



# Capital Markets Day

3 June 2025



Marylebone Square

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# Welcome

Andrew Davies  
Chief Executive



HMP Millsike



# Our team

Experienced leadership team focused on execution



**Andrew Davies \***  
Chief Executive Officer



**Simon Kesterton \***  
Chief Financial Officer



**Louisa Finlay \***  
Chief People Officer



**Sophie Timms**  
Corporate Affairs Director



**Stephen Milne**  
General Counsel



**Stuart Togwell \***  
Group Managing Director  
Construction



**Leigh Thomas \***  
Group Managing Director  
Property



**Andrew Bradshaw \***  
Group Managing Director  
Natural Resources, Nuclear  
& Networks



**Joe Incutti \***  
Group Managing Director  
Transportation



**Rory Elliott**  
Corporate Development  
Director

# Agenda

14.00

## Welcome

14.05 – 14.20

## Our investment case

Andrew Davies, Chief Executive Officer

14.20 – 14.30

## Our sustainable growth plan

Simon Kesterton, Chief Financial Officer

14.30 – 16.20

## Stand presentations (detail on right)

16.20 – 16.30

## Final remarks and Q&A

16.30 – 18.00

## Drinks

## Stand presentations

### 1. Construction

Stuart Togwell  
Group Managing Director

### 2. Transportation

Joe Incutti  
Group Managing Director

### 3. Natural Resources, Nuclear & Networks

Andrew Bradshaw  
Group Managing Director

### 4. Property

Leigh Thomas  
Group Managing Director

### 5. Sustainable Growth+

Louisa Finlay  
Chief People Officer

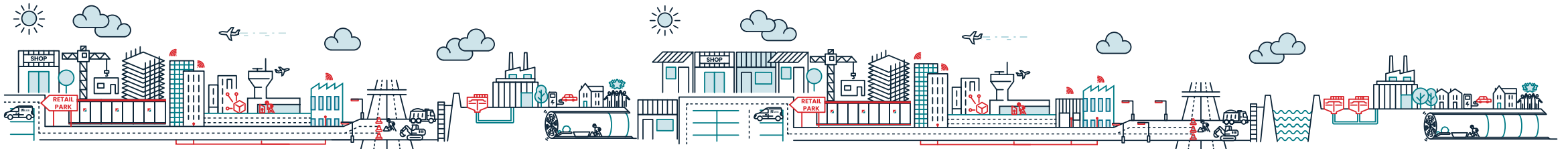
# Today's objectives

- **Outline our investment case:**

why we feel Kier represents a **unique and compelling investment proposition**

- **Meet our executive management team:**

understand how our **services, complementary capabilities** and **operational strength**, through our **integrated 360 approach**, drive our sustainable growth plan, at superior margins



# Current trading

The Group continued to trade well and in line with the Board's expectations in the period to 30 April 2025.

## Order Book

- The order book as at 30 April 2025 was c.£11bn, a **c.2% increase** on the year-end position (30 June 2024: £10.8bn).
- The Group has **secured revenue of c.80% for FY26**, providing a high degree of visibility. Long-term framework positions are excluded from the order book and represent an additional opportunity.
- Bidding discipline and risk management embedded across the business has driven a higher quality order book, which combined with the recapitalisation of our property business **has led us to increase our operating profit margin target to 4.0%–4.5%.**

## Recent awards include:

### Construction

- PCSA from University of Warwick to design and build STEM facilities
- Two education projects worth c. £180m

### Transportation

A one-year extension by Shropshire County Council for the maintenance of local highways

### NRNN

- 5-year renewal of the Anglian Water IOS Alliance worth up to £400m
- £21m upgrade to Worcester sewage treatment works

### Property

Planning permission for £200m Bishop's Stortford station redevelopment (Network Rail JV)



# Who we are

The largest supplier to the UK government of infrastructure services, together with key construction and property development projects



**c.10,000**  
employees



**400+**  
live projects  
across the UK



Strategic supplier  
to UK government



**£158bn**  
value of long-term  
frameworks on which  
we have a position



**123**  
framework  
positions



**80%**  
employee  
engagement

## Key financials

- FY24 revenue: £4.0bn
- FY24 adj. operating profit FY24: £150m
- Order book £11bn (December 2024)
- Average order size: c.£20m
- Net cash: £58m (December 2024)
- Average month-end net debt: £(38)m (December 2024)



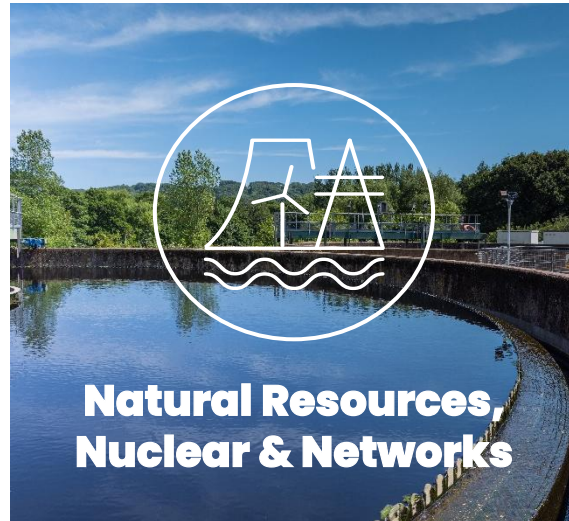
# Our business model

Strong cashflow generation allows disciplined investment of cash



**Delivers public and private sector projects for:**

- Education
- Healthcare
- Justice & Borders
- Defence
- Commercial
- Housing Maintenance
- Facilities Management



**Repairs, maintains and delivers capital works for:**

- Water
- Nuclear
- Energy



**Designs, builds and maintains for:**

- National Highways
- Local Authorities
- HS2
- Rail
- Aviation
- Ports



**Invests and develops sites:**

- Partnership housing
- Property

**Enhancing returns**

**Free cashflow generation**





# Our investment case

Andrew Davies  
Chief Executive



19 Cornwall Street

# Our investment case



## **Value accretive earnings-led business model**

Delivering sustainably  
stronger returns



## **Attractive market positions**

Focused on UK Infrastructure  
Services and Construction,  
aligned to Government's  
priorities



## **Strong order book**

Underpinned by long-term  
contracts and framework  
agreements

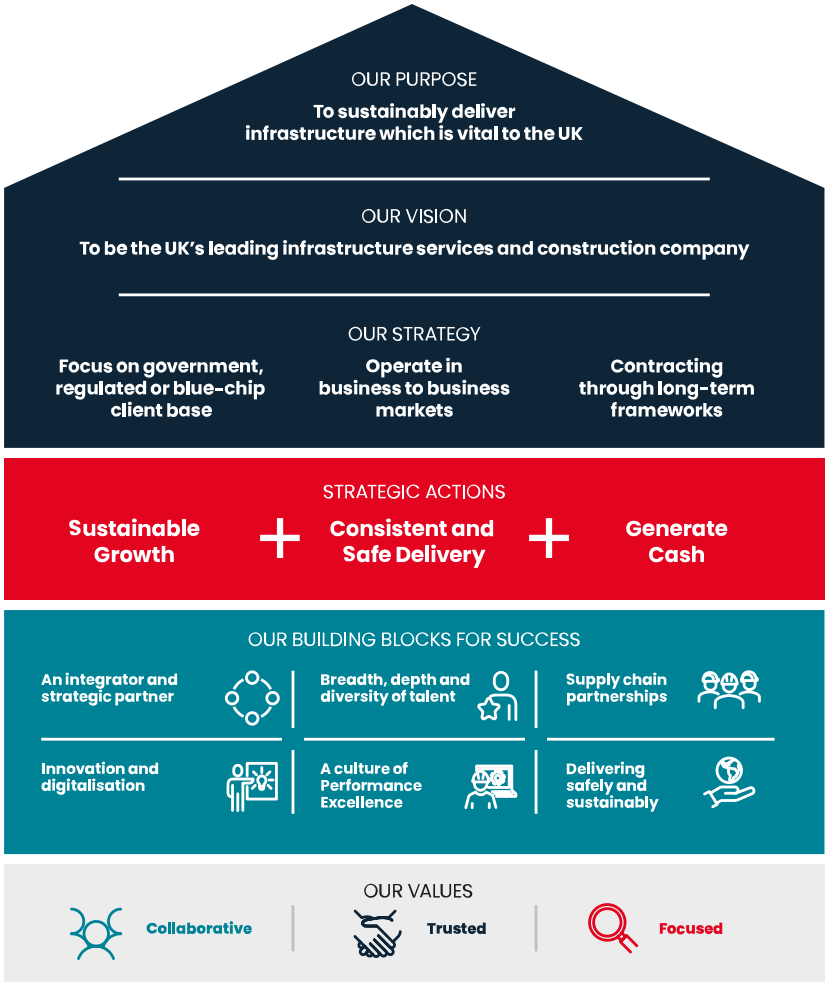


## **Experienced management team**

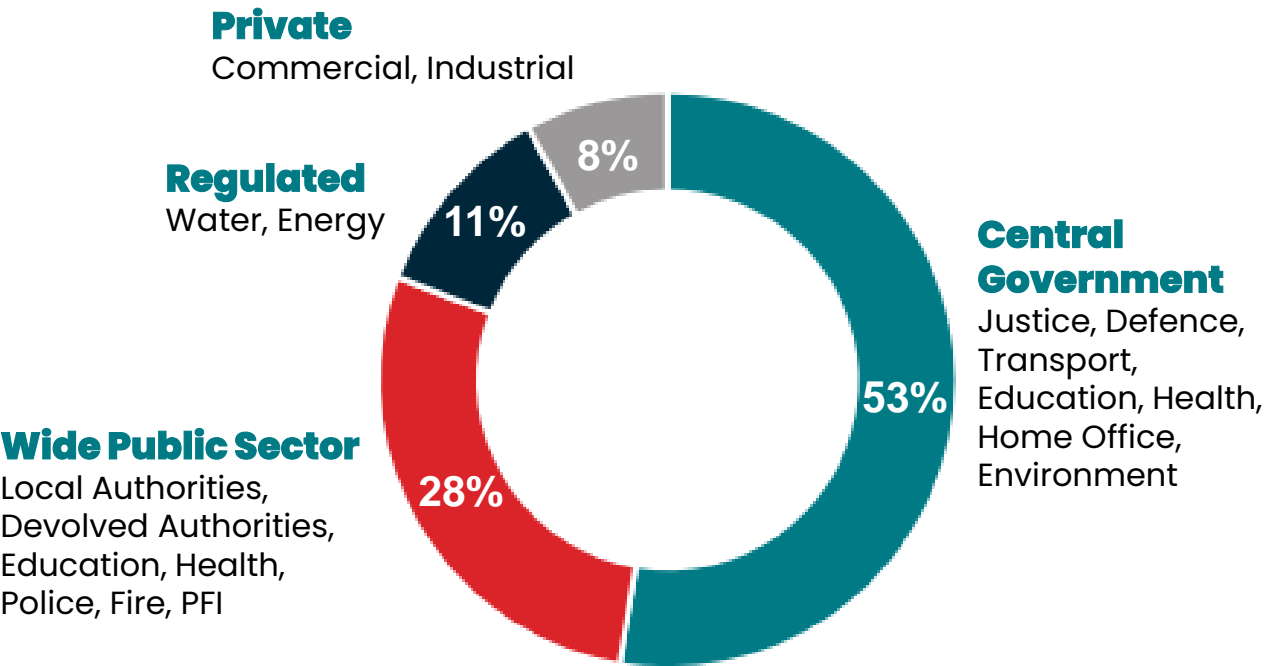
Proven track record  
of operational and financial  
delivery

# Our strategy

Leveraging our attractive market positions to sustainably deliver infrastructure vital to the UK



Revenue by customer  
(over 90% Public/Regulated)



We operate on **45** national and **78** regional frameworks



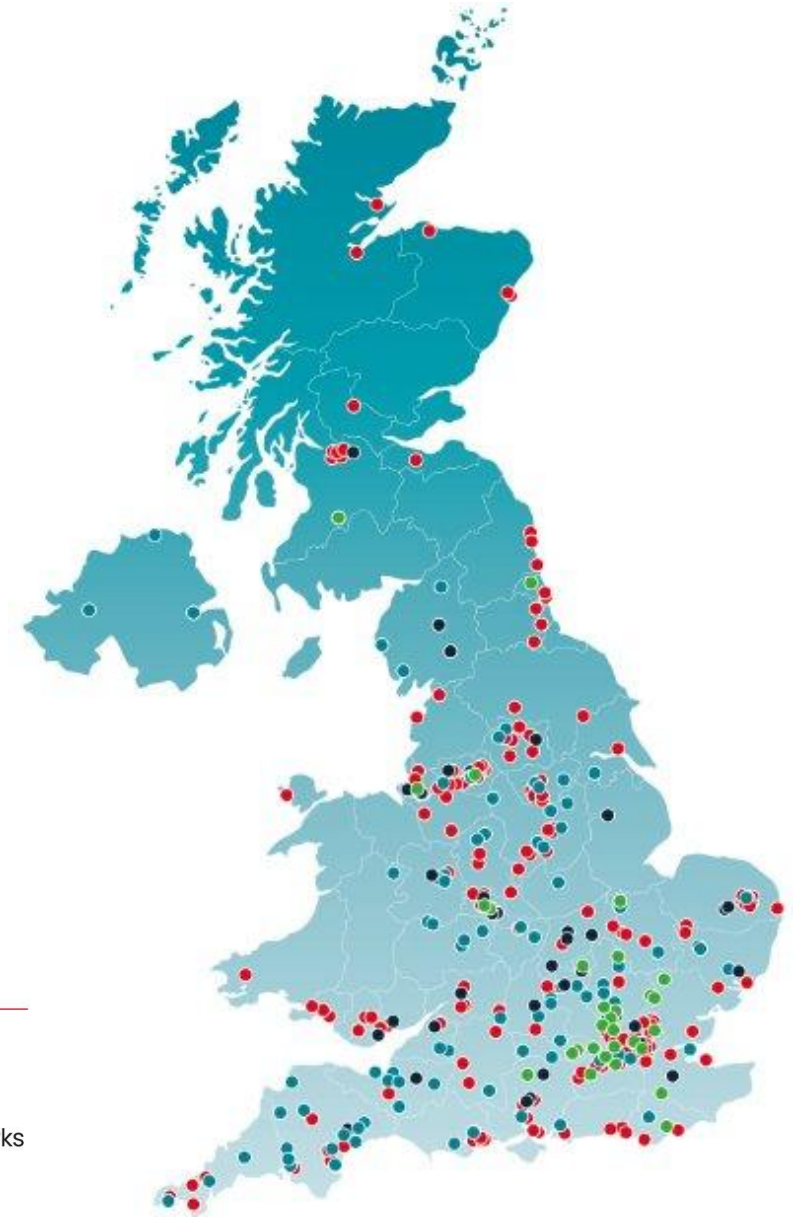
# Unique regional footprint

National capability and local execution through wide regional presence

- **Regional presence** across the UK with network of offices
- **400 +** national and local projects
- Customer relationships with central **government and regional and local authorities**
- Business supported by over **16,000 supplier chain partners**

## Key

- Construction
- Transportation
- Natural Resources, Nuclear & Networks
- Property



Map is for illustrative purposes only

# Our impact

Committed to delivering infrastructure vital to the UK, adding value to the communities we operate in

Maintain over  
**21,000km**  
of local authority  
and strategic  
roads

Delivering over  
**80km**  
of HS2 Phase  
One

16 healthcare and  
16 education projects  
**completed**  
in FY24

Laid  
**102km**  
of electricity  
cable since Jan  
**2023**

Four major reservoir  
upgrades for  
**Canal & River Trust**,  
totalling more than  
**3.5m m<sup>3</sup> of  
water**

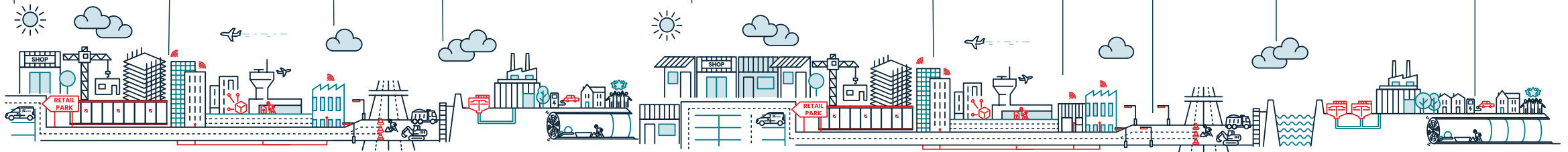
**£3bn** GDV pipeline  
of opportunities  
available to Property  
joint ventures

**69%** of  
revenue derived  
from green  
products and  
services

**£1.4bn** spent  
with SMEs/VCSEs  
in FY24

Offered **41**  
prison leavers  
employment  
in FY24

Delivering housing  
maintenance to  
more than  
**98,000  
properties**



# Our integrated 360 approach

Growth driven by synergies, through key interconnected capabilities across our businesses

## Synergies

<b>Customer reach</b>	Multiple touch points, with customers served by more than one business
<b>Purchasing power</b>	Scale advantage delivering benefits through Group-wide purchasing
<b>Sustainability model</b>	Sustainability culture embedded throughout the Group
<b>Shared services</b>	Scale efficiencies and expert capabilities, through shared services
<b>Financial</b>	Reinvestment of working capital inflows to enhance returns

## Capabilities



# Macro environment

Economic and political factors provide supportive environment for growth

Short  
term



## Economic, Regulatory and Political Landscape

A move away from **globalisation**, as well as a need for increased **productivity and growth**, driving political and economic decision-making.

Long  
term



## Economic and political factors driving long-term growth

Population growth	Economic growth	Congested transport	Ageing infrastructure	Geographic imbalance	Climate change
Longevity and net migration adding pressure on health, social care and housing	Construction historically used to stimulate economy and counter weak economic growth	Impact on roads, rail and airports through population growth and increased travel	Age of asset base and environmental regulations driving maintenance and upgrade programmes	Efforts to increase spending and regeneration to narrow the UK's regional inequality	Energy security and net zero commitments driving domestic investment



# Government agenda vs our abilities

Well-placed to support government priorities

## Government priorities



Kickstart economic growth



10-year Infrastructure Strategy



Take back our streets



Break down barriers to opportunity



Build an NHS fit for the future



Procurement planning and devolution



Making Britain a clean energy superpower



Housing and regeneration



Defence readiness to deter the growing UK threats

## Our abilities

We operate on 123 frameworks regionally and nationally across economic and social infrastructure

Experience on strategic frameworks across economic and social infrastructure

Key strategic partner delivering prison expansion and refurbishment

Connecting communities, improving schools and creating jobs and apprenticeships

Experienced delivery of major hospital projects and community healthcare facilities

Value-add approach to procurement

Delivering warm homes and supporting decarbonisation  
New nuclear build expertise and supporting new technologies

Public sector partnerships to deliver affordable housing and regenerate public spaces

Expertise and framework positioning to support defence estate optimisation and defence nuclear infrastructure

# Plan for Change

## Milestones for Mission-Led Government

<a href="#">Strong Foundations</a>	<a href="#">Kickstarting Economic Growth</a>	<a href="#">An NHS Fit for the Future</a>
<a href="#">Safer Streets</a>	<a href="#">Break Down Barriers to Opportunity</a>	<a href="#">Make Britain a Clean Energy Superpower</a>

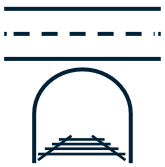


# UK Government and regulated industry priorities

10-year economic, social infrastructure and housing strategy (June) will supplement existing spend

## Infrastructure Services

Transportation and Natural Resources, Nuclear & Networks – 52% of Revenue (H1 25)



### Roads and Rail

**£4.8bn** in 2025 ahead of Road Investment Strategy 3 (RIS3)

**£8.3bn** fund for potholes and other highways maintenance

**£43bn** committed over 5 years for CP7 rail network

Government support for HS2



### Water and Environment

Water England/Wales – AMP8 **£104bn** to 2030

NI Water **£4bn** to 2027

Strategic water storage and transfer **£24bn**

Flood defences: **£1.3bn** for 34 flood defence projects



### Energy

UK leading net-zero pledge and plan to **make the UK a green energy superpower**

**£100bn** investment in UK energy security by 2030<sup>(1)</sup>

Greener buildings, public transport and **carbon capture**

Great British Energy: **£8.3bn**

# UK Government spending commitments

Focused on schools, hospitals, housing, prisons and defence

## Construction & Property 48% of Revenue (H1 25)



### Education

DfE – launched CF25 Framework worth up to **£15.4bn** – 6 years from January 2026

DfE – **431 schools** to 2030 (c.90 pa)

**Local authority** schools to support New Towns/ housing growth



### Healthcare

New Hospital Programme estimated at **£3bn/year** ~£600m each

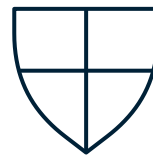
NHS Trusts (BAU) **£1bn visible pipeline**



### Justice & Borders

Total prison population: 85,900 and at 99% capacity (adult male prisons). **Male Cat B and C prisons needed.**

Capital maintenance a priority with opportunities up to c.**£2.8bn over next 5 years**



### Defence

Government commitment to spend **3.0% of GDP** (up from 2.3%) on defence

**£5.1bn** Defence Estate Optimisation Programme

Single Living Accommodation alliance to build **16,000 new bedspaces** for armed forces



### Housing Maintenance

Retrofitting and maintenance of public housing particularly **in high density urban areas**



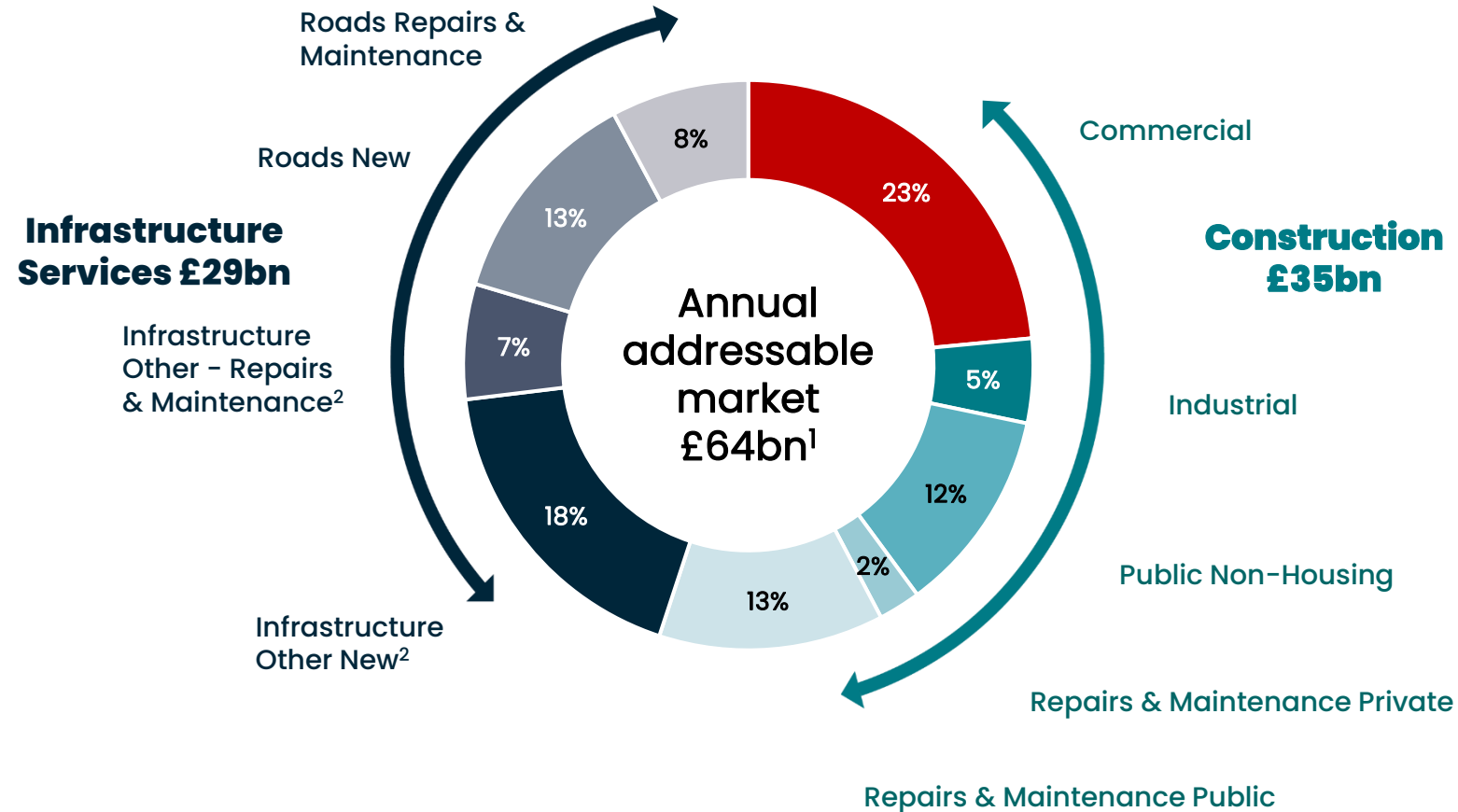
### Urban Regeneration

Geographic redistribution and regeneration – including **100 new towns** submitted for consideration

20,000 homes, along with new schools and health facilities and an ambition to unblock **700,000 homes across 350 sites**

# Our addressable market

Significant addressable market opportunity across our core sectors



- Total Group **framework awards: £158bn** covering on average 3-4 years
- Over **60%** of our FY24 revenue derived from projects delivered under framework agreements
- **60%** of revenue under cost reimbursable contracts (balance/40% mitigated by two stage process)
- Average contract size **£20m**





# Our sustainable growth plan

Simon Kesterton  
Chief Financial Officer



Moors at Arne

# Long-term sustainable growth plan

Long-term targets to drive shareholder value and superior margins



**Construction**



**Natural  
Resources,  
Nuclear &  
Networks**



**Transportation**



**Property**

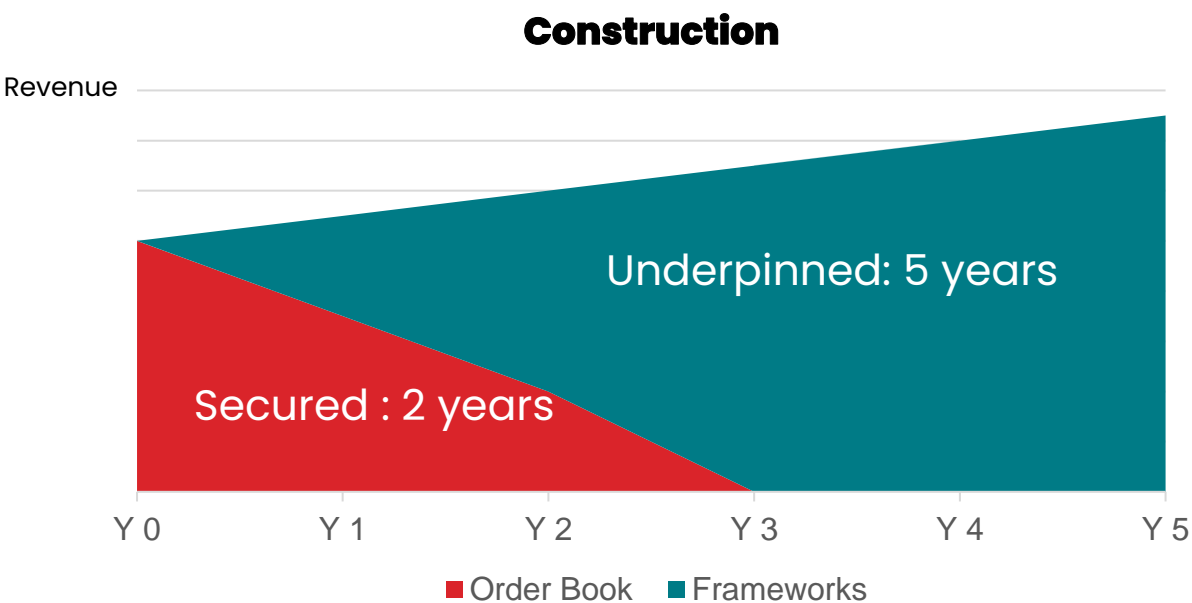
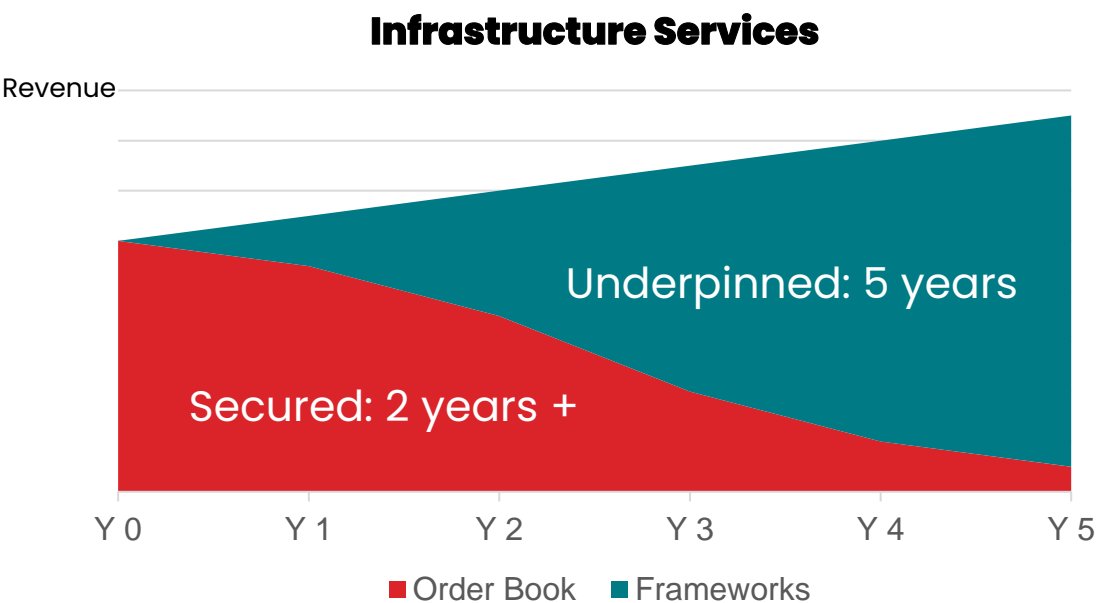


- **Revenue:** GDP + through the cycle
- Adjusted operating **margin target: 4.0–4.5%**
- **Cashflow conversion** of operating profit **c.90%**
- Balance sheet: **average net cash** position with investment of surplus cash
- Sustainable **dividend** policy: **c.3x cover through the cycle**

# Growth underpinned by order book and frameworks

Order book of **£11bn** provides clear multi-year revenue visibility

- Over **80%** of **FY26** and **50% of FY27** revenue secured, via committed orders
- Longer term, revenue growth underpinned by **£158bn\*** of framework positions



# Framework positions

Maintaining and growing central and local framework positions

- Awarded places on long-term frameworks and contracts worth up to **£158bn\***
- Supports **long-term revenue growth streams**, underpinning strong order book
- Provides **barriers to entry** and strengthens customer relationships

## Infrastructure Services

- 12 national framework positions
- 41 regional framework positions
- Typical durations 4+ years
- Total advertised value circa:

**£31bn**

## Construction

- 33 national framework positions
- 37 regional framework positions
- Typical framework duration 4 years; average of 2 years remaining
- Total advertised value circa:

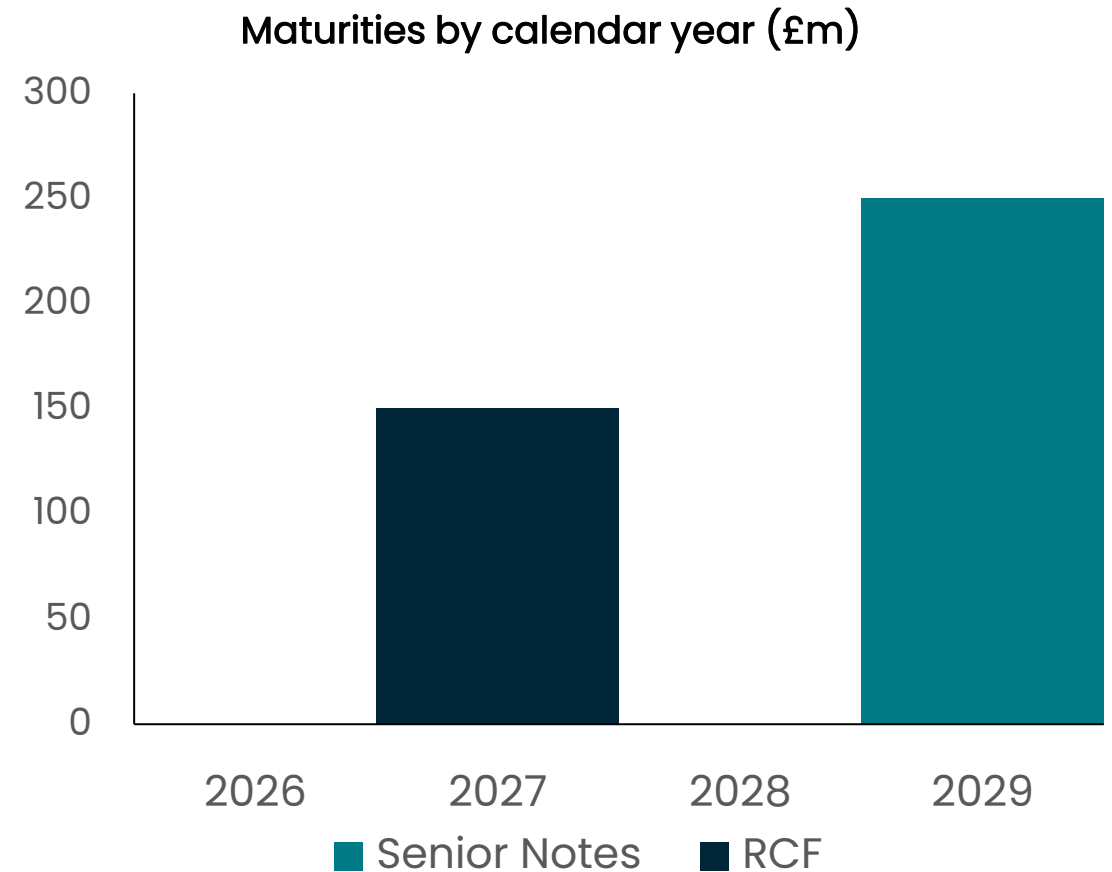
**£127bn**



# Financing and liquidity

Unique access to capital debt markets, provides further support for growth strategy

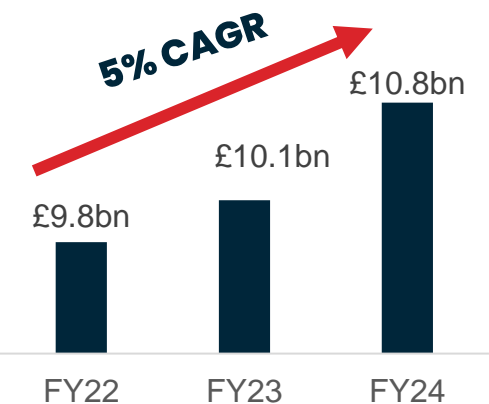
- **£400m** of facilities in place:
  - £250m Senior Loan Notes due February 2029
  - £150m RCF to March 2027



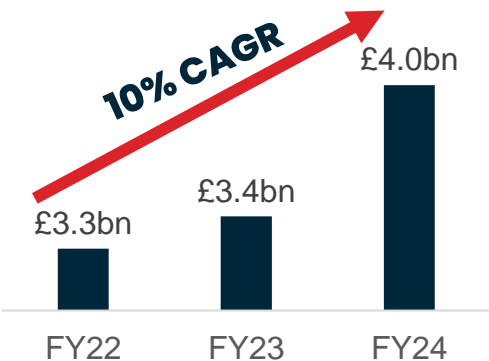
# Track record of delivery

Significant progression in operational delivery reflected in results

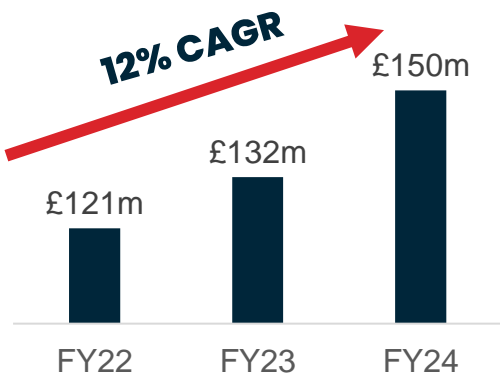
Order book



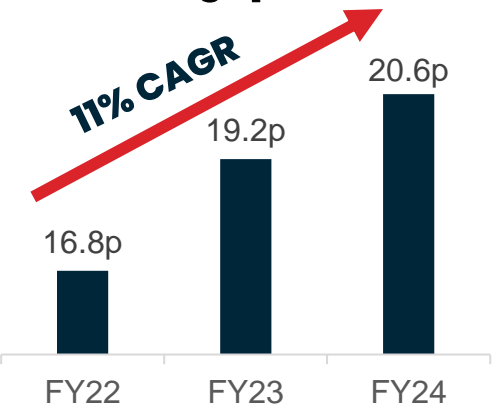
Revenue



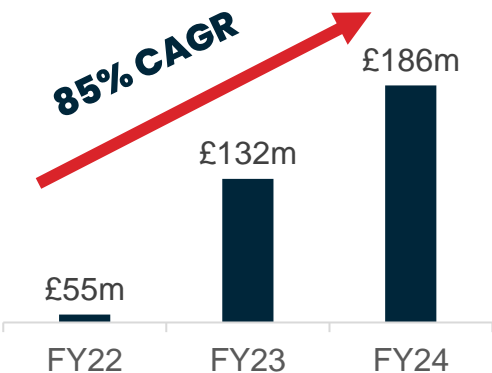
Adjusted operating profit



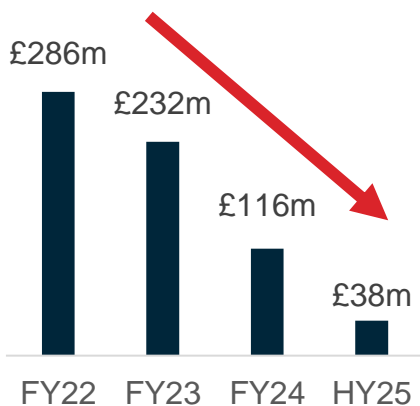
Earnings per share



Free cashflow



Av. month-end net debt



# Capital allocation

Recurring cashflow and efficient use of balance sheet provide opportunities to create value through focused capital allocation

## Capital allocation

1

**Capex**

- Ongoing investment to support the business

2

**Ordinary dividend**

- Progressive policy increasing through earnings growth
- Targeting dividend cover of c.3x through the cycle

3

**Investment in Property**

- Disciplined investment in Property business with up to £225m capital employed
- Targeting ROCE of c.15%

4

**Acquisitions**

- Group will consider value accretive acquisitions in core markets
- Disciplined approach to valuation

5

**Incremental shareholder returns**

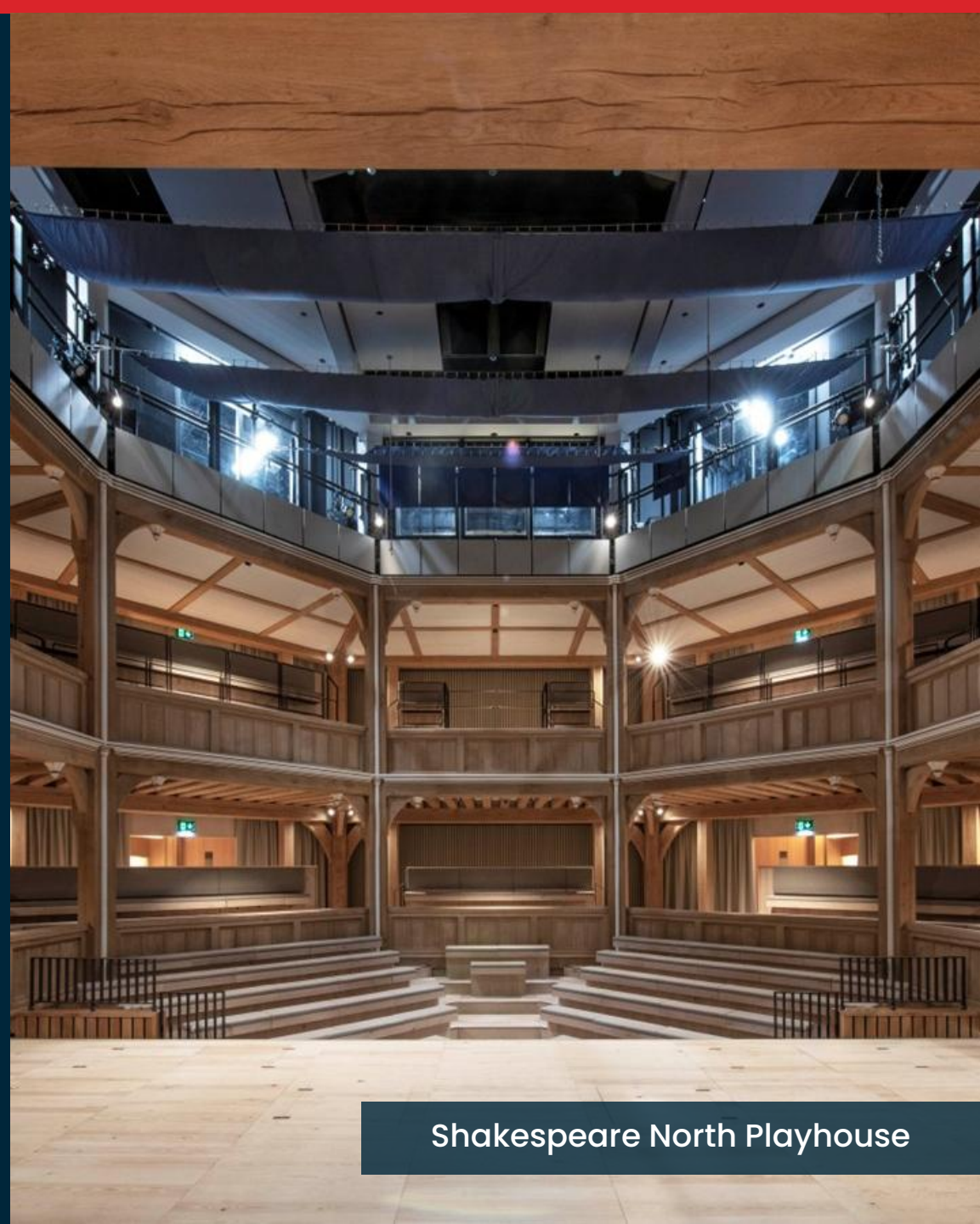
- Initial £20m share buy-back commenced January 2025<sup>1</sup>

**While maintaining a strong balance sheet, targeting a sustainable average month-end net cash position**



# Summary

Andrew Davies  
Chief Executive



Shakespeare North Playhouse

# Summary



**1**

Industry-leading profitability: **4.0%-4.5% margin** (AOP)



**2**

Multi-year revenue visibility, through strong order book: **£11bn** and **£158bn of framework** positions



**3**

**Superior returns** through investment in Property business



**4**

**Experienced management team**, with track record of delivery





**Q&A**





# Capital Markets Day

3 June 2025

Appendix



Macfarlane Place



# Kier's journey

Rationalised, recapitalised and growing business. Focused on accelerating growth and returns

