23 July 2026

MORGAN SINDALL GROUP PLC
('Morgan Sindall' or 'Group')

RESULTS FOR THE HALF YEAR (HY) ENDED 30 JUNE 2026

Record first half results and remain confident in maintaining current expectations for 2026

Group Highlights

"We delivered another record half year results for the Group, achieving significant growth in adjusted[1] profit before tax, up 21% to £116m from the prior period. Our performance continues to reinforce our track record of delivering strong revenue and growth in profits leading to robust cash generation, enabling continued investment in our Partnership businesses while also supporting strong dividend growth.

Our Fit Out and Construction Services businesses delivered excellent results and made a significant contribution to Group performance during the period, while our Partnerships businesses faced a more challenging macroeconomic environment.

The medium-term fundamentals for Fit Out remain strong and in Construction, we have continued to benefit from ongoing government investment commitments. As a result, we have increased the medium-term targets for both the Fit Out and Construction divisions.

Despite the challenging housing backdrop, the strength and breadth of our diverse operations, together with the visibility provided by our high-quality order book for the remainder of the year, we remain confident that our full year performance will be in line with our current expectations."

John Morgan, Group Chief Executive Officer

	HY 2026	HY 2025	Change
Revenue	£2,562m	£2,370m	+8%
Operating profit – adjusted[1]	£111.5m	£91.8m	+21%
Profit before tax – adjusted[1]	£116.1m	£95.9m	+21%
Earnings per share – adjusted[1]	186.1p	153.1p	+22%
Period end net cash	£418m	£390m	+£28m
Interim dividend per share	55.0p	50.0p	+10%
Operating profit – reported	£111.5m	£91.3m	+22%
Profit before tax – reported	£116.1m	£95.4m	+22%
Basic earnings per share – reported	186.1p	155.7p	+20%

[1] 'Adjusted' is defined as before intangible amortisation and exceptional building safety charge: £Nil (HY 2025: before intangible amortisation of £0.4m and exceptional building safety charge £0.1m)

Highlights

- **Strong revenue and PBTA growth once again underpin record results**
  - Revenue **up 8%** to £2.6bn (HY 2025: £2.4bn)
  - Adjusted profit before tax **up 21%** to £116m (HY 2025: £96m)
  - PBTA margin expansion to 4.5% (HY 2025: 4.0%)

- **Continued cash discipline and balance sheet strength**
  - Net cash of £418m (HY 2025: £390m)
  - Average daily net cash of £423m (HY 2025: £354m)

- **High quality secured order book at £12.2bn (HY 2025: £12.0bn), with preferred bidder work increasing to £7.3bn, totalling £19.5bn**
  - Partnerships £12.1bn, up 18% (HY 2025: £10.3bn)
  - Fit Out £1.7bn, in line with prior period (HY 2025: £1.7bn)
  - Construction Services £5.7bn, marginally down 1% (HY 2025: £5.8bn)

- **Interim dividend up 10% to 55p per share (HY 2025: 50p)**

Divisional Highlights

	Revenue		Operating Profit[1]		Operating %		Orderbook	
	£m	Change	£m	Change	£m	Change	£m	Change
Partnership Housing	347	-14%	13.2	-	3.8%	+50bps	2,461	+12%
Mixed Use Partnerships	25	-4%	(1.1)	n/a	n/a	n/a	4,613	+1%
Fit Out	996	+19%	69.1	+19%	6.9%	-	1,331	-8%
Construction	742	+18%	24.4	+47%	3.3%	+70bps	1,904	-
Infrastructure	468	-3%	18.3	-1%	3.9%	+10bps	1,927	+3%
Group/Eliminations	(16)	n/a	(12.4)	n/a	n/a	n/a	(2)	n/a
Total	2,562	+8%	111.5	+21%	4.4%	+50bps	12,234	+2%

1 'Adjusted' is defined as before intangible amortisation and exceptional building safety charge: £Nil (HY 2025: before intangible amortisation of £0.4m and exceptional building safety charge £0.1m)

- As a result of the market position held, together with the quality of work secured and future prospects, the medium-term targets for **Fit Out** and **Construction** have been increased as of 23rd July 2026. The revised medium-term target for **Fit Out** has been increased to deliver an average annual operating profit of £100m-£130m (previously £80m-£100m). In **Construction**, the revised medium-term target has been increased to deliver an operating margin between 3.5% and 4.0% per annum (previously 3.0% and 3.5%), with an unchanged annual revenue target in excess of £1.5bn.

- Despite subdued housing market conditions, **Partnership Housing** delivered a solid profit contribution in the first half of the year, with operating profit in line with the prior period of £13.2m (HY 2025: £13.2m), while its operating margin expanded by 50 basis points to 3.8% (HY 2025: 3.3%). As near-term consumer confidence is expected to remain subdued due to wider economic uncertainty, operating profits for the full year are now anticipated to be slightly below the prior year. The average capital employed for the full year is expected to be between c£500m and £580m, reflecting the stage of its developments and sales activity levels, while continuing to optimise investment in partnership opportunities for the future.

- **Mixed Use Partnerships** continued to prioritise the number of projects starting on site while balancing near-term viability challenges, with 5 projects successfully started on site in the first half of the year and a further 8 planned for the remainder of the year. Trading performance in the period continued to reflect expensed investment costs for these projects, resulting in an operating loss in the period of £1.1m (HY 2025: operating loss £1.5m), with the full year expected to now show a small loss. The average capital employed for the year is expected to be between c£135m and £165m.

- **Fit Out** delivered another significant and market-leading performance in the first half of the year; both revenue and operating profit increased by 19% to £996m and £69.1m respectively (HY 2025: £838m and £58.1m) delivering an operating margin of 6.9% in line with the prior period. For the full year, the division is expected to have another strong performance, with profits expected to now be slightly ahead of the top end of the revised medium-term target range (Average annual operating profit £100m - £130m).

- **Construction** delivered an excellent performance in the period, applying a strong disciplined focus on operational delivery and risk management; operating profit was up 47% to £24.4m (HY 2025: £16.6m), revenue up 18% to £742m (HY 2025: £627m), delivering an operating margin of 3.3% (HY 2025: 2.6%). For 2026, its operating margin is now expected to be around the entry point of the revised target range (3.5% - 4.0%) and revenues are expected to make continued progress towards £1.5bn.

- Over the period **Infrastructure** has continued with the deployment of a number of planning and design activities for large frameworks, while also maintaining a high-quality of operational delivery across the business; operating profits were marginally behind the prior period at £18.3m, while its operating margin expanded by 10 basis points to 3.9% (HY 2025: 3.8%). For the full year, its operating margin is expected to be at top end of its target range, while revenues are expected to progress towards c£1bn, unchanged from previous guidance.

Enquiries

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Presentation

- There will be an analyst and investor presentation at 9.00am at **London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS**. 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 23 July 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.

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 and exceptional building safety charges, which for HY 2026 was nil. For HY 2025, 'adjusted' excluded the impact of intangible amortisation of £0.4m and the exceptional building safety charge of £0.1m.

Summary Group Financial Results

The Group delivered another robust performance in the first half of 2026, with significant contributions from both the Fit Out and Construction divisions. Group revenue increased by 8% up to £2,562m (HY 2025: £2,370m), while adjusted operating profit increased by 21% to £111.5m (HY 2025: £91.8m). Adjusted operating margin was 4.4%, 50 basis points higher than the prior period (HY 2025: 3.9%).

Net finance income in the period was £4.6m (HY 2025: £4.1m) resulting in adjusted profit before tax of £116.1m, up 21% (HY 2025: £95.9m).

The adjusted tax charge for the period was £29.0m (statutory tax charge of £29.2m) with an adjusted effective rate of 25%. The adjusted earnings per share increased by 22% to 186.1p (HY 2025: 153.1p), while the statutory basic earnings per share of 186.1p was also up 20% (HY 2025: 155.7p).

The Group continued to maintain its high-quality secured order book of £12.2bn at the end of the period, slightly ahead of the prior year end position (FY 2025: £12.0bn). 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 end of the period was £418m (HY 2025: £390m) and the average daily net cash for the six months was £423m (HY 2025: £354m). Of this total, £35m was held in jointly controlled operations or held for future payment to designated suppliers (JVs/PBAs). Looking ahead, the Group maintains its previous guidance that it expects that the average daily net cash for 2026 to be in excess of £400m.

Operating cash flow for the period was an outflow of £10.0m (HY 2025: outflow of £16.7m), as the Group continued its net investment in Partnership Housing by £122m, where it has continued to invest in developing its new sites, whilst also reflecting the usual seasonal working capital movements within Construction Services and Fit Out, typically experienced in the first half of the year. Operating cash for the last twelve months was an inflow of £202.6m.

The proposed interim dividend has increased by 10% to 55.0p per share (HY 2025: 50.0p), reflecting the Group's significant performance in the period, its strong balance sheet and the Board's confidence in the long-term future prospects of the Group.

General Market Conditions

Despite the uncertain environment in both the UK and global markets, the Group's diversified businesses and the varied markets they operate in, together with its strong balance sheet, provide resilience against cyclical changes in individual markets.

While consumer caution in the private housing market has been influenced by renewed inflationary pressures and interest rate uncertainty impacting affordability; the Group's partnership housing model is heavily weighted to long-term public sector partnerships models with local authorities and housing associations, placing the Group in a strong position as a delivery partner for both affordable and social housing over the medium to long-term. In Mixed Use Partnerships, similar economic pressures continue to place a strain on project viability and can influence the timing of delivery in the near-term.

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.

UK construction continues to benefit from sustained government investment in affordable housing, critical defence and energy infrastructure (including electricity transmission), together with new schools and health programmes. Elsewhere, the recent increased investment spend in the Defence Investment Plan provides several attractive medium to long-term bidding opportunities for Construction, Infrastructure, Mixed Use Partnerships as well as Partnership Housing.

2026 Outlook

Looking ahead, as each of the Group's standalone businesses experience varied conditions in their end markets, the strength and breadth of the Group's diverse operations, together with the visibility provided by its high-quality order book for the remainder of the year, the Group remains confident that its full year performance will be in line with its current expectations. 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, and market position held together with future prospects, the medium-term targets for Fit Out and Construction have been increased as of 23rd July 2026.

Division		Medium-term target
Partnership Housing		Operating margin of 8% / return on capital up towards 25% *(Unchanged)*
Mixed Use Partnerships		Return on capital up towards 30% *(Unchanged)*
Fit Out	⬆	Annual operating profit of £100m - £130m *(Previously £80m - £100m)*
Construction	⬆	Operating margin of 3.5% - 4.0% pa Revenue > £1.5bn *(Previously 3.0% - 3.5% pa and Revenue > £1.5bn)*
Infrastructure		Operating margin of 3.75% - 4.25% pa Revenue up towards £1.5bn *(Unchanged)*

Partnership Housing

	HY 2026 £m	HY 2025 £m	Change
Revenue	347	405	-14%
Operating profit	13.2	13.2	-
Operating margin	3.8%	3.3%	+50bps
Average capital employed[1]	506.9	393.0	+29%
Capital employed[1] (at period end)	566.4	434.1	+30%
ROCE[2]	8%	10%	

During the first half of the year, challenging economic conditions continued to prevail within the private housing market, adversely impacting consumer confidence. Despite this, the division continued to invest and develop its long-term partnerships with local authorities and housing associations. In the period, the division successfully progressed from preferred developer on the Druids Heath regeneration scheme with Birmingham City Council, to a secured Partnership development agreement. Further, the division also entered into a partnership agreement with North Yorkshire Council to deliver an initial 500 new homes over the next 4 years.

Demand for contracting with the public sector remained strong and continued to represent two thirds of the divisional revenues in the first half of the year, partially mitigating the impact from lower open market sales within mixed-tenure activities.

Despite revenues for the division reducing in the period by 14% to £347m (HY 2025: £405m), mixed-tenure revenues increased by 6% to £100m (HY 2025: £94m), while Contracting revenues declined by 21% to £247m (HY 2025: £311m) as progress of contracting work on mixed-tenure sites were impacted by local elections in certain locations and the mix of homes delivered.

Both contracting and mixed-tenure activities continued to deliver strong margins over the period, as operating profits in the period remained in line with the prior period at £13.2m (HY 2025: £13.2m) with an improved operating margin of 3.8% due to the mix of work delivered (HY 2025: 3.3%).

The division continued 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 end of the period was £2,461m, 6% higher than the prior year end (FY 2025: £2,330m), with a further £3,033m at preferred bidder stage (FY 2025: £2,764m).

Capital invested in housing and apartment products launched in the London market remained slow moving over the first half of the year, impacted by slower sales activity resulting from low consumer confidence which was more pronounced within the London region. Despite this, the division continued with its strategy to invest in partnership opportunities to support future growth in line with its medium-term target return ambitions. Reflective of these factors, the capital employed at the period end was £566.4m, an increase of £132.3m on the prior period end (HY 2025: £434.1m) and £114.5m higher than the prior year-end (FY 2025: £451.9m). As a result of the higher average capital employed, the overall ROCE for the last 12-month period reduced to 8% (HY 2025: 10%).

Mixed Tenure

The division continued with its strategy of increasing the number and size of mixed-tenure sites, with 75 active mixed-tenure sites at various stages of construction and sales, up from 70 at the prior year end and 68 from the prior period. There was an average of 170 open market units per site, with an average site duration of 58 months, increasing the long-term visibility of activity.

During the period, 498 units were completed across open market sales and social housing (including through its joint ventures) compared to 625 units in the prior period. Within that number, open market sales fell by 23% to 251, noting that the number of open market units that had exchanged but not yet completed had increased from 73 in the previous period to 206 at the end of the first half of the year. The average sales price increased by 11% to £283k (HY 2025: £254k), due to the geographical and product type mix profile.

Of the total divisional order book, the amount relating to mixed-tenure activities increased by 8% to £1,663m (FY 2025: £1,541m). 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 £1,145m at the half year-end (FY 2025: £1,283m).

Notable work won in the period included a 123 home scheme in Wombourne in partnership with Housing plus Group; a 137 home scheme in Adlington in partnership with Jigsaw Housing; 126 homes in partnership with Loretto Housing Association in Bo'ness, Falkirk and 93 homes in Hoon, South Derbyshire in partnership with Aspire Housing. The division has also been selected to build 261 homes for phase 1 of the Burtree Garden Village, Darlington, a long-term scheme with Hellens Group and Homes England.

During the period, the division's partnership with Cardiff and Vale progressed to its first two projects on site and increased the number of schemes within the partnership by a further 4 to 31. 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), Suffolk 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 strong levels of demand with clients awarding work either through frameworks or direct negotiation. The total number of equivalent units built decreased by 35% to 1,194 due to the volume and mix of affordable homes delivered (HY 2025: 1,838). Of the total divisional order book, the contracting secured order book increased slightly to £798m (FY 2025: £789m). Noting that £1,919m of contracting work was at preferred bidder stage, providing confidence of a sizeable ongoing workload for the forthcoming periods (FY 2025: £1,482m).

Key contracting schemes awarded included a £20m scheme with Pobl in Llandeilo; a £10m partnership scheme with Karbon Homes in Middleton-on-the-Wolds; a £16m Balham Avenue scheme, Hull with Together Housing Group; a £34m Planned Maintenance Wave 3 for Amplius and a £18m refurbishment contract for Citizen Housing. The division also commenced phase 1 of a contracting 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%.

As near-term consumer confidence is expected to remain subdued due to wider economic uncertainty, operating profits are now anticipated to be slightly below the prior year. The average capital employed for the full year is expected to be between c£500m and £580m, reflecting the stage of its developments while continuing to optimise investment in partnership opportunities for the future. As a result of the above factors, ROCE is now expected to be lower than 2025 levels.

We continue to remain confident over the medium and long-term demands for housing and remain well positioned to support the Government's social affordable home plans across the country over the forthcoming years.

[1] 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), with the average calculated using a 13-point average

[2] Return on Average Capital Employed = (Adjusted operating profit plus interest from JVs from the last 12 months) divided by average capital employed as defined above

Mixed Use Partnerships

	HY 2026 £m	HY 2025 £m	Change
Revenue	25	26	-4%
Operating profit[1]	(1.1)	(1.5)	n/a
Average capital employed[2]	148.7	101.5	+47%
Capital employed[2] (at period end)	167.4	126.9	+32%
ROCE[3]	(3%)	(0.5%)	

In the period, Mixed Use Partnerships reported a small loss which included investment expenditure relating to projects yet to start on site, partially offset by profits from projects already on site. Importantly, the division continued to prioritise the number of projects on site, which totalled nine at the end of the period, with five starting on site in the period and three reaching practical completion.

Capital invested in a London scheme which launched its apartment products during 2025, remained slow moving over the first half of the year due to low consumer sentiment affected by ongoing affordability constraints. Reflective of this and the trading performance in the first half of the year, the ROCE for the last 12 months was slightly lower than the prior period based on average capital employed of £148.7m.

During the first half, the division entered into new long-term partnerships with local authorities in Barrow, Gateshead and Sunderland through ECF, its strategic joint venture with Homes England and L&G.

Projects under construction include a 53,000 sq ft office building for the Ministry of Defence in Blackpool; a Travel Hub in Prestwich and a new food hall and culture hub in Wythenshawe. Through ECF, this included the first phases of town centre regeneration in St Helens and Earlestown; new homes at Smithgate in Wolverhampton and in Salford; a world-class Acoustics facility for the University of Salford; and 90 new homes at Oldfield Basin designed to Passivhaus standard.

Elsewhere, projects that achieved completion included the Stroudley Walk project in London, delivering 274 homes including 50% affordable, as well as two ECF projects in Salford: C2, a residential building containing 196 build-to-rent homes and Willohaus, a collection of affordable Passivhaus apartments.

At the end of the first half, the division's order book amounted to £4,613m, in line with the prior year end (FY 2025: £4,615m), followed by nine sizeable schemes at preferred bidder stage amounting to £2,032m.

The division's development portfolio included the nine projects on site at the end of the period, totalling £138m of Gross Development Value (GDV), with a further eight planned to start in the second half with a GDV of £252m.

Divisional outlook for Mixed Use Partnerships

The medium-term target for Mixed Use Partnerships is to generate a return on capital up towards 30%.

While the division has experienced a substantial increase to its development order book across a number of long-term sizeable schemes over the last two years, the trading performance (and the resulting ROCE) in 2026 is now expected to show a small loss as the division prioritises the number of schemes starting on site while balancing near-term viability challenges influencing the timing of project starts. The average capital employed for the year is expected to be between c£135m and £165m.

[1] Before exceptional Building Safety Credit of £nil (HY 2025: Charge of £0.1m). 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), with the average calculated using a 13-point average
[3] Return on Average Capital Employed = (Adjusted operating profit plus interest from JVs from the last 12 months) divided by average capital employed as defined above

Fit Out

	HY 2026 £m	HY 2025 £m	Change
Revenue	996	838	+19%
Operating profit	69.1	58.1	+19%
Operating margin	6.9%	6.9%	-

Fit Out delivered another market-leading performance over the first half of the year, delivering significant growth across both revenue and operating profit. Revenues increased by 19% to £996m (HY 2025: £838m), operating profit was also up 19% to £69.1m (HY 2025: £58.1m) resulting in an operating margin of 6.9%, in line with the prior year (HY 2025: 6.9%). In the period, the division continued to benefit from exceptional volumes in a transitioning competitive environment, excellent operational delivery across its existing contract portfolio including the phasing of project completions, together with operational leverage. All of which collectively reinforce the division's proven track record, strong brand reputation and market position in delivering on its customer commitments.

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 remains the division's largest market, accounting for 75% of revenue (HY 2025: 73%), 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.

At the end of the period, the secured order book was £1,331m, representing a slight increase to the previous year end (FY 2025: £1,312m).

Projects won in London during the period included BDO UK on Marylebone Lane (200,000 sq ft); British Airways in West Drayton (150,000 sq ft); SMBL Developments Ltd in London (100,000 sq ft); CD&R LLP on Duke Street (62,000 sq ft); The Clothworkers' Company on Fenchurch Street (60,000 sq ft) and Transport for London in West Ham (56,000 sq ft).

Key regional project wins included the National Museum Liverpool (138,000 sq ft); BBC in Digbeth (84,000 sq ft); Aveva Group in Cambridge (83,600 sq ft), Boehringer Ingelheim in Bracknell (36,597 sq ft) and for Centrica Plc in Cardiff (29,192 sq ft).

Projects on site or completed in London included Citi in Canary Wharf; HSBC (592,000 sq ft); PwC at More London (380,000 sq ft); Clifford Chance at Aldermanbury Square (320,000 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 sq ft); 200 Aldersgate for Savills IM (106,000 sq ft); JLL at 1 Broadgate (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).

Outside London, work continued or completed for Bank of New York in Manchester (200,000 sq ft), CooperVision in Southampton (164,000 sq ft); a global financial services provider in Northampton (185,000 sq ft); and Lloyds Banking Group in Birmingham (151,000 sq ft); lab and research facilities for Riverlabs in Ware (137,000 sq ft); Arm in Cambridge (110,000 sq ft); YASA in Bicester (87,000 sq ft); British Airways in Newcastle (77,000 sq ft); and Aviva in Bristol (65,000 sq ft).

Notable projects won through frameworks and corporate partnerships included eight projects through Pagabo (216,000 sq ft); two projects through Procure Partnerships (60,000 sq ft); and two projects through SCAPE (56,000 sq ft).

Divisional outlook for Fit Out

Based on the quality of work secured and future prospects, the medium-term target for Fit Out has been increased to deliver an average annual operating profit of £100m-£130m.

Based on the timing of projects in the order book and the current visibility the division has of future workload for the balance of the year, the division is expected to have another strong year in 2026, with profits expected to be slightly ahead of the top end of the revised medium-term target range.

Construction

	HY 2026 £m	HY 2025 [1] £m	Change
Revenue	742	627	+18%
Operating profit	24.4	16.6	+47%
Operating margin	3.3%	2.6%	+70bps

[1] Restated to include Property Services

Construction's revenue increased by 18% to £742m (HY 2025: £627m), while operating profits materially increased by 47% to £24.4m (HY 2025: £16.6m). The excellent performance in the period was driven by an improved quality of earnings, underpinned by disciplined contract selection and strong operational execution, resulting in an operating margin expanding by 70 basis points to 3.3% (HY 2025: 2.6%).

In parallel, the division maintained its strong momentum in winning new work aligned to the sectors that it operates within. At the end of the period, the secured order book stood at £1,904m, 4% ahead of the prior year end (FY 2025: £1,826m). Further, there continues to be a strong pipeline of tendering opportunities being generated through negotiated or existing frameworks. At the end of the period, the division had £1,276m of work at preferred bidder stage, providing confidence of a sizeable ongoing workload (FY 2025: £1,452m) for the balance of the year and beyond.

Education

The division was successfully reappointed to the Department for Education's £15.4bn CF25 framework that will deliver its vision for the next generation of buildings for schools and further education across England over the next 6-8 years.

Project wins during the period include the £17m Hempland Primary School in North Yorkshire; a £21m Broadford Primary School in the Isle of Skye (new campus designed to Passivhaus classic standard); a £11.6m Hartland Village Primary School in Hampshire; a £15.2m expansion of Sarum Academy in Salisbury to accommodate an additional 150 pupils; a £23.6m Kestrel Way Secondary School, a new SEN Secondary provision in Luton; and a £65m Sports and Leisure Centre for Harrow Boys School.

Completions included the final phase of a £32m expansion of Rushcliffe School for Nottinghamshire County Council; and a £20.7m Building for the University of Westminster, a retrofit and expansion which has transformed an empty site into a careers and enterprise building for the University's students, industry partners and local community.

Healthcare

During the period, the division was confirmed as an alliance partner to the government's New Hospital Programme (NHP) - a £37 billion initiative targeting 40 new hospital schemes across England up to 2040.

Project wins during the period also include Somerset Health & Care Academy, a £13m refurbishment of the Old Bridgewater Hospital to be repurposed as a training centre; and a £25m state-of-the-art Endoscopy Unit at Newmarket Community Hospital.

Completions included two projects for Milton Keynes University Hospital NHS Foundation Trust the brand-new Oak Wards and Imaging Centre to consolidate diagnostic services, a combined value of £34.2m.

Other Sectors

Project wins include Outer West Leisure Centre, a £20 million community facility for Newcastle City Council (NCC); Kings Hall Leisure Centre for £66m, a restoration and refurbishment project for Hackney Council; and an £87m life sciences laboratory and office development for Kadans Science Partner in Manchester. Elsewhere the division continued to win work in the defence sector, securing three new projects totalling £25m for the Defence Infrastructure Organisation.

Completions in the period included a £27m Life Sciences development for Kadans Science Partner in Kings Cross; a £5m public realm upgrade of Royal Parade for Plymouth City Council; and a £13m Workington Innovation Hub for Cumberland Council, a dedicated incubation and growth facility for technology and advanced manufacturing businesses.

Divisional outlook for Construction

Based on the quality of work secured and future prospects, the revised medium-term target for Construction has been increased to deliver an operating margin between 3.5% and 4.0% per annum, with an unchanged 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 around the entry point of the revised target range and revenues are expected to make continued progress towards £1.5bn.

Infrastructure[1]

	HY 2026 £m	HY 2025 £m	Change
Revenue	468	482	-3%
Operating profit	18.3	18.4	-1%
Operating margin	3.9%	3.8%	+10bps

Infrastructure continued with its deployment of a number of planning and design activities for large frameworks, while also ensuring a high-quality of operational delivery across its existing contract portfolio. Due to the nature of the early works across a number of its long-term frameworks, revenues decreased slightly by 3% to £468m (HY 2025: £482m), while operating profit was marginally lower than the prior period at £18.3m (HY 2025: £18.4m) delivering an operating margin of 3.9% (HY 2025: 3.8%).

Infrastructure's order book of £1,927m was slightly ahead of the prior year end (FY 2025: £1,890m) and continues to remain long-term in nature, with a further £637m at preferred bidder stage; noting that virtually all of its orderbook is derived through frameworks. The division is strongly positioned to provide essential long-term infrastructure solutions in key sectors that it operates within, including nuclear, energy, defence, rail, water, highways and aviation; aligning its capabilities with customer needs in those areas. Further, the markets in which it operates within have significant long-term committed investment programmes in place, largely driven by regulatory and government objectives.

Nuclear

The division has commenced mobilisation works for the Sellafield Infrastructure Delivery Partnership; the contract, which was awarded to three partners in 2025, 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

The division has moved into early contractor engagement and delivery on several schemes in National Grid's £8bn Electricity Transmission Partnership (ETP) to deliver vital substation work in the North West region. Also, for National Grid, construction works commenced on the Tilbury to Grain project as part of National Grid's Great Grid Partnership. Early works are commencing on Scottish Power Energy Networks' substation and overhead line upgrades on the Denny to Wishaw network. Several overhead line schemes have been completed this year, along with significant progress on the Dinorwig recabling project.

Rail

During the period, the division commenced four Access for All (AFA) schemes for Transport for Greater Manchester. Elsewhere, the division successfully delivered the final two stations along the Northumberland Line, completing the six-station project, with passenger numbers exceeding expectations and a positive community impact. For Network Rail, works are nearing completion at the Liverpool Street Station project. For Transport for London, works continues at Beckton and Surrey Quays.

Water

For Wessex Water, the team began work on several combined sewer overflow projects as part of the AMP8 Framework. For Welsh Water, the framework continues to transition to the AMP8 framework.

Highways & Aviation

Works were completed 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. In Aviation, works commenced at Gatwick Airport as part of the Building and Civils Frameworks. 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

As growth in the power sector continued in the period, the BakerHicks business provided design support for major electricity transmission and distribution programmes across the UK. These include a high-voltage substation extension in south Wales, network reinforcement schemes in north London and central Scotland, and a programme of operational hubs supporting the expansion and modernisation of Scotland's transmission network. Together, these projects will strengthen network resilience, increase capacity and enable the transition to a cleaner energy system.

Across the wider transportation infrastructure, the business secured a place on Scotland Excel's Engineering and Technical Consultancy Framework, supporting projects worth up to £160m. The business also continued to provide design support to Heathrow Airport's ongoing transformation programme, delivering accessibility-focused improvements across Terminals 3 and 5. Elsewhere, work continued during the year on an innovative formulation plant in Scotland for a leading crop protection and seed breeding company.

Divisional outlook for Infrastructure

The medium-term target for Infrastructure is to deliver an operating margin between 3.75% and 4.25% per annum, with an annual revenue target towards £1.5bn.

For the full year, based upon the timing and stage of delivery of its projects, its operating margin is now expected to be at top end of its Medium-Term Target range, while revenues are expected to progress towards c£1bn, unchanged from previous guidance.

[1] Design results are reported within Infrastructure

Other Financial Information

1. **Net finance income.** Net finance income was £4.6m, an increase of £0.5m compared to the prior period.

	HY 2026 £m	HY 2025 £m	Change £m
Interest income on bank deposits	7.4	7.9	(0.5)
Interest receivable from joint ventures	-	0.2	(0.2)
Loan arrangement and commitment fees	(1.0)	(1.0)	-
Interest expense on lease liabilities	(2.1)	(2.0)	(0.1)
Other	0.3	(1.0)	1.3
Total net finance income	**4.6**	**4.1**	**0.5**

2. **Tax.** A reported tax charge of £29.0m is shown for the year (HY 2025: £22.4m). This equates to an effective tax rate of 25% on profit before tax. The adjusted tax charge is £29m (HY 2025: £24.1m).

	HY 2026 £m	HY 2025 £m
Profit before tax	116.1	95.4
Less: share of underlying[1] net loss / (profit) of joint ventures	0.6	(1.8)
Profit before tax excluding joint ventures	**116.7**	**93.6**
Statutory tax rate	25%	25.0%
Current tax charge at statutory rate	**(29.2)**	**(23.4)**
Tax on underlying[1] joint venture profits[2]	0.2	(0.5)
Tax on exceptional items	-	1.6
Other non-deductible expenses	-	-
Prior year adjustments	-	-
Other adjustments	-	(0.1)
Tax charge as reported	**(29.0)**	**(22.4)**
Tax on amortisation	-	(0.1)
Tax on exceptional items	-	(1.6)
Adjusted tax charge	**(29.0)**	**(24.1)**

[1] Underlying net profit of joint ventures excludes the exceptional building safety charge of £nil related to joint ventures (HY 2025: Charge of £0.1m).
[2] Certain of the Group's joint ventures are partnerships for which profits are taxed within the Group rather than within the joint venture.

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.

	HY 2026 £m	HY 2025 £m	Change £m
Inventories	693.5	559.5	+134.0
Trade & Other Receivables[1]	831.5	755.3	+76.2
Trade & Other Payables[2]	(1,494.5)	(1,319.6)	(174.9)
Net working capital	**30.5**	**(4.8)**	**+35.3**

[1] Adjusted to exclude building safety receivable of £17.5m (HY 2025: £11.6m) and capitalised arrangement fees and accrued interest receivable of £1.3m (HY 2025: £1.5m).
[2] Adjusted to exclude accrued interest payable of £0.3m (HY 2025: £0.5m).

4. **Cash flow.** Operating cash flow was an outflow of £10.0m (HY 2025: outflow of £16.7m). Free cash flow was an outflow of £27.5m (HY 2025: outflow of £31.5m).

	HY 2026 £m	HY 2025 £m
Operating profit – adjusted	**111.5**	**91.8**
Depreciation and Amortisation	18.9	19.7
Share option expense	6.5	4.3
Share of underlying[1] net loss / (profit) of joint ventures	0.6	(1.8)
Other operating items [2]	(0.3)	(3.2)
Change in working capital[3&4]	(135.0)	(112.6)
Net capital expenditure (including repayment of finance leases)	(14.1)	(15.9)
Dividends and interest received from joint ventures	1.9	1.0
Operating cash flow	**(10.0)**	**(16.7)**
Income taxes paid	(25.5)	(22.5)
Net interest received (non-joint venture)	8.0	7.7
Free cash flow	**(27.5)**	**(31.5)**

[1] 'Underlying net profit of joint ventures' excludes the exceptional building safety credit of £nil related to joint ventures (HY 2025: Charge of £0.1m).
[2] 'Other operating items' includes increase in provisions £4.7m and loss on disposal of JV held for sale £0.5m less building safety provision movements (£5.2m), a gain on disposal of PPE (£0.2m) and advance of shared equity loan (£0.1m).
[3] 'Change in working capital' excludes movement on building safety receivable (£nil).
[4] Includes net investment in Partnership Housing activities of £121.8m (HY 2025: £127.6m).

5. **Net cash.** Net cash at 30 June 2026 was £418.3m, as a result of a net cash outflow of £112.9m from 1 January 2026, with movements summarised as:

	£m
Net cash at 1 January 2026	**531.2**
Free cash flow (as above)	(27.5)
Dividends	(50.6)
Other[1]	(34.8)
Net cash at 30 June 2026	**418.3**

[1] 'Other' includes the purchase of shares in the Company by the employee benefit trust (£25.4m) and net capital advances to JVs (£16.3m) less proceeds from the exercise of share options (£6.7m) 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 £172.8m since the prior year, split as follows:

Capital employed[1,2] in Partnerships	HY 2026 £m	HY 2025 £m	Change £m
Partnership Housing	566.4	434.1	+132.3
Mixed Use Partnerships	167.4	126.9	+40.5
	733.8	**561.0**	**+172.8**

An analysis of the capital employed in **Construction Services** and **Fit Out** shows a decrease of £115.7m since the prior year, split as follows:

Capital employed[1,2] in Construction Services and Fit Out	HY 2026 £m	HY 2025 £m	Change £m
Construction	(320.8)	(236.5)	(84.3)
Infrastructure	(75.2)	(68.4)	(6.8)
Fit Out	(149.7)	(125.1)	(24.6)
	(545.7)	**(430.0)**	**(115.7)**

[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.

7. **Dividends.** The Board of Directors has proposed an interim dividend of 55p per share, an increase of 10% on the prior year interim dividend (HY 2025: 50.0p). This will be paid on 22 October 2026 to shareholders on the register on 2 October 2026. The ex-dividend date will be 1 October 2026.

8. **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 are included within the 2025 Annual Report and Accounts. These 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 - UK construction continues to benefit from sustained government investment in affordable housing, critical defence and energy infrastructure, together with new schools and health programmes. However, macroeconomic uncertainty caused by wider geopolitical events continue to place a strain on project viability, client confidence and timing of opportunities. Despite this, the Group's diversified businesses and the varied markets they operate in together with its strong balance sheet, provide resilience against cyclical changes in individual markets.

   Exposure to UK housing market - The Group's long-term public sector partnerships models, supported by government policy and fundamental demand for affordable housing enables it to navigate a challenging housing market. However, recent geopolitical tensions have contributed to renewed inflationary pressures and interest rate uncertainty, affecting affordability and buyer confidence. Planning constraints continue to contribute to a slowdown in sales despite government commitments to accelerate delivery. In Mixed Use Partnerships, identifying forward funders on some schemes and protracted delivery of approved grant funding are impacting scheme viability and start on site.

   Poor contract selection and/or bidding - The Group's teams are maintaining their disciplined and selective approach to tendering work predominantly through frameworks and two-stage negotiated procurement. The Group remains focussed on maintaining a quality orderbook by operating within its target markets and proven capabilities.

   Health and safety - The Group is committed to protecting the health, safety and wellbeing of its people, supply chain and other key stakeholders. Failure to maintain high standards could result in injury, project disruption, regulatory intervention and reputational damage. The Group continues to invest in its health, safety and environmental management systems and closely monitors performance to support continual improvement.

   People and culture - The Group's decentralised model and values-led culture are fundamental to its long-term success. A failure to effectively onboard and develop new employees in line with the Group's operating model and culture could impact operational performance and growth objectives. The construction sector continues to face skills shortages which are expected to persist in the medium term. In the short to medium-term. The Group is maintaining focus on increasing its diversity across a number of areas.

   Partner insolvency and performance - Remains a risk as some of the Group's supply chain, partners and clients may be trading with strained finances as a result of challenging market conditions and borrowing pressures. The Group's teams are acutely aware of this and have increased their due diligence as well as providing help and assistance where appropriate. In some limited circumstances the Group has supported key partners with more favourable terms to assist their cash flow while obtaining assurance on production progress and forms of guarantee.

   Mismanagement of working capital and investments - The Group's strong balance sheet and cash position continue to support long term investment in partnership schemes and protect against economic downturns. Its effective management of working capital and investments is a key differentiator and provides confidence to clients and investors.

Climate change - Failure to protect the environment in which the Group operates by reducing carbon emissions and waste and to fully consider potential environmental risks on projects could cause delays to projects and damage the Group's reputation. The Group has been acknowledged as leaders in its sector, however, there is a recognition that there is much to do as progress continues towards its 2045 net zero goal.

UK cyber activity and failure to invest in information technology - The risk of a Cyber-attack remains high and could lead to severe operational disruption, data loss and reputational damage. The Group is maintaining its elevated cyber security posture and has re-certified to ISO27001 as well as the Government's Cyber Essentials Plus scheme. It was the first company to achieve Defence Cyber Certification (DCC) developed with the UK Ministry of Defence, positioning the Group as a trusted partner for government contracts. The Group continues to invest in recovery capability, and continuity plans to provide resilience against evolving threat

Condensed consolidated income statement

For the six months ended 30 June 2026

	Note	**Six months to 30 June 2026 (unaudited) £m**	Six months to 30 June 2025 (unaudited) £m	Year ended 31 Dec 2025 (audited) £m
Revenue		**2,562.0**	2,369.5	5,018.6
Cost of sales		**(2,254.0)**	(2,094.3)	(4,406.6)
Gross profit		**308.0**	275.2	612.0
Analysed as:				
Adjusted gross profit		**308.0**	275.2	613.3
Exceptional building safety items	3	**-**	-	(1.3)
Impairment loss on contract assets		**-**	-	(2.5)
Administrative expenses		**(198.1)**	(187.4)	(391.3)
Share of net (loss)/profit of joint ventures	7	**(0.6)**	1.7	1.2
Other operating income		**2.2**	1.8	5.5
Operating profit		**111.5**	91.3	224.9
Analysed as:				
Adjusted operating profit		**111.5**	91.8	225.7
Exceptional building safety items	3	**-**	(0.1)	(0.4)
Amortisation of intangible assets		**-**	(0.4)	(0.4)
Finance income		**8.7**	8.1	15.6
Finance expense		**(4.1)**	(4.0)	(8.7)
Profit before tax		**116.1**	95.4	231.8
Analysed as:				
Adjusted profit before tax		**116.1**	95.9	232.6
Exceptional building safety items	3	**-**	(0.1)	(0.4)
Amortisation of intangible assets		**-**	(0.4)	(0.4)
Tax	4	**(29.0)**	(22.4)	(56.9)
Profit for the period		**87.1**	73.0	174.9
Attributable to:				
Owners of the Company		**87.1**	73.0	174.9
Earnings per share				
Basic	6	**186.1p**	155.7p	372.1p
Diluted	6	**177.4p**	149.3p	354.8p

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

Condensed consolidated statement of comprehensive income

For the six months ended 30 June 2026

	Six months to 30 June 2026 (unaudited) £m	Six months to 30 June 2025 (unaudited) £m	Year ended 31 Dec 2025 (audited) £m
Profit for the period	**87.1**	73.0	174.9
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange movement on translation of overseas operations	-	0.1	0.3
	-	0.1	0.3
Other comprehensive income	-	0.1	0.3
Total comprehensive income	**87.1**	73.1	175.2
Attributable to:			
Owners of the Company	**87.1**	73.1	175.2

Condensed consolidated statement of financial position

For the six months ended 30 June 2026

	Notes	**30 June 2026 (unaudited) £m**	30 June 2025 (unaudited) £m	31 Dec 2025 (audited) £m
Assets				
Goodwill and other intangible assets		**218.2**	217.8	218.3
Property, plant and equipment		**96.3**	93.9	102.2
Investment property		**-**	0.6	-
Investments in joint ventures	7	**146.5**	136.7	132.7
Deferred tax assets		**4.2**	-	4.2
Non-current assets		**465.2**	449.0	457.4
Inventories		**693.5**	559.5	603.3
Contract assets		**335.4**	302.9	235.8
Trade and other receivables	8	**514.9**	465.5	553.4
Current tax assets		**-**	6.7	1.3
Shared equity loan receivables		**0.1**	-	-
Cash and cash equivalents	11	**491.6**	465.8	590.5
Asset held for resale		**-**	-	6.6
Current assets		**2,035.5**	1,800.4	1,990.9
Total assets		**2,500.7**	2,249.4	2,448.3
Liabilities				
Contract liabilities		**(88.7)**	(99.9)	(118.7)
Trade and other payables	9	**(1,396.7)**	(1,208.6)	(1,343.6)
Current tax liabilities		**(2.2)**	-	-
Lease liabilities		**(24.2)**	(22.5)	(24.8)
Borrowings	11	**(73.3)**	(76.3)	(59.3)
Provisions	10	**(68.5)**	(79.1)	(71.7)
Current liabilities		**(1,653.6)**	(1,486.4)	(1,618.1)
Net current assets		**381.9**	314.0	372.8
Trade and other payables	9	**(9.4)**	(11.6)	(14.9)
Lease liabilities		**(44.0)**	(48.7)	(48.8)
Deferred tax liabilities		**-**	(2.1)	-
Provisions	10	**(20.4)**	(23.3)	(17.7)
Non-current liabilities		**(73.8)**	(85.7)	(81.4)
Total liabilities		**(1,727.4)**	(1,572.1)	(1,699.5)
Net assets		**773.3**	677.3	748.8
Equity				
Share capital		**2.4**	2.4	2.4
Share premium account		**66.1**	65.8	65.9
Other reserves		**1.2**	1.0	1.2
Retained earnings		**703.6**	608.1	679.3
Equity attributable to owners of the		**773.3**	677.3	748.8
Total equity		**773.3**	677.3	748.8

Condensed consolidated cash flow statement

For the six months ended 30 June 2026

	Note	**Six months to 30 June 2026 (unaudited) £m**	Six months to 30 June 2025 (unaudited) £m	Year ended 31 Dec 2025 (audited) £m
Operating activities				
Operating profit		**111.5**	91.3	224.9
Adjusted for:				
Depreciation		**18.8**	17.3	35.8
Amortisation of intangible assets		**0.1**	0.4	0.4
Share-based payments		**6.5**	4.3	10.8
Underlying share of net profit of equity-accounted joint ventures	7	**0.6**	(1.8)	(0.3)
Loss on disposal of interests in joint ventures held for sale		**0.5**	-	-
Reversal of impairment on investments in joint ventures		**-**	-	(1.2)
Impairment of property, plant and equipment		**-**	2.4	3.5
Gain on disposal of property, plant and equipment		**(0.2)**	(0.2)	(0.3)
Increase in shared equity loan receivables		**(0.1)**	-	-
Increase/(decrease) in provisions excluding exceptional building safety items	10	**4.7**	(0.2)	(16.0)
Decrease in building safety provision		**(5.2)**	(2.8)	(1.0)
Operating cash inflow before movements in working capital		**137.2**	110.7	256.6
Increase in inventories		**(90.2)**	(83.5)	(127.3)
Increase in contract assets		**(99.6)**	(78.3)	(11.2)
Decrease)/(increase) in receivables		**38.1**	(12.6)	(100.1)
(Decrease)/increase in contract liabilities		**(30.0)**	(10.5)	8.3
Increase in payables		**46.7**	72.3	209.3
Movements in working capital		**(135.0)**	(112.6)	(21.0)
Cash inflow from operations		**2.2**	(1.9)	235.6
Income taxes paid		**(25.5)**	(22.5)	(48.3)
Net cash (outflow)/inflow from operating activities		**(23.3)**	(24.4)	187.3
Investing activities				
Interest received		**8.8**	8.4	15.9
Dividends from joint ventures		**1.9**	1.0	4.7
Proceeds on disposal of property, plant and equipment		**0.4**	0.8	0.5
Purchases of property, plant and equipment		**(4.9)**	(3.4)	(16.0)
Purchases of intangible fixed assets		**-**	(0.1)	(0.6)
Net proceeds on disposal of assets held for sale		**6.1**	-	-
Capital advances to joint ventures	7	**(24.6)**	(34.7)	(66.3)
Capital repayments from joint ventures	7	**8.3**	10.6	37.6
Net cash outflow from investing activities		**(4.0)**	(17.4)	(24.2)

Financing activities				
Interest paid		**(0.8)**	(0.6)	(2.0)
Dividends paid	5	**(50.6)**	(42.3)	(65.8)
Repayments of lease liabilities		**(15.7)**	(13.2)	(28.3)
Proceeds on issue of share capital		**0.2**	0.1	0.2
Payments by the Trust to acquire shares in the Company		**(25.4)**	(14.2)	(40.7)
Proceeds on exercise of share options		**6.7**	9.1	12.3
Net cash outflow from financing activities		**(85.6)**	(61.1)	(124.3)
Net (decrease)/increase in cash and cash		**(112.9)**	(102.9)	38.8
Cash and cash equivalents at the beginning of the period		**531.2**	492.4	492.4
Cash and cash equivalents at the end of the period	11	**418.3**	389.5	531.2

Cash and cash equivalents presented in the consolidated cash flow statement include bank overdrafts. See note 11 for a reconciliation to cash and cash equivalents presented in the consolidated statement of financial position.

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2026

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
1 January 2026	2.4	65.9	1.2	679.3	748.8
Profit for the period	-	-	-	87.1	87.1
Total comprehensive income	-	-	-	87.1	87.1
Share-based payments	-	-	-	6.5	6.5
Issue of shares at a premium	-	0.2	-	-	0.2
Purchase of shares in the Company by the Trust	-	-	-	(25.4)	(25.4)
Exercise of share options	-	-	-	6.7	6.7
Dividends paid	-	-	-	(50.6)	(50.6)
30 June 2026 (unaudited)	**2.4**	**66.1**	**1.2**	**703.6**	**773.3**

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
1 January 2025	2.4	65.7	0.9	578.2	647.2
Profit for the period	-	-	-	73.0	73.0
Other comprehensive income	-	-	0.1	-	0.1
Total comprehensive income	-	-	0.1	73.0	73.1
Share-based payments	-	-	-	4.3	4.3
Issue of shares at a premium	-	0.1	-	-	0.1
Exercise of share options	-	-	-	(14.2)	(14.2)
Purchase of shares in the Company by the Trust	-	-	-	9.1	9.1
Dividends paid	-	-	-	(42.3)	(42.3)
30 June 2025 (unaudited)	2.4	65.8	1.0	608.1	677.3

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
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 (audited)	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 and a deferred tax credit of £6.7m.

Other reserves

Other reserves include:

- Capital redemption reserve of £0.6m (30 June 2025: £0.6m, 31 December 2025: £0.6m) which was created on the redemption of preference shares in 2003.
- Hedging reserve of £(0.9)m (30 June 2025: (£(0.9)m), 31 December 2025: £(0.9)m) arising under cash flow and net investment hedge accounting. Movements on the effective portion of hedges are recognised through the hedging reserve, whilst any ineffectiveness is taken to the income statement.
- Translation reserve of £1.5m (30 June 2025: £1.3m, 31 December £2025: 1.5m) arising on the translation of overseas operations into the Group's functional currency.

Retained earnings

Retained earnings include shares in Morgan Sindall Group plc purchased in the market and held by the Morgan Sindall Employee Benefit Trust to satisfy options under the Group's share incentive schemes. The number of shares held by the Trust at 30 June 2026 was 1,299,164 (30 June 2025: 1,027,669, 31 December 2025: 1,377,157) with a cost of £98.6m (30 June 2025: £56.6m, 31 December 2025: £79.9m).

1 Basis of preparation

General information

The financial information for the year ended 31 December 2025 set out in this half year report does not constitute the Company's statutory accounts as defined by section 434 of the Companies Act 2006. A copy of the statutory accounts for that year was delivered to the Registrar of Companies. 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 half year report has not been audited or reviewed by the auditor pursuant to the Auditing Practices Board guidance on the Review of Interim Financial Information. Figures as at 30 June 2026 and 2025 and for the six months ended 30 June 2026 and 2025 are therefore unaudited.

Basis of preparation

The annual financial statements of Morgan Sindall Group plc are prepared in accordance with the requirements of the Companies Act 2006 and UK-adopted international accounting and reporting standards (UK IAS). The condensed consolidated financial statements included in this half year report were prepared in accordance with IAS 34 'Interim Financial Reporting'. While the financial information included in this half year report was prepared in accordance with the recognition and measurement criteria of UK IAS, this half year report does not itself contain sufficient information to comply with UK IAS.

Going concern

As at 30 June 2026, the Group had cash of £491.6m and total overdrafts repayable on demand of £73.3m (together net cash of £418.3m). Should further funding be required the Group has total committed banking facilities of £180m which are in place for greater than one year. The directors have reviewed the Group's forecasts and projections, and have modelled certain downside scenarios which show that the Group will have a sufficient level of headroom within facility limits and covenants for the going concern period, which the directors have defined as the period from the date of approval of the 30 June 2026 financial statements through to 23 July 2027. After making enquiries the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the going concern period to 23 July 2027. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

Tax

A tax charge of £29.0m is shown for the six month period (six months to 30 June 2025: £22.4m, year ended 31 December 2025: £56.9m). This tax charge is recognised based upon the best estimate of the average effective income tax rate on profit before tax for the full financial year.

Changes in accounting policies

There have been no significant changes to accounting policies, presentation or methods of preparation since the Group's latest annual audited financial statements for the year ended 31 December 2025.

Seasonality

The Group's activities are generally not subject to significant seasonal variation.

2 Business segments

For management purposes, the Group is organised into five operating divisions: Partnership Housing, Mixed Use Partnerships, Fit Out, Construction 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 five divisions, which have been considered to be the Group's operating segments.

The five 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 and planned maintenance services for social housing and the wider public sector.[1]
- 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] From 1 January 2026, the Property Services division has been fully integrated into the Construction division given the alignment of its ongoing activities. The prior year note has been restated to reflect the new segment structure.

Six months to 30 June 2026

	Partnership Housing	Mixed Use Partnerships	Fit Out	Construction	Infrastructure	Group Activities	Eliminations	Total
	£m	£m	£m	£m	£m	£m	£m	£m
External revenue	346.9	19.3	996.3	741.0	458.5	-	-	2,562.0
Inter-segment revenue	-	5.9	0.1	0.7	9.2	-	(15.9)	-
Total revenue	346.9	25.2	996.4	741.7	467.7	-	(15.9)	2,562.0
Adjusted operating profit/(loss) (Note 14)	13.2	(1.1)	69.1	24.4	18.3	(9.4)	(3.0)	111.5
Operating profit/(loss)	13.2	(1.1)	69.1	24.4	18.3	(9.4)	(3.0)	111.5
Finance income								8.7
Finance expense								(4.1)
Profit before tax								116.1

Six months to 30 June 2025

	Partnership Housing	Mixed Use Partnerships	Fit Out	Construction	Infrastructure	Group Activities	Eliminations	Total
	£m	£m	£m	£m	£m	£m	£m	£m
				(Restated)				
External revenue	404.7	25.9	837.1	627.0	474.8	-	-	2,369.5
Inter-segment revenue	-	-	0.5	-	7.6	-	(8.1)	-
Total revenue	404.7	25.9	837.6	627.0	482.4	-	(8.1)	2,369.5
Adjusted operating profit/(loss) (Note 14)	13.2	(1.5)	58.1	16.6	18.4	(13.0)	-	91.8
Amortisation of intangible	-	-	-	(0.4)	-	-	-	(0.4)
Exceptional operating items	-	(0.1)	-	-	-	-	-	(0.1)
Operating profit/(loss)	13.2	(1.6)	58.1	16.2	18.4	(13.0)	-	91.3
Finance income								8.1
Finance expense								(4.0)
Profit before tax								95.4

Year ended 31 December 2025

	Partnership Housing	Mixed Use Partnerships	Fit Out	Construction	Infrastructure	Group Activities	Eliminations	Total
	£m	£m	£m	£m (Restated)	£m	£m	£m	£m
External revenue	897.9	51.6	1,778.4	1,371.7	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	1,371.7	935.3	-	(27.0)	5,018.6
Impairment loss on	-	-	-	(2.5)	-	-	-	(2.5)
Adjusted operating profit/(loss) (Note 14)	42.0	(5.3)	139.9	39.0	37.2	(26.4)	(0.7)	225.7
Amortisation of intangible	-	-	-	(0.4)	-	-	-	(0.4)
Exceptional operating	0.6	0.6	-	(1.6)	-	-	-	(0.4)
Operating profit/(loss)	42.6	(4.7)	139.9	37.0	37.2	(26.4)	(0.7)	224.9
Finance income								15.6
Finance expense								(8.7)
Profit before tax								231.8

During the period ended 30 June 2026, the period ended 30 June 2025 and the year ended 31 December 2025, inter-segment sales were charged at prevailing market prices and significantly all of the Group's operations were carried out in the UK.

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

3 Exceptional building safety items

	Notes	**Six months to 30 June 2026 £m**	Six months to 30 June 2025 £m	Year ended 31 Dec 2025 £m
Net releases/(additions) on building safety provisions	10	**-**	-	(7.2)
Insurance and recoveries recognised in receivables		**-**	-	5.9
Exceptional building safety credit/(charge) within cost of sales		**-**	-	(1.3)
Exceptional building safety credit/(charge) within joint ventures	7	**-**	(0.1)	0.9
Total exceptional building safety credit/(charge)		**-**	(0.1)	(0.4)

In the current period, 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. In the six months to 30 June 2026, the exceptional building safety movement was nil (30 June 2025: nil credit, 31 December 2025: £0.4m charge). There was also nil movement 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 (30 June 2025: £0.1m charge, 31 December 2025: £0.9m credit).

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 for. As notified by the MHCLG, any repayments will only be requested upon final completion of all the relevant works. On this basis, any repayments are only likely to commence in H2 2026 at the earliest.

4 Tax

The effective tax rate applied for the period was 25.0% (six months to 30 June 2025: 23.5%, year ended 31 December 2025: 24.5%). This reflects the anticipated full year effective rate before adjusting items, as amended for the tax effect of adjusting items incurred in the first half of the financial year.

Deferred tax has been measured using the enacted rates that are expected to apply to the period in which each asset or liability is expected to unwind.

The adjusted effective tax rate for the period was 25.0% (six months to 30 June 2025: 25.3%, year ended 31 December 2025: 25.3%) with the difference between the reported and adjusted rates reflecting adjustments to exclude the impact of the amortisation of intangibles and movements within exceptional items.

5 Dividends

Amounts recognised as distributions to equity holders in the period:

	Six months to 30 June 2026 £m	Six months to 30 June 2025 £m	Year ended 31 Dec 2025 £m
Final dividend for the year ended 31 December 2025 of 90p per share	**50.6**	-	-
Final dividend for the year ended 31 December 2024 of 90.0p per share	**-**	42.3	42.3
Interim dividend for the year ended 31 December 2025 of 50.0p per share	**-**	-	23.5
	50.6	42.3	65.8

A proposed interim dividend of 55.0p per share for 2026 was approved by the Board on 22 July 2026 and will be paid on 22 October 2026 to shareholders on the register at 2 October 2026. The ex-dividend date is 1 October 2026.

6 Earnings per share

	Six months to 30 June 2026 £m	Six months to 30 June 2025 £m	Year ended 31 Dec 2025 £m
Profit attributable to the owners of the	**87.1**	73.0	174.9
Adjustments:			
Exceptional building safety items	-	0.1	0.4
Amortisation of intangible assets	**-**	0.4	0.4
Tax relating to the above adjustments	**-**	(1.7)	(1.8)
Adjusted earnings	**87.1**	71.8	173.9
	30 June 2026 Number of shares (millions)	30 June 2025 Number of shares (millions)	31 Dec 2025 Number of shares (millions)
Basic weighted average number of ordinary shares	**46.8**	46.9	47.0
Dilutive effect of share options and conditional shares not vested	**2.3**	2.0	2.3
Diluted weighted average number of ordinary shares	**49.1**	48.9	49.3

Basic earnings per share	**186.1p**	155.7p	372.1p
Diluted earnings per share	**177.4p**	149.3p	354.8p
Adjusted earnings per share	**186.1p**	153.1p	370.0p
Diluted adjusted earnings per share	**177.4p**	146.8p	352.7p

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 period that the options were outstanding. The average share price for the period was £47.07 (30 June 2025: £36.01, 31 December 2025: £40.77).

A total of 472,030 share options that could potentially dilute earnings per share in the future were excluded from the above calculations because they were anti-dilutive at 30 June 2026 (30 June 2025: 598,962, 31 December 2025: 649,071).

7 Investments in joint ventures

Investments in equity-accounted joint ventures are as follows:

	Notes	**Six months to 30 June £m**	Six months to 30 June 2025 £m	Year ended 31 Dec 2025 £m
1 January		**132.7**	111.9	111.9
Equity-accounted share of net (losses)/profits:				
Underlying share of net (losses)/profits		**(0.6)**	1.8	0.3
Exceptional building safety credit/(charge)	3	**-**	(0.1)	0.9
		(0.6)	1.7	1.2
Capital advances to joint ventures		**24.6**	34.7	66.3
Capital repayments by joint ventures		**(8.3)**	(10.6)	(37.6)
Non-cash impairment reversal - other operating		**-**	-	1.2
Dividends received		**(1.9)**	(1.0)	(4.7)
Reclassification to assets held for sale[1]		**-**	-	(5.6)
End of period		**146.5**	136.7	132.7

[1] The investment in Morgan Vinci Limited was reclassified as a held for sale investment as at 31 December 2025. The joint venture was subsequently sold in April 2026.

During the period ended 30 June 2026, no further exceptional building safety charge (30 June 2025: £0.1m charge, 31 December 2025: £0.9m credit) 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

	30 June 2026 £m	30 June 2025 £m	31 Dec 2025 £m
Amounts falling due within one year			
Trade receivables	**306.2**	294.1	382.4
Amounts owed by joint ventures	**15.9**	15.7	14.8
Prepayments	**36.8**	25.4	19.5
Insurance receivables	**20.9**	23.5	19.7
Other receivables	**36.7**	33.5	31.7
	416.5	392.2	468.1
Amounts falling due after more than one year			
Trade receivables	98.4	73.3	85.3
	98.4	**73.3**	**85.3**
Trade and other receivables	**514.9**	**465.5**	**553.4**

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

9 Trade and other payables

	30 June 2026	30 June 2025	31 Dec 2025
	£m	£m	£m
Trade payables	**277.4**	244.0	237.3
Amounts owed to joint ventures	**0.2**	0.2	0.2
Other tax and social security	**148.8**	128.1	174.7
Accrued expenses	**932.9**	784.6	890.8
Deferred income	**1.6**	2.9	3.0
Land creditors	**16.4**	27.8	25.4
Other payables	**19.4**	21.0	12.2
Current	**1,396.7**	1,208.6	1,343.6
Land creditors	**9.4**	10.3	14.9
Other payables	**-**	1.3	-
Non-current	**9.4**	11.6	14.9

The directors consider that the carrying amount of trade payables approximates to their fair value. No interest was incurred on outstanding balances.

10 Provisions

	Building Safety	Self-insurance	Contract &	Other	Total
	£m	£m	£m	£m	£m
1 January 2025	56.8	19.2	27.0	2.5	105.5
Utilised	(2.8)	(1.7)	(2.1)	(0.1)	(6.7)
Additions	-	3.5	3.7	0.2	7.4
Released	-	(0.2)	(3.6)	-	(3.8)
30 June 2025	**54.0**	**20.8**	**25.0**	**2.6**	**102.4**
Utilised	(4.5)	(0.3)	(3.2)	-	(8.0)
Additions	7.4	0.9	6.5	0.4	15.2
Released	-	(5.3)	(14.9)	-	(20.2)
1 January 2026	**56.9**	**16.1**	**13.4**	**3.0**	**89.4**
Utilised	(5.2)	(0.2)	(2.0)	-	(7.4)
Additions	-	3.6	4.8	0.3	8.7
Released	0.1	(1.0)	(0.9)	-	(1.8)
30 June 2026	**51.8**	**18.5**	**15.3**	**3.3**	**88.9**
Current	51.8	1.2	15.3	0.2	68.5
Non-current	-	17.3	-	3.1	20.4
30 June 2026	**51.8**	**18.5**	**15.3**	**3.3**	**88.9**

Building Safety provisions

Management have 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 H2 2026. See note 3 for further detail and note 12.

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.

Self-insurance provisions

Self-insurance provisions comprise the Group's self-insurance of certain risks and include £8.8m (30 June 2025: £12.2m, 31 December 2025: £6.7m) held in the Group's captive insurance company, Newman Insurance Company Limited (the 'Captive').

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 assets recognised at the period end.

Note 12 includes details of contingent liabilities related to claims.

Other provisions

Other provisions include property dilapidations and other personnel related provisions.

11 Net cash

	30 June 2026	30 June 2025	31 Dec 2025
	£m	£m	£m
Cash and cash equivalents	**491.6**	465.8	590.5
Bank overdrafts presented as borrowings due within one	**(73.3)**	(76.3)	(59.3)
Cash and cash equivalents reported in the consolidated cash flow statement	**418.3**	389.5	531.2
Net cash	**418.3**	389.5	531.2

Included within cash and cash equivalents is £23.2m which is the Group's share of cash held within jointly controlled operations (30 June 2025: £26.5m, 31 December 2025: £20.3m). There is £11.8m included within cash and cash equivalents held for future payments to designated suppliers (30 June 2025: £14.9m, 31 December 2025: £16.5m).

The Group has £180m of committed loan facilities maturing more than one year from the balance sheet date, of which £15m mature in June 2028 and £165m in October 2028. These facilities are undrawn at 30 June 2026.

Average daily net cash during the period to 30 June 2026 was £423.1m (30 June 2025: £353.7m, 31 December 2025: £367.6m). Average daily net cash is defined as the average of the period's end of day balances of the net cash (as defined above) over the course of the reporting period. Management use this as a key metric in monitoring the performance of the business.

12 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.

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 and 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 30 June 2026, provisions in respect of liabilities arising from the Developers Pledge, the Building Safety Act and other associated fire regulations totalled £57.7m (30 June 2025: £61.0m, 31 December 2025: £62.9m), 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.

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

13 Subsequent events

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

14 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 use 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 and aid the reader's understanding of 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 earnings per share measures.

Gross profit

	Note	**Six months to 30 June 2026 £m**	Six months to 30 June 2025 £m	Year ended 31 Dec 2025 £m
Reported		**308.0**	275.2	612.0
Adjust for: exceptional building safety items[1]	3	**-**	-	1.3
Adjusted		**308.0**	275.2	613.3

Operating profit

	Note	**Six months to 30 June 2026 £m**	Six months to 30 June 2025 £m	Year ended 31 Dec 2025 £m
Reported		**111.5**	91.3	224.9
Adjust for: exceptional building safety items[1]	3	**-**	0.1	0.4
Adjust for: amortisation of intangible assets		**-**	0.4	0.4
Adjusted		**111.5**	91.8	225.7

Profit before tax

	Note	**Six months to 30 June 2026 £m**	Six months to 30 June 2025 £m	Year ended 31 Dec 2025 £m
Reported		**116.1**	95.4	231.8
Adjust for: exceptional building safety items[1]	3	**-**	0.1	0.4
Adjust for: amortisation of intangible assets		**-**	0.4	0.4
Adjusted		**116.1**	95.9	232.6

[1] The exceptional building safety items include amounts recognised in cost of sales (£nil credit (30 June 2025: £nil credit, 31 December 2025: £1.3m charge)) and share of net profit of joint ventures (£nil charge (30 June 2025: £0.1m charge, 31 December 2025: £0.9m credit)). See note 3

'Net cash'

Net cash is defined as cash and cash equivalents less borrowings and non-recourse project financing. Lease liabilities are not deducted from net cash. A reconciliation of this number at the reporting date can be found in note 11. In addition, management monitor and review average daily net cash as good discipline in managing capital. Average daily net cash is defined as the average of the period's end of day balances of the net cash over the course of a reporting period.

'Operating cash flow'

Management use 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.

	Six months to 30 June 2026 £m	Six months to 30 June 2025 £m	Year ended 31 Dec 2025 £m
Cash inflow/(outflow) from operations - reported	**2.2**	(1.9)	235.6
Dividends from joint ventures	**1.9**	1.0	4.7
Proceeds on disposal of property, plant and equipment	**0.4**	0.8	0.5
Net proceeds on disposal of assets held for sale	**6.1**	-	-
Purchases of property, plant and equipment	**(4.9)**	(3.4)	(16.0)
Purchases of intangible fixed assets	**-**	-	(0.6)
Repayments of lease liabilities	**(15.7)**	(13.2)	(28.3)
Operating cash flow	**(10.0)**	(16.7)	195.9

'Return on capital employed'

Management use return on capital employed (ROCE) in assessing the performance and efficient use of capital within the Partnership 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 and overdrafts). The directors confirm that to the best of their knowledge:

We confirm to the best of our knowledge:

(a) the unaudited condensed consolidated financial statements, which have been prepared in accordance with UK adopted IAS 34 'Interim Financial Reporting', give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by DTR 4.2.4R;

(b) the half year report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the half year report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein)

By order of the Board

John Morgan
Group Chief Executive Officer

Kelly Gangotra
Chief Financial and Commercial Officer

23 July 2026