

16 November 2023

Kier Group plc

AGM Trading Update

Kier Group plc ("Kier" or the "Group"), a leading infrastructure services, construction and property group issues a trading update for the period from 1 July 2023 to date prior to its Annual General Meeting ("AGM") to be held later today.

Trading

The current financial year, FY24, has started well and the Group is trading above the prior period, and in line with the Board's expectations. Similar to the prior year, the Group's performance is expected to be second-half weighted. Given the resilience in trading, orderbook security and ongoing strengthening of the balance sheet we remain on track to resume dividend payments in FY24, commencing with an interim dividend.

Business integration

On 4 September we acquired substantially all of the rail assets of Buckingham Group Contracting Limited from administration including its HS2 contract supplying Kier's HS2 joint venture, EKFB, and it is now largely integrated into the Group's Transportation business. We are pleased with the performance delivered to date and are encouraged with the early opportunities now arising.

Order book

At the end of October, the order book stood at c.£10.5bn (30 June 2023: £10.1bn) and 91% of FY24 Group revenue is now estimated to be secured, up from 85% in July, providing a high degree of certainty for the Group. Long-term framework positions are excluded from the order book and represent an additional opportunity. The Group continues to maximise value and opportunities with strong momentum in its bidding activity. Our high quality and profitable order book continues to reflect the bidding discipline and risk management embedded across the business. We remain focused on winning profitable work through our longstanding client relationships and regionally based operations.

Recent awards include:

- Infrastructure Services, Transportation:
 - Awarded a £225m contract with Somerset Council to deliver core maintenance services across its road network for the next 8 years; and
 - Announced as preferred bidder for the £1bn Birmingham highways maintenance and management PFI contract until June 2035.
- Construction:
 - Appointed to provide construction services for the next 4 years to the £8bn Procure Partnerships Framework; appointed to deliver £61m expansion of NETPark Premier Science Park in Sedgfield; appointed by the Department for Education (DfE) to deliver the net zero carbon in operation Oak Academy in Bournemouth.

Net cash / debt

Kier has maintained focus on operational delivery and cash management, and the Group continues to de-leverage in-line with our expectations of a significant period-on-period improvement. The Group anticipates the usual seasonal working capital outflow during the first half of FY24 which will then reverse in the second half.

Andrew Davies, Chief Executive of Kier, commented:

“The current financial year has started well and, despite the ongoing inflationary pressure and supply chain challenges, it is especially pleasing that we are trading above the corresponding period last year, and in line with our expectations. We remain well positioned to continue benefiting from UK Government infrastructure spending commitments and we remain focused on the delivery of a sustainable net cash position with capacity to invest, in line with our medium-term value creation plan.”

- ENDS -

For further information, please contact:

Investor Relations	+44 (0)7933 388 746
Kier Press Office	+44 (0)1767 355 096
Richard Mountain, FTI Consulting	+44 (0)203 727 1340

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 2023 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.