Balfour Beatty

**BALFOUR BEATTY PLC RESULTS FOR THE HALF YEAR ENDED 26 JUNE 2026**

12 August 2026

**Strong first half performance delivering profitable growth**

**Full year performance expected to be slightly ahead of prior guidance**

Philip Hoare, Balfour Beatty Group Chief Executive, said: "Balfour Beatty enters the second half with real momentum. Our strong first-half performance reflects the quality of our business, the discipline of our execution and, above all, the exceptional contribution of our people in delivering for our customers.

"We have continued to secure high-quality work, drive profitability and generate strong cash flow. By bringing together the best of our people, expertise and capabilities, we are supporting customers as they invest in the infrastructure which economies need to grow, now and into the future. Supported by a £23 billion order book, attractive growth markets and strong operational momentum, Balfour Beatty is well positioned to deliver these programmes safely, efficiently and at scale.

"Together, these strengths give us confidence in our outlook and in our ability to continue generating profitable growth and attractive returns for our shareholders."

**Strong first half growth driven by the earnings-based businesses**

- Higher revenue due to rising demand in US Buildings and UK power transmission
- Underlying profit from operations (PFO) from earnings-based businesses increased to £153 million (2025: £108 million)
- Underlying EPS of 21.7 pence per share (2025: 14.4 pence)

**Underlying profit from operations increased to £119 million**

- UK Construction: 3.4% PFO margin (2025 3.6%) representing further progress excluding £10 million 2025 one-off credit
- US Construction: £22 million PFO[2] (2025: £11 million loss) following strong Buildings growth and reduced Civils losses
- Support Services: £66 million PFO[2] (2025: £46 million) driven by strong growth in power transmission
- Infrastructure Investments: £9 million loss[2] (2025: £10 million) driven by monitor and legal costs, which have now ceased

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

- Average net cash[3] increased to £1,616 million (FY 2025: £1,212 million)
- Directors' valuation of the Investments portfolio maintained at £1.1 billion
- Half year dividend increased by 12% to 4.7 pence per share (2025: 4.2p); £102 million of share buyback completed in half

**Increased full year guidance following strong first half**

- Low double digit percentage PFO[2] growth expected from earnings-based businesses, slightly ahead of prior guidance
- Positive outlook underpinned by £22.9 billion order book (FY2025: £22.7 billion) and strength of growth markets
- Average net cash guidance increased by £200 million to a range of £1.5 - £1.7 billion
- Net finance income now expected in range of £35 - £40 million, aligned to the anticipated increased cash performance
- Implementation of "Evolve, Energise and Explore" profitable growth plan accelerating across the Group

| (£ million unless otherwise specified) | HY 2026 | | HY 2025 | |
|---|---|---|---|---|
| | Underlying[2] | Total | Underlying[2] | Total |
| Revenue[1] | 5,563 | 5,563 | 5,150 | 5,150 |
| Profit from earnings-based businesses | 153 | 144 | 108 | 146 |
| Profit from operations | 119 | 109 | 77 | 114 |
| Pre-tax profit | 139 | 129 | 95 | 132 |
| Profit for the period | 105 | 97 | 73 | 101 |
| Basic earnings per share | 21.7p | 20.0p | 14.4p | 19.8p |
| Dividends per share | | 4.7p | | 4.2p |

| | HY 2026 | FY 2025 | HY 2025 |
|---|---|---|---|
| Order book[1] | £22.9bn | £22.7bn | £19.5bn |
| Directors' valuation of Investments portfolio | £1.1bn | £1.1bn | £1.2bn |
| Net cash – recourse[3] | 1,708 | 1,446 | 1,237 |
| Average net cash – recourse[3] | 1,616 | 1,212 | 1,102 |

| Segment analysis | HY 2026 | | | HY 2025 | | |
|---|---|---|---|---|---|---|
| | Revenue[1] | PFO[2,#] | PFO margin[2] | Revenue[1] | PFO[2,#] | PFO margin[2] |
| | £m | £m | % | £m | £m | % |
| UK Construction | 1,569 | 54 | 3.4% | 1,563 | 56 | 3.6% |
| US Construction | 2,475 | 22 | 0.9% | 2,087 | (11) | (0.5)% |
| Gammon | 495 | 11 | 2.2% | 547 | 17 | 3.1% |
| **Construction Services** | 4,539 | 87 | 1.9% | 4,197 | 62 | 1.5% |
| Support Services | 727 | 66 | 9.1% | 662 | 46 | 6.9% |
| **Earnings-based businesses** | **5,266** | **153** | **2.9%** | **4,859** | **108** | **2.2%** |
| Infrastructure Investments | 297 | (9) | | 291 | (10) | |
| Corporate activities | | (25) | | | (21) | |
| **Total** | 5,563 | 119 | | 5,150 | 77 | |

**2026 outlook summary**

Following a strong first half performance, the Group has increased 2026 guidance for earnings-based business PFO[2], net finance income and average net cash. Latest guidance is outlined below.

| | **Updated guidance** | **Previous guidance** |
|---|---|---|
| Earnings-based business PFO[2] | Low double digit percentage growth, slightly ahead of prior guidance | High single-digit percentage growth |
| Infrastructure Investments | - Small PFO[2] loss prior to disposals<br>- Gain on disposals: range of £5 - £15 million | - Small PFO[2] loss prior to disposals<br>- Gain on disposals: range of £5 - £15 million |
| Net finance income | Range of £35 - £40 million | Range of £28 - £32 million |
| Effective tax rate[2] | Close to statutory rates | Close to statutory rates |
| Average net cash[3] | Range of £1.5 - £1.7 billion | Range of £1.3 - £1.5 billion |

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 Bank, 21 Moorfields, London, EC2Y 9DB at 09:00 (GMT) on 12 August 2026. 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.

- **GROUP CHIEF EXECUTIVE'S OVERVIEW**
- **RESULTS OVERVIEW**
- **DIVISIONAL FINANCIAL REVIEWS**
- **MEASURING OUR FINANCIAL PERFORMANCE**

## GROUP CHIEF EXECUTIVE'S OVERVIEW

### Executive summary

Balfour Beatty delivered a strong first half performance, with profitable growth and increased cash, which alongside a substantial order book, demonstrates the strength and resilience of the Group's business model. PFO from the earnings-based businesses, Construction Services and Support Services, improved by 42%, reflecting higher margins across the UK business, revenue growth in US Buildings and a much-reduced loss in US Civils. In Infrastructure Investments, conclusion of the US military housing monitorship marked an important milestone, while the Directors' valuation of the Investments portfolio was maintained at £1.1 billion. The strong first half result and continued momentum across the Group underpins the Board's confidence of earnings-based business growth in 2026 and beyond.

Balfour Beatty is focused on four strategic growth markets: UK energy transition and security, UK defence, UK transport and US buildings. These markets are supported by strong funding commitments and enduring customer demand, providing attractive growth opportunities over the near to medium term. In UK energy, the Group is helping to build the next generation of UK power stations and has a market leading position in the fast-growing power transmission sector. In defence, the UK Government's recently published Defence Investment Plan has confirmed funding commitments in areas directly aligned to Balfour Beatty's capabilities. UK transport remains a large, resilient market, in which the Group expects to grow over the medium term, while in the US, the buildings market continues to support revenue growth opportunities, as demonstrated by increased volumes in the period.

The strength of these markets enables Balfour Beatty to maintain its disciplined and selective bidding approach, focused on securing work that offers attractive returns and an appropriate balance of risk and reward. This approach continues to support a high-quality and lower risk forward order book. Notable contract awards in the period included a £325 million power transmission project in Scotland, a £315 million road maintenance contract in Warwickshire, c.$350 million of US data centre orders and a $361 million order at Raleigh Durham International Airport in North Carolina.

The Group's £22.9 billion order book continues to provide strong visibility of future revenue and earnings. In addition to the reported order book, significant opportunities exist within long term framework arrangements across the UK power transmission and distribution sector and UK defence, where work is increasingly awarded through phased programmes and task orders. This work will be added to the order book when contracted.

Balfour Beatty enters the second half of the year with strong momentum. Supported by a high-quality order book, attractive growth markets and differentiated end-to-end capabilities, the Group is well positioned to deliver sustainable growth and long-term value for all its stakeholders.

### Financial summary

Balfour Beatty reported underlying PFO from its earnings-based businesses of £153 million in the first half of 2026 (2025: £108 million), with growth driven by a particularly strong performance in Support Services and an improved performance in US Construction, which included further growth in US Buildings revenues and a reduced loss in the Civils business. UK Construction also had a strong half, and when excluding a £10 million insurance recovery recognised in the first half of 2025, underlying PFO grew by 17%. Underlying PFO for the Group increased to £119 million (2025: £77 million) and included a £9 million loss (2025: £10 million) in the Infrastructure Investments business, driven largely by monitor and legal costs in military housing, which ceased in June. Non-underlying items after tax were a charge of £8 million (2025: gain of £28 million), largely related to an increase in the Group's Building Safety Act provision.

Balfour Beatty's financial strength remains a competitive differentiator, and its average net cash position increased to £1,616 million in the first half (FY 2025: £1,212 million), as a result of working capital inflows in US Construction and Support Services. The Directors' valuation of the Investments portfolio was maintained at £1.1 billion (FY 2025: £1.1 billion).

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, £200 million for 2026, 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 4.7 pence per share (2025: 4.2 pence).

**Confidence underpinned by 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. While the portfolio includes a range of capabilities, customers and locations, it remains focused on markets and geographies where the Group has deep expertise and strong long-term demand. The breadth of the portfolio enhances the Group's resilience, while its deep understanding of these areas allows for the early identification of new opportunities.

Throughout the first half, Balfour Beatty has continued to strengthen its position in its four chosen growth markets – UK energy, UK transport, UK defence and US buildings. Supported by its strong order book, long-term customer relationships and proven capabilities in these markets, the Group remains well positioned to benefit from substantial public and private investment programmes over the coming years. Recent contract awards and the continued development of future opportunities across these markets reinforce the Group's expectation of further growth from its earnings-based businesses in 2026 and beyond.

<u>UK energy transition and security</u>: The essential long-term upgrade to the UK's energy infrastructure is well underway, driving improvement in energy security and facilitating the energy transition, with significant and timely investment in both generation and network infrastructure necessary to meet the Government's targets. For power generation, Balfour Beatty is heavily involved in both the delivery of new nuclear power generation, at Hinkley Point C and Sizewell C, and the construction of Net Zero Teesside, which is aiming to be the world's first gas-fired power station with carbon capture and storage. On the network side, Balfour Beatty holds a market-leading position in power transmission and distribution, supporting a sector experiencing significant growth that is expected to continue over the medium term. The Group has continued to build momentum in the year to date, with strong levels of activity for National Grid, Scottish and Southern Electricity Networks (SSEN) and Scottish Power. Progress includes:

- Awarded a £325 million two-year contract to deliver the Netherton Hub in Aberdeenshire, secured through SSEN's ASTI Offshore Framework. The works include earthworks and civil infrastructure for five platforms supporting two substations, three converter stations, an operations base and associated facilities and will be delivered by the Group's UK Construction division;
- Awarded a £121 million, four-year contract by National Grid to deliver the Bramford 400kV substation extension project in Suffolk. The scheme forms part of the Great Grid Upgrade and the wider Bramford to Twinstead project, and follows the previous award to the Group of the new overhead line and underground cable routes;
- Selected as one of five contractors to support the next phase of National Grid's Electricity Transmission Partnership, focused on major overhead line upgrades across England and Wales. The total programme includes an initial £1.2 billion of reconductoring projects.

<u>UK defence:</u> In June, the UK Government published its Defence Investment Plan (DIP), setting out defence spending priorities to 2035 in support of the 2025 Strategic Defence Review. The Plan reaffirmed the Government's commitment to increase defence spending to 3.5% of GDP by 2035, while reinforcing its ambition to leverage defence investment as a driver of economic growth. Increased sector funding, a strong emphasis on UK-based suppliers and the intention to attract private capital into defence infrastructure are all supportive for Balfour Beatty's long-term ambitions in the space. The Group's extensive experience in delivering high-security infrastructure, combined with its end-to-end capabilities and expertise in complex major projects, including civil nuclear construction, positions it well to support the UK Government's defence objectives.

Balfour Beatty continues to deliver critical defence infrastructure projects for customers including Rolls-Royce, AWE and the Defence Infrastructure Organisation. During the period, the Group also commenced several pursuits for major Defence Nuclear Enterprise construction frameworks, which are closely aligned with its capabilities and supported by funding commitments outlined in the DIP.

UK transport: UK transport is an area of strength for Balfour Beatty, underpinned by extensive road and rail capabilities and long-standing customer relationships. While the Government continues to position transport investment as a key driver of economic growth and improved connectivity across the country, the timing and pace of future investment, particularly for larger schemes, remain uncertain. Nevertheless, demand is robust, with a shift in focus towards maintenance and renewals, as outlined in the £27 billion Road Investment Strategy (RIS3).

During the first half, the Group secured the renewal of the £315 million, seven-year Warwickshire Highways Maintenance contract, was awarded a £138 million contract to deliver a new dual carriageway and two bridges at North Hykeham in Lincolnshire, and commenced work on the £200 million A57 Link Roads scheme. At the Lower Thames Crossing road scheme, a project which Balfour Beatty was awarded £1.2 billion of work for in 2023, the Group are now delivering advanced enabling works, prior to private finance being secured and main works commencing.

With its extensive capabilities across transport construction and maintenance, Balfour Beatty is well positioned to support the delivery of the UK Government's transport strategy. The Group's experience managing both regional and nationally significant infrastructure assets also aligns well with the Government's increasing emphasis on devolved decision-making and regional investment.

US buildings: Balfour Beatty's US Buildings business continues to progress, supported by its focus on high-growth regions and a portfolio weighted toward institutional, public sector and technology-driven sectors, including data centres, healthcare, education, hospitality, aviation and government facilities. The sector outlook across the Group's target states remains positive, underpinned by economic growth, sustained investment and favourable demographic trends. Strong demand in specialist end markets, combined with the business's established position and ability to deliver large, complex projects at scale, has helped offset weaker conditions in traditional commercial and residential construction, supporting confidence in the market's medium-term growth prospects.

In the first half, notable orders included a $361 million order at Raleigh Durham International Airport in North Carolina to continue works on the runway expansion project; a $266 million contract at Fort Carson in Colorado to demolish existing residences and build c400 new military houses; and a contract to deliver a mixed-use development in Dallas, Texas, as part of a joint venture. In the data centre market, the Group contracted c$350 million of new orders across the Northwest and the Mid Atlantic and has also been awarded a further c$1 billion of work in the year to date, which will go to contract over the next 12 months.

**Evolve, Energise, Explore**

In March 2026, Balfour Beatty launched Evolve, Energise and Explore, a strategic framework for the next phase of profitable growth. Six months in, momentum is building across the Group.

- **Evolve** is focused on strengthening the core business by improving margins, sharpening delivery discipline, investing in people and scaling what works across the Group. Early progress has been made with the development of group wide margin improvement plans, key investments in people development, including the launch of an executive leadership development programme, and work on a long-term technology strategy. Additionally, the Group has aligned its UK business model around Energy, Transport and Defence to better support customers and bring together capabilities.
- **Energise** is focused on accelerating profitable growth in the markets where Balfour Beatty has a strong proposition. In the US, the Group has progressed a new growth strategy focused on expanding the core business. Furthermore, the launch of a Group-wide customer account management programme will allow the Group to build deeper, stronger relationships with customers to drive further growth and positive project outcomes.
- **Explore** is shaping what comes next by identifying adjacencies, innovation and future growth opportunities. In July, the Group announced a £10 million investment in Pi Labs' Fund IV, an early-stage venture capital fund and platform focused on technologies transforming the built environment.

**Construction Services: Strong progress made in UK and US**

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 continues to make good progress and delivered major milestones in the first half including the installation of the Water Orton Viaducts over the A446 and the launch of the Curzon 2 Viaduct, which reaches 40 metres at its highest point, over the Birmingham Cross City railway line. At Old Oak Common Station, the

Balfour Beatty VINCI SYSTRA joint venture has completed the Old Oak Common Lane utility diversions in line with a key HS2 programme milestone, unlocking the commencement of tunnelling operations into the HS2 West Box, and the civil works on the HS2 platforms are approaching completion. At Hinkley Point C, the Group has now substantially demobilised the marine works until the flooding of the tunnels can commence in 2028 and efforts are now focused on delivering the mechanical, electrical and HVAC installation at the power station as part of the MEH Alliance. Construction activity continues to ramp up at Sizewell C and Net Zero Teesside; the two major power generation projects added to the Group's order book in 2025.

US Construction: The Group's earnings-based activities in the US delivered an improved performance in the first half. The US Buildings business delivered 91% of US Construction revenues for the period and continues to expand, achieving higher volumes while maintaining its high delivery standards. This included the following notable operational milestones across the portfolio: completion of Alaska Airlines' Global Training Center in Renton, Washington; demolition at the Brooklyn & Church adaptive reuse development in Charlotte, North Carolina; completion of the Nova Southeastern University Terry Cafeteria Expansion in Fort Lauderdale, Florida; completion of the Carroll County Administration Facility in Carrollton, Georgia; and the opening of a new children's theme park in North Texas.

The performance of the Group's US Civils division, which represents 9% of US Construction revenues, improved compared with the first half of 2025, when a significant write-down was taken on a single joint venture highways project in Texas. This project is expected to achieve final close out shortly, and the Group continues to pursue cost recoveries. With that project's progress, and a second joint venture project in Texas coming to a successful close, the business is focused on progressing its next phase of work in the region. During the period, work commenced on the large design-bid-build project in Dallas County, while design continued on the Lake Marion project in the Carolinas ahead of construction commencing in the second half of the year.

Gammon: Balfour Beatty's 50:50 joint venture with Jardine Matheson is a leading Hong Kong based contractor, with strong capabilities across both civil infrastructure and building construction. The Hong Kong construction market remains positive, with strong Government support for the Northern Metropolis development and extension of the railway network. In the first half, dedicated Northern Metropolis legislation was passed to streamline planning and land procedures, while the 2026/27 budget increased investment into the area. Gammon has continued to win work in the new development area, and at half year, the Northern Metropolis made up 30% of the £2.3 billion order book, which grew by 15% in the period.

Operationally, Terminal 2 at the International Airport officially opened in May. Gammon successfully delivered this complex, large-scale project by bringing together the expertise of multiple disciplines including civil and structural engineering, electrical and mechanical delivery and façade, steel and concrete construction, while utilising virtual design and other innovative technology. Gammon also delivered a comprehensive scope of works on the Equinix HK6 Data Centre in Hong Kong, which opened in June, while making progress on projects at the Hong Kong-Shenzhen Innovation and Technology Park and the Global Switch Data Centre in Singapore.

**Support Services: Strong growth 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.

The power transmission business continued to perform well as the market moves from opportunity into delivery. Recruitment continues at pace and is hitting targets, maintaining the run-rate delivered across the prior two years. Key operational activities in the period included continued progress across major National Grid schemes, including Bramford to Twinstead, a critical part of the Great Grid Upgrade. The Eastern Green Link 2 Cabling project for Prysmian is progressing well, where the business is installing 67km of 525kV HVDC cables. Little Horsted substation was completed and energised, whilst work at Wallend, Norwich and Woolavington substations continues.

Ongoing delivery across SSEN's ASTI and wider Scottish portfolio was strong, with the first Skye worker's village at Glen Mor mobilising and Argyll Substations continuing through construction. Delivery also continued on the East Coast 400kV Upgrade, a major live overhead line reinforcement across the 170km Kintore–Kincardine route, where Balfour Beatty is upgrading existing transmission infrastructure to support 400kV operation and increased network capacity. There was continued design development across the

SSEN and Scottish Power programmes that are expected to convert into construction over the next 18 months, with the Netherton Hub award a good example of Balfour Beatty working with customers to convert long-term framework positions into major project delivery.

In the transport businesses, road maintenance and rail both delivered a robust first half, in line with prior year. The road business successfully renewed the £315 million, seven-year Warwickshire Highways Maintenance contract, marking the Group's third consecutive term delivering the works.

**Infrastructure Investments**

In June, the independent compliance monitorship of the Group's US subsidiary Balfour Beatty Communities, LLC ("Communities") required by the U.S. Department of Justice, formally concluded. This marked an important milestone for the Group. Communities will continue to embed the improvements made during the monitorship as part of its long-term military housing operating model, while maintaining a strong focus on transparency, consistent delivery, operational performance, and the resident experience.

At Fort Carson in Colorado, following the agreement of a 25-year ground lease extension to 2074, the Group successfully completed a refinancing which raised $444 million for redevelopment, including the demolition of approximately 300 older homes, the construction of close to 400 modern residences, and the renovation and modernisation of an additional 334 existing homes. The work commenced in the first half and extends through to 2030, with Balfour Beatty's US Buildings team delivering construction. The US Military are looking at further redevelopments to modernise on-base housing, which will bring opportunities to Balfour Beatty, with the Group currently delivering two such projects at Fort Gordon and Fort Leonard Wood.

Balfour Beatty continues to invest in attractive new opportunities. In the first half, the Group acquired Clemson Village, a 96-unit, 288-bed student accommodation community in Clemson, South Carolina. In July, the Group expanded its multifamily housing portfolio with the purchase of Avanti Cityside, a 378-unit community in Houston, Texas. This will be included in the portfolio in the second half of the year. The Group has maintained its disciplined approach to investments and disposals to ensure the delivery of investment hurdle rates and current focus remains on investment opportunities in:

- Student accommodation: Across the UK and US, Balfour Beatty is progressing a range of opportunities to develop student housing solutions on and off campus;
- Military housing: The Group manages and operates 21 US military housing projects, and continues to redevelop houses across the portfolio;
- Residential: Balfour Beatty continues to see attractive US multifamily housing come to market, providing opportunity to invest profitably in the regeneration of these properties;
- Public-Private Partnerships (P3): The US has become an increasingly exciting market for public-private partnerships, and, to date, 42 states (plus Washington DC) have passed legislation allowing P3 projects, while the UK Government's 10-year infrastructure strategy emphasized the role that private capital will play alongside public funds for infrastructure 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.

In the US student accommodation market, the Group are developing a 1,070-bed undergraduate student housing complex at the University of Texas in Austin and have now reached financial close on the development of 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 the University of Sussex is ongoing.

**Outlook**

Following a strong first half, underlying PFO from the earnings-based businesses is now expected to be slightly ahead of prior guidance, with low double digit percentage growth (March 2026 guidance: high single-digit growth).

Infrastructure Investments financial performance is expected to improve in the second half following the conclusion of the monitorship, with underlying PFO for 2026, prior to disposals, forecast to be a small loss. Gains on investment disposals for the full year are expected to be in the range of £5 - £15 million. Net finance income is now expected in a range of £35 - £40 million for 2026 and the effective tax rates in each of the three geographies is expected to remain close to statutory rates.

The Group's average cash in 2026 is now expected to be in the range of £1.5 - £1.7 billion, with capital expenditure between £40 and £50 million and working capital remaining broadly unchanged.

The Group's long-term outlook remains positive, with further growth forecast in 2027 being driven by strong visibility from its high-quality order book, alongside the further opportunities in the energy, transport and defence sectors in the UK and the Group's chosen buildings sectors in the US. This gives the Board confidence in Balfour Beatty's continued ability to deliver profitable managed growth and sustainable cash generation, and in turn significant ongoing 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 8% (10% at CER) to £5,563 million (2025: 5,150 million) driven largely by higher volumes in US Construction. Statutory revenue, which excludes joint ventures and associates, was £4,980 million (2025: £4,522 million).

Construction Services revenue was up 8% (11% at CER) to £4,539 million (2025: £4,197 million), with increased US Construction activities partially offset by reduced volumes at Gammon. Support Services revenue increased by 10% to £727 million (2025: £662 million) driven by growth in the power transmission business.

| **Underlying profit / (loss) from operations**[2] | HY 2026 £m | HY 2025 £m |
|---|---|---|
| UK Construction | 54 | 56 |
| US Construction | 22 | (11) |
| Gammon | 11 | 17 |
| Construction Services | 87 | 62 |
| Support Services | 66 | 46 |
| Earnings-based businesses | 153 | 108 |
| Infrastructure Investments pre-disposals operating (loss) | (12) | (12) |
| Infrastructure Investments gain on disposals | 3 | 2 |
| Corporate activities | (25) | (21) |
| Total underlying profit from operations | 119 | 77 |

[2] Before non-underlying items (Note 8)

Underlying profit from operations of £119 million increased by 55% (2025: £77 million), with a £45 million increase in PFO from the earnings-based businesses and a £1 million reduction in the Infrastructure Investments loss, partially offset by a £4 million increase in corporate activity costs. Statutory profit from operations was £109 million (2025: £114 million).

Including net finance income of £20 million (2025: £18 million), underlying pre-tax profit was £139 million (2025: £95 million). The taxation charge on underlying profits was £34 million (2025: £22 million) and results in an underlying profit after tax of £105 million (2025: £73 million). Total statutory profit after tax for the period was £97 million (2025: £101 million), as a result of the net effect of non-underlying items.

Underlying basic earnings per share was 21.7 pence (2025: 14.4 pence), which, along with non-underlying loss per share of 1.7 pence (2025: non-underlying earnings per share of 5.4 pence), gave a total basic earnings per share of 20.0 pence (2025: 19.8 pence). This included the benefit from the basic weighted average number of ordinary shares reducing to 484 million (2025: 509 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 charge of £8 million for the period (2025: credit of £28 million).

This was largely due to a single item, as the Group increased its provision held for claims made under the Building Safety Act by £9m as a result of reassessments and settlements to previously provided claims and legal costs incurred. Consistent with the treatment adopted in previous periods, this charge was recognised within non-underlying and 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 £262 million increase (2025: £294 million) in the Group's period end net cash position to £1,708 million (FY 2025: £1,446 million), excluding non-recourse net borrowings, largely driven by a £259 million working capital inflow. Operating cash flows were ahead of profit from operations, while there was a £103 million outflow for the current tranche of the multi-year share buyback programme and a one-off contribution of £30 million to the Balfour Beatty Pension Fund.

| **Cash flow performance** | HY 2026 £m | HY 2025 £m |
|---|---|---|
| Operating cash flows | 151 | 161 |
| Working capital inflow/(outflow) | 259 | 290 |
| Pension deficit payments+ | (32) | (8) |
| Cash from operations | 378 | 443 |
| Lease payments (including interest paid) | (41) | (37) |
| Dividends from joint ventures and associates | 23 | 28 |
| Capital expenditure | (18) | (23) |
| Share buybacks | (103) | (65) |
| Infrastructure Investments | | |
| - disposal proceeds | 12 | 2 |
| - new investments | (15) | (20) |
| Other | 26 | (34) |
| Net cash movement | 262 | 294 |
| Opening net cash* | 1,446 | 943 |
| Closing net cash* | 1,708 | 1,237 |

+ Including £1 million (2025: £1 million) of regular funding

* Excluding infrastructure investments (non-recourse) net borrowings

**Working capital**

The £259 million net working capital inflow (2025: £290 million) was driven by advanced receipts in US Construction and strong cash management in Support Services, as the division continued to grow.

| **Working capital flows^** | HY 2026 £m | HY 2025 £m |
|---|---|---|
| Inventories | 18 | 4 |
| Net contract assets | 74 | 97 |
| Trade and other receivables | (274) | (169) |
| Trade and other payables | 405 | 416 |
| Provisions | 36 | (58) |
| Working capital inflow / (outflow)^ | 259 | 290 |

^ 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 £1,906 million (FY 2025: £1,639 million). Negative working capital as a percentage of revenue for the first half was 19.1% (FY 2025: 17.3%).

**Net cash/borrowings**

The Group's average net cash increased in the first half to £1,616 million (FY 2025: £1,212 million, HY 2025: £1,102 million). The Group's net cash position at the half year, excluding non-recourse net borrowings, was £1,708 million (FY 2025: £1,446 million; HY 2025 £1,237 million).

Non-recourse net borrowings, held in Infrastructure Investments entities consolidated by the Group, were £487 million (FY 2025: £411 million; HY 2025: £384 million). The balance sheet also included £209 million for lease liabilities (FY 2025: £198 million; HY 2025: £176 million). Statutory net cash at half year was £1,012 million (FY 2025: £837 million; HY 2025: £677 million).

**Share buyback**

On 5 January 2026, Balfour Beatty commenced an initial £50 million tranche of its 2026 share buyback programme, which was subsequently increased, following the release of its 2025 full year results, to £200 million on 11 March 2026. In the first half, the Group purchased 13 million shares for a total consideration of £102 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 2026.

**Banking facilities**

In June 2026, the Group successfully completed the refinancing of its core revolving credit facility (the RCF), replacing the existing facility of £450 million which was due to expire in 2028, with a new £515 million facility that will expire in September 2031. The RCF includes extension options of up to two additional one-year periods to September 2033, subject to the agreement of the lending banks, and its terms and conditions are materially the same as the prior facility. The RCF is no longer structured as a Sustainability Linked Loan, reflecting a simplification of the financing structure, with no change to the Group's sustainability strategy or commitments. The RCF ensures the Group will retain strong liquidity support from a diverse banking group.

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 26 June 2026 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**

In early 2026, the Group reached agreement with the trustees of the Balfour Beatty Pension Fund (BBPF) over the triennial valuation of the Defined Benefit section of the BBPF as at 31 March 2025. As a result of the collaborative working between the company and the trustees and the substantial financial commitments made by the Company over many years, the BBPF is in a strong position. Consistent with prior valuations the Group have agreed a journey plan approach to managing the BBPF. The Group made a one-off contribution of £30 million in February 2026, as stipulated in the recent agreement, and no further contributions are expected to be made.

The Company and the trustees have agreed that once the Defined Benefit section moves into surplus, as measured on an agreed set of parameters, further surplus can be used by the Company to meet its existing obligations to the Defined Contribution section of the BBPF. In certain circumstances, were the funding level in the Defined Benefit section to fall below certain pre-agreed thresholds, surplus offset in this way would need to be repaid to the Defined Benefit section by the Company.

The Company and trustees of the Railways Pension Scheme (RPS) agreed the 31 December 2022 formal valuation in 2024 and, as a result, Balfour Beatty agreed to make 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. Discussions between the Group and the trustees to agree this triennial valuation are ongoing.

The Group's balance sheet includes net retirement benefit assets of £13 million (FY 2025: liabilities of £48 million) as measured on an IAS 19 basis, with the surplus on the BBPF (£48 million) partially offset by deficits on RPS (£4 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. Aligned to prior years, the interim dividend is calculated as one third of the prior year's full year dividend. The Board has therefore declared an interim dividend of 4.7 pence for 2026 (2025: 4.2 pence).

## DIVISIONAL FINANCIAL REVIEWS

### CONSTRUCTION SERVICES

Underlying revenue at £4,539 million was up 8% (2025: £4,197 million), an 11% increase at CER, with higher volumes in US Construction partially offset by lower volumes at Gammon. Underlying profit from operations increased to £87 million (2025: £62 million) largely due to improved performance in US Construction. The order book grew by 1% (1% at CER) in the period to £18.9 billion (FY 2025: £18.7 billion).

| Construction Services | HY 2026 | | | HY 2025 | | | FY 2025 |
|---|---|---|---|---|---|---|---|
| | Revenue[1] | PFO | Order book[1] | Revenue[1] | PFO | Order book[1] | Order book[1] |
| | £m | £m | £bn | £m | £m | £bn | £bn |
| UK Construction | 1,569 | 54 | 8.9 | 1,563 | 56 | 6.3 | 8.9 |
| US Construction | 2,475 | 22 | 7.7 | 2,087 | (11) | 7.6 | 7.8 |
| Gammon | 495 | 11 | 2.3 | 547 | 17 | 1.9 | 2.0 |
| Underlying[2] | 4,539 | 87 | 18.9 | 4,197 | 62 | 15.8 | 18.7 |
| Non-underlying | – | (9) | – | – | 38 | – | – |
| Total | 4,539 | 78 | 18.9 | 4,197 | 100 | 15.8 | 18.7 |

[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 was largely flat at £1,569 million (2025: £1,563 million).

UK Construction delivered PFO of £54 million, demonstrating strong progress on a like for like basis compared to HY 2025 PFO of £56 million which included a one-off £10 million insurance recovery. This represents a 3.4% PFO margin, with the division demonstrating strong operational performance, which it will look to maintain in the second half.

The UK Construction order book remained at £8.9 billion (FY 2025: £8.9 billion), with new additions including the £325 million Netherton Hub civils work for SSEN, a £138 million contract to deliver a new dual carriageway and two bridges at North Hykeham in Lincolnshire, and an £83 million contract to construct the new Forres Academy school in Moray, Scotland. 85% of the UK Construction order book is from public sector and regulated industry clients and 85% of orders are now on either target cost or cost-plus contractual terms.

US Construction: Revenue in US Construction increased by 19% (23% at CER) to £2,475 million (2025: £2,087 million), driven largely by an increase in buildings activities.

US Construction PFO recovered to £22 million (2025: loss of £11 million), with revenue growth in US Buildings and a much-reduced loss in US Civils. The division achieved a 0.9% PFO margin during the period (2025: loss of 0.5%), with further margin progress expected going forwards.

The US Construction order book reduced by 1% (3% at CER) to £7.7 billion (FY 2025: £7.8 billion). The buildings order book remained largely flat, with notable new orders in aviation, data centres, education and military housing, and the civils order book reduced slightly, as the business focuses on its existing portfolio, including the early stages of three large highways projects.

Gammon: The Group's share of Gammon's revenue decreased by 10% (6% at CER) to £495 million (2025: £547 million), largely due to reduced activity at Hong Kong International Airport, where Terminal 2 opened in May.

Underlying profit reduced to £11 million (2025: £17 million) representing a 2.2% profit margin (2025: 3.1%) due to the timing of commercial close-outs on a small number of projects.

The Group's share of Gammon's order book grew by 15% to £2.3 billion (FY 2025: £2.0 billion), a 15% increase at CER. Additions to the order book in the first half include: a residential development in Tung Chung East, including nearly 2,000 residential units across two high-rise towers, supported by an expansive podium with community and lifestyle facilities; the Hung Shui Kiu MTR Station in the Northern Metropolis development area; and work at Hong Kong Metropolitan University.

**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.

Support Services revenue rose 10% to £727 million (2025: £662 million), with increased volumes in the power transmission business driven by growing demand in the sector. Underlying profit from operations increased 43% to £66 million (2025: £46 million) as the growth in revenue was largely related to the disciplined delivery of higher-margin activities. This resulted in PFO margin of 9.1% in the period (2025: 6.9%) and represents very strong performance in the segment. Going forwards, profitability is expected to be more evenly weighted between the first and second half than in prior periods.

The Support Services order book was flat in the first half at £4.0 billion (FY 2025: £4.0 billion). In the period, the Group was awarded the £315 million seven-year Warwickshire Highways Maintenance contract. This includes an option to extend the contract by a further six years based on the successful delivery of the initial term, with the full contract value worth up to a total of £900 million. The Power element of the Support Services order book was flat, as the business continues to work through the design phases of projects for major clients. The majority of these are expected to enter the construction phase in the next 18 months, at which point the full value of the project will be added to the Group's order book.

| **Support Services** | HY 2026 | HY 2025 |
|---|---|---|
| Order book[1] (£bn) | 4.0 | 3.7 |
| Revenue[1] (£m) | 727 | 662 |
| Profit from operations[2] (£m) | 66 | 46 |
| Non-underlying items (£m) | – | – |
| Statutory profit from operations (£m) | 66 | 46 |

[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 (2025: £12 million) driven by monitor and legal costs in military housing. The underlying loss was partially offset by a £3 million gain on disposals, with the Group selling its share in student accommodation at Vanderbilt University in Tennessee and the Chenal Pointe multifamily housing project in Arkansas.

Following the conclusion of the independent compliance monitorship in June, Infrastructure Investments financial performance is expected to improve in the second half, with full year PFO, prior to disposals, expected to be a small loss. 2027 PFO, prior to disposals, is forecast in a positive range of £10 to £20 million. The Group is anticipating a gain on disposals for 2026 in the range of £5 - £15 million. Net investment income in the first half was £5 million (2025: £4 million).

Balfour Beatty continues to invest in attractive new opportunities, each expected to meet its investment hurdle rates. In the first half, the Group invested £15 million in new and existing projects, with one US Student Accommodation project in Clemson, South Carolina, added to the portfolio.

| Infrastructure Investments | HY 2026 £m | HY 2025 £m |
|---|---|---|
| Pre-disposals operating loss[2] | (12) | (12) |
| Gain on disposals[2] | 3 | 2 |
| Loss from operations[2] | (9) | (10) |
| Net investment income˜ | 5 | 4 |
| Loss before tax[2] | (4) | (6) |
| Non-underlying items | (1) | (1) |
| Statutory loss before tax | (5) | (7) |

[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 of the Investments portfolio was maintained at £1.1 billion (FY 2025: £1.1 billion). The portfolio is 65% weighted towards the US (FY 2025: 65%). The number of projects in the portfolio decreased by one to 48 (FY 2025: 49).

**Movement in value FY 2025 to HY 2026**

| £m | FY 2025 | Equity invested | Distributions received | Sales proceeds | Unwind of discount | Operational performance | FX | HY 2026 |
|---|---|---|---|---|---|---|---|---|
| UK | **377** | 1 | (9) | – | 15 | 4 | – | **388** |
| US | **692** | 14 | (8) | (12) | 21 | (6) | 12 | **713** |
| Total | **1,069** | 15 | (17) | (12) | 36 | (2) | 12 | **1,101** |

Balfour Beatty invested £15 million (2025: £20 million) in new and existing projects, with investment largely relating to the addition of a student accommodation project in Clemson, South Carolina, and the planned renovation of multifamily housing projects.

Cash yield from distributions amounted to £17 million (2025: £13 million) and continued to be impacted by monitor and legal costs in military housing in the first half of the year.

The Group disposed of two assets in the period, with sales proceeds totalling £12 million (2025: £2 million). Both disposals were US based, with the Group selling its share in student accommodation at Vanderbilt University in Tennessee and the Chenal Pointe multifamily housing project in Arkansas.

Unwind of discount at £36 million (2025: £42 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 £2 million decrease (2025: £17 million), with the largest driver being lower broker valuations on two multifamily housing assets.

The foreign exchange movement was a £12 million increase, as sterling depreciated against the US dollar (2024: £65 million decrease).

**Methodology**

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 2025: 8% 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 25: 9.0%). A 1% change in the discount rate would change the value of the UK portfolio by approximately £38 million.

Discount rates applied to the US portfolio range from 6.75% to 10.5% (FY 2025: 6.75% to 10.5%), with an implied US weighted average discount rate of 8.2% (FY 2025: 8.2%). A 1% change in the discount rate would change the value of the US portfolio by approximately £72 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 £19 million and a 1% change in the long-term rental growth rate in the US portfolio would change the valuation by approximately £72 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 2026**

**Value by sector**

| Sector | **HY 2026** | FY 2025 | **HY 2026** | FY 2025 |
|---|---|---|---|---|
| | **No. projects** | No. projects | **£m** | £m |
| Roads | **6** | 6 | **143** | 139 |
| Healthcare | **2** | 2 | **139** | 131 |
| Student accommodation and Residential | **5** | 5 | **106** | 107 |
| UK total | **13** | 13 | **388** | 377 |
| US military housing | **21** | 21 | **584** | 562 |
| Student accommodation and other PPP | **5** | 5 | **58** | 56 |
| Residential housing | **9** | 10 | **71** | 74 |
| US total | **35** | 36 | **713** | 692 |
| Total | **48** | 49 | **1,101** | 1,069 |

**Value by phase**

| Phase | **HY 2026** | FY 2025 | **HY 2026** | FY 2025 |
|---|---|---|---|---|
| | **No. projects** | No. projects | **£m** | £m |
| Operations | **45** | 46 | **1,052** | 1,025 |
| Construction | **3** | 3 | **49** | 44 |
| Total | **48** | 49 | **1,101** | 1,069 |

**Value by income type**

| Income type | **HY 2026** | FY 2025 | **HY 2026** | FY 2025 |
|---|---|---|---|---|
| | **No. projects** | No. projects | **£m** | £m |
| Availability based | **7** | 7 | **302** | 286 |
| Demand – operationally proven (2+ years) | **39** | 39 | **766** | 742 |
| Demand – early stage (less than 2 years) | **2** | 3 | **33** | 41 |
| Total | **48** | 49 | **1,101** | 1,069 |

**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.

| | |
|---|---|
| Philip Hoare | Myles Westcott |
| Group Chief Executive | Chief Financial Officer |
| 11 August 2026 | |

**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 185 to 192 of the Annual Report and Accounts 2025.

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 2025. 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**

| | | 2026 first half £m | 2025 first half £m | 2025 year £m |
|---|---|---|---|---|
| Order book (performance measure) | | **22,947** | 19,470 | 22,678 |
| Less: | Share of orders included within the Group's joint ventures and associates | **(2,946)** | (2,554) | (2,664) |
| Less: | Estimated orders under framework agreements included in the order book disclosure | **(261)** | (289) | (370) |
| Add: | Transaction price allocated to remaining performance obligations in Infrastructure Investments | **2,524** | 2,328 | 2,533 |
| Transaction price allocated to remaining performance obligations for the Group (statutory measure) | | **22,264** | 18,955 | 22,177 |

**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 non-underlying costs are excluded from the Group's measure of profit to enable comparability of the Group's performance from its ongoing normal day-to-day trading activities.

From time to time, it may be appropriate to exclude further items that are considered distortive in size and nature to aid comparability of the Group's performance.

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 26 June 2026 statutory results to performance measures

| | 2026 first half statutory results £m | Non-underlying items: Intangible amortisation £m | Non-underlying items: Provision recognised for BSA claims £m | 2026 first half performance measures £m |
|---|---|---|---|---|
| **Revenue including share of joint ventures and associates (performance)** | **5,563** | **–** | **–** | **5,563** |
| Share of revenue of joint ventures and associates | **(583)** | **–** | **–** | **(583)** |
| **Group revenue (statutory)** | **4,980** | **–** | **–** | **4,980** |
| Cost of sales | **(4,735)** | **–** | **9** | **(4,726)** |
| **Gross profit** | **245** | **–** | **9** | **254** |
| Gain on disposal of interests in investments | **–** | **–** | **–** | **–** |
| Amortisation of acquired intangible assets | **(1)** | **1** | **–** | **–** |
| Other net operating expenses | **(159)** | **–** | **–** | **(159)** |
| **Group operating profit** | **85** | **1** | **9** | **95** |
| Share of results of joint ventures and associates | **24** | **–** | **–** | **24** |
| **Profit from operations** | **109** | **1** | **9** | **119** |
| Investment income | **41** | **–** | **–** | **41** |
| Finance costs | **(21)** | **–** | **–** | **(21)** |
| **Profit before taxation** | **129** | **1** | **9** | **139** |
| Taxation | **(32)** | **–** | **(2)** | **(34)** |
| **Profit for the period** | **97** | **1** | **7** | **105** |

### Reconciliation of the half-year ended 26 June 2026 statutory results to performance measures by segment

| **Profit/(loss) from operations** | 2026 first half statutory results £m | Non-underlying items: Intangible amortisation £m | Non-underlying items: Provision recognised for BSA claims £m | 2026 first half performance measures £m |
|---|---|---|---|---|
| **Segment** | | | | |
| Construction Services | **78** | **–** | **9** | **87** |
| Support Services | **66** | **–** | **–** | **66** |
| Infrastructure Investments | **(10)** | **1** | **–** | **(9)** |
| Corporate activities | **(25)** | **–** | **–** | **(25)** |
| **Total** | **109** | **1** | **9** | **119** |

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

| | 2025 first half statutory results £m | Non-underlying items: Intangible amortisation £m | Non-underlying items: Net release of provision for claim on legacy project in Texas £m | Non-underlying items: Provision recognised for BSA claims £m | 2025 first half performance measures £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**

| **Profit/(loss) from operations** | 2025 first half statutory results £m | Non-underlying items: Intangible amortisation £m | Non-underlying items: Net release of provision for claim on legacy project in Texas £m | Non-underlying items: Provision recognised for BSA claims £m | 2025 first half performance measures £m |
|---|---|---|---|---|---|
| **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 year ended 31 December 2025 statutory results to performance measures**

| | 2025 statutory results £m | Non-underlying items: Intangible amortisation £m | Net release of provisions claim on legacy project in Texas £m | Provision recognised for BSA claims £m | Gain on disposal of Omnicom Balfour Beatty £m | 2025 performance measures £m |
|---|---|---|---|---|---|---|
| **Revenue including share of joint ventures and associates (performance)** | 10,767 | – | – | – | – | 10,767 |
| Share of revenue of joint ventures and associates | (1,278) | – | – | – | – | (1,278) |
| **Group revenue (statutory)** | 9,489 | – | – | – | – | 9,489 |
| Cost of sales | (9,021) | – | (49) | 37 | – | (9,033) |
| **Gross profit** | 468 | – | (49) | 37 | – | 456 |
| Gain on disposals of interests in investments | 32 | – | – | – | – | 32 |
| Amortisation of acquired intangible assets | (3) | 3 | – | – | – | – |
| Other net operating expenses | (277) | – | – | – | (23) | (300) |
| **Group operating profit** | 220 | 3 | (49) | 37 | (23) | 188 |
| Share of results of joint ventures and associates | 64 | – | – | – | – | 64 |
| **Profit from operations** | 284 | 3 | (49) | 37 | (23) | 252 |
| Investment income | 80 | – | – | – | – | 80 |
| Finance costs | (41) | – | – | – | – | (41) |
| **Profit before taxation** | 323 | 3 | (49) | 37 | (23) | 291 |
| Taxation | (59) | (2) | 12 | (9) | 6 | (52) |
| **Profit for the year** | 264 | 1 | (37) | 28 | (17) | 239 |

**Reconciliation of the year ended 31 December 2025 statutory results to performance measures by segment**

| **Profit/(loss) from operations** | 2025 statutory results £m | Non-underlying items: Intangible amortisation £m | Net release of provisions claim on legacy project in Texas £m | Provision recognised for BSA claims £m | Gain on disposal of Omnicom Balfour Beatty £m | 2025 performance measures £m |
|---|---|---|---|---|---|---|
| **Segment** | | | | | | |
| Construction Services | 182 | 1 | (49) | 37 | – | 171 |
| Support Services | 145 | – | – | – | (23) | 122 |
| Infrastructure Investments | 3 | 2 | – | – | – | 5 |
| Corporate activities | (46) | – | – | – | – | (46) |
| **Total** | 284 | 3 | (49) | 37 | (23) | 252 |

**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:

| | | **2026 first half £m** | 2025 first half £m | 2025 year £m |
|---|---|---|---|---|
| Underlying (loss)/profit from operations (section (b) and Note 3) | | **(9)** | (10) | 5 |
| Add: | Subordinated debt interest receivable^ | **11** | 13 | 26 |
| Add: | Interest receivable on PPP financial assets^ | **–** | 1 | – |
| Add: | Interest receivable on other infrastructure concession assets^ | **1** | – | 1 |
| Add: | Fair value loss on investment asset^ | **–** | (1) | – |
| Less: | Non-recourse borrowings finance cost^ | **(7)** | (7) | (14) |
| Less: | Net impairment of subordinated debt and accrued interest receivable^ | **–** | (2) | (2) |
| Underlying (loss)/profit before tax (performance) | | **(4)** | (6) | 16 |
| Non-underlying items (section (b) and Note 3) | | **(1)** | (1) | (2) |
| Statutory (loss)/profit before tax | | **(5)** | (7) | 14 |

^ 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.

| | **2026 first half pence** | 2025 first half pence | 2025 year pence |
|---|---|---|---|
| Statutory basic earnings per ordinary share | **20.0** | 19.8 | 52.6 |
| Amortisation of acquired intangible assets after tax | **0.3** | 0.3 | 0.3 |
| Other non-underlying items after tax | **1.4** | (5.7) | (5.3) |
| Underlying basic earnings per ordinary share (performance) | **21.7** | 14.4 | 47.6 |

**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**

| | **2026 first half £m** | 2025 first half £m | 2025 year £m |
|---|---|---|---|
| Cash generated from operating activities (statutory) | **376** | 423 | 656 |
| Add back: Pension payments including deficit funding (Note 18) | **32** | 8 | 10 |
| Less: Repayment of lease liabilities (including lease interest payments) | **(41)** | (37) | (77) |
| Add: Operational dividends received from joint ventures and associates | **23** | 28 | 59 |
| Add back: Cash flow movements relating to non-operating items | **(3)** | 22 | 33 |
| Less: Operating cash flows relating to non-recourse activities | **(3)** | (15) | (25) |
| Operating cash flow (OCF) (performance) | **384** | 429 | 656 |

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 (£32m): 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) (£41m 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 (£23m 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 (£3m): the Group's OCF measure excludes certain working capital movements that are not directly attributable to the Group's operating activities.

Operating cash flows relating to non-recourse activities (£3m): 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**

| | **2026 first half (statutory) £m** | **Adjustment £m** | **2026 first half (performance) £m** | 2025 first half (statutory) £m | Adjustment £m | 2025 first half (performance) £m | 2025 year (statutory) £m | Adjustment £m | 2025 year (performance) £m |
|---|---|---|---|---|---|---|---|---|---|
| **Total cash within the Group** | **2,082** | **(135)** | **1,947** | 1,803 | (236) | 1,567 | 1,860 | (193) | 1,667 |
| Cash and cash equivalents | | | | | | | | | |
| – infrastructure concessions | **135** | **(135)** | **–** | 236 | (236) | – | 193 | (193) | – |
| – other | **1,947** | **–** | **1,947** | 1,567 | – | 1,567 | 1,667 | – | 1,667 |
| **Total debt within the Group** | **(1,070)** | **831** | **(239)** | (1,126) | 796 | (330) | (1,023) | 802 | (221) |
| Borrowings – non-recourse loans | **(622)** | **622** | **–** | (620) | 620 | – | (604) | 604 | – |
| – other | **(239)** | **–** | **(239)** | (330) | – | (330) | (221) | – | (221) |
| Lease liabilities | **(209)** | **209** | **–** | (176) | 176 | – | (198) | 198 | – |
| **Net cash** | **1,012** | **696** | **1,708** | 677 | 560 | 1,237 | 837 | 609 | 1,446 |

**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 £1,616m (2025: first half £1,102m; full-year £1,212m).

Using a statutory measure (inclusive of non-recourse elements and lease liabilities) gives average net cash of £925m (2025: first half £562m; full-year £642m).

**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 £1.1bn at the half-year (2025: first half £1.16bn; full-year £1.07bn).

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**

| | **2026 first half £m** | 2025 first half £m | 2025 year £m |
|---|---|---|---|
| Net assets of the Infrastructure Investments segment (refer to Note 3.2) | **577** | 610 | 568 |
| Less: Net assets not included within the Directors' valuation – Housing division | **(32)** | (55) | (42) |
| Comparable statutory measure of the Investments portfolio under IFRS | **545** | 555 | 526 |

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

| | **2026 first half £m** | 2025 first half £m | 2025 year £m |
|---|---|---|---|
| Statutory measure of the Investments portfolio (as above) | **545** | 555 | 526 |
| 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: ▪ historical cost; ▪ amortised cost; and ▪ fair value | **556** | 603 | 543 |
| Directors' valuation (performance measure) | **1,101** | 1,158 | 1,069 |

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:

**2026 statutory growth compared to performance growth**

| | Construction Services | | | | | | |
|---|---|---|---|---|---|---|---|
| | **UK** | **US** | **Gammon** | **Total** | **Support Services** | **Infrastructure Investments** | **Total** |
| **Revenue (£m)** | | | | | | | |
| 2026 first half statutory | **1,569** | **2,460** | **–** | **4,029** | **727** | **224** | **4,980** |
| 2025 first half statutory | 1,563 | 2,070 | – | 3,633 | 662 | 227 | 4,522 |
| **Statutory growth** | **–** | **19%** | **–** | **11%** | **10%** | **(1)%** | **10%** |
| | | | | | | | |
| 2026 first half performance^ | **1,569** | **2,475** | **495** | **4,539** | **727** | **297** | **5,563** |
| 2025 first half performance retranslated^ | 1,563 | 2,017 | 527 | 4,107 | 662 | 285 | 5,054 |
| **Performance CER growth** | **–** | **23%** | **(6)%** | **11%** | **10%** | **4%** | **10%** |
| | | | | | | | |
| **Order book (£bn)** | | | | | | | |
| 2026 first half | **8.9** | **7.7** | **2.3** | **18.9** | **4.0** | **–** | **22.9** |
| 2025 year | 8.9 | 7.8 | 2.0 | 18.7 | 4.0 | – | 22.7 |
| **Growth** | **–** | **(1)%** | **15%** | **1%** | **–** | **–** | **1%** |
| | | | | | | | |
| 2026 first half | **8.9** | **7.7** | **2.3** | **18.9** | **4.0** | **–** | **22.9** |
| 2025 year retranslated | 8.9 | 7.9 | 2.0 | 18.8 | 4.0 | – | 22.8 |
| **CER growth** | **–** | **(3)%** | **15%** | **1%** | **–** | **–** | **–** |

^ 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 the Company to review the condensed set of financial statements in the half-yearly financial report for the period ended 26 June 2026 which comprises the 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 26 June 2026 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 and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board 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 of 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

11 August 2026

# Condensed Group Income Statement

## For the half-year ended 26 June 2026

| | Notes | **2026 first half unaudited** Underlying items[1] £m | Non-underlying items (Note 8) £m | Total £m | 2025 first half unaudited Underlying items[1] £m | Non-underlying items (Note 8) £m | Total £m | 2025 year audited Underlying items[1] £m | Non-underlying items (Note 8) £m | Total £m |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue including share of joint ventures and associates** | | **5,563** | **–** | **5,563** | 5,150 | – | 5,150 | 10,767 | – | 10,767 |
| Share of revenue of joint ventures and associates | 5.1 | **(583)** | **–** | **(583)** | (628) | – | (628) | (1,278) | – | (1,278) |
| **Group revenue** | | **4,980** | **–** | **4,980** | 4,522 | – | 4,522 | 9,489 | – | 9,489 |
| Cost of sales | | **(4,726)** | **(9)** | **(4,735)** | (4,332) | 39 | (4,293) | (9,033) | 12 | (9,021) |
| **Gross profit/(loss)** | | **254** | **(9)** | **245** | 190 | 39 | 229 | 456 | 12 | 468 |
| Gain on disposals of interests in investments | | **–** | **–** | **–** | 2 | – | 2 | 32 | – | 32 |
| Amortisation of acquired intangible assets | | **–** | **(1)** | **(1)** | – | (2) | (2) | – | (3) | (3) |
| Other operating expenses | | **(159)** | **–** | **(159)** | (140) | – | (140) | (300) | 23 | (277) |
| **Group operating profit/(loss)** | | **95** | **(10)** | **85** | 52 | 37 | 89 | 188 | 32 | 220 |
| Share of results of joint ventures and associates excluding gain on disposals of interests in investments | 5.1 | **21** | **–** | **21** | 25 | – | 25 | 60 | – | 60 |
| Gain on disposals of interests in investments | | **3** | **–** | **3** | – | – | – | 4 | – | 4 |
| Share of results of joint ventures and associates | | **24** | **–** | **24** | 25 | – | 25 | 64 | – | 64 |
| **Profit/(loss) from operations** | | **119** | **(10)** | **109** | 77 | 37 | 114 | 252 | 32 | 284 |
| Investment income | 6 | **41** | **–** | **41** | 40 | – | 40 | 80 | – | 80 |
| Finance costs | 7 | **(21)** | **–** | **(21)** | (22) | – | (22) | (41) | – | (41) |
| **Profit/(loss) before taxation** | | **139** | **(10)** | **129** | 95 | 37 | 132 | 291 | 32 | 323 |
| Taxation | 9 | **(34)** | **2** | **(32)** | (22) | (9) | (31) | (52) | (7) | (59) |
| **Profit/(loss) for the period** | | **105** | **(8)** | **97** | 73 | 28 | 101 | 239 | 25 | 264 |
| **Attributable to** | | | | | | | | | | |
| Equity holders | | **105** | **(8)** | **97** | 73 | 28 | 101 | 238 | 25 | 263 |
| Non-controlling interests | | **–** | **–** | **–** | – | – | – | 1 | – | 1 |
| **Profit/(loss) for the period** | | **105** | **(8)** | **97** | 73 | 28 | 101 | 239 | 25 | 264 |

[1] Before non-underlying items (Note 8).

| | Notes | **2026 first half unaudited pence** | 2025 first half unaudited pence | 2025 year audited pence |
|---|---|---|---|---|
| **Earnings per share** | | | | |
| - basic | 10 | **20.0** | 19.8 | 52.6 |
| - diluted | 10 | **19.8** | 19.6 | 52.0 |
| **Dividends per share proposed for the period** | 11 | **4.7** | 4.2 | 14.0 |

# Condensed Group Statement of Comprehensive Income

## For the half-year ended 26 June 2026

| | 2026 first half unaudited | | | 2025 first half unaudited | | | 2025 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** | **73** | **24** | **97** | 76 | 25 | 101 | 200 | 64 | 264 |
| **Other comprehensive income/(loss) for the period** | | | | | | | | | |
| *Items which will not subsequently be reclassified to the income statement* | | | | | | | | | |
| Actuarial gains/(losses) on retirement benefit assets/liabilities | **29** | **–** | **29** | 4 | – | 4 | (62) | 1 | (61) |
| Fair value revaluations of investments in mutual funds measured at fair value through OCI | **1** | **–** | **1** | – | – | – | 1 | – | 1 |
| Tax on above | **(7)** | **–** | **(7)** | (1) | – | (1) | 15 | – | 15 |
| | **23** | **–** | **23** | 3 | – | 3 | (46) | 1 | (45) |
| *Items which will subsequently be reclassified to the income statement* | | | | | | | | | |
| Currency translation differences | **3** | **3** | **6** | (24) | (17) | (41) | (19) | (13) | (32) |
| Fair value revaluations – PPP financial assets | **–** | **(6)** | **(6)** | – | (3) | (3) | – | 8 | 8 |
| – cash flow hedges | **–** | **1** | **1** | – | 5 | 5 | – | 8 | 8 |
| Recycling of revaluation reserves to the income statement on disposal^ | **–** | **(3)** | **(3)** | – | – | – | – | 24 | 24 |
| Tax on above | **1** | **1** | **2** | – | (1) | (1) | – | (4) | (4) |
| | **4** | **(4)** | **–** | (24) | (16) | (40) | (19) | 23 | 4 |
| **Total other comprehensive income/(loss) for the period** | **27** | **(4)** | **23** | (21) | (16) | (37) | (65) | 24 | (41) |
| **Total comprehensive income for the period** | **100** | **20** | **120** | 55 | 9 | 64 | 135 | 88 | 223 |
| **Attributable to** | | | | | | | | | |
| Equity holders | | | **120** | | | 64 | | | 222 |
| Non-controlling interests | | | **–** | | | – | | | 1 |
| **Total comprehensive income for the period** | | | **120** | | | 64 | | | 223 |

^Recycling of revaluation reserves to the income statement on disposal has no associated tax effect.

# Condensed Group Statement of Changes in Equity

## For the half-year ended 26 June 2026

| | Called-up share capital £m | Share premium account £m | Capital Redemption Reserve £m | Share of joint ventures' and associates' reserves £m | Other reserves: Hedging reserves £m | Other reserves: PPP financial assets £m | Other reserves: Currency translation reserve £m | Other reserves: Other [μ] £m | Retained profits £m | Non-controlling interests £m | Total £m |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 |
| Total comprehensive income/(loss) for the period | – | – | – | 79 | – | – | 5 | 1 | 73 | 1 | 159 |
| Ordinary dividends | – | – | – | – | – | – | – | – | (20) | – | (20) |
| Joint ventures' and associates' dividends | – | – | – | (31) | – | – | – | – | 31 | – | – |
| Purchase of treasury shares | – | – | – | – | – | – | – | – | (61) | – | (61) |
| Cancellation of ordinary shares | (12) | – | 12 | – | – | – | – | – | – | – | – |
| Movements relating to share-based payments[+] | – | – | – | – | – | – | – | 6 | (14) | – | (8) |
| Movements relating to disposals of joint ventures and associates | – | – | – | 4 | – | – | – | – | (4) | – | – |
| At 31 December 2025 audited | 247 | 176 | 99 | (31) | (4) | (1) | 102 | 49 | 506 | 9 | 1,152 |
| Total comprehensive income/(loss) for the period | **–** | **–** | **–** | **20** | **1** | **–** | **3** | **(6)** | **102** | **–** | **120** |
| Ordinary dividends | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **(47)** | **(1)** | **(48)** |
| Joint ventures' and associates' dividends | **–** | **–** | **–** | **(22)** | **–** | **–** | **–** | **–** | **22** | **–** | **–** |
| Purchase of treasury shares | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **(103)** | **–** | **(103)** |
| Movements relating to share-based payments[+] | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **(5)** | **13** | **–** | **8** |
| Movements relating to disposals of joint ventures and associated | **–** | **–** | **–** | **2** | **–** | **–** | **–** | **–** | **(2)** | **–** | **–** |
| At 26 June 2026 unaudited | **247** | **176** | **99** | **(31)** | **(3)** | **(1)** | **105** | **38** | **491** | **8** | **1,129** |

[μ] Other reserves include £22m of special reserve (2025: first half £22m; full-year: £22m).

[+] Movements relating to share-based payments include £nil tax credit (2025: first half £nil; full-year: £5m) recognised directly within retained profits.

# Condensed Group Balance Sheet

## At 26 June 2026

| | Notes | **2026 first half unaudited £m** | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Intangible assets – goodwill | 12 | **827** | 809 | 819 |
| – other | | **253** | 260 | 256 |
| Service concession contract asset | | **213** | 109 | 154 |
| Property, plant and equipment | | **154** | 139 | 151 |
| Right-of-use assets | | **201** | 167 | 192 |
| Investment properties | | **125** | 127 | 104 |
| Investments in joint ventures and associates | 5.2 | **356** | 362 | 363 |
| Investments | | **18** | 16 | 18 |
| PPP financial assets | | **17** | 19 | 18 |
| Trade and other receivables | 14 | **285** | 356 | 296 |
| Retirement benefit assets | 18 | **48** | 57 | – |
| Deferred tax assets | | **176** | 182 | 199 |
| | | **2,673** | 2,603 | 2,570 |
| **Current assets** | | | | |
| Inventories | | **138** | 154 | 155 |
| Contract assets | 13.1 | **324** | 302 | 238 |
| Trade and other receivables | 14 | **1,568** | 1,148 | 1,253 |
| Cash and cash equivalents – infrastructure investments | 17.2 | **135** | 236 | 193 |
| – other | 17.2 | **1,947** | 1,567 | 1,667 |
| Current tax receivable | | **–** | 10 | 17 |
| | | **4,112** | 3,417 | 3,523 |
| Assets held for sale | | **–** | 1 | – |
| **Total assets** | | **6,785** | 6,021 | 6,093 |
| **Current liabilities** | | | | |
| Contract liabilities | 13.2 | **(1,232)** | (837) | (1,062) |
| Trade and other payables | 15 | **(2,423)** | (2,138) | (1,957) |
| Provisions | 16 | **(281)** | (272) | (266) |
| Borrowings – non-recourse loans | 17.3 | **(87)** | (36) | (37) |
| – other | 17.3 | **(109)** | (180) | (68) |
| Lease liabilities | | **(69)** | (62) | (70) |
| Current tax payable | | **(9)** | (8) | (8) |
| | | **(4,210)** | (3,533) | (3,468) |
| Liabilities held for sale | | **–** | (3) | – |
| | | **(4,210)** | (3,536) | (3,468) |
| **Non-current liabilities** | | | | |
| Contract liabilities | 13.2 | **–** | (1) | (1) |
| Trade and other payables | 15 | **(109)** | (91) | (100) |
| Provisions | 16 | **(345)** | (280) | (323) |
| Borrowings – non-recourse loans | 17.3 | **(535)** | (584) | (567) |
| – other | 17.3 | **(130)** | (150) | (153) |
| Lease liabilities | | **(140)** | (114) | (128) |
| Retirement benefit liabilities | 18 | **(35)** | (42) | (48) |
| Deferred tax liabilities | | **(152)** | (140) | (153) |
| Derivative financial instruments | 21 | **–** | (1) | – |
| | | **(1,446)** | (1,403) | (1,473) |
| **Total liabilities** | | **(5,656)** | (4,939) | (4,941) |
| **Net assets** | | **1,129** | 1,082 | 1,152 |
| **Equity** | | | | |
| Called-up share capital | | **247** | 259 | 247 |
| Share premium account | | **176** | 176 | 176 |
| Capital redemption reserve | | **99** | 87 | 99 |
| Share of joint ventures' and associates' reserves | | **(31)** | (83) | (31) |
| Other reserves | | **139** | 134 | 146 |
| Retained profits | | **491** | 501 | 506 |
| **Equity attributable to equity holders** | | **1,121** | 1,074 | 1,143 |
| Non-controlling interests | | **8** | 8 | 9 |
| **Total equity** | | **1,129** | 1,082 | 1,152 |

# Condensed Group Statement of Cash Flows

**For the half-year ended 26 June 2026**

| | | Notes | **2026 first half unaudited £m** | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash from operations | | 17.1 | **378** | 443 | 695 |
| Income taxes paid | | | **(2)** | (20) | (39) |
| **Net cash from operating activities** | | | **376** | 423 | 656 |
| **Cash flows from/(used in) investing activities** | | | | | |
| Dividends received from: | - joint ventures and associates – infrastructure investments | | **9** | 11 | 21 |
| | - joint ventures and associates – other | | **14** | 17 | 38 |
| | - other investments | | **–** | – | 1 |
| Interest received – joint ventures | - infrastructure investments | | **2** | 1 | 3 |
| Interest received – subsidiaries | - infrastructure investments | | **–** | 2 | 9 |
| | - other | | **27** | 25 | 50 |
| Purchases of: | - service concession contract asset | | **(59)** | (37) | (79) |
| | - property, plant and equipment | | **(18)** | (23) | (49) |
| | - investment properties | | **(20)** | (14) | (36) |
| Investments in and long-term loans to joint ventures and associates | | | **(5)** | (4) | (11) |
| Return of equity from joint ventures and associates | | | **5** | – | 5 |
| PPP financial assets cash expenditure | | | **(2)** | (2) | (4) |
| PPP financial assets cash receipts | | | **4** | 4 | 7 |
| Disposals of: | - investments in joint ventures – infrastructure investments | | **7** | 2 | 89 |
| | - property, plant and equipment – other | | **3** | 3 | 5 |
| | - investment properties | | **–** | – | 48 |
| | - other investments | | **2** | 7 | 6 |
| | - trade and assets relating to Omnicom Balfour Beatty | | **–** | – | 24 |
| **Net cash (used in)/from investing activities** | | | **(31)** | (8) | 127 |
| **Cash flows used in financing activities** | | | | | |
| Purchase of ordinary shares | | 19 | **–** | (7) | (31) |
| Purchase of treasury shares | | 19 | **(103)** | (65) | (126) |
| Proceeds from new loans relating to: | - infrastructure investments assets | 17.4 | **13** | – | 22 |
| Repayments of loans relating to: | - infrastructure investments assets | 17.4 | **(4)** | (4) | (30) |
| Repayment of lease liabilities | | | **(36)** | (33) | (68) |
| Ordinary dividends paid | | 11 | **–** | – | (64) |
| Other dividends paid – non-controlling interests | | | **(1)** | (1) | (1) |
| Interest paid – infrastructure investments | | | **(3)** | (3) | (14) |
| Interest paid – other | | | **(14)** | (14) | (22) |
| **Net cash used in financing activities** | | | **(148)** | (127) | (334) |
| **Net increase in cash and cash equivalents** | | | **197** | 288 | 449 |
| Effects of exchange rate changes | | | **10** | (38) | (30) |
| Cash and cash equivalents at beginning of period | | | **1,792** | 1,373 | 1,373 |
| **Cash and cash equivalents at end of period** | | 17.2 | **1,999** | 1,623 | 1,792 |

# Notes to the financial statements

## 1.1 Basis of accounting

The condensed Group financial statements for the half-year ended 26 June 2026 have been prepared in accordance with the Disclosure Guidance 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 2025, 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 11 August 2026. 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 2025 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 2025 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 191 to 192 of the Annual Report and Accounts 2025.

## 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 76 to 89 of the Annual Report and Accounts 2025.

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 26 June 2026, 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 £22.9bn at 26 June 2026 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 26 June 2026, 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

In June 2026, the Group completed the refinancing of its core Revolving Credit Facility (RCF), which was set to expire in June 2028, replacing it with a new £515m facility that will expire in September 2031. The RCF has a further two one-year extension options, at the discretion of the lending banks. The facility remained undrawn at 26 June 2026. The Group's £30m bilateral committed facility also remained undrawn at 26 June 2026 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:
  - 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

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 26 June 2026:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to the following standards:
  - IAS 21: Translation to a Hyperinflationary Presentation Currency

The Group is continuing to assess the impact of the revised presentation and disclosure requirements for financial statements from IFRS 18. The Directors do not expect the other new and amended standards to have a material effect on the Group and have chosen not to adopt any of the above standards and interpretations earlier than required.

## 2 Exchange rates

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

### Average rates

| £1 buys | **2026 first half unaudited** | 2025 first half unaudited | 2025 year audited | 27 June 2025 – 26 June 2026 % change | 31 Dec 2025 – 26 June 2026 % change |
|---|---|---|---|---|---|
| US$ | **1.35** | 1.30 | 1.32 | 3.8% | 2.3% |
| HK$ | **10.53** | 10.14 | 10.25 | 3.8% | 2.7% |

### Closing rates

| £1 buys | **2026 first half unaudited** | 2025 first half unaudited | 2025 year audited | 27 June 2025 – 26 June 2026 % change | 31 Dec 2025 – 26 June 2026 % change |
|---|---|---|---|---|---|
| US$ | **1.32** | 1.37 | 1.35 | (3.6)% | (2.2)% |
| HK$ | **10.37** | 10.76 | 10.47 | (3.6)% | (1.0)% |

## 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, and other concessions. This segment also includes the Group's housing development division.

### 3.1 Income statement – performance by activity

| **For the half-year ended 26 June 2026 unaudited** | **Construction Services £m** | **Support Services £m** | **Infrastructure Investments £m** | **Corporate activities £m** | **Total £m** |
|---|---|---|---|---|---|
| Revenue including share of joint ventures and associates | **4,539** | **727** | **297** | **–** | **5,563** |
| Share of revenue of joint ventures and associates | **(510)** | **–** | **(73)** | **–** | **(583)** |
| Group revenue | **4,029** | **727** | **224** | **–** | **4,980** |
| Group operating profit/(loss)[1] | **71** | **66** | **(17)** | **(25)** | **95** |
| Share of results of joint ventures and associates | **16** | **–** | **8** | **–** | **24** |
| Profit/(loss) from operations[1] | **87** | **66** | **(9)** | **(25)** | **119** |
| Non-underlying items: | | | | | |
| - amortisation of acquired intangible assets | **–** | **–** | **(1)** | **–** | **(1)** |
| - provision recognised in relation to claims made under the Building Safety Act | **(9)** | **–** | **–** | **–** | **(9)** |
| | **(9)** | **–** | **(1)** | **–** | **(10)** |
| Profit/(loss) from operations | **78** | **66** | **(10)** | **(25)** | **109** |
| Investment income | | | | | **41** |
| Finance costs | | | | | **(21)** |
| Profit before taxation | | | | | **129** |

[1] Before non-underlying items (Note 8).

### 3 Segment analysis continued

### 3.1 Income statement – performance by activity continued

| For the half-year ended 27 June 2025 unaudited | Construction Services £m | Support Services £m | Infrastructure Investments £m | Corporate activities £m | Total £m |
|---|---|---|---|---|---|
| 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).

| For the year ended 31 December 2025 audited | Construction Services £m | Support Services £m | Infrastructure Investments £m | Corporate activities £m | Total £m |
|---|---|---|---|---|---|
| Revenue including share of joint ventures and associates | 8,711 | 1,427 | 629 | – | 10,767 |
| Share of revenue of joint ventures and associates | (1,122) | – | (156) | – | (1,278) |
| Group revenue | 7,589 | 1,427 | 473 | – | 9,489 |
| Group operating profit/(loss)[1] | 117 | 122 | (5) | (46) | 188 |
| Share of results of joint ventures and associates | 54 | – | 10 | – | 64 |
| Profit/(loss) from operations[1] | 171 | 122 | 5 | (46) | 252 |
| Non-underlying items: | | | | | |
| - amortisation of acquired intangible assets | (1) | – | (2) | – | (3) |
| - provision recognised in relation to claims made under the Building Safety Act | (37) | – | – | – | (37) |
| - net release of provision recognised in relation to a legacy claim received for a project completed in 2012 in Texas | 49 | – | – | – | 49 |
| - gain on disposal of Omnicom Balfour Beatty | – | 23 | – | – | 23 |
| | 11 | 23 | (2) | – | 32 |
| Profit/(loss) from operations | 182 | 145 | 3 | (46) | 284 |
| Investment income | | | | | 80 |
| Finance costs | | | | | (41) |
| Profit before taxation | | | | | 323 |

[1] Before non-underlying items (Note 8).

## 3 Segment analysis continued

### 3.2 Assets and liabilities by activity

| **As at 26 June 2026 unaudited** | **Construction Services £m** | **Support Services £m** | **Infrastructure Investments £m** | **Corporate activities £m** | **Total £m** |
|---|---|---|---|---|---|
| Contract assets – current | **199** | **84** | **41** | **–** | **324** |
| Contract liabilities – current | **(818)** | **(414)** | **–** | **–** | **(1,232)** |
| Inventories | **60** | **49** | **29** | **–** | **138** |
| Trade and other receivables – current | **1,234** | **248** | **58** | **28** | **1,568** |
| Trade and other payables – current | **(1,973)** | **(297)** | **(49)** | **(104)** | **(2,423)** |
| Provisions – current | **(234)** | **(24)** | **(3)** | **(20)** | **(281)** |
| Working capital* | **(1,532)** | **(354)** | **76** | **(96)** | **(1,906)** |

* Includes non-operating items and current working capital.

| | | | | | |
|---|---|---|---|---|---|
| Total assets | **2,575** | **732** | **1,276** | **2,202** | **6,785** |
| Total liabilities | **(3,478)** | **(907)** | **(699)** | **(572)** | **(5,656)** |
| Net (liabilities)/assets | **(903)** | **(175)** | **577** | **1,630** | **1,129** |

| **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 31 December 2025 audited** | **Construction Services £m** | **Support Services £m** | **Infrastructure Investments £m** | **Corporate activities £m** | **Total £m** |
|---|---|---|---|---|---|
| Contract assets – current | 134 | 67 | 37 | – | 238 |
| Contract liabilities – current | (742) | (319) | (1) | – | (1,062) |
| Inventories | 71 | 41 | 43 | – | 155 |
| Trade and other receivables – current | 1,005 | 171 | 43 | 34 | 1,253 |
| Trade and other payables – current | (1,627) | (212) | (61) | (57) | (1,957) |
| Provisions – current | (228) | (19) | (4) | (15) | (266) |
| Working capital* | (1,387) | (271) | 57 | (38) | (1,639) |

* Includes non-operating items and current working capital.

| | | | | | |
|---|---|---|---|---|---|
| Total assets | 2,223 | 624 | 1,267 | 1,979 | 6,093 |
| Total liabilities | (3,061) | (723) | (699) | (458) | (4,941) |
| Net (liabilities)/assets | (838) | (99) | 568 | 1,521 | 1,152 |

## 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 26 June 2026 unaudited** | | | | | |
| Capital expenditure on property, plant and equipment | **3** | **10** | **–** | **5** | **18** |
| Capital expenditure on service concession contract asset | **–** | **–** | **59** | **–** | **59** |
| Depreciation | **9** | **37** | **2** | **4** | **52** |
| Gain on disposals of interests in investments within joint ventures and associates | **–** | **–** | **3** | **–** | **3** |
| **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 year ended 31 December 2025 audited** | | | | | |
| Capital expenditure on property, plant and equipment | 10 | 22 | – | 17 | 49 |
| Capital expenditure on service concession contract asset | – | – | 79 | – | 79 |
| Depreciation | 20 | 69 | 4 | 9 | 102 |
| Gain on disposals of interests in investments | – | – | 32 | – | 32 |
| Gain on disposals of interests in investments within joint ventures and associates | – | – | 4 | – | 4 |

### 3.4 Infrastructure Investments

| **Underlying profit/(loss) from operations**[1] | **Group 2026 first half unaudited £m** | **Share of joint ventures and associates 2026 first half unaudited**[+] **£m** | **Total 2026 first half unaudited £m** | Group 2025 first half unaudited £m | Share of joint ventures and associates 2025 first half unaudited[+] £m | Total 2025 first half unaudited £m | Group 2025 year audited £m | Share of joint ventures and associates 2025 year audited[+] £m | Total 2025 year audited £m |
|---|---|---|---|---|---|---|---|---|---|
| UK[^] | **(2)** | **1** | **(1)** | 2 | (1) | 1 | 8 | – | 8 |
| North America | **(2)** | **4** | **2** | (7) | 4 | (3) | (18) | 6 | (12) |
| Gain on disposals of interests in investments | **–** | **3** | **3** | 2 | – | 2 | 32 | 4 | 36 |
| | **(4)** | **8** | **4** | (3) | 3 | – | 22 | 10 | 32 |
| Bidding costs and overheads | **(13)** | **–** | **(13)** | (10) | – | (10) | (27) | – | (27) |
| | **(17)** | **8** | **(9)** | (13) | 3 | (10) | (5) | 10 | 5 |

[+] 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 | 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.<br><br>The contract length depends on the complexity and scale of the building and contracts entered into for these services are typically fixed price.<br><br>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. |
| Infrastructure | 1 to 3 months for small-scale infrastructure works<br><br>Up to 25 years for large-scale complex construction | 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.<br><br>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.<br><br>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.<br><br>Other infrastructure assets include construction, design and build services on large-scale complex assets predominantly servicing the waste, water and energy sectors.<br><br>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 up to 25 years for large-scale complex construction works.<br><br>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. |

### 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 | Within the Group's services contracts, the Group provides support services to various types of utility assets.<br><br>For contracts servicing power transmission and distribution assets, the Group constructs and maintains electricity networks, including the refurbishment, extension and new build of overhead lines, underground cabling, substations and converter stations. Contracts entered into are typically multi-stage, both fixed-price and target-cost, including extensive early development works, with the majority under long term frameworks of 5 to 8 years. 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. |
| Infrastructure | 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.<br><br>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. |

## 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 | The Group operates a UK and US portfolio of service concession assets comprising assets in the roads, healthcare, student accommodation and aviation sectors. The Group accounts for these assets under IFRIC 12 Service Concession Arrangements.<br><br>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.<br><br>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.<br><br>*Revenue from this service is presented across Buildings, Infrastructure or Utilities in Note 4.2.* |
| Management services | 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.<br><br>*Revenue from this service is presented within Buildings in Note 4.2.* |
| Housing development | 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.<br><br>*Revenue from this service is presented within Buildings in Note 4.2.* |
| Investment Property | The Group holds investment properties for the purpose of generating rental income and capital appreciation. Revenue is recognised on a straight-line basis from the commencement date over the lease term.<br><br>*Revenue from this service is presented within Buildings in Note 4.2.* |

### 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 26 June 2026 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 | 1,569 | 2,475 | 495 | 4,539 |
| | Group revenue | 1,569 | 2,460 | – | 4,029 |
| Support Services | Revenue including share of joint ventures and associates | 725 | – | 2 | 727 |
| | Group revenue | 725 | – | 2 | 727 |
| Infrastructure Investments | Revenue including share of joint ventures and associates | 152 | 144 | 1 | 297 |
| | Group revenue | 92 | 132 | – | 224 |
| **Total revenue** | **Revenue including share of joint ventures and associates** | **2,446** | **2,619** | **498** | **5,563** |
| | **Group revenue** | **2,386** | **2,592** | **2** | **4,980** |

| 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 | 2,661 | 1,472 | 381 | 25 | 4,539 |
| | Group revenue | 2,324 | 1,301 | 379 | 25 | 4,029 |
| Support Services | Revenue including share of joint ventures and associates | 5 | 342 | 366 | 14 | 727 |
| | Group revenue | 5 | 342 | 366 | 14 | 727 |
| Infrastructure Investments | Revenue including share of joint ventures and associates | 268+ | 28 | – | 1 | 297 |
| | Group revenue | 223+ | 1 | – | – | 224 |
| **Total revenue** | **Revenue including share of joint ventures and associates** | **2,934** | **1,842** | **747** | **40** | **5,563** |
| | **Group revenue** | **2,552** | **1,644** | **745** | **39** | **4,980** |

| Timing of revenue recognition | Construction Services £m | Support Services £m | Infrastructure Investments £m | Total £m |
|---|---|---|---|---|
| Over time | 4,537 | 726 | 282 | 5,545 |
| At a point in time | 2 | 1 | 15 | 18 |
| **Revenue including share of joint ventures and associates** | **4,539** | **727** | **297** | **5,563** |
| Over time | 4,027 | 726 | 209 | 4,962 |
| At a point in time | 2 | 1 | 15 | 18 |
| **Group revenue** | **4,029** | **727** | **224** | **4,980** |

+ Includes rental income of £27m including share of joint ventures and associates or £15m excluding share of joint ventures and associates.

## 4 Revenue continued

### 4.2 Disaggregation of revenue continued

**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 ventures 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 year ended 31 December 2025 audited**

| **Revenue by 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 | 3,112 | 4,509 | 1,090 | 8,711 |
| | Group revenue | 3,112 | 4,477 | – | 7,589 |
| Support Services | Revenue including share of joint ventures and associates | 1,423 | – | 4 | 1,427 |
| | Group revenue | 1,423 | – | 4 | 1,427 |
| Infrastructure Investments | Revenue including share of joint ventures and associates | 243 | 382 | 4 | 629 |
| | Group revenue | 137 | 334 | 2 | 473 |
| **Total revenue** | **Revenue including share of joint ventures and associates** | 4,778 | 4,891 | 1,098 | 10,767 |
| | **Group revenue** | 4,672 | 4,811 | 6 | 9,489 |

| **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 | 4,966 | 3,130 | 508 | 107 | 8,711 |
| | Group revenue | 4,281 | 2,695 | 506 | 107 | 7,589 |
| Support Services | Revenue including share of joint ventures and associates | 14 | 743 | 631 | 39 | 1,427 |
| | Group revenue | 14 | 743 | 631 | 39 | 1,427 |
| Infrastructure Investments | Revenue including share of joint ventures and associates | 533+ | 87 | 8 | 1 | 629 |
| | Group revenue | 470+ | 3 | – | – | 473 |
| **Total revenue** | **Revenue including share of joint ventures and associates** | 5,513 | 3,960 | 1,147 | 147 | 10,767 |
| | **Group revenue** | 4,765 | 3,441 | 1,137 | 146 | 9,489 |

| **Timing of revenue recognition** | **Construction Services £m** | **Support Services £m** | **Infrastructure Investments £m** | **Total £m** |
|---|---|---|---|---|
| Over time | 8,706 | 1,425 | 594 | 10,725 |
| At a point in time | 5 | 2 | 35 | 42 |
| **Revenue including share of joint ventures and associates** | 8,711 | 1,427 | 629 | 10,767 |
| Over time | 7,584 | 1,425 | 438 | 9,447 |
| At a point in time | 5 | 2 | 35 | 42 |
| **Group revenue** | 7,589 | 1,427 | 473 | 9,489 |

+ Includes rental income of £57m including share of joint ventures and associates or £32m excluding share of joint ventures and associates.

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

### 5.1 Income statement

| | **2026 first half unaudited £m** | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|
| Revenue | **583** | 628 | 1,278 |
| Operating profit | **34** | 36 | 91 |
| Investment income | **29** | 36 | 72 |
| Finance costs | **(36)** | (45) | (91) |
| Profit before taxation | **27** | 27 | 72 |
| Taxation | **(3)** | (3) | (8) |
| Profit after taxation from joint ventures and associates | **24** | 24 | 64 |
| Adjustment for expected credit losses at Group level | **–** | 1 | – |
| Profit after taxation | **24** | 25 | 64 |

### 5.2 Balance sheet

| | | **2026 first half unaudited £m** | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|---|
| Intangible assets | – Infrastructure Investments | **13** | 13 | 13 |
| | – other | **12** | 19 | 12 |
| Property, plant and equipment | | **107** | 40 | 107 |
| Investment properties | | **88** | 193 | 120 |
| Investments in joint ventures and associates | | **3** | 6 | 3 |
| PPP financial assets | | **819** | 1,061 | 830 |
| Military housing projects | | **111** | 106 | 109 |
| Net borrowings | | **(592)** | (838) | (673) |
| Other net liabilities | | **(287)** | (359) | (243) |
| Share of net assets of joint ventures and associates | | **274** | 241 | 278 |
| Goodwill | | **30** | 29 | 30 |
| Reclassify negative investment to provisions | | **–** | 7 | 2 |
| Loans to joint ventures and associates | | **52** | 85 | 53 |
| Total investment in joint ventures and associates | | **356** | 362 | 363 |

## 6 Investment income

| | 2026 first half unaudited £m | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|
| Subordinated debt interest receivable | **11** | 13 | 26 |
| Interest receivable on PPP financial assets | **–** | 1 | – |
| Interest receivable on other infrastructure concession assets | **1** | – | 1 |
| Interest received on bank deposits | **28** | 25 | 51 |
| Other interest receivable and similar income | **1** | – | 1 |
| Net finance income on pension scheme assets and obligations (Note 18) | **–** | 1 | 1 |
| | **41** | 40 | 80 |

## 7 Finance costs

| | | 2026 first half unaudited £m | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|---|
| Non-recourse borrowings | – bank loans and overdrafts | **7** | 7 | 14 |
| US private placement | – finance cost | **5** | 5 | 10 |
| Interest on lease liabilities | | **5** | 4 | 9 |
| Fair value loss on investment asset | | **–** | 1 | – |
| Other interest payable | – committed facilities | **1** | 1 | 2 |
| | – other finance charges | **3** | 2 | 4 |
| Impairment of loans to joint ventures and associates | – loans | **–** | 1 | 1 |
| | – accrued interest | **–** | 1 | 1 |
| | | **21** | 22 | 41 |

## 8 Non-underlying items

| | **2026 first half unaudited £m** | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|
| **Items (charged against)/credited to profit** | | | |
| **8.1** Amortisation of acquired intangible assets | **(1)** | (2) | (3) |
| **8.2** Other non-underlying items: | | | |
| – provision recognised in relation to claims made under the Building Safety Act | **(9)** | (11) | (37) |
| – net release recognised in relation to a claim received on a legacy project completed in 2012 in Texas | **–** | 50 | 49 |
| – gain on disposal of Omnicom Balfour Beatty | **–** | – | 23 |
| Total other non-underlying items | **(9)** | 39 | 35 |
| **(Charged against)/credited to profit before taxation** | **(10)** | 37 | 32 |
| **8.3** Tax credits/(charges): | | | |
| – tax on amortisation of acquired intangible assets | **–** | – | 2 |
| – tax on other items above | **2** | (9) | (9) |
| Total tax credit/(charge) | **2** | (9) | (7) |
| Non-underlying items (charged against)/credited to profit for the period | **(8)** | 28 | 25 |

**8.1** The amortisation of acquired intangible assets comprises: customer contracts £1m (2025: first half £1m; full-year £2m); and customer relationships £nil (2025: first half £1m; full-year £1m). The charge was recognised in the following segments: Construction Services £nil (2025: first half £1m; full-year £1m) and Infrastructure Investments £1m (2025: first half £1m; full-year £2m).

**8.2.2** In the first-half of 2026, the Group increased its provision held for claims made under the Building Safety Act by £9m as a result of reassessments and settlements to previously provided claims and legal costs incurred. Consistent with the treatment adopted in previous periods, this charge was recognised within non-underlying and in the Construction Services segment.

**8.3.1** The amortisation of acquired intangible assets gave rise to a tax credit of £nil (2025: first half £nil; full-year £2m).

**8.3.2** The increase in provision for claims made under the Building Safety Act gave rise to a current tax credit of £2m (2025: first half £9m charge; full-year £9m charge).

## 9 Taxation

| | Underlying items 2026 first half unaudited[1] £m | Non-underlying items (Note 8) 2026 first half unaudited £m | Total 2026 first half unaudited £m | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|---|---|
| Total UK tax | **28** | **(2)** | **26** | 23 | 45 |
| Total non-UK tax | **6** | **–** | **6** | 8 | 14 |
| **Total tax charge/(credit)[x]** | **34** | **(2)** | **32** | 31 | 59 |
| | | | | | |
| UK current tax | **12** | **(2)** | **10** | 6 | 28 |
| Non-UK current tax | **10** | **–** | **10** | 8 | 2 |
| Total current tax | **22** | **(2)** | **20** | 14 | 30 |
| | | | | | |
| UK deferred tax | **16** | **–** | **16** | 17 | 17 |
| Non-UK deferred tax | **(4)** | **–** | **(4)** | – | 12 |
| Total deferred tax | **12** | **–** | **12** | 17 | 29 |
| | | | | | |
| **Total tax charge/(credit)[x]** | **34** | **(2)** | **32** | 31 | 59 |

[x] Excluding joint ventures and associates.

[1] Before non-underlying items (Note 8).

The Group has recognised a £2m tax credit (2025: first half £9m charge; full year: £7m charge) 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 credit above, tax of £5m has been charged (2025: first half £2m charge; full-year £11m credit) directly to other comprehensive income, comprising: a deferred tax charge of £6m for subsidiaries (2025: first half £1m charge; full-year £15m credit) and a deferred tax credit in respect of joint ventures and associates of £1m (2025: first half £1m charge; full-year £4m charge). A tax credit of £nil (2025: first half £nil; full-year £5m) has been recognised directly in equity relating to share-based payments.

## 10 Earnings per share

| | **2026 first half unaudited** | | 2025 first half unaudited | | 2025 year audited | |
|---|---|---|---|---|---|---|
| **Earnings** | **Basic £m** | **Diluted £m** | Basic £m | Diluted £m | Basic £m | Diluted £m |
| Earnings | **97** | **97** | 101 | 101 | 263 | 263 |
| Amortisation of acquired intangible assets after tax | **1** | **1** | 2 | 2 | 1 | 1 |
| Other non-underlying items after tax | **7** | **7** | (30) | (30) | (26) | (26) |
| Underlying earnings | **105** | **105** | 73 | 73 | 238 | 238 |

| | **Basic m** | **Diluted m** | Basic m | Diluted m | Basic m | Diluted m |
|---|---|---|---|---|---|---|
| Weighted average number of ordinary shares | **484** | **489** | 509 | 514 | 499 | 505 |

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 (2025: first half 5m; full-year 6m).

### 10 Earnings per share continued

| Earnings per share | 2026 first half unaudited Basic Pence | 2026 first half unaudited Diluted Pence | 2025 first half unaudited Basic pence | 2025 first half unaudited Diluted pence | 2025 year audited Basic pence | 2025 year audited Diluted pence |
|---|---|---|---|---|---|---|
| Earnings per ordinary share | **20.0** | **19.8** | 19.8 | 19.6 | 52.6 | 52.0 |
| Amortisation of acquired intangible assets after tax | **0.3** | **0.3** | 0.3 | 0.3 | 0.3 | 0.2 |
| Other non-underlying items after tax | **1.4** | **1.4** | (5.7) | (5.7) | (5.3) | (5.2) |
| Underlying earnings per ordinary share | **21.7** | **21.5** | 14.4 | 14.2 | 47.6 | 47.0 |

### 11 Dividends on shares

| | 2026 first half unaudited Per share pence | 2026 first half unaudited Amount £m | 2025 first half unaudited Per share pence | 2025 first half unaudited Amount £m | 2025 year audited Per share pence | 2025 year audited Amount £m |
|---|---|---|---|---|---|---|
| **Proposed dividends for the period** | | | | | | |
| Interim 2025 | **–** | **–** | 4.2 | 20 | 4.2 | 20 |
| Final 2025 | **–** | **–** | – | – | 9.8 | 47^ |
| Interim 2026 | **4.7** | **22&** | – | – | – | – |
| | **4.7** | **22** | 4.2 | 20 | 14.0 | 67 |
| **Recognised dividends for the period** | | | | | | |
| Final 2024 | | **–** | | 44 | | 44 |
| Interim 2025 | | **–** | | – | | 20 |
| Final 2025 | | **47** | | – | | – |
| | | **47** | | 44 | | 64 |

^ The Group declared a final dividend of 9.8p for 2025 which was estimated to amount to £47m based on the number of shares that would be on the register on 15 May 2026. Based on the actual number of shares, a payment of £47m was made on 1 July 2026.

& Amount dependent on number of shares on the register on 30 October 2026.

The final 2025 dividend of 9.8 pence per share was paid on 1 July 2026 to holders on the register on 15 May 2026. The ordinary shares were quoted ex-dividend on 14 May 2026.

The Board is declaring an interim dividend of 4.7 pence per share, which will be payable on 4 December 2026 to holders on the register on 30 October 2026. The last date for DRIP (Dividend Reinvestment Plan) elections is 13 November 2026.

### 12 Intangible assets – goodwill

| | Cost £m | Accumulated impairment losses £m | Carrying amount £m |
|---|---|---|---|
| At 31 December 2024 audited | 1,074 | (220) | 854 |
| Currency translation differences | (46) | 1 | (45) |
| At 27 June 2025 unaudited | 1,028 | (219) | 809 |
| Currency translation differences | 13 | (3) | 10 |
| At 31 December 2025 audited | 1,041 | (222) | 819 |
| Currency translation differences | **8** | **–** | **8** |
| At 26 June 2026 unaudited | **1,049** | **(222)** | **827** |

As at 26 June 2026, 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 2025. As a result of this assessment, no impairment charges were recorded in the first half of 2026 (2025: first half £nil; full-year £nil).

A full detailed impairment review will be conducted on all CGUs as at 31 December 2026.

## 13 Contract balances

### 13.1 Contract assets

| | £m |
|---|---|
| At 31 December 2024 audited | 229 |
| Currency translation differences | (9) |
| Transfers from contract assets recognised at the beginning of the year to receivables | (201) |
| Increase related to services provided in the period | 248 |
| Impairments on contract assets recognised at the beginning of the year | (9) |
| Reclassified from contract liabilities (Note 13.2) | (20) |
| At 31 December 2025 audited | 238 |
| Currency translation differences | **2** |
| Transfers from contract assets recognised at the beginning of the year to receivables | **(182)** |
| Increase related to services provided in the period | **238** |
| Impairments on contract assets recognised at the beginning of the year | **(2)** |
| Reclassified to contract liabilities (Note 13.2) | **30** |
| At 26 June 2026 unaudited | **324** |

### 13.2 Contract liabilities

| | £m |
|---|---|
| At 31 December 2024 audited | (699) |
| Currency translation differences | 30 |
| Revenue recognised against contract liabilities at the beginning of the year | 631 |
| Increase due to cash received, excluding amounts recognised as revenue during the year | (1,048) |
| Reclassified to contract assets (Note 13.1) | 20 |
| Businesses disposed | 3 |
| At 31 December 2025 audited | (1,063) |
| Currency translation differences | **(11)** |
| Revenue recognised against contract liabilities at the beginning of the year | **823** |
| Increase due to cash received, excluding amounts recognised as revenue during the period | **(951)** |
| Reclassified from contract assets (Note 13.1) | **(30)** |
| At 26 June 2026 unaudited | **(1,232)** |

## 14 Trade and other receivables

| | **2026 first half unaudited £m** | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|
| **Current** | | | |
| Trade receivables | **872** | 694 | 702 |
| Less: provision for impairment of trade receivables | **(1)** | (2) | (2) |
| | **871** | 692 | 700 |
| Due from joint ventures and associates | **21** | 16 | 19 |
| Due from joint operation partners | **3** | 2 | 2 |
| Contract fulfilment assets | **8** | 22 | 9 |
| Contract retentions receivable | **334** | 233 | 264 |
| Accrued income | **15** | 17 | 20 |
| Prepayments | **227** | 86 | 160 |
| Other receivables | **89** | 80 | 79 |
| | **1,568** | 1,148 | 1,253 |
| **Non-current** | | | |
| Due from joint ventures and associates | **115** | 132 | 107 |
| Contract fulfilment assets | **15** | 18 | 21 |
| Contract retentions receivable | **136** | 108 | 119 |
| Prepayments | **1** | 43 | – |
| Other receivables | **18** | 55 | 49 |
| | **285** | 356 | 296 |
| Total trade and other receivables | **1,853** | 1,504 | 1,549 |

## 15 Trade and other payables

| | **2026 first half unaudited £m** | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|
| **Current** | | | |
| Trade and other payables | **954** | 835 | 707 |
| Accruals | **1,030** | 917 | 895 |
| Contract retentions payable | **295** | 215 | 244 |
| Due to joint ventures and associates | **–** | 2 | – |
| VAT, payroll taxes and social security | **97** | 125 | 111 |
| Dividends on ordinary shares | **47** | 44 | – |
| | **2,423** | 2,138 | 1,957 |
| **Non-current** | | | |
| Accruals | **6** | 7 | 12 |
| Contract retentions payable | **103** | 81 | 88 |
| Due to joint ventures and associates | **–** | 3 | – |
| | **109** | 91 | 100 |
| Total trade and other payables | **2,532** | 2,229 | 2,057 |

## 16 Provisions

| | Contract provisions £m | Employee provisions £m | Other provisions £m | Total £m |
|---|---|---|---|---|
| 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 |
| Currency Translation differences | – | – | 1 | 1 |
| Reclassified to accruals | (2) | – | – | (2) |
| Charged/(credited) to the income statement: | | | | |
| – additional provisions | 114 | 4 | 5 | 123 |
| – unused amounts reversed | (8) | (1) | – | (9) |
| Utilised during the period | (66) | (3) | (2) | (71) |
| Transfer net movement in negative investment in joint venture held in provisions to investment in joint venture | – | – | (5) | (5) |
| At 31 December 2025 audited | 514 | 33 | 42 | 589 |
| Currency translation differences | **1** | **–** | **–** | **1** |
| Reclassified to accruals | **(1)** | **–** | **–** | **(1)** |
| Charged/(credited) to the income statement: | | | | |
| – additional provisions | **95** | **4** | **–** | **99** |
| – unused amounts reversed | **(6)** | **(1)** | **–** | **(7)** |
| Utilised during the period | **(50)** | **(3)** | **(2)** | **(55)** |
| At 26 June 2026 unaudited | **553** | **33** | **40** | **626** |

## 17 Notes to the statement of cash flows

### 17.1 Cash from operations

| | **Underlying items 2026 first half unaudited[1] £m** | **Non-underlying items 2026 first half unaudited £m** | **Total 2026 first half unaudited £m** | Total 2025 first half unaudited £m | Total 2025 year audited £m |
|---|---|---|---|---|---|
| Profit/(loss) from operations | **119** | **(10)** | **109** | 114 | 284 |
| Share of results of joint ventures and associates | **(24)** | **–** | **(24)** | (25) | (64) |
| Depreciation of property, plant and equipment | **13** | **–** | **13** | 16 | 30 |
| Depreciation of right-of-use assets | **38** | **–** | **38** | 33 | 68 |
| Depreciation of investment properties | **1** | **–** | **1** | 2 | 4 |
| Amortisation of other intangible assets | **3** | **1** | **4** | 4 | 9 |
| Amortisation of contract fulfilment assets | **4** | **–** | **4** | 15 | 12 |
| Pension payments including deficit funding | **(32)** | **–** | **(32)** | (8) | (10) |
| Movements relating to equity-settled share-based payments | **8** | **–** | **8** | 6 | 16 |
| Gain on disposal of interests in investments | **–** | **–** | **–** | (2) | (32) |
| Gain on disposal of Omnicom Balfour Beatty | **–** | **–** | **–** | – | (23) |
| Profit on disposal of property, plant and equipment | **(2)** | **–** | **(2)** | (2) | (3) |
| Other non-cash items | **–** | **–** | **–** | – | (4) |
| Operating cash flows before movements in working capital | **128** | **(9)** | **119** | 153 | 287 |
| Decrease/(increase) in operating working capital | | | **259** | 290 | 408 |
| Inventories | | | **18** | 4 | 2 |
| Contract assets | | | **(84)** | (85) | (19) |
| Trade and other receivables | | | **(274)** | (169) | (217) |
| Contract liabilities | | | **158** | 182 | 395 |
| Trade and other payables | | | **405** | 416 | 264 |
| Provisions | | | **36** | (58) | (17) |
| Cash from operations | | | **378** | 443 | 695 |

[1] Before non-underlying items (Note 8).

## 17 Notes to the statement of cash flows continued

### 17.2 Cash and cash equivalents

| | **2026 first half unaudited £m** | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|
| Cash and deposits | **1,229** | 1,174 | 1,191 |
| Term deposits | **718** | 393 | 476 |
| Cash balances within infrastructure investments | **135** | 236 | 193 |
| Bank overdrafts | **(83)** | (180) | (68) |
| | **1,999** | 1,623 | 1,792 |

### 17.3 Analysis of net cash/(borrowings)

| | **2026 first half unaudited £m** | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|
| Cash and cash equivalents (excluding infrastructure investments) | **1,947** | 1,567 | 1,667 |
| Bank overdrafts | **(83)** | (180) | (68) |
| US private placement | **(156)** | (150) | (153) |
| Net cash excluding infrastructure investments | **1,708** | 1,237 | 1,446 |
| Non-recourse infrastructure investments project finance loans at amortised cost with final maturity between 2026 and 2072 | **(622)** | (620) | (604) |
| Infrastructure investments cash and cash equivalents | **135** | 236 | 193 |
| | **(487)** | (384) | (411) |
| Net cash | **1,221** | 853 | 1,035 |

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 (2025: 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 26 June 2026 and 31 December 2025 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 (2025: first half £16m; 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: £115m (2025: first half £105m; full-year £134m) within construction project bank accounts which is used for project specific expenditure; £450m (2025: first-half £451m; full-year £425m) in relation to the Group's share of cash held by joint operations which is used for expenditure within the joint operation projects; and £135m (2025: first half £236m; full-year £193m) relating to maintenance and other reserve accounts in Infrastructure Investments subsidiaries, of which £105m (2025: first half £203m; full-year £164m) 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 2024 audited | (600) | (165) | (185) | (950) |
| Currency translation differences | 6 | 15 | – | 21 |
| Proceeds of loans | – | – | (180) | (180) |
| Repayments of loans | 4 | – | 185 | 189 |
| Loan indexation | (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) |
| Currency translation differences | (2) | (3) | – | (5) |
| Proceeds of loans | – | – | 112 | 112 |
| Repayments of loans – other | 4 | – | – | 4 |
| Repayments of loan – disposal of Foundry Court | 22 | – | – | 22 |
| Loan indexation | (5) | – | – | (5) |
| Amortisation of fair value adjustment to loan | (3) | – | – | (3) |
| At 31 December 2025 audited | (604) | (153) | (68) | (825) |
| Currency translation differences | **(1)** | **(3)** | **–** | **(4)** |
| Proceeds of loans | **(13)** | **–** | **(83)** | **(96)** |
| Repayments of loans | **4** | **–** | **68** | **72** |
| Loan indexation | **(5)** | **–** | **–** | **(5)** |
| Amortisation of fair value adjustment to loan | **(3)** | **–** | **–** | **(3)** |
| At 26 June 2026 unaudited | **(622)** | **(156)** | **(83)** | **(861)** |

In June 2026, the Group completed the refinancing of its core Revolving Credit Facility (RCF), which was set to expire in June 2028, replacing it with a new £515m facility that will expire in September 2031. The RCF has a further two one-year extension options, at the discretion of the lending banks. The RCF is no longer a Sustainability Linked Loan (SLL). The RCF remained undrawn at 26 June 2026.

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 a 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. As of 26 June 2026, 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 4.4 years and a weighted average coupon rate of 6.5% 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 | | **2026 first half unaudited %** | 2025 first half unaudited % | 2025 year audited % |
|---|---|---|---|---|
| Discount rate on obligations | | **5.90** | 5.55 | 5.50 |
| Inflation rate | – RPI | **3.05** | 3.00 | 2.90 |
| | – CPI* | **2.55** | 2.50 | 2.40 |
| Future increases in pensionable salary# | | **2.55** | 2.50 | 2.40 |
| Rate of increases in pensions in payment (or such other rate as is guaranteed)^ | | **2.90** | 2.05 | 2.80 |

* Actuarial assumption applied to the Railways Pension Scheme was 2.65% (2025: first half 2.65%; full-year 2.50%).
# Actuarial assumption applied to the Railways Pension Scheme was 2.65% (2025: first half 2.65%; full-year 2.50%).
^ Actuarial assumption applied to the Railways Pension Scheme was 2.75% (2025: first half 2.75%; full-year 2.60%).

| Amounts recognised in the balance sheet | **2026 first half unaudited £m** | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|
| Present value of obligations | **(2,439)** | (2,520) | (2,533) |
| Fair value of plan assets | **2,452** | 2,535 | 2,485 |
| Net assets in the balance sheet+ | **13** | 15 | (48) |

+ This amount represents the aggregate of the retirement benefit schemes in a net surplus position of £48m (2025: first half £57m; full-year £nil), and those in deficit of £35m at 26 June 2026 (2025: first half £42m; full-year £48m). 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 | **2026 first half unaudited £m** | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|
| Balfour Beatty Pension Fund | **48** | 57 | (9) |
| Railways Pension Scheme | **(4)** | (11) | (7) |
| Other schemes* | **(31)** | (31) | (32) |
| | **13** | 15 | (48) |

* Other schemes include the Group's deferred compensation obligations for which investments in mutual funds of £16m (2025: first half £14m; full-year £16m) are held by the Group to satisfy these obligations.

| Movements in the retirement benefit net assets for the period | | **2026 first half unaudited £m** | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|---|
| At beginning of period | | **(48)** | 2 | 2 |
| Currency translation differences | | **–** | – | 1 |
| Current service cost | | **(2)** | (1) | (2) |
| Net finance income | | **–** | 1 | 1 |
| Actuarial movements | – on obligations from reassessing the difference between RPI and CPI | **–** | – | 2 |
| | – on obligations from changes in demographic assumptions | **–** | – | (2) |
| | – on obligations from changes to other financial assumptions | **72** | 30 | 25 |
| | – on obligations from experience gains | **–** | – | (33) |
| | – on assets | **(43)** | (26) | (54) |
| Contributions from employer | – regular funding | **1** | 1 | 2 |
| | – ongoing deficit funding | **30** | 5 | 5 |
| Benefits paid | | **3** | 3 | 5 |
| At end of period | | **13** | 15 | (48) |

### 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 222 to 230, respectively, of the Annual Report and Accounts 2025.

The Group's balance sheet includes net retirement benefit assets of £13m (2025: first half £15m; full-year £48m liability) 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 2026, the Group recorded net actuarial gains on its relevant benefit schemes of £29m (2025: first half £4m net gains, full-year £62m net losses). An increase in corporate bond yields has more than offset the impact of an increase in inflationary expectations over the half-year, leading to a reduction in the present value of obligations from 31 December 2025 to 26 June 2026. Similarly, the assets fell in value over the first half of 2026, albeit to a lesser degree than the reduction in liabilities. The reduction in assets was driven by the liability hedging that is in place. The payment of deficit contributions of £30m to the BBPF in the period taken together with the net actuarial gains, meant that the net assets for the relevant schemes increased from a net liability of £48m to a net asset of £13m in the period.

Balfour Beatty and the trustees of the Balfour Beatty Pension Fund (BBPF) have reconfirmed their commitment to a journey plan approach to managing the BBPF with the aim of reaching self-sufficiency by 2026. The Company and trustees have now agreed the 31 March 2025 formal valuation and as a result, the Company made a deficit contribution to the BBPF of £30m in February 2026.

The Company and trustees of the Railways Pension Scheme (RPS) agreed the 31 December 2022 formal valuation in March 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. Discussions between the Group and the trustees to agree this triennial valuation are ongoing.

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 29 April 2026, the Pensions Schemes Bill received royal assent (becoming the Pension Schemes Act 2026), passing into law legislation which, in relation to validity issues arising from the Virgin Media ruling, gives affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards.

Given the legislative solution provided by the Pension Schemes Act 2026, the Group does not expect the Virgin Media ruling to give rise to any additional liabilities and so the defined benefit obligations for the BBPF and the RPS have not been adjusted and continue to reflect the benefits currently administered.

### 19 Share capital

During the half-year ended 26 June 2026, nil (2025: first half 1.3m; full-year 5.0m) shares were purchased for £nil (2025: first half £7m; full-year £31m) 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 sixth phase of its share buyback programme in 2026. As at 26 June 2026, the Company had purchased 12.9m (2025: first half 14.0m; full-year 24.2m) shares for a total consideration of £102m (2025: first half £65m; full-year £125m) and held those shares in treasury with no voting rights. The purchase of those shares, together with associated fees and stamp duty amounting to £1m (2025: first half £nil; full year: £1m), utilised £103m (2025: first half £65m; full-year £126m) of the Company's distributable profits and the cash paid in settlement during the period was £103m (2025: first half £65m; full-year £126m).

## 20 Disposals

During the half-year, the Group disposed of two Infrastructure Investments as detailed below. The gain recognised from the disposal of assets that were held within joint venture entities of the Group is recognised within the Group's share of results of joint ventures and associates.

| Notes | Disposal date | Asset Disposed | Cash consideration £m | Net assets disposed £m | Amount recycled from reserves £m | Underlying gain £m |
|---|---|---|---|---|---|---|
| **20.1** | 14 April 2026 | Vanderbilt# | 7 | (10) | 3 | – |
| **20.2** | 22 May 2026 | Chenal Pointe^ | 5 | (2) | – | 3 |
| | | | **12** | **(12)** | **3** | **3** |

# Disposal of joint venture

^ Disposal of asset within a joint venture entity. Proceeds from the sale within joint venture entities are included within Return of equity from joint ventures and associates in the statement of cash flows.

**20.1** On 14 April 2026, the Group completed the disposal of its 23% equity interest in Vanderbilt, a 616-bed student accommodation project located in Nashville Tennessee. The equity disposal resulted in a net gain of £nil being recognised in the income statement, comprising a loss on disposal of £3m, and a gain relating to the recycling of reserves to the income statement of £3m.

**20.2** On 22 May 2026, a joint venture in which the Group holds a 50% equity interest completed the disposal of Chenal Pointe at the Divide, a 260 unit multifamily property located in Little Rock, Arkansas. The Group's share of the gain on disposal was £3m.

## 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.

| Financial instruments at fair value | 2026 first half unaudited £m | 2025 first half unaudited £m | 2025 year audited £m |
|---|---|---|---|
| **Financial assets** | | | |
| **Level 1** | | | |
| Investments in mutual fund financial assets | **16** | 14 | 16 |
| **Level 3** | | | |
| PPP financial assets | **17** | 19 | 18 |
| Other investment assets | **2** | 2 | 2 |
| Total assets measured at fair value | **35** | 35 | 36 |
| | | | |
| **Financial liabilities** | | | |
| **Level 2** | | | |
| Financial liabilities – foreign currency contracts | **–** | (1) | – |
| Total liabilities measured at fair value | **–** | (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.

## 21 Financial instruments continued

### Fair value estimation continued

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.

For PPP financial assets, including those held in joint ventures and associates, a change in the discount rate by a 75 basis point increase/decrease (2025: first half 50 basis point increase/decrease, full-year 75 basis point increase/decrease) which represents management's assessment of a reasonably possible change in the risk-adjusted discount rate, would lead to a £23m decrease (2025: first half £21m; full-year £24m)/£25m increase (2025: first half £22m; full-year £28m) 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 £222m (2025: first half £207m, full-year £466m). 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.

## 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 2025.

## 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. This includes, but is not limited to, any new claims that may arise relating to fire safety regulations under the Building Safety Act. The Group assesses the likelihood of success of claims, actions or ongoing investigations, taking into consideration any legal advice received. No provision is made where the Directors consider 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 26 June 2026. 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 27 June 2026 to 10 August 2026 (the latest practicable date prior to the date of this report), the Company purchased 2.8m shares, which are currently held in treasury with no voting rights, for a total consideration of £24m (including associated fees and stamp duty).

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