

25 February 2026

MORGAN SINDALL GROUP PLC
(‘Morgan Sindall’ or ‘Group’)

RESULTS FOR THE FULL YEAR (FY) ENDED 31 DECEMBER 2025

Another record performance with strong dividend growth

Group Highlights

“Over the last year we achieved significant growth in adjusted² profit before tax, up 35% to £233m from the prior year. We also continued to make significant strategic progress across the wide number of sectors the Group operates in, entering 2026 with a record level secured orderbook and work at preferred bidder stage up 17% to £19.1bn from the prior year. As a result, the improved outlook has given us the confidence to increase the medium-term targets for both the Mixed Use Partnerships and Infrastructure divisions.

Our balance sheet, which is supported by a substantial average daily cash position, continues to allow us to focus on making the right decisions to drive long-term sustainable growth while also supporting strong returns to shareholders in the year, with the full year dividend increasing by 20% to 158p per share.

Over the last ten years we have delivered an 18% CAGR¹ for adjusted² profit before tax. This has been delivered by our decentralised operating model through each of our five empowered businesses based on our vision to harness the energy of our teams to achieve the improbable. Our performance is a result of their huge commitment, together with our deeply held Core Values, as they have responsibly overcome challenges and taken advantage of opportunities with pace and agility, while making their businesses even better.

Looking ahead, and despite some of the current headwinds in the housing market, we remain positive for the year ahead and are on track to deliver an outcome for 2026 which is in line with revised expectations as set out in our Trading Update released on 12 February 2026”.

John Morgan, Group Chief Executive

	FY 2025	FY 2024	Change
Revenue	£5,019m	£4,546m	+10%
Operating profit – adjusted ²	£225.7m	£162.6m	+39%
Profit before tax – adjusted ²	£232.6m	£172.5m	+35%
Earnings per share – adjusted ²	370.0p	278.8p	+33%
Year end net cash	£531m	£492m	+£39m
Total dividend per share	158.0p	131.5p	+20%
Operating profit – reported	£224.9m	£162.0m	+39%
Profit before tax – reported	£231.8m	£171.9m	+35%
Basic earnings per share – reported	372.1p	281.4p	+32%

1 Compound Annual Growth Rate

2 'Adjusted' is defined as before intangible amortisation of £0.4m and exceptional building safety charge of £0.4m. (FY 2024: before intangible amortisation of £0.5m and exceptional building safety charge £0.1m)

Highlights

- **Strong revenue growth once again delivers record results**
 - Revenue **up 10%** to £5.0bn
 - Adjusted profit before tax **up 35%** to £232.6m
 - PBTA margin expansion to 4.6% (FY 2024: 3.8%)
- **Continued balance sheet strength**
 - Net cash of £531m (FY 2024: £492m)
 - Average daily net cash of £368m (FY 2024: £374m)
- **High quality secured order book at £12.0bn up 5%, with preferred bidder work increasing to £7.1bn, totalling £19.1bn**
 - Partnerships £11.5bn, up 29% (FY 2024: £8.9bn)
 - Fit Out £1.8bn, slightly down 2% (FY 2024: £1.8bn)
 - Construction Services £5.8bn, up 4% (FY 2024: £5.6bn)
- **Total dividend up 20% to 158p per share (FY 2024: 131.5p)**
- **Continued leadership in sustainability**
 - MSCI 'AAA' rating retained again for Group's ESG performance
 - CDP 'A-' rating for Group's leadership on climate change

Divisional Highlights

	Revenue		Operating Profit ¹		Operating %		Orderbook	
	£m	Change	£m	Change	£m	Change	£m	Change
Partnership Housing	903	+5%	42.0	+16%	4.7%	+50bps	2,330	+7%
Mixed Use Partnerships	52	-43%	(5.3)	n/a	n/a	n/a	4,615	+13%
Fit Out	1,784	+37%	139.9	+41%	7.8%	+20bps	1,312	-9%
Construction	1,159	+11%	37.0	+20%	3.2%	+20bps	1,112	+17%
Property Services	212	-5%	2.0	n/a	0.9%	n/a	714	-20%
Infrastructure	935	-11%	37.2	-3%	4.0%	+30bps	1,890	-
Group/Eliminations	(26)	n/a	(27.1)	n/a	n/a	n/a	(1)	n/a
Total	5,019	+10%	225.7	+39%	4.5%	+90bps	11,972	+5%

¹ 'Adjusted' is defined as before intangible amortisation of £0.4m and exceptional building safety charge of £0.4m. (FY 2024: before intangible amortisation of £0.5m and exceptional building safety charge £0.1m)

Highlights

- A strong and resilient performance from **Partnership Housing**, despite the slow levels of activity in the private housing market, as the division continued to strengthen its long-term partnerships with the public sector through the award of a number of large strategic schemes to build over 6,000 homes over the next two decades. In the year, operating profit¹ increased by 16% to £42.0m (FY 2024: £36.1m) and revenue was up 5% to £903m (FY 2024: £861m). Average capital employed over the year increased to £446m (FY 2024: £338m), as the business continued to optimise investment in partnerships opportunities for future growth.
- Trading performance in **Mixed Use Partnerships** continued to reflect expensed investment costs for schemes planned to start on site in 2026 and those representing future opportunities, which resulted in an expected operating loss¹ in the period of £5.3m (FY 2024: Operating profit £1.5m), together with an average capital employed over the year of £125m (FY 2024: £87m). During the year the division converted 8 schemes previously at preferred bidder stage to signed development agreements, with six sizeable schemes at preferred bidder stage underpinning the long-term potential of this business.
- **Fit Out** delivered another significant and market-leading performance in the year; operating profit was up 41% to £139.9m (FY 2024: £99.0m), revenue up 37% to £1,784m (FY 2024: £1,300m) with an operating margin of 7.8% (FY 2024: 7.6%).
- **Construction** delivered a strong performance; operating profit¹ up 20% to £37.0m (FY 2024: £30.9m), revenue up 11% to £1,159m (FY 2024: £1,044m) delivering an operating margin of 3.2%, within its medium-term target range.
- Following the conclusion of its business remediation plan in 2024, **Property Services** delivered a modest operating profit of £2m in the year (FY 2024: Operating loss £17.8m). From the 1 January 2026, the division successfully integrated into the Construction division.
- Over the year **Infrastructure** commenced a number of early planning and design activities for recently awarded large frameworks; as a result operating profit was marginally down by 3% to £37.2m (FY 2024: £38.5m), revenue down 11% to £935m (FY 2024: £1,047m), while its operating margin expanded by 30 basis points to 4.0%, within its medium-term target range.
- As a result of the market position held, together with the quality of work secured and future prospects, the medium-term targets for Infrastructure and Mixed Use Partnerships have been increased as of 25th February 2026. These can be found on page 9.

Enquiries

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Presentation

- There will be an analyst and investor presentation at 9.00am at Bank of America, 2 King Edward Street, London, EC1A 1HQ, on 25 February 2026. Coffee and registration will be from 8.30am
- A copy of these results is available at: www.morgansindall.com
- The presentation will be available via live webcast from 9.00am on 25 February 2026 at www.morgansindall.com.

Cautionary forward-looking statement

These results contain forward-looking statements based on current expectations and assumptions. Various known and unknown risks, uncertainties and other factors may cause actual results to differ from any future results or developments expressed or implied from the forward-looking statements. Each forward-looking statement speaks only as of the date of this document. The Group accepts no obligation to publicly revise or update these forward-looking statements or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.

Note to Editors

Morgan Sindall Group plc, the Partnerships, Fit Out and Construction Services Group, reported annual revenues of £5bn in full year 2025, employing over 8,500 employees and operating in the public, regulated and private sectors. It reports through five divisions of Partnership Housing, Mixed Use Partnerships, Fit Out, Construction and Infrastructure.

Group Strategy

The Group's strategy is to deliver long-term organic growth, achieved through agility and decisions made over the short-term to benefit the long-term.

The Group consists of five decentralised divisions who each have the empowerment and responsibility to be entrepreneurial, allowing them to act with agility and pace to ensure they can maximise opportunities and act fast to mitigate risks in the markets and sectors that they operate in. They achieve this through alignment to structural growth drivers within their end markets and sectors, which feature strong demand together with high barriers to entry and are often underpinned by their customers' medium to long-term objectives. The Group is categorised into three areas; Partnerships, Fit Out and Construction Services.

The Group's recognised expertise in Partnerships is displayed through its market positions in social affordable housing, through the Partnership Housing division, and in place making through the Mixed Use Partnerships division. Both businesses reflect a deep understanding, expertise and application of creating partnerships, developed over many years together with their ability to provide solutions to deliver complex projects through various partnerships. As a result, their capabilities are aligned with sectors which support the UK's current and future regeneration and affordable housing needs.

Fit Out is the market leader in its field and delivers a consistently strong operational performance and together with Construction Services, generates cash resources to support the Group's investment in long-term housing and mixed-use schemes through partnerships.

Through Construction Services, the Group is also well positioned to meet the demand for ongoing investment in the UK's physical infrastructure, while its geographically diverse construction activities are focused on key areas of education and healthcare.

Group Structure

Under the three strategic lines of business of Partnerships, Fit Out and Construction Services, the Group is organised into five reporting divisions as follows:

Partnerships comprise of the following operations:

Partnership Housing: Focused on working in partnerships with local authorities and housing associations. Activities include mixed-tenure developments, building and developing homes for open market sale and for social/affordable rent, 'design & build' house contracting and limited refurbishment.

Mixed Use Partnerships: Focused on transforming the urban landscape through partnership working and the development of large forward-funded multi-phase sites and mixed use placemaking.

Fit Out

Focused on the fit out of office space with opportunities in commercial, central and local government offices and further education.

Construction Services comprise of the following operations:

Construction: Focused on the education, healthcare, commercial, industrial, leisure, retail markets and planned maintenance activities.

Infrastructure: Focused on the nuclear, energy, defence, rail, water, highways and aviation markets. It also includes the BakerHicks engineering design activities.

Notification of Board changes

The Company announces changes to the responsibilities of Mark Robson and Kelly Gangotra pursuant to UK Listing Rule 6.4.6 (3), following decisions of the Board on 24 February 2026.

Mark Robson

As part of a review of the Company's governance structure, the Board has agreed to dissolve the Responsible Business Committee. The Committee has played a significant role in shaping and overseeing the Group's health & safety and ESG strategies, guiding the development of objectives and monitoring progress across the business. Given the increasing maturity and strategic importance of these areas, and with overall responsibility for the Group's responsible business agenda sitting with the Chief Financial Officer, the Board determined that the Committee's oversight could be streamlined to avoid duplication and ensure consistent governance. As a result, the former responsibilities of the Responsible Business Committee will be reallocated between the Board and the Audit Committee, as appropriate.

Following the dissolution of the Committee and his stepping down as Chair, Mark Robson has been appointed as a member of the Audit Committee with immediate effect.

Kelly Gangotra

With effect from 1 April 2026, Kelly Gangotra's responsibilities will be expanded to include those previously held by the Group Commercial Director, who has retired and whose role will not be independently replaced. To reflect the broadened scope of her responsibilities, Kelly's job title will change to 'Chief Financial and Commercial Officer'.

Basis of preparation

In addition to presenting the financial performance of the business on a statutory basis, adjusted performance measures are also disclosed. Refer to the Other Financial Information section which sets out the basis for the calculations. These measures are not an alternative or substitute to statutory UK IAS measures, however, are seen as more useful in assessing the performance of the business on a comparable basis and are used by management to monitor the performance of the Group.

In all cases the term 'adjusted' excludes the impact of intangible amortisation of £0.4m and an exceptional building safety charge of £0.4m. For FY 2024, 'adjusted' excluded the impact of intangible amortisation of £0.5m and the exceptional building safety charge of £0.1m.

Summary Group Financial Results

The Group delivered a strong performance in 2025, with a significant contribution from the Fit Out division. Group revenue increased by 10% up to £5,019m (FY 2024: £4,546m), while adjusted operating profit increased by 39% to £225.7m (FY 2024: £162.6m). Adjusted operating margin was 4.5%, 90bps higher than the prior year (FY 2024: 3.6%).

Net finance income in the year was £6.9m (FY 2024: £9.9m) resulting in adjusted profit before tax of £232.6m, up 35% (FY 2024: £172.5m).

The adjusted tax charge for the year was £58.7m (statutory tax charge of £56.9m), an effective rate of 25.2% on adjusted profit before tax (UK statutory rate for the year of 25%).

The adjusted earnings per share increased 33% to 370.0p (FY 2024: 278.8p), while the statutory basic earnings per share of 372.1p was also up 32% (FY 2024: 281.4p).

The Group continued to maintain its high-quality secured order book of £11,972m at the end of the year, up 5% on the prior year end position (FY 2024: £11,419m). Maintaining contract selectivity and bidding discipline to ensure there remains the appropriate risk balance in the order book continues to be of critical importance to the future success of the Group, particularly on long-term agreements.

Net cash at the year-end was £531m (FY 2024: £492m) and the average daily net cash for the year was £368m (FY 2024: £374m). Of this total, £37m was held in jointly controlled operations or held for future payment to designated suppliers (JVs/PBAs).

Operating cash flow for the year was an inflow of £195.9m (FY 2024: inflow of £134.8m), which included an adjusted working capital outflow of £21.0m, resulting in an operating cash flow representing 87% of adjusted operating profit. Net investments in Partnerships, predominantly Partnership Housing, increased by £124.6m, as it has continued to invest in developing its new sites, while also being impacted by the slowdown in the housing market in respect of private house sales.

Looking ahead, the Group currently expects that the average daily net cash for 2026 to be in excess of £400m.

The proposed final dividend has increased by 20% to 108.0p per share (FY 2024: 90.0p), resulting in a total dividend for the year of 158.0p per share (FY 2024: 131.5p), an increase of 20% and represents dividend cover of 2.4x. This reflects the Group's significant performance in the year, its strong balance sheet and the Board's confidence in the long-term future prospects of the Group.

As part of the Capital Allocation Framework set out below, the Board's dividend policy is to maintain annual dividend cover in the range of 2.0x-2.5x.

General Market Conditions

Despite some of the current market headwinds, the Group remains confident of the strength of the markets in which it operates in over the medium and long-term.

The fundamentals for the Fit Out market continue to remain favourable. While UK construction and partnership programmes are expected to benefit from the recent government investment commitments announced in the June 2025 Spending Review and subsequent Autumn Budget, together with the continued supportive market environment within the energy infrastructure sector. These investments are expected to support both government and regulatory target objectives over the medium to long-term, noting that the pace of delivering against these commitments will be key.

Elsewhere, following a year of slow housing and apartment sales activity in the private housing market, a gradual pace of recovery is expected over the forthcoming year as affordability constraints are expected to slowly ease with the lowering of interest rates, while planning reforms progress at a moderate pace.

Against the backdrop of the affordable home targets set out by government in 2024, the Group welcomed the investment commitments made in the Spending Review to support the delivery of these targets over the medium-term. Notably through the launch of the National Housing Bank, which includes £16bn of new public investment to unlock and bring forward large and complex sites at pace through the provision of infrastructure finance and guarantees, while also unlocking private investment. This was followed by an established Affordable Homes Programme, with UK government's commitment to invest £39bn over 10 years. Importantly, the social housing sector will also benefit from a 10-year rent settlement that allows landlords to raise rents by 1% above inflation, providing housing associations both medium and long-term visibility over revenues and therefore support earlier investment planning decisions.

In Fit Out, business and market changes impacting tenants continue to be a robust and supportive driver, ranging from more regular lease events with a resurgence of refurbishments and retrofit schemes, to prioritising the need for sustainability and energy efficiency from high quality offices, together with more flexible and collaborative workspaces.

In other well-established sectors for the Group, the Spending Review announced an increase in planned spending commitments in Defence, Transport, Nuclear, Energy and Education, providing several attractive long-term bidding opportunities for Construction, Infrastructure as well as Partnership Housing.

2026 Outlook

Looking ahead, and despite some of the current headwinds in the housing market, the Group remains positive for the year ahead and is on track to deliver an outcome for 2026 which is in line with its revised expectations set out in its Trading Update released on 12 February 2026. The 2026 outlook for each division is detailed in the Divisional Review.

Medium-term divisional targets

To provide a framework for future performance, each division operates to a medium-term financial target or set of targets (the 'target' or 'targets') and are referred to in the Divisional Review.

As a result of current performance, the quality of returns within the work secured, market position held together with future prospects, the medium-term targets for Fit Out and Construction were increased as of 29th July 2025 as part of the interim results announcement.

Subsequently, and on the same basis, the medium-term targets for Infrastructure and Mixed Use Partnerships have also been increased as of 25th February 2026.

Division	Medium-term target
Partnership Housing	Operating margin of 8% / return on capital up towards 25% <i>(Unchanged)</i>
Mixed Use Partnerships	Return on capital up towards 30% <i>(Previously return on capital up towards 25%)</i>
Fit Out	Annual operating profit of £80m - £100m <i>(Unchanged)</i>
Construction	Operating margin of 3.0% - 3.5% pa Revenue > £1.5bn ¹ <i>(Unchanged)</i>
Infrastructure	Operating margin of 3.75% - 4.25% pa Revenue up towards £1.5bn <i>(Previously Revenue > £1bn, no change to operating margin)</i>

¹ Includes Property Services (FY 2025 revenue of £212m)

Capital allocation framework

The Board's single, overarching principle governing capital allocation is a commitment to maintain a strong balance sheet and to hold significant net cash balances at all times. This will provide a stable and firm foundation for the Group to make sound decisions for its long-term development, thereby enhancing its competitive advantage and future work winning efforts.

As stated in the Group Operating Review above, the Group's net cash at 31 December 2025 was £531m (FY 2024: £492m) and the average daily net cash for the year was £368m (FY 2024: £374m). The year end cash position included £37m held in jointly controlled operations or held for future payment to designated suppliers.

Over the course of 2025, the lowest net cash balance on any one day in the year was £270m (FY 2024: £293m). Of this, £43m was held in jointly controlled operations or held for future payment to designated suppliers. The Board uses this net cash balance on the lowest day of the year as the initial reference point from which it then considers its application of its capital allocation hierarchy. This allows it to balance the needs of all stakeholders, whilst enhancing the Group's market competitiveness and capabilities and maintaining its financial strength.

The Group's capital allocation hierarchy comprises:

Maintaining a strong balance sheet

- To enhance its competitive advantage and win future work

Fundamental to the Group's organic growth strategy is engaging in long-term partnerships with its public and private sector clients, whether it be through joint ventures or other arrangements in its Partnership activities, or through frameworks in its Construction Services activities.

When assessing the suitability of long-term partners, potential clients across our entire business portfolio are increasingly looking for security and assurance of long-term solvency and the availability of cash resources to ensure their partners can fulfil their long-term contractual obligations. A strong balance sheet and significant levels of net cash are considered by the Group to be a key market differentiator and a competitive advantage when bidding and winning future work to support the future growth of the business.

- To ensure downside protection - maintaining a 'buffer' in the event of a macro downturn

Maintaining significant levels of net cash is considered as key to offsetting any potential consequence of a future downturn in the economy and reduction in revenue in the activities of Fit Out and Construction Services. These activities operate with a negative working capital model, which in turn can lead to cash outflows in the event of declines in revenue. Maintaining a net cash 'buffer' therefore allows the Group to continue with its strategy of disciplined contract selectivity and prudent approach to risk management throughout the whole economic cycle.

Maximising investment in Partnership activities to drive sustainable growth

Significant opportunities are expected to arise through the medium and long term to invest in the existing partnership businesses, to support and accelerate the organic growth of their activities which remains a strategic priority:

- For [Partnership Housing](#), the growth potential remains substantial despite the market headwinds experienced over the last 12-24 months. The medium-term target is for an operating margin of 8% and for return on capital to be up towards 25% on an annual basis.

The capital employed has increased significantly over the last 5 years, up from an average of £150.9m in 2020 to an average of £445.7m in 2025. The scalability of the partnership

housing model provides the potential to further increase the capital employed above current levels over the medium-term.

- Within **Mixed Use Partnerships**, its longer-term development activities across multi-phase sites and place making are targeted to generate return on capital up towards 30% on an annual basis over the medium term.

The capital employed in this division is expected to be less capital intensive relative to Partnership Housing. In 2025 its average capital employed was £125.1m. Further, a more capital efficient structure is expected from its current secured development orderbook, as well as those at preferred bidder stage together with its identified pipeline of future opportunities. As a result, the capital employed in the division is expected to increase modestly over the medium-term.

Ordinary returns to shareholders

Ordinary dividends are an important component of shareholder returns. The Board has previously formally adopted a dividend policy such that dividend cover is expected to be in the range of 2.0x-2.5x on an annual basis.

Investment by acquisition to accelerate sustainable growth

Any acquisition activity will likely be targeted towards the Group's partnership activities, primarily Partnership Housing. The focus would be on opportunities to complement the existing organic growth strategy by acquiring pre-existing partnership development schemes, land options, positions in existing schemes from third parties or businesses which can complement or reinforce the division's position in the partnerships sector.

Other potential acquisition opportunities across the Group's construction and fit out activities would only be considered where they would accelerate growth through the existing divisional structure and capabilities.

Special returns to shareholders

The Board will continue to assess the needs of the business and the optimum balance sheet structure within the context of the overarching principle governing capital allocation and the hierarchy described above. Any capital then deemed surplus above these requirements may be returned to shareholders.

Such returns would be in the form of either share buybacks or special dividends, with the method of distribution to be determined by the Board at the time based on prevailing conditions.

Environmental & Social Summary

The Group continues to prioritise the delivery of improved environmental, social and governance (ESG) outcomes which are pivotal to securing work, building trust among our customers and reinforcing our reputation. By acting against five Total Commitments, our divisions are driving sustainable growth while delivering long-term value for the communities we serve.

In early 2025, the Group retained its 'AAA' MSCI rating for the fifth consecutive year and achieved an 'A-' for CDP Climate¹. Furthermore, we were named as a 2025 European Climate Leader by the Financial Times and a 'Low Carbon Leader' by Sustainalytics for our climate transition strategy. In 2024, the Group published its Climate Transition Plan, detailing our strategy to meet our medium and long-term science-based targets, including our commitment to achieving a 90% reduction in Scope 1, 2 and 3 emissions by 2045^{2,3}.

In addition to our decarbonisation focus, the Group is committed to delivering projects in ways that leave a positive legacy on society – one that prioritises social, economic and community impact. With social value making up an increasingly significant proportion of competitive bids and tenders, we adopt a variety of third-party verified methodologies to demonstrate our impact. In 2025, we onboarded all divisions onto the Social Value Portal who determined that the Group delivered c.£2bn in validated social value in 2025⁴.

For full details of our ESG progress, including detailed performance, metrics and KPIs, please see the responsible business section in our 2025 Annual Report & Accounts and our Responsible Business Data Sheet which will be published on 24th March 2026 at: www.morgansindall.com.

Environmental

Morgan Sindall Group was the third construction company globally to submit its carbon targets for validation by the Science Based Targets initiative (SBTi) in 2017 and, in 2023, we revalidated our commitments to align to a more ambitious 1.5°C reduction scenario. Subsequently, we retained our target to reduce our Scope 1 and 2 emissions by 60% for 2030, and a stretch target to deliver a 90% reduction by 2045. We also set a Scope 3 reduction commitment targeting a 42% reduction by 2030 and a 90% reduction by 2045 against a 2020 baseline to meet net zero.

As of 2025, the Group remains on track to achieve its medium-term climate ambitions⁵. Since 2019, we have achieved a 55% reduction in our Scope 1 and 2 emissions. In 2025, the Group expanded its voluntary environmental data disclosure, including further external validation of Scope 3 data across our divisions⁶. Work to re-baseline our Scope 3 emissions in line with updated methodologies also took place, resulting in a 1% increase year-on-year. In 2026 we will undertake further work to target and accelerate our Scope 3 reduction efforts.

Beyond our direct operations, we empower customers, teams and partners to reduce and avoid emissions associated with projects. Since 2021, our RICS-approved carbon intelligence tool CarboniCa has been used on over 840 projects. The industry-leading software undertakes a Whole Life Carbon Assessment (WLCA) of a project to highlight its most carbon-intensive elements and recommend lower-carbon alternatives. By deploying this early in the design phase, CarboniCa continues to generate significant emissions savings for our business and customers.

To reach our 2045 net zero commitment, we will use credible UK-certified offsets on our residual emissions. Our strategy is to invest in high-quality natural capital projects and offsets that contribute to a healthier climate for local communities. As of 2025, work on our legacy natural capital projects has now completed. A summary of our 2025 environmental highlights include:

- A 55% reduction in Scope 1 and Scope 2 emissions since 2019
- A 1% increase in Scope 3 emissions year-on-year
- 99% of the Group's car fleet are hybrid and electric vehicles
- > 840 projects have implemented CarboniCa, our intelligent carbon software since 2020

Social

With over 80 offices and a nationwide supply chain network, our activities have a broad reach across the UK. Furthermore, with hundreds of projects up and down the country, we recognise the opportunity we have to make a positive impact on the communities where we live and work. Our longstanding relationships with supply chain partners are essential to successful delivery. In 2025, we grew our Morgan Sindall Supply Chain Family to 423 members (FY 2024: 414), who benefit from tailored training, advice, support and dedicated relationship teams. We also believe in supporting local businesses, which aligns with our decentralised philosophy and responsible business strategy. In 2025, 64% of Group spend was with small and medium-sized enterprises.

Our 8,500 employees are the lifeblood of our business and we depend on them to drive excellence and exceed stakeholder expectations every day. In 2025, we reinforced our commitment to zero harm by reinforcing our culture of safety across the Group. During the year, our lost time incident rate (LTIR) fell to 0.18 – which is now in line with our 2030 target (FY 2024: 0.23). We also continued to support and develop our people, delivering over 32,000 training days (3.9 days per employee), in addition to securing new opportunities for the next generation by providing apprenticeship roles, graduate schemes, structured training initiatives and student placements.

As a business that operates at the heart of communities, it is important that we measure the impact our activities have on society. Our divisions adopt a wide range of third-party verified tools to measure and quantify the value their projects generate for clients, suppliers and communities. During the year, we delivered over c£2bn in validated social value via SVP⁴. Divisions also participated in a wide range of activities throughout the year, aligned to our new enhancing communities framework which will target and track progress across three social value pillars, including: employment, training and skills provision; improving social and economic health and wellbeing; and building resilience through climate adaptation and mitigation. A summary of our 2025 social highlights include:

- c£2bn billion delivered in social value in 2025 as determined by the Social Value Portal
- 98% of supplier invoices paid within 60 days in the second half of 2025
- 64% of spend was with regional SMEs and 77% with Supply Chain Family members
- LTIR reduced to 0.18 – in line with our 2030 target (FY 2024: 0.23)
- >32,000 training days delivered (representing an average of 3.9 training days per employee) (FY 2024: >26,000 days, representing an average of 3.2 training days per employee)

1. *The Group uses MSCI and CDP to gauge ongoing responsible business performance. Both MSCI and CDP provide decision support services for the global investment community and are used by most major stakeholders.*
2. *Scope 1 & 2 emissions include those generated from owned/controlled sources plus indirect emissions from purchased electricity. The Group's Scope 3 emissions refer to the 15 emissions categories from the GHG Protocol. The Group has excluded categories 2, 9, 13 and 14 as these are immaterial to our business activities. Scope 3 emissions account for much of our total footprint.*
3. *Our net zero targets are approved by the Science Based Targets initiative (SBTi) and the remaining 10% of residual carbon emissions will be offset using high quality UK-based offsets.*
4. *The Social Value Portal is an accounting tool based on the national Themes, Outcomes and Measures (TOMSTM) framework. It is compatible with major ESG frameworks, endorsed by the Local Government Association and used by many public sector organisations. In 2025, our social value figure was validated by SVP based on completed projects tracked in the portal in the year. Previously we reported cumulative social value tracked on the platform, however with the onboarding of all divisions onto SVP in 2025, we will report our annual contribution moving forward.*
5. *The Group's medium-term science-based targets refer to a 60% reduction in Scope 1 and 2 emissions and a 42% reduction in Scope 3 emissions by 2030, with long-term targets aiming for a 90% reduction across all carbon emissions (Scope 1, 2 and 3) by 2045.*
6. *The Group's 20,000 owned Peatland Carbon Units (PCUs) will be used to offset its residual emissions as part of its net zero targets.*

Partnership Housing

	FY 2025	FY 2024	Change
	£m	£m	
Revenue	903	861	5%
Operating profit ¹	42.0	36.1	16%
Operating margin	4.7%	4.2%	+50bps
Average capital employed ^{1,2} (last 12 months)	445.7	337.8	107.9
Capital employed ^{1,2} (at year end)	451.9	318.7	133.2
ROCE ^{1,3} (last 12 months)	10%	11%	

Throughout the year, challenging market conditions continued to impact the private housing market as consumer confidence continued to be adversely affected. Notwithstanding this, the division delivered both a resilient and strong performance as it continued to invest and grow its long-term partnerships with local authorities and housing associations with momentum. Notable appointments in the year included being preferred developer on the Druids Heath regeneration scheme with Birmingham City Council to build around 3,500 new homes over the next two decades, and progression of Partnership agreements with Barnet Council and Cardiff Council and Vale of Glamorgan Council to deliver 3,000 new homes over the next ten years.

Demand for contracting with the public sector has remained strong, shielding the impact from lower open market sales activity within the mixed-tenure activities, where the division has been successful in optimising construction of the contracted affordable homes on mixed-tenure sites to maintain activity.

For the year, revenue was up 5% to £903m (FY 2024: £861m), driven by Contracting which was up 13% to £638m (71% of divisional total) compared to the prior year. Mixed-tenure revenue declined by 11% to £265m (29% of divisional total) compared to the prior year.

Despite the revenue mix profile, both contracting and mixed-tenure activities achieved stronger margins over the year, led by the contract type and the mix of development schemes delivered, resulting in operating profit¹ increasing by 16% to £42.0m (FY 2024: £36.1m) with an operating margin of 4.7% (FY 2024: 4.2%).

As the business continued with its strategy to optimise investment in partnerships opportunities for future growth, capital invested in housing and apartment products launched in the London market over the course of the year has been impacted by slower sales activity as a result of low consumer sentiment affected by ongoing affordability constraints. Reflective of both factors, the average capital employed¹ for the last 12-month period increased by £107.9m to £445.7m (FY 2024: £337.8m). The capital employed¹ at the end of the year was £451.9m, an increase of £133.2m on the prior year (FY 2024: £318.7m). As a result of the higher average capital employed, the overall ROCE² for the last 12-month period reduced slightly to 10% (FY 2024: 11%).

The division continues to maintain a high-quality secured order book, through ongoing successful client engagement leading to work being awarded through two-stage tenders, frameworks or through direct negotiation. The secured order book at the year-end was £2,330m, 7% higher than the prior year end (FY 2024: £2,174m) and with 60% of its total value for 2027 and beyond providing long-term visibility of workload.

Mixed Tenure

Good progress was made with the strategy of increasing the number and size of mixed-tenure sites. At the year end, the division had 70 active mixed-tenure sites at various stages of

construction and sales, up from 66 at the prior year end, with an average of 172 open market units per site (up from 166 at the prior year end). Average site duration is 55 months, providing long-term visibility of activity.

During the year, 1,531 units were completed across open market sales and social housing (including through its joint ventures) compared to 1,808 units in 2024, noting that the number of open market sales within this declined by 10% to 785. Encouragingly, the average sales price increased by 11% to £262k (FY 2024: £237k) due to the geographical and product type mix profile.

Of the total divisional order book, the amount relating to mixed-tenure activities increased by 18% to £1,541m (2024: £1,310m). In addition, the amount of mixed-tenure business at preferred bidder stage, or already under development agreement but where land has not been drawn down, was £1,283m at the year-end (FY 2024: £1,200m).

Notable work won in the year included a 2,500-home, 27-development partnership with Cardiff and Vale of Glamorgan Councils, 500 homes with Barnet Council for phase 1 of their Grahame Park estate, and an 820-home scheme in Barnstaple in partnership with LiveWest. Preferred developer status was awarded by Birmingham City Council, to partner with them on the 3,500-home development in Druids Heath, and by North Yorkshire Council as their development partner for over 800 homes across North Yorkshire. In addition, Partnership Housing was appointed master developer for a 1,000-home development in Barnsley West.

During the year, the division's existing partnership with Suffolk County Council achieved a key milestone by commencing its first project in Newmarket, while the first two sales outlets opened from its partnership with West Sussex County Council. Elsewhere, good progress continued to be made on other mixed-tenure schemes, in partnerships with Abri, Clarion Housing, Flagship Housing Limited, L&Q, Repton Property Developments (owned by Norfolk County Council), Riverside Group, the Borough Council of King's Lynn & West Norfolk, Together Housing Group, Peabody, Pobl Group, and Homes England.

Contracting

The division continued to experience robust levels of demand with clients awarding work either through frameworks or direct negotiation. The total number of equivalent units built increased by 12% to 3,687, up from 3,299 in the prior year. Of the total divisional order book, the contracting secured order book declined by 9% to £789m (FY 2024: £863m), of which c40% is for 2026 and beyond. Noting that £1,482m of contracting work was at preferred bidder stage, providing confidence of a sizeable ongoing workload for the forthcoming periods.

Key contracting schemes awarded included a c.£51m scheme with Guinness Homes in Southend; an £18m scheme with EMH Group to build phase 2 at Standard Hill in Leicestershire; the £50m phase 7 at Perrybrook, Gloucester with Platform Housing Group; a £31m Extra Care scheme in Norfolk for Saffron Housing Trust; a £19m follow-on phase at Barne Barton, Plymouth for Clarion Housing; the £12m Crick Road phase 3 for Monmouthshire County Council; a £10m development for Thirteen Group near Spencerbeck Farm in Ormsby; and a £21m refurbishment contract at Hospital Close for Leicester City Council. The division is also preferred bidder for phase 1 of a scheme in Thanet for Riverside, valued at around £70m.

Divisional outlook for Partnership Housing

Partnership Housing's medium-term targets are to generate a return on average capital employed up towards 25% and to deliver an operating margin of 8%.

Looking ahead to 2026, we remain thoughtful over the pace of demand recovery with regards to open market sales and expect the return of consumer confidence to be gradual. Solid profit growth is expected in the year, while the return on average capital employed^{1,2} is expected to be in line with 2025 levels, reflecting a modest return of demand while we continue to invest.

Operating Review

We continue to remain confident over the medium-term fundamentals of the sector and remain well positioned to support the Government's affordable home plans across the country over the forthcoming years.

The average capital employed^{1,2} is expected to increase up towards c£490m to £550m, reflecting the increased scale of the business and the stage of its developments.

¹ Before exceptional Building Safety Credit of £0.6m (FY 2024: Charge of £2.7m). See Note 2 of the consolidated financial statements

² Capital Employed is calculated as total assets (excluding goodwill, intangibles and cash) less total liabilities (excluding exceptional Building Safety provisions, corporation tax, deferred tax, inter-company financing and overdrafts)

³ Return on Average Capital Employed = (Adjusted operating profit plus interest from JVs) divided by average capital employed

Mixed Use Partnerships

	FY 2025	FY 2024	Change
	£m	£m	
Revenue	52	91	n/a
Operating profit ¹	(5.3)	1.5	n/a
Average capital employed ² (last 12 months)	125.1	86.9	38.2
Capital employed ² (at year end)	151.6	94.4	57.2
ROCE ³ (last 12 months)	(4%)	2%	

As expected, in the year Mixed Use Partnerships reported a loss, which included increased investment expenditure in schemes yet to start on site and in schemes which represent future opportunities for the division. Notwithstanding this, the division generated profits from a land sale at Basford in Crewe, as well as profits from schemes on site including offices for the Ministry of Defence in Blackpool, the Willohaus and C2 buildings in Salford, Stroudley Walk, and a travel hub in Prestwich.

Importantly, the division continued to build on its prior year successes over the year by converting 8 schemes previously at preferred bidder stage to signed development agreements, with six sizeable schemes at preferred bidder stage at the end of 2025.

Capital invested in a London scheme which launched its apartment products during 2025 into a weak London market impacted returns for the division due to low consumer sentiment affected by ongoing affordability constraints. Reflective of this and the trading performance during the year, the ROCE³ for the last 12 months was significantly down on the prior year, based on average capital employed² of £125.1m.

At the end of the year, the division's order book amounted to £4,615m, 13% ahead of the prior year end (FY 2024: £4,085m), reflecting the success the division has had in converting a number of preferred bidder schemes into new and secured long-term partnership agreements. These include agreements with:

- Wakefield Council, to accelerate delivery of the city's regeneration plans;
- West Northamptonshire Council, for the regeneration of Greyfriars in Northampton through English Cities Fund (ECF), the division's joint venture with Homes England and Legal & General;
- Hull City Council, for the 850-home East Bank Urban Village, also with ECF;
- Wythenshawe Community Housing Group and Manchester City Council, to advance delivery of the first phases of new homes in Wythenshawe town centre;
- Stevenage Borough Council, to develop a masterplan and vision for Station Gateway in Stevenage, through ECF;

- Durham County Council, to deliver the first phase of the Durham Innovation District at Aykley Heads; and
- Salford City Council, to regenerate Eccles town centre.

In the second half of the year, the division was selected as preferred bidder by Bristol Temple Quarter LLP for Temple Meads West and St Philip's Marsh; and by Gateshead Council for the regeneration of the Baltic Quarter, through ECF. Since the year end, also through ECF, the division was appointed by Westmorland and Furness Council as strategic development partner for Marina Village, Barrow.

During the year, as part of the mixed-use regeneration scheme at Talbot Gateway in Blackpool, the division completed a 215,000 sq ft workplace for the Department for Work and Pensions and began construction on a 53,000 sq ft workplace for the Ministry of Defence. Construction also started on a four-storey travel hub as part of the first phase of the Prestwich Village regeneration; and infrastructure works began at Weston M6, a commercial and business park in Crewe designed to prioritise the health and wellbeing of employees and visitors.

Progress continued across other active schemes, including two in Salford through ECF: C2, a residential building containing 196 build-to-rent homes, and Willohaus, an affordable Passivhaus apartment building. At Stroudley Walk in Bromley-by-Bow, the first phase of affordable homes was handed over.

The ECF partnership secured planning approval for a number of developments, including the first phase of the St Helens town centre regeneration; Stockport 8, a 'walkable neighbourhood' with green space and leisure facilities; a world-leading acoustics facility as part of the Crescent Salford master plan; and Smithgate, a new city centre neighbourhood in Wolverhampton. Working with local authority partners, the division also secured planning approval for the regeneration of Oldham town centre, a new culture hub in Wythenshawe and 244 affordable homes in Horsham.

ECF submitted planning applications during the year for a new city centre neighbourhood in Bradford and 185 new homes as part of Crescent Salford. Planning applications were submitted by Mixed Use Partnerships for Slough's North West Quadrant and Mell Square in Solihull.

The division's Habiko partnership with Pension Insurance Corporation and Homes England announced its first two sites, Chester and Warrington, for the delivery of 590 new affordable, sustainable homes.

The division's development portfolio included 7 projects on site at the end of the year, totalling £205m GDV⁴, with a further 17 planned to start in 2026 with a GDV of £448m.

Divisional outlook for Mixed Use Partnerships

Given the Board's increased confidence in the long-term prospects for this division, the medium-term target for Mixed Use Partnerships has been increased to generate a return on capital up towards 30%.

While the division has experienced a substantial increase to its development order book for a number of long-term sizeable schemes over the last two years, profits (and the resulting ROCE^{1,3}) in 2026 are expected to be modest as the division prioritises the number of schemes starting on site. The average capital employed for the year is expected to be between c£125m and £140m.

¹ Before exceptional Building Safety Credit of £0.6m (FY 2024: Credit of £5.9m). See Note 2 of the consolidated financial statements

² Capital Employed is calculated as total assets (excluding goodwill, intangibles and cash) less total liabilities (excluding exceptional Building Safety provisions, corporation tax, deferred tax, inter-company financing and overdrafts)

³ Return on Average Capital Employed = (Adjusted operating profit plus interest from JVs) divided by average capital employed

⁴ Gross development value

Fit Out

	FY 2025	FY 2024	Change
	£m	£m	
Revenue	1,784	1,300	+37%
Operating profit	139.9	99.0	+41%
Operating margin	7.8%	7.6%	+20 bps

Fit Out delivered another market-leading performance in the year, enjoying significant growth for both revenue and operating profit. With revenue increasing by 37% to £1,784m (FY 2024: £1,300m), operating profit was up 41% to £139.9m (FY 2024: £99.0m) resulting in further margin expansion to 7.8% (FY 2024: 7.6%), as the division continued to benefit from exceptional volumes in a transitional competitive environment together with operational leverage. The excellent performance delivered in the year is underpinned by consistent operational delivery and an enhanced customer experience, complemented by a high-quality workload through disciplined and focused bidding, which in turn supports the division's strong brand reputation and market position.

The overall balance of the business has been reasonably consistent over recent years, with any movements in geography, type of work and sectors served not indicative of any longer-term trends.

The London region continued to generate a strong proportion of the division's revenue, accounting for 75% of revenue (FY 2024: 72%), while other key regions accounted for the balance of revenue, reinforcing Fit Out's focused but agile approach to its markets and understanding of its own capabilities and skills.

There was no significant change to the market sectors served. The commercial office market remained the largest, contributing 87% of revenue (FY 2024: 86%), with higher education amounting to 4% of revenue (FY 2024: 6%), government/local authority representing 6% (FY 2024: 6%), and other sectors covering the remaining 3% of revenue (FY 2024: 2%).

In terms of type of work delivered in the year, 88% related to traditional fit out work (FY 2024: 86%), while 12% related to 'design and build' (FY 2024: 14%). The proportion of revenue generated from the fit out of existing office space was 73% (FY 2024: 82%), with the remainder attributable to the fit out of new office space. Of the fit out of existing office space, 49% of the work was refurbishment 'in occupation' compared to 51% where work was performed in non-occupied space.

At the year end, the secured order book was £1,312m, a reduction of 9% from the previous year end (FY 2024: £1,439m), reflecting the normalisation in volumes for the period ahead. Of this total, £1,220m (93%) relates to 2026, 11pts higher than it was at the same time last year for the 12-month look ahead.

Commercial

Notable projects won in London during the year included HSBC (592,000 sq ft); Clifford Chance at Aldermanbury Square (320,000 sq ft), Octopus Group on Giltspur Street (90,000 sq ft); Standard Chartered Bank near Moorgate (78,000 sq ft); Dentons UK and Middle East (77,500 sq ft); Morgan Lewis on Fleet Street (76,000 sq ft); and Premier League Studios at One Olympia (73,000 sq ft).

Key regional project wins included Bank of New York in Manchester (200,000 sq ft), CooperVision in Southampton (164,000 sq ft); YASA in Bicester (87,000 sq ft); two projects for Arm, in

Operating Review

Cambridge (110,000 sq ft) and Manchester (70,000 sq ft); British Airways in Newcastle (77,000 sq ft); and Aviva in Bristol (65,000 sq ft).

Commercial fit out projects on site or completed in London included Citi in Canary Wharf; PwC at More London (380,000 sq ft); A&O Shearman at 2 Broadgate (355,000 sq ft); Latham & Watkins on Leadenhall Street (277,000 sq ft); Unilever in Kingston-upon-Thames (182,000 sq ft); Travers Smith (155,000); JLL at 1 Broadgate (90,000 sq ft); Aviva at 80 Fenchurch Street (109,000 sq ft); two projects for Deloitte at New Street Square (totalling 99,500 sq ft); Wise in Worship Square (83,000 sq ft); and a prior phase of works for Standard Chartered Bank near Moorgate (55,000 sq ft). Outside London, work continued or completed for a global financial services provider in Northampton (185,000 sq ft) and Lloyds Banking Group, Birmingham (151,000 sq ft).

Science & Research and Higher Education

Key projects won in the year included Begbroke Science Park for University of Oxford (28,000 sq ft) and Queen Mary University of London (25,000 sq ft). A 310,000 sq ft project for British Land at 1 Triton Square in London was completed.

Design & Build

Significant design and build projects won or on site included lab and research facilities for Riverlabs in Ware (137,000 sq ft); 200 Aldersgate for Savills IM (106,000 sq ft), EDF in Bristol (78,000 sq ft); and Monster Energy Europe in Uxbridge (53,000 sq ft).

Frameworks

Notable projects won through frameworks and corporate partnerships included £46.1m of works for the Mayor's Office for Policing and Crime (MOPAC). The future order book with MOPAC is £51.3m.

Divisional outlook for Fit Out

The medium-term target for Fit Out is to deliver an average annual operating profit of £80m-£100m.

Based on the timing of projects in the order book and the current visibility the division has of future workload for the forthcoming year, the division is expected to have another strong year in 2026, with profits lower than 2025 but still significantly above the top end of the medium-term target range.

Construction

	FY 2025	FY 2024	Change
	£m	£m	
Revenue	1,159	1,044	+11%
Operating profit ¹	37.0	30.9	+20%
Operating margin ¹	3.2%	3.0%	+20bps

¹ Before exceptional Building Safety Charge of £1.6m (FY 2024: Credit of £0.1m).

Construction's revenue increased by 11% to £1,159m (FY 2024: £1,044m), while operating profit increased by 20% to £37.0m (FY 2024: £30.9m), resulting in an expansion to its operating margin by 20 basis points to 3.2% (FY 2024: 3.0%); in the middle of its targeted range for its operating margin of 3.0%-3.5%. The strong profit performance was driven by improving the overall quality of earnings from disciplined contract selectivity through to operational delivery and handover, together with prudent risk management within its order book.

Throughout the year, the division maintained its strong momentum in winning new work, with the secured order book at £1,112m, 17% ahead of the prior year (FY 2024: £952m). Of the total, £885m (80% by value) is secured for 2026, this compares to £771m (81% by value) of work which was secured for the year ahead at the start of last year. In addition to its secured order book, there continues to be a significant amount of suitable work available in the market aligned to the sectors that the division operates within, much of which is being generated through negotiated or existing frameworks. At the end of the year, the division had £1,452m of work at preferred bidder stage, providing confidence of a sizeable ongoing workload (FY 2024: £1,179m) for the forthcoming year.

Education

In the second half of the year, the division was appointed to the Department for Education's (DfE) framework for projects over £12m in the North and South of England. Additionally, the division secured five lower value lots (£4.4m to £12m) across various regions.

Project wins during the year included the new £103m Ardrossan Community Campus in Scotland for North Ayrshire Council, which will provide educational facilities for over 1,400 pupils as well as community facilities; a £35m replacement building for Llangatwg Comprehensive School in Neath; a £29m extension and refurbishment of Grade II listed Appleby Grammar School in Appleby-In-Westmorland, Cumbria for the DfE; a £26m, three-storey teaching block at Villiers High School in Ealing; and a £17.6m facility for the University of Salford's Acoustics Department, including anechoic (non-echoing) chambers and lab space.

The division also secured a number of primary school projects: the £27.4m Balmuidy Primary School and Early Years Centre in Bishopbriggs for East Dunbartonshire Council; the £16.5m Orchard View Primary Academy in Aylesbury, the third school delivered as part of the growing Kingsbrook development; the £14.8m Great Haddon Primary School in Peterborough; and the £13.5m Birchington Church of England Primary School for the DfE in Kent.

Completions included the £64.9m King Henry VIII 1,900-place all-through school in Abergavenny; the £59m transformation of a former Debenhams site into the University of Gloucester's new City Campus; the £39m Callerton Academy in Newcastle upon Tyne; the £26.7m Ravensdale special educational needs and disabilities (SEND) school in Mansfield; the £21m new build and refurbishment of the University of Central Lancashire's School of Veterinary Medicine; and the £13m Rosherville Church of England Academy in Northfleet, Kent.

Healthcare

Project wins included two refurbishment projects totalling £13.1m for St Richard's Hospital in Chichester for University Hospitals Sussex NHS Trust: the Same Day Emergency Care unit and a stroke unit. Work started on a £35m theatre and ward expansion at Harrogate District Hospital and an £18m imaging centre at Milton Keynes University Hospital.

Completions included a £25m diagnostic centre for Norfolk and Norwich University Hospital; a £11.2m extension for Grange University Hospital's emergency department in Cwmbran; and a £9m redevelopment of Bradford Royal Infirmary's maternity department.

Other Sectors

The division secured a series of projects totalling £30m for the Scottish Fire and Rescue Service; a £52m contract to provide retail, residential and commercial units in Bideford, Devon; and a project to construct a £12m operations and maintenance building in Great Yarmouth as part of the Norfolk Offshore Wind Zone.

In leisure, wins included the £24.5m Bishop Auckland leisure centre, via Alliance Leisure and the UK Leisure Framework; the £29.4m Outer West Leisure Centre for Newcastle City Council; and the £17.3m refurbishment of the Princess Royal Theatre for Neath Port Talbot Council, funded by the Levelling Up Fund. Significant completions included a £32m waste recycling centre for

Operating Review

Walsall Metropolitan Council; three fire station refurbishments totalling £33.5m; and a £37m refurbishment of Hammerstone Road train depot in Manchester.

Divisional outlook for Construction

The medium-term target for Construction is to deliver an operating margin between 3.0% and 3.5% per annum with an annual revenue target in excess of £1.5bn.

For 2026, based upon its secured order book and projects at preferred bidder stage, together with the timing of projects being delivered, its operating margin is expected to be in the middle of the target range and revenues expected to make continued progress towards £1.5bn.

Property Services

	FY 2025	FY 2024	Change
	£m	£m	
Revenue	212	223	-5%
Operating profit / (loss) ¹	2.0	(17.8)	n/a
Operating margin ¹	0.9%	-8.0%	n/a

¹ Before intangible amortisation of £0.4m (FY 2024: £0.5m)

Following the completion of the business remediation programme at the end of 2024, the division delivered a modest profit in the year of £2.0m (FY 2024: Operating Loss £17.8m).

Revenues were down by 5% to £212m (FY 2024: £223m), with a secured order book at £714m, down 20% from the prior year (FY 2024: £887m), as the division focussed its efforts on operational delivery across its existing contract portfolio, as well as rebalancing its maintenance activities more towards planned work.

During the year, Property Services secured a £4.5m facilities management contract with Thames Valley Police to deliver maintenance and repairs to over 350 buildings. The contract is for three years, with an option to extend for a further two years.

The planned maintenance business continued to win work under the Department for Energy Security and Net Zero's Warm Homes: Social Housing Fund and was awarded places on the Fusion 21 and South East Consortium decarbonisation frameworks, each valued at £1bn. In addition, a partnering contract was secured with The Guinness Partnership, building on planned maintenance works awarded in 2024. The contract is worth up to £120m over the next 15 years.

Given the alignment of its ongoing activities to Construction, the division has now fully integrated into the Construction division from 1st January 2026 and will no longer report as a separate division.

Infrastructure¹

	FY 2025	FY 2024	Change
	£m	£m	
Revenue	935	1,047	-11%
Operating profit	37.2	38.5	-3%
Operating margin	4.0%	3.7%	+30bps

Following its strong work winning successes over the last two years, Infrastructure's trading performance over the full year for both revenue and profits reflected the high proportion of projects at the early contractor involvement stage from those recently awarded large frameworks, while still ensuring it maintained high-quality operational delivery across its existing contract portfolio. Revenue decreased by 11% to £935m (FY 2024: £1,047m) with operating profit declining marginally by 3% to £37.2m (FY 2024: £38.5m), while its operating margin expanded by 30 basis points to 4.0% (FY 2024: 3.7%), in the middle of its targeted range for its operating margin of 3.75% - 4.25%.

Infrastructure's order book of £1,890m remained in line with the prior year (FY 2024: £1,883m) and continues to remain long-term in nature, with a further £657m at preferred bidder stage; noting that around 98% of its orderbook is derived through frameworks. The division continues to remain focused and well-positioned to deliver long-term sustainable infrastructure solutions for its customers within its key sectors, being nuclear, energy, defence, rail, water and highways. Its markets have significant long-term committed investment programmes in place, largely driven by government and regulatory objectives. Clients are continuing to award large long-term frameworks with its delivery partners, awarding projects focused on delivering the strategic outcomes over the term of the framework.

Nuclear

The division was appointed as electrical distribution partner on the Sellafield Infrastructure Delivery Partnership; the contract, which was awarded to three partners, has a total value of £2.9bn across its lifecycle, with an initial nine-year term and an option to extend for a further six years. Decommissioning works for Sellafield continued during the year as part of the Infrastructure Strategic Alliance and the £1.6bn Programme and Project Partners contract. Work also progressed at Clyde in Scotland under the Defence Infrastructure Organisation framework.

Energy

Significant growth was achieved in the energy sector during the year. Key awards included a position on National Grid's new £8bn Electricity Transmission Partnership to deliver vital substation work in the North West region and construction works on the Tilbury to Grain project as part of National Grid's Great Grid Partnership to upgrade electricity infrastructure. Additionally, the division was appointed by Scottish Power Energy Networks as sole contractor for substation and overhead line upgrades on the Denny to Wishaw network, which will enable an additional 1,000MW of green energy to flow through Scotland's central belt. Project completions included the grid supply point project for SSEN at Gremista on Shetland.

Rail

Good progress was made on a number of projects, including the £22m roof replacement at Liverpool Street Station, which will allow more natural light into Britain's busiest station, and restoration works on the River Plym viaduct in Devon, both under Network Rail frameworks.

Works also progressed on upgrades to Beckton Depot and Surrey Quays station for Transport for London; and the delivery of six new stations over 18 miles of track on the Northumberland Line

for Northumberland County Council which is leading the scheme in collaboration with the Department for Transport, Network Rail and Northern Trains.

Water

Work completed on the 16-mile West section of the Thames Tideway Tunnel, a 10-year project, delivered in joint venture, with the tunnel as a whole protecting the Thames by diverting 34 of the most-polluting sewage outflows and aims to reduce sewage spills into the river by 95%.

For Wessex Water, the team began work on several combined sewer overflow projects as part of the AMP8 Framework awarded in 2024. For Welsh Water, the year marked the 30th anniversary of the division's collaborative relationship with Welsh Water, with the focus on completing schemes under AMP7 Framework in advance of transitioning to AMP8.

Highways & Aviation

Work continued on the £87m M27 project as part of National Highways' Concrete Roads Programme to repair or replace the concrete surface of motorways and major A roads in England.

The division re-entered the aviation market in 2025, with the award of a place on Gatwick Airport's Construction Framework. The framework is valued at c.£270m in total, with project values ranging between £3m and £20m and is expected to run for four years with an option, subject to scope, to extend by a further two years.

Design

In the BakerHicks design business, it experienced growth in the power sector during the year with the award of the business's first project for the sector in mainland Europe, to design cable sectioning and monitoring stations for two major HVDC corridors in Germany. In the UK, work progressed on various network reinforcement projects, subsea cabling installation in Shetland and datacentre upgrades in London. BakerHicks also provided design and assurance services to key OEMs and contractors on the Eastern Green Link 1 and 2 Schemes, one of the largest electrical infrastructure projects to be delivered in the UK.

In nuclear, the business was reappointed to UKAEA's Embedded Engineering Resource Framework, a four-year programme supporting fusion energy research. In aviation, BakerHicks was the BIM (building information modelling) lead on Manchester Airport's Terminal 2 Departures East project, supporting refurbishment works and construction of a new pier as part of the £1.3bn transformation. The final BIM model will provide an asset management tool for Manchester Airport Group.

In life sciences, BakerHicks completed the Riverlabs research facility in Hertfordshire, while in defence, work began at RAF Leeming on a new HQ and training facility for Yorkshire Universities Air Squadron. Public sector projects progressed at HMP Highpoint in Suffolk (a £300m expansion) and HMP Highland, aiming to be Scotland's first net-zero prison, using modular and renewable technologies. In education, work continued on Perth High School, an £80m Passivhaus facility for 1,600 pupils, and completed at St Sophia's Primary School in East Ayrshire, the UK's first EnerPHit-certified school, which was shortlisted for a Building Innovation Award.

Divisional outlook for Infrastructure

The increased medium-term target for Infrastructure is to deliver annual revenues towards £1.5bn, while its operating margin target remains unchanged, between 3.75% and 4.25% per annum.

For 2026, based upon the timing of projects and the projected type of work, its operating margin is expected to be in the middle of the target range, while revenues are expected to be closer to £1bn. This is underpinned by their continued focus on long-term client relationships, disciplined contract selectivity, risk management and project delivery.

¹ Design results are reported within Infrastructure

Other Financial Information

1. Net finance income. Net finance income was £6.9m, a decrease of £3m compared to FY 2024.

	FY 2025	FY 2024	Change
	£m	£m	£m
Interest income on bank deposits	15.3	17.4	(2.1)
Interest receivable from joint ventures	0.3	0.8	(0.5)
Loan arrangement and commitment fees	(2.1)	(2.2)	+0.1
Interest expense on lease liabilities	(4.2)	(3.8)	(0.4)
Other	(2.4)	(2.3)	(0.1)
Total net finance income	6.9	9.9	(3.0)

2. Tax. A reported tax charge of £56.9m is shown for the year (FY 2024: £40.2m). This equates to an effective tax rate of 24.5% on profit before tax. The adjusted tax charge is £58.7m (FY 2024: £42.0m).

	FY 2025	FY 2024
	£m	£m
Profit before tax	231.8	171.9
Less: share of underlying ¹ net profit of joint ventures	(0.3)	(4.5)
Profit before tax excluding joint ventures	231.5	167.4
Statutory tax rate	25%	25%
Current tax charge at statutory rate	(57.9)	(41.9)
Tax on underlying ¹ joint venture profits ²	(0.2)	(1.5)
Tax on exceptional items	-	1.6
Other non-deductible expenses	(0.9)	0.2
Prior year adjustments	1.6	1.6
Other adjustments	0.5	(0.2)
Tax charge as reported	(56.9)	(40.2)
<i>Tax on amortisation</i>	(0.1)	(0.1)
<i>Tax on exceptional items</i>	(1.7)	(1.7)
Adjusted tax charge	(58.7)	(42.0)

¹ Underlying net profit of joint ventures excludes the exceptional building safety credit of £0.9m related to joint ventures (FY 2024: Charge of £1.4m).

² Certain of the Group's joint ventures are partnerships for which profits are taxed within the Group rather than within the joint venture.

Other Financial Information

3. Net working capital. ‘Net Working Capital’ is defined as ‘Inventories plus Trade & Other Receivables (including Contract Assets), less Trade & Other Payables (including Contract Liabilities)’ adjusted as below.

	FY 2025 £m	FY 2024 £m	Change £m
Inventories	603.3	476.0	+127.3
Trade & Other Receivables ¹	769.9	664.2	+105.7
Trade & Other Payables ²	(1477.4)	(1,256.8)	(220.6)
Net working capital	(104.2)	(116.6)	+12.4

¹ Adjusted to exclude building safety receivable of £17.5m (FY2024: £11.6m) and capitalised arrangement fees and accrued interest receivable of £1.8m (FY 2024: £2.3m).

² Adjusted to exclude accrued interest payable of £0.4m (FY 2024: £0.5m).

4. Cash flow. Operating cash flow was an inflow of £195.9m (FY 2024: inflow of £134.8m). Free cash flow was an inflow of £161.5m (FY 2024: inflow of £107.0m).

	FY 2025 £m	FY 2024 £m
Operating profit – adjusted	225.7	162.6
Depreciation	35.8	33.1
Share option expense	10.8	10.5
Impairment of PPE	3.5	-
Reversal of impairment of joint venture	(1.2)	(5.1)
Share of underlying ¹ net profit of joint ventures	(0.3)	(4.6)
Other operating items ²	(17.7)	10.0
Change in working capital ^{3&4}	(21.0)	(33.8)
Net capital expenditure (including repayment of finance leases)	(44.4)	(42.1)
Dividends and interest received from joint ventures	4.7	4.2
Operating cash flow	195.9	134.8
Income taxes paid	(48.3)	(43.9)
Net interest received (non-joint venture)	13.9	16.1
Free cash flow	161.5	107.0

¹ ‘Underlying net profit of joint ventures’ excludes the exceptional building safety credit of £0.9m related to joint ventures (FY 2024: Charge of £1.4m).

² ‘Other operating items’ includes increase on building safety receivable (£5.9m) and decrease in provisions (£16.0m) less building safety provision movements (£7.3m) and a gain on disposal of PPE (£0.3m).

³ ‘Change in working capital’ excludes movement on building safety receivable (£5.9m).

⁴ Includes net investment in Partnership Housing activities of £124.6m (FY 2024: £100.4m).

Other Financial Information

5. Net cash. Net cash at 31 December 2025 was £531.2m, as a result of a net cash inflow of £38.8m from 1 January 2025, with movements summarised as:

	£m
Net cash at 1 January 2025	492.4
Free cash flow (as above)	161.5
Dividends	(65.8)
Other ¹	(56.9)
Net cash at 31 December 2025	531.2

¹ 'Other' includes the purchase of shares in the Company by the employee benefit trust (£40.7m) and net capital advances to JVs (£28.7m) less proceeds from the exercise of share options (£12.3m) and proceeds from the issue of new shares (£0.2m).

6. Capital employed by strategic activity. An analysis of capital employed in the **Partnership** activities shows an increase of £190.4m since the prior year, split as follows:

Capital employed^{1,2} in Partnerships	FY 2025	FY 2024	Change
	£m	£m	£m
Partnership Housing	451.9	318.7	+133.2
Mixed Use Partnerships	151.6	94.4	+57.2
	603.5	413.1	+190.4

An analysis of the capital employed in **Construction Services** and **Fit Out** shows a decrease of £137.1m since the prior year, split as follows:

Capital employed^{1,2} in Construction Services and Fit Out	FY 2025	FY 2024	Change
	£m	£m	£m
Construction	(307.0)	(250.1)	(56.9)
Infrastructure	(71.8)	(80.6)	+8.8
Fit Out	(173.5)	(96.6)	(76.9)
Property Services	10.3	22.4	(12.1)
	(542.0)	(404.9)	(137.1)

¹ Total assets (excluding goodwill, intangibles, inter-company financing and cash) less total liabilities (excluding corporation tax, deferred tax, inter-company financing and overdrafts).

² Adjusted to exclude building safety receivables and provisions.

Other Financial Information

- 7. Exceptional Building Safety charge.** The total exceptional building safety charge of £0.4m arose as a result of a better estimate of expected costs and recoveries. This includes a credit of £0.9m that has been recognised in respect of the Group's share of constructive and legal obligations to remediate legacy building safety issues within JVs, and this has been recognised within the Group's share of net profit of joint ventures. A net charge of £1.3m has been recognised in cost of sales.

	FY 2025	FY 2024
	£m	£m
Net additions on building safety provisions	(7.2)	(8.0)
Insurance and recoveries recognised in receivables	5.9	9.3
Exceptional building safety (charge) / credit within cost of sales	(1.3)	1.3
Exceptional building safety credit / (charge) within joint ventures	0.9	(1.4)
Total exceptional building safety charge	(0.4)	(0.1)

- 8. Dividends.** The Board of Directors has proposed a final dividend of 108.0p per share, an increase of 20% on the prior year final dividend (FY 2024: 90.0p). This will be paid on 4 June 2026 to shareholders on the register on 15 May 2026. The ex-dividend date will be 14 May 2026.

- 9. Principal risks and uncertainties.** The Board continues to take a proactive approach to recognising and mitigating risk with the aim of protecting and safeguarding the interests of the Group and its shareholders in the changing environment in which it operates.

Details of the principal risks facing the Group and mitigating actions will be included in the 2025 Annual Report which will be published on 24 March 2026. The following are still considered to be relevant risks and uncertainties for the Group at this time and are summarised below (in no order of magnitude):

Economic change and uncertainty - Growth, investor and market confidence are vulnerable to ongoing uncertainties. The diversity of our operations, strong balance sheet together with ongoing Government investment in our segments has provided a level of insulation against difficult market conditions. Our Fit Out and Construction businesses in particular have delivered an exceptional performance protecting us from cyclical challenges in other individual markets.

Exposure to UK residential market - The UK housing sector is strongly influenced by government stimulus and consumer confidence. Whilst inflation and interest rates have been generally falling, and mortgage availability has improved, uncertainty remains in the market and affordability for first time buyers remains an issue impacting demand. The Group's long-term public sector partnerships models have enabled us to pivot to public sector affordable housing to help mitigate this risk. Planning constraints continue to contribute to reduced sales volumes and in Regeneration, cost inflation on some schemes is impacting viability in turn slowing down conversion.

Health and safety incident - Our first priority is to protect the health, safety and wellbeing of our employees, key stakeholders and the wider public. Failure to do so could result in fines, damage the Group's reputation, affect our ability to secure future work and in a worst case, lead to serious injury or a fatality. We continue to maintain vigilance and look for ways of maintaining our high standards in this area.

Talent attraction and retention - Talented people are needed to provide excellence in project delivery and customer service. Skills shortages in the construction industry will remain an issue for the foreseeable future.

Partner insolvency or performance and compliance issues - Poor selection and the insolvency of a key client, subcontractor or supplier could disrupt project works and incur costs of finding a replacement. Appointing partners with the wrong behaviours could also lead to quality issues, safety or other serious compliance breaches. Following some well-publicised failures in the mainstream contractor market supply, partner insolvency risk has largely been contained and

where failures have occurred, they have been disruptive but manageable, with costs being absorbed at project level. We continue our strategy of nurturing close relationships with our supply chain, sharing our values and desired behaviours.

Inadequate funding - A lack of liquidity could impact our ability to continue to trade or restrict our ability to achieve market growth or invest in regeneration schemes. Our strong balance sheet continues to provide assurance for our stakeholders and allows us to continue investing in partnership schemes while remaining selective in construction.

Mismanagement of working capital and investments - Poor management of working capital and investments leads to insufficient liquidity and funding problems. Our average net daily cash for the period demonstrates our disciplined working capital management and has enabled us to maintain payment practices that are favourable to our supply chain and investment in partnerships.

Poor contract selectivity - The quality of the Group's public and regulated industry sectors should safeguard future performance. The majority of our work has been secured via negotiated and two-stage procurement routes. This allows the Group to continue selecting the right projects in sectors where it has proven capability. Post inflationary customer budgets are now more realistic but, in some instances, do result in preconstruction periods taking longer.

Poor project delivery - Improved inflationary backdrop and selective two-stage or negotiated project procurement is allowing bids to include sensible contingency allowances. In addition, the Group's longstanding supply chain relationships and focus on customer experience continue to mitigate any significant issues and disputes should they arise.

Cyber-attack - A cyber-attack could lead to sensitive data loss, loss of key systems, fines, prosecution and in a worst case, the inability to do business. In response to recent high profile cyber incidents, the Group has significantly elevated its cyber security posture. We recently re-certified to ISO 27001 and adopt other best practices to secure our network and data. Industry experts have been engaged to educate our teams around cyber incident response, focusing on the operational, technical and legal impacts of a major incident. We have also taken a significant step forward with our investment in new backup and disaster recovery capability and have refreshed our business continuity plans.

Climate change - More extreme weather events could impact our operations increased costs, project delays and supply chain disruption. Failure to protect the environment in which we work by reducing carbon emissions and waste and not fully considering potential environmental risks on projects could also damage the Group's reputation. Our group-wide carbon reduction plan and science-based targets are supported by divisional sustainability strategies. Each division has their own KPIs and action plans and provide regular updates on progress.

Note to Consolidated Financial Statements

For the year ended 31 December 2025

Consolidated income statement

For the year ended 31 December 2025

	Notes	2025 £m	2024 £m
Revenue		5,018.6	4,546.2
Cost of sales		(4,406.6)	(4,016.3)
Gross profit		612.0	529.9
Analysed as:			
Adjusted gross profit		613.3	528.6
Exceptional building safety items	3	(1.3)	1.3
Impairment loss on contract assets		(2.5)	(21.0)
Administrative expenses		(391.3)	(360.0)
Share of net profit of joint ventures		1.2	3.2
Other operating income		5.5	9.9
Operating profit		224.9	162.0
Analysed as:			
Adjusted operating profit		225.7	162.6
Exceptional building safety items	3	(0.4)	(0.1)
Amortisation of intangible assets		(0.4)	(0.5)
Finance income		15.6	18.2
Finance expense		(8.7)	(8.3)
Profit before tax		231.8	171.9
Analysed as:			
Adjusted profit before tax		232.6	172.5
Exceptional building safety items	3	(0.4)	(0.1)
Amortisation of intangible assets		(0.4)	(0.5)
Tax	4	(56.9)	(40.2)
Profit for the year		174.9	131.7
Attributable to:			
Owners of the Company		174.9	131.7
Earnings per share			
Basic	6	372.1p	281.4p
Diluted	6	354.8p	271.5p

There were no discontinued operations in either the current or comparative years.

Note to Consolidated Financial Statements

For the year ended 31 December 2025

Consolidated statement of comprehensive income

For the year ended 31 December 2025

	2025	2024
	£m	£m
Profit for the year	174.9	131.7
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange movement on translation of overseas operations	0.3	(0.3)
Net gain/(loss) arising on revaluation of cash flow hedges	-	(0.1)
	0.3	(0.4)
Other comprehensive income/(expense)	0.3	(0.4)
Total comprehensive income	175.2	131.3
Attributable to:		
Owners of the Company	175.2	131.3

Note to Consolidated Financial Statements
For the year ended 31 December 2025

Consolidated statement of financial position

At 31 December 2025

	Notes	2025 £m	2024 £m
Assets			
Goodwill and other intangible assets		218.3	218.1
Property, plant and equipment		102.2	95.1
Investment property		-	0.6
Investments in joint ventures	7	132.7	111.9
Deferred tax asset		4.2	-
Non-current assets		457.4	425.7
Inventories		603.3	476.0
Contract assets		235.8	224.6
Trade and other receivables	8	553.4	453.5
Current tax receivables		1.3	6.6
Cash and cash equivalents	12	590.5	544.2
Assets held for sale		6.6	-
Current assets		1,990.9	1,704.9
Total assets		2,448.3	2,130.6
Liabilities			
Contract liabilities		(118.7)	(110.4)
Trade and other payables	9	(1,343.6)	(1,130.3)
Lease liabilities		(24.8)	(22.6)
Borrowings	12	(59.3)	(51.8)
Provisions	10	(71.7)	(85.1)
Current liabilities		(1,618.1)	(1,400.2)
Net current assets		372.8	304.7
Trade and other payables	9	(14.9)	(16.6)
Lease liabilities		(48.8)	(44.1)
Deferred tax liabilities		-	(2.1)
Provisions	10	(17.7)	(20.4)
Non-current liabilities		(81.4)	(83.2)
Total liabilities		(1,699.5)	(1,483.4)
Net assets		748.8	647.2
Equity			
Share capital		2.4	2.4
Share premium account		65.9	65.7
Other reserves		1.2	0.9
Retained earnings		679.3	578.2
Equity attributable to owners of the Company		748.8	647.2
Total equity		748.8	647.2

Note to Consolidated Financial Statements

For the year ended 31 December 2025

Consolidated cash flow statement

For the year ended 31 December 2025

	Notes	2025 £m	2024 £m
Operating activities			
Operating profit		224.9	162.0
Adjusted for:			
Exceptional building safety items		(1.0)	2.1
Amortisation of intangible assets		0.4	0.5
Underlying share of net profit of equity-accounted joint ventures		(0.3)	(4.6)
Depreciation		35.8	33.1
Impairment of property, plant and equipment		3.5	-
Share-based payments		10.8	10.5
Gain on disposal of property, plant and equipment		(0.3)	(0.7)
Reversal of impairment on investments in joint ventures		(1.2)	(5.1)
(Decrease)/increase in provisions excluding exceptional building safety	10	(16.0)	8.7
Operating cash inflow before movements in working capital		256.6	206.5
Increase in inventories		(127.3)	(131.3)
(Increase)/decrease in contract assets		(11.2)	46.0
(Increase)/decrease in receivables		(100.1)	7.8
Increase in contract liabilities		8.3	14.6
Increase in payables		209.3	29.1
Movements in working capital		(21.0)	(33.8)
Cash inflow from operations		235.6	172.7
Income taxes paid		(48.3)	(43.9)
Net cash inflow from operating activities		187.3	128.8
Investing activities			
Interest received		15.9	18.0
Dividends from joint ventures		4.7	4.2
Proceeds on disposal of property, plant and equipment		0.5	1.9
Purchases of property, plant and equipment		(16.0)	(18.2)
Purchases of intangible fixed assets		(0.6)	-
Capital advances to joint ventures		(66.3)	(29.1)
Capital repayments from joint ventures		37.6	27.9
Net cash (outflow)/inflow from investing activities		(24.2)	4.7
Financing activities			
Interest paid		(2.0)	(1.9)
Dividends paid	5	(65.8)	(56.1)
Repayments of lease liabilities		(28.3)	(25.8)
Proceeds on issue of share capital		0.2	9.7
Payments by the Trust to acquire shares in the Company		(40.7)	(47.2)
Proceeds on exercise of share options		12.3	19.5
Net cash outflow from financing activities		(124.3)	(101.8)
Net increase in cash and cash equivalents		38.8	31.7
Cash and cash equivalents at the beginning of the year		492.4	460.7
Cash and cash equivalents at the end of the year	12	531.2	492.4

Cash and cash equivalents presented in the consolidated cash flow statement include bank overdrafts. See note 12 for a reconciliation to cash and cash equivalents presented in the consolidated statement of financial position.

Note to Consolidated Financial Statements

For the year ended 31 December 2025

Consolidated statement of changes in equity

For the year ended 31 December 2025

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
1 January 2024	2.4	56.0	1.3	508.4	568.1
Profit for the year	-	-	-	131.7	131.7
Other comprehensive expense	-	-	(0.4)	-	(0.4)
Total comprehensive (expense)/income	-	-	(0.4)	131.7	131.3
Share-based payments	-	-	-	10.5	10.5
Tax relating to share-based payments ¹	-	-	-	11.4	11.4
Issue of shares at a premium	-	9.7	-	-	9.7
Exercise of share options	-	-	-	19.5	19.5
Purchase of shares in the Company by the Trust	-	-	-	(47.2)	(47.2)
Dividends paid	-	-	-	(56.1)	(56.1)
1 January 2025	2.4	65.7	0.9	578.2	647.2
Profit for the year	-	-	-	174.9	174.9
Other comprehensive income	-	-	0.3	-	0.3
Total comprehensive income	-	-	0.3	174.9	175.2
Share-based payments	-	-	-	10.8	10.8
Tax relating to share-based payments ¹	-	-	-	9.6	9.6
Issue of shares at a premium	-	0.2	-	-	0.2
Purchase of shares in the Company by the Trust	-	-	-	(40.7)	(40.7)
Exercise of share options	-	-	-	12.3	12.3
Dividends paid	-	-	-	(65.8)	(65.8)
31 December 2025	2.4	65.9	1.2	679.3	748.8

¹ Tax relating to share-based payments includes a current tax credit of £2.9m (2024: £5.8m) and a deferred tax credit of £6.7m (2024: credit of £5.6m).

Notes to the consolidated financial statements

For the year ended 31 December 2025

1. Basis of preparation

General information

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 December 2025 or 2024 but is derived from those accounts. A copy of the statutory accounts for 2024 was delivered to the Registrar of Companies and those for 2025 will be delivered following the Company's Annual General Meeting. The auditor reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain a statement under s498(2) or (3) of the Companies Act 2006.

This preliminary announcement has been prepared solely to assist shareholders in assessing the strategies of the Board and in gauging their potential to succeed. It should not be relied on by any other party or for other purposes. Forward looking statements have been made by the directors in good faith based on the information available to them up to the time of their approval of this preliminary announcement. Such statements should be treated with caution due to the inherent uncertainties, including both economic and business factors, underlying any such forward looking information. Actual future results may differ materially from those expressed in or implied by these statements.

While the financial information included in this preliminary announcement was prepared in accordance with the recognition and measurement criteria of UK adopted International Accounting Standards ('IAS') and International Financial Reporting Standards ('IFRS'), this announcement does not itself contain sufficient information to comply with IFRS.

The consolidated financial statements will be available in March 2026. A copy will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

Further information on the Group, including the slide presentation document which will be presented at the Group's results meeting on 25 February 2026, can be found on the Group's corporate website www.morgansindall.com.

Going Concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Group and Company can continue in operational existence during the going concern period, which the directors have determined to be until 28 February 2027.

As at 31 December 2025, the Group held cash of £590.5m, including £20.3m (2024: £23.1m) which is the Group's share of cash held within jointly controlled operations, and total overdrafts repayable on demand of £59.3m (together net cash of £531.2m). Should further funding be required, the Group has significant committed financial resources available including unutilised bank facilities of £180m (2024: £180m), of which £165m matures in October 2028 and £15m matures in June 2028. The Group's secured order book at 31 December 2025 is £12.0bn (2024: £11.4bn), of which £4.0bn relates to the 12 months ended 31 December 2026.

The directors have reviewed the Group's forecasts and projections for the going concern period, including sensitivity analysis to assess the Group's resilience to the potential financial impact on the Group of any plausible losses of revenue or operating profit which could arise from one of the principal risks to the business occurring. The analysis also includes a reasonable worst-case scenario in which the Group's principal risks manifest in aggregate to a severe but plausible level involving the aggregation of the impacts of a number of these risks. The modelling showed that the Group would remain profitable throughout the going concern period and there is considerable headroom above lending facilities such that there would be no expected requirement for the Group to utilise the bank facility, which underpins the going concern assumption on which these financial statements have been prepared. As part of the sensitivity analysis the directors also modelled a scenario that stress tests the Group's forecasts and projections, to determine the scenario in which the headroom above the committed bank facility would be exceeded. This model showed that the Group's operating profit would need to deteriorate substantially for the headroom to exceed the committed bank facility. The directors consider there is no plausible scenario where cash inflows would deteriorate this significantly. However, as part of their analysis the Board also considered further mitigating actions at their discretion, such as a reduction in investments in working capital, to improve the position identified by the reasonable worst-case scenario. In all scenarios, including the reasonable worst case, the Group is able to comply with its financial covenants, operate within its current facilities, and meet its liabilities as they fall due.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Accordingly, the directors consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. They have formed a judgement that there is a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the going concern period which they are determined to be until 28 February 2027. For this reason, they continue to adopt the going concern basis in the preparation of these financial statements. The period until 28 February 2027 has been assessed as appropriate following consideration of the budgeting cycles and typical contract lengths undertaken across the Group.

Changes in accounting policies

There have been no significant changes to accounting policies, presentation or methods of preparation since the financial statements for the year ended 31 December 2024.

2. Business segments

For management purposes, the Group was organised into six operating divisions: Partnership Housing, Mixed Use Partnerships, Fit Out, Construction, Property Services and Infrastructure, and this is the structure of segment information reviewed by the Chief Operating Decision Maker (CODM). The CODM is determined to be the Board of directors and reporting provided to the Board is in line with these six divisions, which have been considered to be the Group's operating segments in 2025.

The six operating divisions' activities are as follows:

- Partnership Housing: Lovell Partnerships Limited is focused on working in partnerships with local authorities and housing associations. Activities include mixed-tenure developments, building and developing homes for open market sales and for social/affordable rent, design and build house contracting and limited refurbishment.
- Mixed Use Partnerships: Muse Places Limited is focused on transforming the urban landscape through partnership working and the development of large forward-funded multi-phase sites and mixed-use placemaking.
- Fit Out: Overbury plc specialises in fit out and refurbishment in commercial, central and local government offices and further education. Morgan Lovell plc provides office interior design and build services direct to occupiers.
- Construction: Morgan Sindall Construction focuses on education, healthcare, commercial, industrial, leisure and retail markets.
- Property Services: Morgan Sindall Property Services Limited provides planned maintenance services for social housing and the wider public sector¹.
- Infrastructure: Morgan Sindall Infrastructure focuses on nuclear, energy, defence, rail, water, highways and aviation markets. Infrastructure also includes the BakerHicks design activities based out of the UK and Switzerland.

Group activities represent costs and income arising from corporate activities which cannot be meaningfully allocated to the operating segments. These include the costs of the Group Board, treasury management, corporate tax coordination, Group finance and internal audit, insurance management, company secretarial services, Group general counsel services, information technology services, finance income and finance expense.

⁽¹⁾ Given the alignment of its ongoing activities to Construction, the Property Services division has now fully integrated into the Construction division from 1 January 2026. Under the three strategic lines of business of Partnerships, Fit Out and Construction Services, the Group is now organised into five reporting segments and will be reported as such from 2026.

Notes to the consolidated financial statements

For the year ended 31 December 2025

The Group reports its segmental information as presented below:

Year ended 31 December 2025

	Partnership Housing	Mixed Use Partnerships	Fit Out	Construction	Property Services	Infrastructure	Group activities	Elims	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
External revenue	897.9	51.6	1,778.4	1,159.2	212.5	919.0	-	-	5,018.6
Inter-segment revenue	5.2	-	5.5	-	-	16.3	-	(27.0)	-
Total revenue	903.1	51.6	1,783.9	1,159.2	212.5	935.3	-	(27.0)	5,018.6
Impairment loss on contract assets	-	-	-	-	(2.5)	-	-	-	(2.5)
Adjusted operating profit/(loss) (note 15)	42.0	(5.3)	139.9	37.0	2.0	37.2	(26.4)	(0.7)	225.7
Amortisation of intangible assets	-	-	-	-	(0.4)	-	-	-	(0.4)
Exceptional operating items	0.6	0.6	-	(1.6)	-	-	-	-	(0.4)
Operating profit/(loss)	42.6	(4.7)	139.9	35.4	1.6	37.2	(26.4)	(0.7)	224.9
Finance income									15.6
Finance expense									(8.7)
Profit before tax									231.8
Other information:									
Depreciation	(2.5)	(0.7)	(3.6)	(2.2)	(3.8)	(22.0)	(1.0)	-	(35.8)
Average number of employees	1,231	119	1,283	1,637	983	3,164	94	-	8,511

Notes to the consolidated financial statements
For the year ended 31 December 2025

Year ended 31 December 2024

	Partnership Housing £m	Mixed Use Partnerships £m	Fit Out £m	Construction £m	Property Services £m	Infrastructure £m	Group activities £m	Elims £m	Total £m
External revenue	855.9	90.5	1,299.2	1,043.3	223.2	1,034.1	-	-	4,546.2
Inter-segment revenue	5.3	-	1.1	0.8	-	12.9	-	(20.1)	-
Total revenue	861.2	90.5	1,300.3	1,044.1	223.2	1,047.0	-	(20.1)	4,546.2
Impairment loss on contract assets	-	-	-	-	(21.0)	-	-	-	(21.0)
Adjusted operating profit/(loss) (note 15)	36.1	1.5	99.0	30.9	(17.8)	38.5	(25.6)	-	162.6
Amortisation of intangible assets	-	-	-	-	(0.5)	-	-	-	(0.5)
Exceptional operating items	(2.7)	5.9	-	0.1	(3.4)	-	-	-	(0.1)
Operating profit/(loss)	33.4	7.4	99.0	31.0	(21.7)	38.5	(25.6)	-	162.0
Finance income									18.2
Finance expense									(8.3)
Profit before tax									171.9
Other information:									
Depreciation	(2.6)	(0.8)	(3.0)	(2.5)	(4.2)	(18.9)	(1.1)	-	(33.1)
Average number of employees	1,193	108	1,121	1,533	1,097	3,080	110	-	8,242

Segment assets and liabilities are not presented as these are not reported to the CODM.

3. Exceptional building safety items

	Notes	2025 £m	2024 £m
Net additions on building safety provisions	10	(7.2)	(8.0)
Insurance and recoveries recognised in receivables		5.9	9.3
Exceptional building safety (charge)/credit within cost of sales		(1.3)	1.3
Exceptional building safety credit/(charge) within joint ventures	7	0.9	(1.4)
Total exceptional building safety charge		(0.4)	(0.1)

In the current year, the legal and constructive obligations related to the Pledge (including reimbursement of grants provided by the Building Safety Fund), the Building Safety Act and associated fire safety regulations have been reassessed based on further information. The overall movement in the building safety items is a net charge of £0.4m and is shown separately as an exceptional item consistent with prior year treatment.

Included in the £0.4m exceptional building safety charge (2024: £0.1m charge) is a £0.9m credit (2024: £1.4m charge) that has been recognised in respect of the Group's share of constructive and legal obligations to remediate legacy building safety issues within joint ventures, and this has been recognised within the Group's share of net profit of joint ventures. The remaining net charge of £1.3m (2024: £1.3m credit) has been recognised in cost of sales.

Notes to the consolidated financial statements

For the year ended 31 December 2025

At the reporting date the Group had not yet made any reimbursements to the Building Safety Fund for amounts previously granted and drawn on any of the developments for which the Group has taken responsibility. As notified by the MHCLG (Ministry of Housing, Communities and Local Government), any repayments will only be requested upon final completion of all the relevant works. On this basis, any repayments are only likely to commence towards the middle of 2026 at the earliest.

4. Tax

Tax expense for the year

	2025	2024
	£m	£m
Current tax:		
Current year	59.5	40.1
Adjustment in respect of prior years	(3.0)	1.1
	56.5	41.2
Deferred tax:		
Current year	(1.0)	1.7
Adjustment in respect of prior years	1.4	(2.7)
	0.4	(1.0)
Tax expense for the year	56.9	40.2

UK corporation tax is calculated at 25.0% (2024: 25.0%) of the estimated taxable profit for the year.

The table below reconciles the tax charge for the year to tax at the UK statutory rate:

	2025	2024
	£m	£m
Profit before tax	231.8	171.9
Less: post-tax share of profits from joint ventures	(0.3)	(4.5)
	231.5	167.4
UK corporation tax rate	25.00%	25.00%
Income tax expense at UK corporation tax rate	57.9	41.9
Tax effect of:		
Adjustments in respect of prior years:		
Relating to exceptional items	(1.6)	-
Other	-	(1.6)
Expenses for which no tax relief is recognised:		
Proportion of exceptional items	-	(1.6)
Proportion of share-based payments	-	(0.8)
Other non-deductible expenses	0.9	0.6
Tax liability upon underlying joint venture profits ¹	0.2	1.5
Recognition of deferred tax assets on brought forward tax losses	(0.5)	-
Other	-	0.2
Tax expense for the year	56.9	40.2

¹ Certain of the Group's joint ventures are partnerships for which profits are taxed within the Group rather than within the joint venture.

Notes to the consolidated financial statements

For the year ended 31 December 2025

5. Dividends

Amounts recognised as distributions to equity holders in the year:

	2025 £m	2024 £m
Final dividend for the year ended 31 December 2024 of 90p per share	42.3	-
Final dividend for the year ended 31 December 2023 of 78p per share	-	36.5
Interim dividend for the year ended 31 December 2025 of 50p per share	23.5	-
Interim dividend for the year ended 31 December 2024 of 41.5p per share	-	19.6
	65.8	56.1

The proposed final dividend for the year ended 31 December 2025 of 108.0p per share is subject to approval by shareholders at the AGM and has not been included as a liability in these financial statements.

6. Earnings per share

	Notes	2025 £m	2024 £m
Profit attributable to the owners of the Company		174.9	131.7
Adjustments:			
Exceptional building safety items	3	0.4	0.1
Amortisation of intangible assets		0.4	0.5
Tax relating to the above items		(1.8)	(1.8)
Adjusted earnings		173.9	130.5

	2025 Number of shares (millions)	2024 Number of shares (millions)
Basic weighted average number of ordinary shares	47.0	46.8
Dilutive effect of share options and conditional shares not vested	2.3	1.7
Diluted weighted average number of ordinary shares	49.3	48.5

Basic earnings per share	372.1p	281.4p
Diluted earnings per share	354.8p	271.5p
Adjusted earnings per share	370.0p	278.8p
Diluted adjusted earnings per share	352.7p	269.1p

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options and long-term incentive plan shares was based on quoted market prices for the year. The average share price for the year was £40.77 (2024: £28.05).

A total of 649,071 share options that could potentially dilute earnings per share in the future were excluded from the above calculations because they were anti-dilutive at 31 December 2025 (2024: 1,806).

7. Investments in joint ventures

Investments in equity-accounted joint ventures are as follows:

	Notes	2025 £m	2024 £m
1 January		111.9	106.6
Equity-accounted share of net profits:			
Underlying share of net profits		0.3	4.6
Exceptional building safety credit/(charge)	3	0.9	(1.4)
		1.2	3.2
Capital advances to joint ventures		66.3	29.1
Capital repayments by joint ventures		(37.6)	(27.9)
Non-cash impairment reversal - other operating income		1.2	5.1
Dividends received		(4.7)	(4.2)
Reclassification to asset held for sale ¹		(5.6)	
31 December		132.7	111.9

¹The investment in Morgan-Vinci Limited has been reclassified as a held for sale investment. The joint venture sales process is currently ongoing and is expected to be completed during 2026.

During 2025, an exceptional building safety credit of £0.9m (2024: charge of £1.4m) has been recognised in respect of the Group's share of constructive and legal obligations to remediate legacy building safety issues within joint ventures.

8. Trade and other receivables

	Notes	2025 £m	2024 £m
Amounts falling due within one year			
Trade receivables		382.4	300.2
Amounts owed by joint ventures	13	14.8	15.8
Prepayments		19.5	16.1
Insurance receivables		19.7	23.1
Other receivables		31.7	29.0
		468.1	384.2
Amounts falling due after more than one year			
Trade receivables		85.3	69.3
		85.3	69.3
Trade and other receivables		553.4	453.5

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Trade receivables are stated after provisions for impairment losses of £0.4m (2024: £1.3m).

Retentions held by customers for contract work included within trade receivables at 31 December 2025 were £158.4m (2024: £129.1m). These will be collected in the normal operating cycle of the Group, including £85.3m (2024: £69.3m) that fall due in more than one year. The Group manages the collection of retentions through its post completion project monitoring procedures and ongoing contact with clients to ensure that potential issues that could lead to the non-payment of retentions are identified and addressed promptly.

Notes to the consolidated financial statements

For the year ended 31 December 2025

The Group holds third-party insurances that may mitigate the contract and legal liabilities described in note 10 – Provisions and note 11 – Contingent liabilities. Insurance receivables are recognised when reimbursement from insurers is virtually certain.

9. Trade and other payables

		2025	2024
	Notes	£m	£m
Trade payables		237.3	211.1
Amounts owed to joint ventures	13	0.2	0.2
Other tax and social security		174.7	139.3
Accrued expenses		890.8	729.8
Deferred income		3.0	7.1
Land creditors		25.4	30.8
Other payables		12.2	12.0
Current		1,343.6	1,130.3
Land creditors		14.9	15.3
Other payables		-	1.3
Non-current		14.9	16.6

The directors consider that the carrying amount of trade payables approximates to their fair value. No interest was incurred on outstanding balances. Non-current other payables have been discounted by £1.5m (2024: £1.3m) to reflect the time value of money.

Retentions withheld from subcontractors included in trade payables amount to £101.4m (2024: £95.5m).

10. Provisions

	Building safety £m	Self-insurance £m	Contract and legal £m	Other £m	Total £m
1 January 2024	56.1	19.2	18.3	2.5	96.1
Utilised	(7.3)	(1.3)	(7.6)	-	(16.2)
Additions	11.9	4.3	21.5	1.1	38.8
Released	(3.9)	(3.0)	(5.2)	(1.1)	(13.2)
1 January 2025	56.8	19.2	27.0	2.5	105.5
Utilised	(7.3)	(2.0)	(5.3)	(0.1)	(14.7)
Additions	7.4	4.4	10.2	0.6	22.6
Released	-	(5.5)	(18.5)	-	(24.0)
31 December 2025	56.9	16.1	13.4	3.0	89.4
Current	56.9	1.2	13.4	0.2	71.7
Non-current	-	14.9	-	2.8	17.7
31 December 2025	56.9	16.1	13.4	3.0	89.4

Building safety provisions

Management has reviewed legal and constructive obligations arising from the developers' pledge, the Building Safety Act and other associated fire regulations. Where obligations exist, these have been evaluated for the likely cost to address, including repayments of the Building Safety Fund. As a result of this review process provisions are recognised, as reported in the table above, excluding those recognised in joint ventures. The provision is expected to be utilised in the next two years, with repayments to the Building Safety Fund commencing in 2026.

See note 3 for further detail.

Notes to the consolidated financial statements

For the year ended 31 December 2025

The Group also holds third-party insurances that may mitigate the liabilities. Third-party insurance reimbursement in respect of these provisions has been recognised as a separate asset, but only when the reimbursement is virtually certain. See notes 3 and 8 for details of mitigating insurance receivables recognised at the period end.

Note 11 includes details of contingent liabilities related to building safety.

Self-insurance provisions

Self-insurance provisions comprise the Group's self-insurance of certain risks and include £6.7m (2024: £11.5m) held in the Group's captive insurance company, Newman Insurance Company Limited.

The Group makes provisions in respect of specific types of claims incurred but not reported (IBNR). The valuation of IBNR considers past claims experience and the risk profile of the Group. These are reviewed periodically and are intended to provide a best estimate of the most likely or expected outcome.

Contract and legal provisions

Contract and legal provisions include liabilities, loss provisions, defect and warranty provisions on contracts that have reached completion.

The Group also holds third-party insurances that may mitigate the liabilities. Third-party insurance reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. See note 8 for details of mitigating insurance receivables recognised at the period end.

Note 11 includes details of contingent liabilities related to claims.

Other provisions

Other provisions include property dilapidations and other personnel-related provisions.

11. Contingent liabilities

Group banking facilities and surety bond facilities are supported by cross guarantees given by the Company and participating companies in the Group. There are contingent liabilities in respect of surety bond facilities, guarantees and claims under contracting and other arrangements, including joint arrangements and joint ventures entered into in the normal course of business. As at 31 December 2025, contract bonds in issue under uncommitted facilities covered £290.8m of contract commitments of the Group, of which £19.4m relates to joint arrangements and £nil relates to joint ventures (2024: £194.9m, of which £19.4m related to joint arrangements and £nil related to joint ventures).

Contingent liabilities may also arise in respect of subcontractor and other third-party claims made against the Group, in the normal course of trading. These claims can include those relating to health & safety incidents, cladding/legacy fire safety matters, and defects. A provision for such claims is only recognised to the extent that the directors believe that the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation. However, such claims are predominantly covered by the Group's insurance arrangements. Recoveries under insurance arrangements are recognised as insurance receivables when they are considered virtually certain.

Building safety

At 31 December 2025, provisions in respect of liabilities arising from the Developers' Pledge, the Building Safety Act and other associated fire regulations totalled £62.9m (2024: £63.7m), including those related to joint ventures.

The ongoing legislative and regulatory changes in respect of legacy building safety issues create uncertainty around the extent of remediation required for legacy buildings, the liability for such remediation, recoveries from other parties and the time to be considered. It is possible that as remediation work proceeds, additional remedial works are required that may not have been identified from the reviews and physical inspections undertaken to date. The scope of buildings and remediation works to be considered may also change as legislation and regulations continue to evolve.

Notes to the consolidated financial statements

For the year ended 31 December 2025

Uncertainties also exist in respect of the timing and extent of expected recoveries from other third parties involved in developments.

12. Net cash

Net cash

Net cash is defined as cash and cash equivalents less borrowings and non-recourse project financing as shown below:

	2025 £m	2024 £m
Cash and cash equivalents	590.5	544.2
Bank overdrafts presented as borrowings due within one year	(59.3)	(51.8)
Cash and cash equivalents reported in the consolidated cash flow statement	531.2	492.4
Net cash	531.2	492.4

Included within cash and cash equivalents is £20.3m (2024: £23.1m) which is the Group's share of cash held within jointly controlled operations. There is £16.5m included within cash and cash equivalents that is held for future payment to designated suppliers (2024: £26.0m). There is a third-party charge of £0.3m (2024: £0.3m) on a bank account in Switzerland for the purpose of rental guarantees for offices occupied by BakerHicks.

The Group has £180m of committed loan facilities maturing more than one year from the balance sheet date, of which £15m matures in June 2028 and £165m in October 2028. These facilities are undrawn at 31 December 2025.

Average daily net cash during 2025 was £367.6m (2024: £374.2m). Average daily net cash is defined as the average of the 365 (2024: 366) end-of-day balances of the net cash (as defined above) over the course of a reporting period. Management uses this as a key metric in monitoring the performance of the business.

13. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. During the year, Group companies entered into transactions to provide construction and property development services with related parties, all of which were joint ventures, not members of the Group, amounting to £159.2m (2024: £136.5m). At 31 December 2025, amounts owed to the Group by joint ventures was £14.8m (2024: £15.8m) and amounts owed by the Group to joint ventures was £0.2m (2024: £0.2m) including joint venture funding obligations.

Remuneration of key management personnel

The Group considers key management personnel to be the members of the group management team, and sets out below in aggregate, remuneration for each of the categories specified in IAS 24 'Related Party Disclosures'.

	2025 £m	2024 £m
Short-term employee benefits	11.6	11.2
Post-employment benefits	0.2	0.2
Termination benefits	0.9	-
Share-based payments	4.0	3.3
	16.7	14.7

Notes to the consolidated financial statements

For the year ended 31 December 2025

Directors' transactions

There have been no related party transactions with any director in the year or in the subsequent period to 24 February 2026.

Directors' material interests in contracts with the Company

No director held any material interest in any contract with the Company or any Group company in the year or in the subsequent period to 24 February 2026.

14. Subsequent events

There were no subsequent events that affected the financial statements of the Group.

15. Adjusted performance measures

In addition to monitoring and reviewing the financial performance of the operating segments and the Group on a statutory basis, management also uses adjusted performance measures which are also disclosed in the annual report. These measures are not an alternative or substitute to statutory IFRS measures but are seen by management as useful in assessing the performance of the business on a comparable basis. These financial measures are also aligned to the measures used internally to assess business performance in the Group's budgeting process and when determining compensation. The Group also uses other non-statutory measures which cannot be derived directly from the financial statements. There are four alternative performance measures used by management and disclosure in the annual report which are:

'Adjusted'

In all cases the term 'adjusted' excludes the impact of intangible amortisation and exceptional items. This is used to improve the comparability of information between reporting periods to aid the use of the annual report in understanding the activities across the Group's portfolio.

Below is a reconciliation between the reported Gross profit, Operating profit and Profit before tax measures on a statutory basis and the adjustment made to calculate Adjusted Gross profit, Adjusted Operating profit and Adjusted Profit before tax.

Adjusted basic earnings per share and adjusted diluted earnings per share are the statutory measures excluding the post-tax impact of intangible amortisation and exceptional items, and the deferred tax charge arising due to changes in UK corporation tax rates. See note 6 for a detailed reconciliation of the adjusted EPS measures.

	Gross profit		Operating profit		Profit before tax	
	2025	2024	2025	2024	2025	2024
Notes	£m	£m	£m	£m	£m	£m
Reported	612.0	529.9	224.9	162.0	231.8	171.9
Adjust for: exceptional building safety items ¹	1.3	(1.3)	0.4	0.1	0.4	0.1
Adjust for: amortisation of intangible assets	-	-	0.4	0.5	0.4	0.5
Adjusted	613.3	528.6	225.7	162.6	232.6	172.5
Reported tax charge					(56.9)	(40.2)
Adjust for: tax relating to amortisation					(0.1)	(0.1)
Adjust for: tax relating to exceptional items					(1.7)	(1.7)
Adjusted profit after tax / earnings					173.9	130.5

¹ The exceptional building safety items include amounts recognised in cost of sales (£1.3m charge (2024: £1.3m credit)) and share of net profit of joint ventures (£0.9m credit (2024: £1.4m charge)). See note 3.

Notes to the consolidated financial statements

For the year ended 31 December 2025

'Net cash'

Net cash is defined as cash and cash equivalents less borrowings. Lease liabilities are not deducted from net cash. A reconciliation of this number at the reporting date can be found in note 12. In addition, management monitors and reviews average daily net cash as good discipline in managing capital. Average daily net cash is defined as the average of the 365 (2024: 366) end-of-day balances of net cash over the course of a reporting period.

'Operating cash flow'

Management uses an adjusted measure for operating cash flow as it encompasses other cash flows that are key to the ongoing operations of the Group, such as repayments of lease liabilities, investment in property, plant and equipment, investment in intangible assets, and returns from equity accounted joint ventures. Operating cash flow can be derived from the cash inflow from operations reported in the consolidated cash flow statement as shown below.

Operating cash flow conversion is operating cash flow divided by adjusted operating profit as defined above.

	Notes	2025 £m	2024 £m
Cash inflow from operations - reported		235.6	172.7
Dividends from joint ventures	7	4.7	4.2
Proceeds on disposal of property, plant and equipment		0.5	1.9
Purchases of property, plant and equipment		(16.0)	(18.2)
Purchases of intangible fixed assets		(0.6)	-
Repayments of lease liabilities		(28.3)	(25.8)
Operating cash flow		195.9	134.8

'Return on capital employed'

Management use return on capital employed (ROCE) in assessing the performance and efficient use of capital within the Regeneration activities. ROCE is calculated as adjusted operating profit plus interest received from joint ventures divided by average capital employed. Average capital employed is the 13-month average of total assets (excluding goodwill, other intangible assets and cash) less total liabilities (excluding corporation tax, deferred tax, intercompany financing, overdrafts and exceptional building safety items).

Responsibility Statement

We confirm to the best of our knowledge:

1. The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
2. The strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face; and
3. The annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

The contents of this announcement, including the responsibility statement above, have been extracted from the annual report and accounts for the year ended 31 December 2025 which will be available on publication at <http://www.morgansindall.com>. Accordingly, this responsibility statement makes reference to the financial statements of the Company and the Group and to the relevant narrative appearing in that annual report and accounts rather than the contents of this announcement.

This responsibility statement was approved by the Board on 24 February 2026 and is signed on its behalf by:

John Morgan
Chief Executive

Kelly Gangotra
Chief Financial Officer