2025.

13 Contract balances

13.1 Contract assets

	£m
At 31 December 2023 audited	300
Currency translation differences	3
Transfers from contract assets recognised at the beginning of the year to receivables	(220)
Increase related to services provided in the period	168
Reclassified from contract liabilities (Note 13.2)	(16)
Impairments on contract assets recognised at the beginning of the year	(6)
At 31 December 2024 audited	229
Currency translation differences	(11)
Transfers from contract assets recognised at the beginning of the year to receivables	(226)
Increase related to services provided in the period	363
Impairments on contract assets recognised at the beginning of the year	(3)
Reclassified from contract liabilities (Note 13.2)	(49)
Reclassified to assets held for sale (Note 25)	(1)
At 27 June 2025 unaudited	302

13.2 Contract liabilities

	£m
At 31 December 2023 audited	(602)
Currency translation differences	(6)
Revenue recognised against contract liabilities at the beginning of the year	537
Increase due to cash received, excluding amounts recognised as revenue during the year	(644)
Reclassified to contract assets (Note 13.1)	16
At 31 December 2024 audited	(699)
Currency translation differences	40
Revenue recognised against contract liabilities at the beginning of the year	657
Increase due to cash received, excluding amounts recognised as revenue during the period	(888)
Reclassified to contract assets (Note 13.1)	49
Reclassified to liabilities held for sale (Note 25)	3
At 27 June 2025 unaudited	(838)

14 Trade and other receivables

	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Current			
Trade receivables	694	543	616
Less: provision for impairment of trade receivables	(2)	(1)	(2)
	692	542	614
Due from joint ventures and associates	16	22	16
Due from joint operation partners	2	7	5
Contract fulfilment assets	22	18	17
Contract retentions receivable	233	228	242
Accrued income	17	10	12
Prepayments	86	69	65
Other receivables	80	111	128
	1,148	1,007	1,099
Non-current			
Due from joint ventures and associates	132	113	123
Contract fulfilment assets	18	42	34
Contract retentions receivable	108	135	102
Prepayments	43	—	—
Other receivables	55	6	67
	356	296	326
Total trade and other receivables	1,504	1,303	1,425

15 Trade and other payables

	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Current			
Trade and other payables	835	692	625
Accruals	917	865	813
Contract retentions payable	215	214	230
Due to joint ventures and associates	2	1	2
VAT, payroll taxes and social security	125	128	108
Dividends on ordinary shares	44	42	—
	2,138	1,942	1,778
Non-current			
Accruals	7	6	10
Contract retentions payable	81	105	75
Due to joint ventures and associates	3	4	3
	91	115	88
Total trade and other payables	2,229	2,057	1,866

16 Provisions

	Contract provisions £m	Employee provisions £m	Other provisions £m	Total £m
At 31 December 2023 audited	352	33	32	417
Currency translation differences	(1)	–	–	(1)
Reclassified to accruals	(11)	–	–	(11)
Charged/(credited) to the income statement:				
– additional provisions	73	4	2	79
– unused amounts reversed	(34)	–	–	(34)
Utilised during the period	(43)	(4)	(3)	(50)
At 28 June 2024 unaudited	336	33	31	400
Currency Translation differences	2	–	–	2
Reclassified to accruals	12	–	1	13
Transfers	(10)	–	10	–
Charged/(credited) to the income statement:				
– additional provisions	292	5	11	308
– unused amounts reversed	(20)	(3)	(7)	(30)
Utilised during the period	(70)	(3)	–	(73)
Transfer movement in negative investment in joint venture to provisions	–	–	(3)	(3)
At 31 December 2024 audited	542	32	43	617
Currency translation differences	(8)	–	(1)	(9)
Reclassified to accruals	4	–	–	4
Charged/(credited) to the income statement:				
– additional provisions	94	4	2	100
– unused amounts reversed	(102)	–	–	(102)
Utilised during the period	(54)	(3)	(1)	(58)
At 27 June 2025 unaudited	476	33	43	552

17 Notes to the statement of cash flows

17.1 Cash from operations

	Underlying items 2025 first half unaudited ¹ £m	Non-underlying items 2025 first half unaudited £m	Total 2025 first half unaudited £m	Total 2024 first half unaudited £m	Total 2024 year audited £m
Profit from operations	77	37	114	91	173
Share of results of joint ventures and associates	(25)	–	(25)	(30)	(59)
Depreciation of property, plant and equipment	16	–	16	16	31
Depreciation of right-of-use assets	33	–	33	29	60
Depreciation of investment properties	2	–	2	1	1
Amortisation of other intangible assets	2	2	4	5	10
Amortisation of contract fulfilment assets	15	–	15	11	27
Pension payments including deficit funding	(8)	–	(8)	(14)	(30)
Movements relating to equity-settled share-based payments	6	–	6	6	10
Gain on disposal of interests in investments	(2)	–	(2)	–	(43)
Profit on disposal of property, plant and equipment	(2)	–	(2)	(1)	(2)
Operating cash flows before movements in working capital	114	39	153	114	178
Decrease/(increase) in operating working capital			290	(76)	99
Inventories			4	(38)	(34)
Contract assets			(85)	(77)	74
Trade and other receivables			(169)	(106)	(225)
Contract liabilities			182	11	91
Trade and other payables			416	151	(6)
Provisions			(58)	(17)	199
Cash from operations			443	38	277

¹ Before non-underlying items (Note 8).

17 Notes to the statement of cash flows continued

17.2 Cash and cash equivalents

	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Cash and deposits	1,174	883	1,084
Term deposits	393	109	209
Cash balances within infrastructure investments	236	292	265
Bank overdrafts	(180)	(44)	(185)
	1,623	1,240	1,373

17.3 Analysis of net cash/(borrowings)

	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Cash and cash equivalents (excluding infrastructure investments)	1,567	992	1,293
Bank overdrafts	(180)	(44)	(185)
US private placement	(150)	(163)	(165)
Net cash excluding infrastructure investments	1,237	785	943
Non-recourse infrastructure investments project finance loans at amortised cost with final maturity between 2025 and 2072	(620)	(571)	(600)
Infrastructure investments cash and cash equivalents	236	292	265
	(384)	(279)	(335)
Net cash	853	506	608

Balfour Beatty plc, together with certain of its UK subsidiaries, operates a notional pooling facility with a main relationship UK clearing bank where overdraft balances are offset with cash balances and interest is calculated on a net basis. At the half-year, the Group maintained a net cash position on this pooling facility, so there was no interest payable to the bank in respect of these bank overdrafts (2024: half-year net cash; full-year net cash). Overdraft balances and cash held at this bank have been reported gross in the Group balance sheet at 27 June 2025 and 31 December 2024 as there was no intention to settle the bank overdrafts at that date.

The loans relating to project finance arise under non-recourse facilities taken out by project-specific subsidiary companies. The loans of each company are secured by a combination of fixed and floating charges over that company's interests in its project's assets and revenues and the shares in the company held by its immediate parent company.

Included in cash and cash equivalents is restricted cash of £16m (2024: first half £12m; full-year £16m) held by the Group's self-insurance company, Delphian Insurance Company Ltd, which is subject to Isle of Man insurance solvency regulation.

Cash and cash equivalents also include: £105m (2024: first half £116m; full-year £158m) within construction project bank accounts which is used for project specific expenditure; £451m (2024: first-half £359m; full-year £382m) in relation to the Group's share of cash held by joint operations which is used for expenditure within the joint operation projects; and £237m (2024: first half £292m; full-year £265m) relating to maintenance and other reserve accounts in Infrastructure Investments subsidiaries, of which £203m (2024: first half £264m; full-year £234m) is reserved for the construction of University of Sussex's West Slope student accommodation project.

17 Notes to the statement of cash flows continued

17.4 Analysis of movements in borrowings

	Infrastructure investments non-recourse project finance £m	US private placement £m	Bank overdraft £m	Total £m
At 31 December 2023 audited	(570)	(162)	(104)	(836)
Currency translation differences	–	(2)	–	(2)
Proceeds of loans	(3)	(39)	(44)	(86)
Repayments of loans	4	40	104	148
Amortisation of fair value adjustment to loan	(2)	–	–	(2)
At 28 June 2024 unaudited	(571)	(163)	(44)	(778)
Currency translation differences	(1)	(2)	–	(3)
Proceeds of loans	(33)	–	(141)	(174)
Repayments of loans	5	–	–	5
Arrangement fees	3	–	–	3
Amortisation of fair value adjustment to loan	(3)	–	–	(3)
At 31 December 2024 audited	(600)	(165)	(185)	(950)
Currency translation differences	6	15	–	21
Proceeds of loans	–	–	(180)	(180)
Repayments of loans	4	–	185	189
Interest accretion on loan	(6)	–	–	(6)
Assignment of loan from purchase of investment property	(22)	–	–	(22)
Amortisation of fair value adjustment to loan	(2)	–	–	(2)
At 27 June 2025 unaudited	(620)	(150)	(180)	(950)

The Group retains its core Revolving Credit Facility (RCF) with a maturity of June 2028. The RCF remains a Sustainability Linked Loan (SLL) and the Group continues to be incentivised to deliver annual measurable performance improvement in three key areas: Carbon Emissions, Social Value generation and an independent Environment, Social and Governance (ESG) rating score. The RCF remained undrawn at 27 June 2025.

The Group retains an additional £30m bilateral committed facility that has materially the same terms and conditions as the RCF, with a maturity of December 2027. The facility is also a SLL, including metrics that mirror the RCF. As of 27 June 2025, the facility remained undrawn.

The US Private Placement (USPP) notes are comprised of a series of US-denominated loan notes with a weighted average maturity of 5.35 years and an average coupon rate of 6.50% per annum. The earliest maturity for these notes will be in June 2027 for US\$35m.

18 Retirement benefit assets and liabilities

Principal actuarial assumptions for the IAS 19 accounting valuations of the Group's principal schemes	2025 first half unaudited %	2024 first half unaudited %	2024 year audited %
Discount rate on obligations	5.55	5.25	5.55
Inflation rate – RPI	3.00	3.25	3.25
– CPI*	2.50	2.70	2.75
Future increases in pensionable salary [#]	2.50	2.70	2.75
Rate of increases in pensions in payment (or such other rate as is guaranteed) [^]	2.05	3.05	3.05

* Actuarial assumption applied to the Railways Pension Scheme was 2.65% (2024: first half 2.85%; full-year 2.90%).

[#] Actuarial assumption applied to the Railways Pension Scheme was 2.65% (2024: first half 2.85%; full-year 2.90%).

[^] Actuarial assumption applied to the Railways Pension Scheme was 2.75% (2024: first half 2.90%; full-year 2.95%).

Amounts recognised in the balance sheet	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Present value of obligations	(2,520)	(2,674)	(2,569)
Fair value of plan assets	2,535	2,764	2,571
Net assets in the balance sheet ⁺	15	90	2

⁺ This amount represents the aggregate of the retirement benefit schemes in a net surplus position of £57m (2024: first half £125m; full-year £43m), and those in deficit of £42m at 27 June 2025 (2024: first half £35m; full-year £41m). These asset amounts are shown separately on the balance sheet as the Balfour Beatty Pension Fund is in a net surplus position.

Analysis of net assets in the balance sheet	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Balfour Beatty Pension Fund	57	113	43
Railways Pension Scheme	(11)	12	(7)
Other schemes [*]	(31)	(35)	(34)
	15	90	2

^{*} Other schemes include the Group's deferred compensation obligations for which investments in mutual funds of £14m (2024: first half £19m; full-year £20m) are held by the Group to satisfy these obligations.

Movements in the retirement benefit net assets for the period	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
At beginning of period	2	69	69
Currency translation differences	–	–	1
Current service cost	(1)	(2)	(3)
Net finance income	1	2	4
Actuarial movements – on obligations from reassessing the difference between RPI and CPI	–	–	(2)
– on obligations from changes in demographic assumptions	–	–	4
– on obligations from changes to other financial assumptions	30	160	241
– on obligations from experience gains	–	(4)	(8)
– on assets	(26)	(151)	(337)
Contributions from employer – regular funding	1	1	2
– ongoing deficit funding	5	13	28
Benefits paid	3	2	3
At end of period	15	90	2

18 Retirement benefit assets and liabilities continued

The investment strategy of the BBPF and the sensitivity of the Group's retirement benefit obligations and assets to different actuarial assumptions are set out in Note 31 on pages 237 and 245, respectively, of the Annual Report and Accounts 2024.

The Group's balance sheet includes net retirement benefit assets of £15m (2024: first half £90m; full-year £2m) as measured on an IAS 19 basis, with surpluses on the BBPF partially offset by deficits on the other schemes.

In the first half of 2025, the Group recorded net actuarial gains on its relevant benefit schemes of £4m (2024: first half £5m net gains, full-year £102m net losses). A decrease in inflationary expectations has led to a reduction in the present value of obligations from 31 December 2024 to 27 June 2025. Similarly, the assets fell in value over the first half of 2025, with this reduction primarily driven by the liability hedging that is in place in the BBPF, offset in part by the payment of deficit contributions in the period. These two factors have acted to offset each other, with the scheme's net assets increasing from £2m to £15m in the period.

Balfour Beatty and the trustees of the Balfour Beatty Pension Fund (BBPF) have previously agreed to a journey plan approach to managing the BBPF whereby the BBPF is aiming to reach self-sufficiency by 2027. A formal triennial funding valuation is due with effect from 31 March 2025 with discussions between the Group and the Trustees to agree this triennial valuation underway.

The Company and trustees of the Railways Pension Scheme (RPS) agreed the 31 December 2022 formal valuation in the first half of 2024 and, as a result, Balfour Beatty agreed to continue making deficit contributions of £6m per annum until February 2025. The next formal triennial funding valuation of the RPS is due with effect from 31 December 2025.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 5 June 2025, the Department for Work and Pensions (DWP) announced that the Government will introduce legislation to give pension schemes affected by the Virgin Media ruling the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

Following the DWP's announcement, the Company does not expect the Virgin Media ruling to give rise to any additional liabilities and so the net assets/(liabilities) for both the Balfour Beatty Pension Fund and the Balfour Beatty section of the Railways Pension Scheme have not been adjusted and continue to reflect the benefits currently being administered.

19 Share capital

During the half-year ended 27 June 2025, 1.3m (2024: first half 0.6m; full-year 2.9m) shares were purchased for £7m (2024: first half £2m; full-year £12m) by the Group's employee discretionary trust to satisfy awards under the Performance Share Plan, the Deferred Bonus Plan and the Restricted Share Plan.

The Company commenced the fifth phase of its share buyback programme in 2025. As at 27 June 2025, the Company had purchased 14m (2024: first half 20.4m; full-year 27.1m) shares. These 14m shares are currently held in treasury with no voting rights. The purchase of these shares, together with associated fees and stamp duty, has utilised £65m (2024: first half £73m; full-year £101m) of the Company's distributable profits and the cash paid in settlement during the period was £65m (2024: first half £72m; full-year £101m).

20 Disposals

In December 2024, the Group partially disposed of its interests in the four phases of its Northside at UTD portfolio, located in Richardson (Dallas), Texas. This partial disposal resulted in the Group retaining a 5% share in each of the phases. The Group received consideration of £43m and recognised an underlying gain of £43m in 2024.

As part of this disposal, the Group is entitled to receive additional proceeds over the next 5 years subject to certain conditions. At the time of the disposal, the Group did not include an estimate of this contingent consideration within its assessment of the gain on disposal as there was significant uncertainty as to whether these conditions would be met. At the half year, the Group received an additional £2m of proceeds. This additional gain of £2m has been recognised as an underlying gain consistent with the Group's treatment of the gain on disposal previously recognised. No further additional proceeds have been recognised in the Group's results at this stage and will only be recognised once further cash proceeds have been received.

21 Financial instruments

Fair value estimation

The Group holds certain financial instruments on the balance sheet at their fair values. The following hierarchy classifies each class of financial asset or liability in accordance with the valuation technique applied in determining its fair value.

There have been no transfers between these categories in the current period or preceding year.

	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Financial instruments at fair value			
Financial assets			
Level 1			
Investments in mutual fund financial assets	14	19	20
Level 3			
PPP financial assets	19	23	21
Other investment assets	2	6	4
Total assets measured at fair value	35	48	45
Financial liabilities			
Level 2			
Financial liabilities – foreign currency contracts	(1)	(1)	(1)
Financial liabilities – infrastructure concessions interest rate swaps	–	(1)	–
Total liabilities measured at fair value	(1)	(2)	(1)

Level 1 – The fair value is calculated based on quoted prices traded in active markets for identical assets or liabilities.

The Group holds investments in mutual funds measured at fair value through other comprehensive income which are traded in active markets and valued at the closing market price at the reporting date.

Level 2 – The fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows utilising yield curves at the reporting date and taking into account own credit risk. Own credit risk for Infrastructure Investments' swaps is not material and is calculated using the following credit valuation adjustment (CVA) calculation: loss given default multiplied by exposure multiplied by probability of default.

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date and yield curves derived from quoted interest rates matching the maturities of the foreign exchange contracts. Own credit risk for the other derivative liabilities is not material and is calculated by applying a relevant credit default swap (CDS) rate obtained from a third party.

Level 3 – The fair value is based on unobservable inputs.

The fair value of the Group's PPP financial assets is determined in the construction phase by applying an attributable profit margin by reference to the construction margin on non-PPP projects reflecting the construction risks retained by the construction contractor, and fair value of construction services performed. In the operational phase it is determined by discounting the future cash flows allocated to the financial asset at a discount rate which is based on long-term gilt rates adjusted for the risk levels associated with the assets, with market-related movements in fair value recognised in other comprehensive income and other movements recognised in the income statement. Amounts originally recognised in other comprehensive income are transferred to the income statement upon disposal of the asset.

21 Financial instruments continued

Fair value estimation continued

A change in the discount rate would have a significant effect on the value of the asset and a 50 basis point increase/decrease, which represents management's assessment of a reasonably possible change in the risk-adjusted discount rate, would lead to a £nil decrease (2024: first half £1m; full-year £nil) / £nil increase (2024: first half £1m; full-year £nil) in the fair value of the assets taken through equity.

For PPP financial assets held in joint ventures and associates, a change in the discount rate by a 50 basis point increase/decrease, which represents management's assessment of a reasonably possible change in the risk-adjusted discount rate, would lead to a £21m decrease (2024: first half £22m; full-year £21m)/£22m increase (2024: first half £23m; full-year £21m) in the fair value of the assets taken through equity within the share of joint ventures' and associates' reserves.

22 Related party transactions

The Group has contracted with, provided services to, and received management fees from, certain joint ventures and associates amounting to £207m (2024: first half £212m, full-year £438m). These transactions occurred in the normal course of business at market rates and terms. In addition, the Group procured equipment and labour on behalf of certain joint ventures and associates which were recharged at cost with no mark-up. The amounts due from or to joint ventures and associates at the reporting date are disclosed in Notes 14 and 15 respectively.

Transactions with non-Group members

The Group also entered into transactions and had amounts outstanding with related parties which are not members of the Group as set out below. Each company was a related party as it was controlled, jointly controlled or under significant influence by a Director of Balfour Beatty plc.

	2025 first half unaudited £m	2024 first half unaudited £m	2024 year audited £m
Site Assist Software Limited			
Purchase of services	1	1	1

All transactions with this related party were conducted on normal commercial terms, equivalent to those conducted with external parties. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of amounts owed by related parties.

During the first half of 2025, a member of the Group's staff continued to be seconded on a full-time basis to The 5% Club, a charity which is a dynamic movement of employer-members working to create a shared prosperity across the UK by driving 'earn and learn' skills training. The expense for the salary cost was borne by the Group and no consideration was received in return.

23 Principal risks and uncertainties

The nature of the principal risks and uncertainties which could adversely impact the Group's profitability and ability to achieve its strategic objectives include: external risks arising from the effects of national or market trends and political change and the complex and evolving legal and regulatory environments in which the Group operates; organisation and management risks including business conduct/compliance, data protection, cybercrime and people related risks; financial risks arising from failure to forecast material exposures and manage financial resources; and operational risks arising from work winning, project delivery, joint ventures, supply chain, health and safety and sustainability matters.

The Directors do not consider that the nature of the principal risks and uncertainties facing the Group has fundamentally changed since the publication of the Group's Annual Report and Accounts 2024.

24 Contingent liabilities

The Company and certain subsidiary undertakings have, in the normal course of business, given guarantees and entered into counter-indemnities in respect of bonds relating to the Group's own contracts and given guarantees in respect of their share of certain contractual obligations of joint ventures and associates and certain retirement benefit liabilities of the Balfour Beatty Pension Fund and the Railways Pension Scheme. Guarantees are treated as contingent liabilities until such time as it becomes probable payment will be required under the terms of the guarantee.

Provision has been made for the Directors' best estimate of known legal claims, investigations and legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed, or that the Group cannot make a sufficiently reliable estimate of the potential obligation. However, in certain cases where assessments are ongoing and the Group cannot yet conclude whether it is probable the claim is valid, a possible obligation may exist at 27 June 2025. In respect of these cases, it is not practicable to estimate the financial effect based on the current status of the assessments.

25 Events after the reporting date

In the period from 28 June 2025 to 11 August 2025 (the latest practicable date prior to the date of this report), the Company purchased 3.0m shares, which are currently held in treasury with no voting rights, for a total consideration of £15m (including associated fees and stamp duty).

On 1 August 2025, the Group completed the disposal of Omnicom Balfour Beatty, its specialist rail measurement hardware and intelligent software business, for a consideration of £24m (subject to a typical post completion working capital adjustment) to Hitachi Rail. After deducting cost of disposal, the Group is anticipating recording an estimated gain on disposal of £20m within its non-underlying results in the second half of the year. The assets and liabilities of Omnicom Balfour Beatty that are part of the disposal have been classified as held for sale in the Group's condensed balance sheet at 27 June 2025.

There were no other material post balance sheet events arising after the reporting date.