

## **THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**22 July 2025**

**Kier Group plc**

### **Full Year 2025 Trading Update**

Kier Group plc ("Kier" or "the Group"), a leading infrastructure services, construction and property group issues a trading update for the year ended 30 June 2025, ahead of publishing Full Year 2025 ("FY25") results on 16 September 2025.

#### **Highlights**

- Revenue and profit expected to be in line with the Board's expectations
- High quality year-end order book of c.£11.0bn, with 88% of revenue for FY26 secured
- Strong free cash flow generation, with a net cash position at 30 June 2025 of c.£204m, up 22% from 30 June 2024 (FY24: £167m)
- Substantially improved average month-end net debt £(49)m (FY24: £(116)m)
- Initial share buyback programme of £20m well progressed and expected to complete in the first half of FY26

The Group has also issued an announcement this morning, that Andrew Davies, Chief Executive, will be retiring and succeeded by Stuart Togwell, currently Kier's Group Managing Director, Construction. Further details are set out in that announcement.

#### **Trading**

The Group's FY25 results are expected to represent good growth on the prior year and to be in line with market expectations, reflecting strong operational execution. In particular, in the second half of the year, the ramp up of AMP 8 related activity in the Water business has offset more modest growth in the Transportation sector and a steadying of volume in Construction, while the Property business delivered significant project milestones in the period, completing three major developments and improving ROCE towards its targeted return.

#### **Order book**

Growth opportunities in the Group's core markets continue to be underpinned by the Government's renewed investment commitments, to improving UK infrastructure and regulated UK assets.

The evolution of the order book continues to reflect the Group's positive momentum, and as at 30 June 2025 totalled c.£11bn (30 June 2024: £10.8bn). This order book strength, supported through Kier's framework positioning, means that approximately 88% of Group revenue for FY26 is already secured, providing a high degree of visibility over our near-term performance.

During the last year, Kier has continued to win new, high quality work, reflecting the bidding discipline and risk management processes embedded in the business. The Group had a strong end to the year, securing awards including:

- Infrastructure Services:
  - Awarded a £139m Green Recovery contract to deliver the main works for upgrade of the Wanlip Sewage Treatment works by Severn Trent
  - Southern Water - First three ECI schemes awarded under AMP8 Strategic Delivery Partnership framework
- Construction:
  - Appointed by Midlothian Council to deliver the new, £41.8m Mayfield Community Learning Campus

- Appointed under a PSCA by Warwick University to deliver the first phase of the £700m STEM Connect development at their West Midlands campus
- Property:
  - Strategic Partnerships – Two new joint ventures were established; Investec Realis and Cervidae. Both are set to unlock significant long-term value
  - Residential sector - Planning approvals have been secured on five sites: Bishop's Stortford, South Wokingham, Guildford and Watford with 670 homes to commence delivery during FY26

## Balance sheet

The Group has generated substantial operating free cash flow during the year ended 30 June 2025. We anticipate reporting a net cash position of £204m at 30 June 2025, 22% above the £167m reported at 30 June 2024. The year-end cash position was partly driven by a seasonal inflow of working capital, particularly in the Construction division which more than offset the increased returns to shareholders, comprising the payment of higher dividends (£24m), the initial share buyback programme launched in January 2025 (£7m spent to date, out of £20m), and the in-year investment in the Property business (c.£30m).

The FY25 average month-end net debt position was marginally above the first half average net debt due to the timing of shareholder returns and property investment (mentioned above) but is significantly improved over the prior year at £(49)m (FY24: £(116)m), with the higher volume of activity across the Group translating to strong cash generation, creating a strong platform to further enhance shareholder value.

## Andrew Davies, Chief Executive of Kier, commented:

*“The Group has performed strongly in FY25, and is delivering well against its long-term sustainable growth plan. This performance, alongside the continued growth of our high quality order book and recapitalisation of our Property business, supports the recent upgrade to our long term margin targets and underpins the creation of strong and sustainable value for shareholders.”*

## Inside Information

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation. The person responsible for arranging the release of this announcement on behalf of Kier is Jaime Tham, Company Secretary.

- ENDS -

## For further information, please contact:

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## About Kier Group plc

Kier is a leading UK infrastructure services, construction and property group. We provide specialist design and build capabilities and the knowledge, skills and intellectual capital of our people to ensure we are able to project manage and integrate all aspects of a project.

This announcement does not constitute an offer of securities by Kier Group plc (the "Company"). Nothing in this announcement is intended to be, or intended to be construed as, a profit forecast or a guide as to the performance, financial or otherwise, of the Company or any of

its subsidiaries (together, the "Group") whether in the current or any future financial year. This announcement may include statements that are, or may be deemed to be, "forward-looking statements". By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company's or the Group's ability to control or predict. Forward-looking statements are not guarantees of future performance. You are advised to read the section headed "Principal risks and uncertainties" in the Company's Annual Report and Accounts for the year ended 30 June 2024 for a further discussion of the factors that could affect the Company's or the Group's future performance and the industry in which it operates. Other than in accordance with its legal or regulatory obligations, the Company does not accept any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.