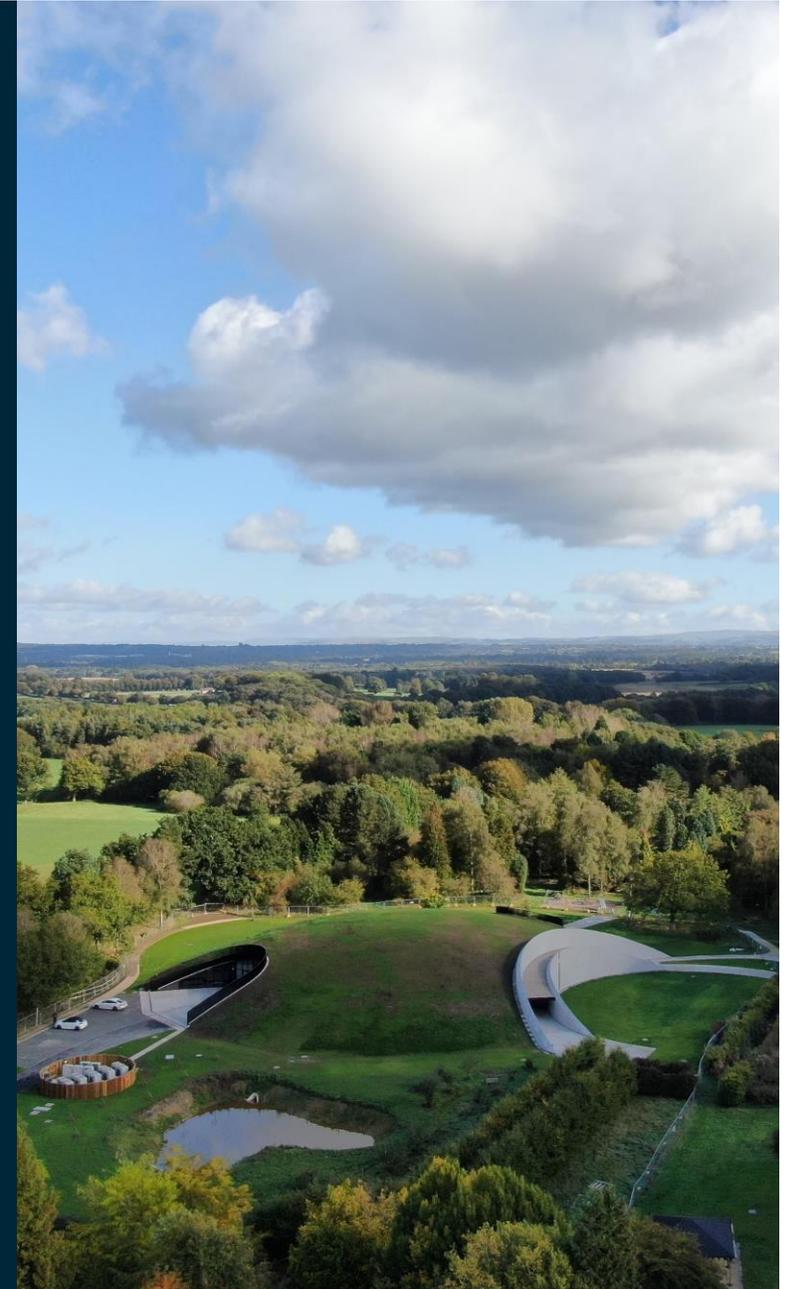




Kier Group plc

Capital Markets Day

25 May 2022



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Certain information in this presentation has been extracted from the announcement of HY22 interim results made by the Company on 9 March 2022 and this presentation is not a substitute for reading that announcement in full.

Introduction



Andrew Davies
Chief Executive Officer



Simon Kesterton
Chief Financial Officer

Today's Objectives

Strategy	Outline our purpose – “to sustainably deliver infrastructure which is vital to the UK” and demonstrate how we execute our Group strategy : <ul style="list-style-type: none">• Focus on UK Government, regulated and blue-chip client base• Operate in B2B markets• Contracting through long-term frameworks
Medium Term Plan	Reminder of our medium term plan and our confidence in delivering strong margins and cash flow generation
Market Opportunities	Explain the market environment and the UK Government's commitment to £650 billion of National Infrastructure investment over 10 years
Operational capability	Opportunity to meet our Executive Management Team: learn about our services, capabilities and operational strength to enhance understanding of why we believe we can deliver the medium term plan

Agenda

14:00	Welcome and Opening Remarks Andrew Davies Chief Executive Officer	14:20 – 16:20 Stand 3	Infrastructure Services – Infrastructure Projects Mark Pengelly Managing Director, Infrastructure Projects Stuart Togwell Group Commercial Director
	Leveraging our Capabilities to Drive Growth Andrew Davies Chief Executive Officer	14:20 – 16:20 Stand 4	Infrastructure Services – Highways and Utilities Joe Incutti Managing Director, Highways Andrew Bradshaw Managing Director, Utilities
14:10	Medium Term Value Creation Plan Simon Kesterton Chief Financial Officer	14:20 – 16:20 Stand 5	Property – Urban Regeneration and Property Development Leigh Thomas Managing Director, Property Lee Howard Finance Director, Property
14:20 – 16:20 Stand 1	ESG Helen Redfern Chief People Officer Sophie Timms Corporate Affairs Director	16:20 – 16:30	Concluding Remarks and Q&A Session
14:20 – 16:20 Stand 2	Construction – Regional Build and Kier Places Liam Cummins Managing Director, Construction Mark Whittaker Managing Director, Kier Places	16:30 – 18:30	Wine Tasting and Canapes

Current Trading

Group is trading in-line with expectations for the period to 30 April 2022

- Performed well in the four months to 30 April 2022 despite inflationary pressure
- Group trading in-line with expectations
- Order book of £8.5bn at 31st March 2022
 - Represents an increase of c.6% from 31 Dec 2021
- Focused on winning work through long-standing client relationships and regionally based operations
- Recent awards include:
 - Infrastructure Services – awarded a £75m early works contract by South West Water at Alderney Water Treatment Works
 - Construction – awarded a place on £30bn Procure23 Framework for healthcare projects
 - Property – selected as a partner by Mole Valley District Council on the £350m urban regeneration of Leatherhead
- Group remains confident in achieving its medium term targets

Short Term – Cost Inflation

Continue to trade in line with expectations despite cost inflation

Cost Inflation

- **Cost inflation** - steady increase through FY22 including materials, wages and other costs
- **Supply chain** - currently, no material supply chain problems experienced
- **Contract awards** - certain projects are being re-appraised and delayed due to cost pressure and slower decision making

Mitigations

1. **Customers** – 55% of order book under target cost or cost reimbursable contracts
2. **Fixed price contracts** - remainder of contracts are negotiated including those on fixed price
3. **Average order size** – construction: regional build and strategic projects average order size c.£12m
4. **Operations** – continue to achieve operational efficiencies through Performance Excellence

UK Economic and Political Landscape

Key factors driving short-term and long-term landscape. Well positioned for long-term growth

Macro economic factors driving short-term headwinds

Short term



Cost inflation



Ukraine war and energy crisis



Fear of economic slowdown



Global supply shortage

Long term



Economic and political factors driving long-term growth



UK Government commitment to spending



Levelling up agenda



Net zero carbon commitment

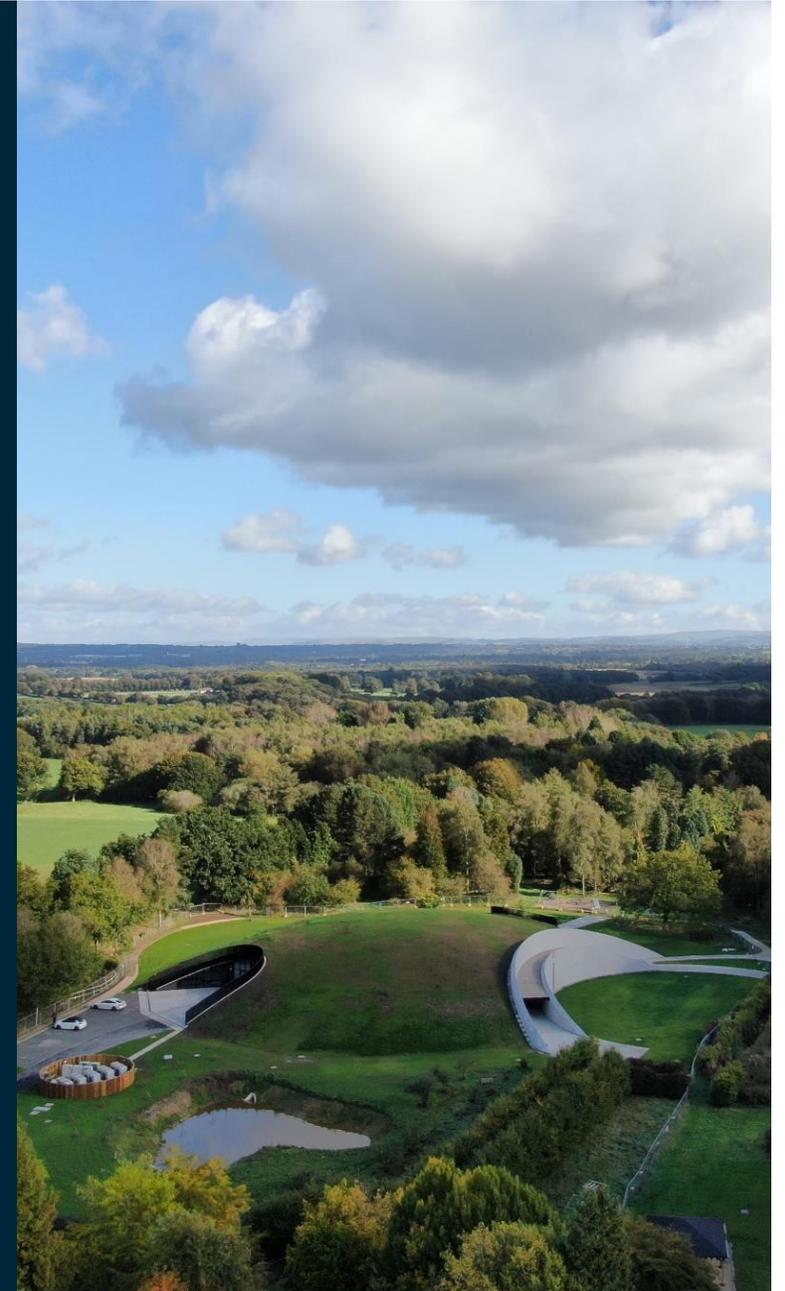


Global Britain

- ✓ Well positioned for long term growth
- ✓ Counter cyclical business
- ✓ Successful execution

Leveraging Capabilities to Drive Growth

Andrew Davies
Chief Executive Officer



Kier Group

Infrastructure and construction services supplier with c.100 years experience

- **Kier Group plc** provides specialist **design and build** capabilities to manage and **integrate** all aspects of a project
- **“Strategic supplier”** to the UK Government with key strengths in education, health, justice and defence
- Experienced in delivering large scale **civil engineering** projects, leading **highways** and **utilities** provider and established **urban regeneration and property developer**
- With **attractive market shares** in the public sector and **established framework positions**, Kier is well placed to benefit from **increased UK Government spending**
- Kier has been **“simplified”** and is well positioned to deliver **disciplined growth**, generate **operating profit and free cash flow**

- Revenue FY21: £3.3bn (HY22: £1.5bn)
- Adjusting operating profit FY21: £100.3m (HY22: £54.2m)
- Order book £8.5bn as at 31 March 2022
- Market cap: £341m
- Average order size FY21: c.£12m (Regional Build and Strategic Projects)
- c. 400 projects
- c. 10,000 employees
- 29 UK offices



Our Businesses

Simple and focused operating units: Infrastructure Services, Construction and Property

Infrastructure Services



Infrastructure Projects

Delivery of high value infrastructure and civil engineering projects



Highways

Designs, constructs and maintains roads



Utilities

Repairs, maintains and support capital projects in the water, energy and telecoms sectors

Construction



Construction

Regional Build

UK national builder weighted towards education, health, justice and defence

Kier Places

Facilities management and housing maintenance services

Property

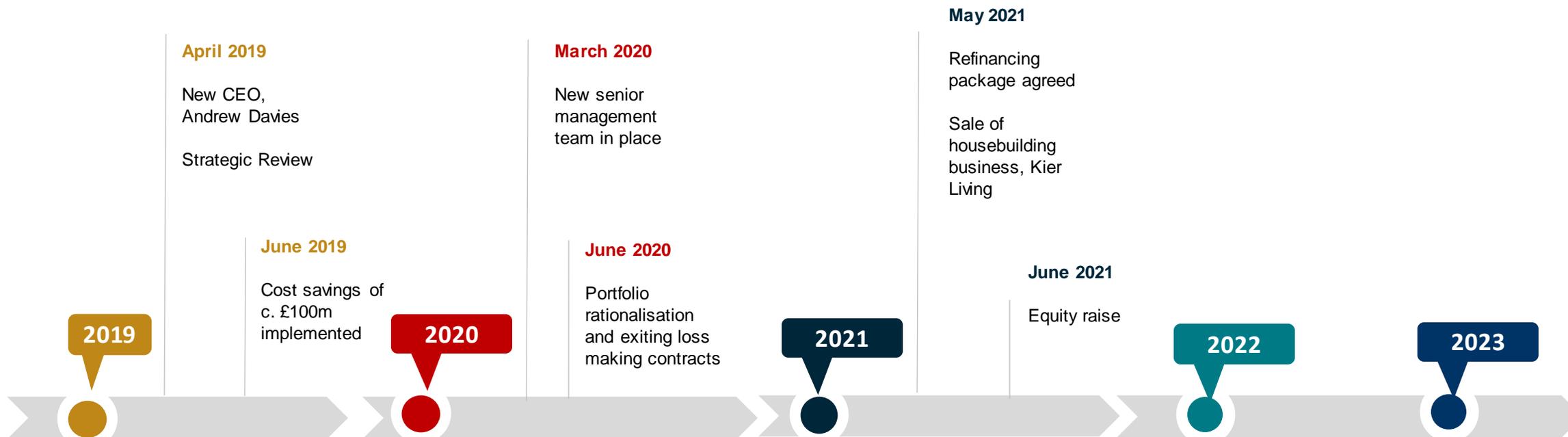


Urban Regeneration and Property Development

Mixed-used commercial and residential development business delivered through joint venture partnerships

Transformation Journey

Rationalised and recapitalised. Focused on growth



✓ Turnaround Phase

- ✓ Strategic review
- ✓ Cost reduction

✓ Rationalisation

- ✓ Legacy issues addressed
- ✓ Operational turnaround complete
- ✓ De-risked the business and rationalised portfolio
- ✓ Appointment of leadership team

✓ Recapitalisation

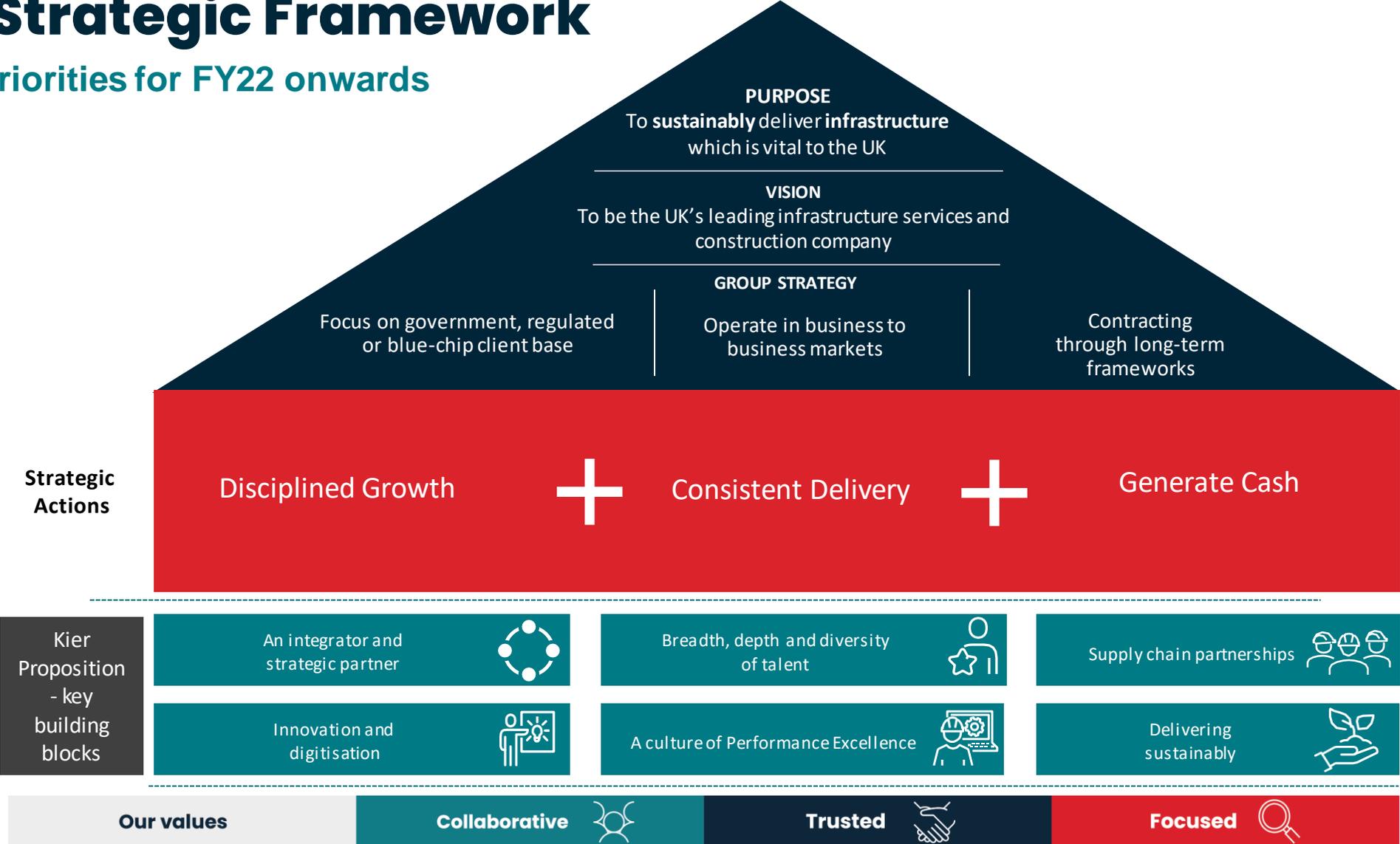
- ✓ Sale of non-core business – Kier Living
- ✓ Capital raise
- ✓ Extension of debt to January 2025
- ✓ Focus on FCF generation

✓ Growth

- ✓ Launched medium term plan
- ✓ Leveraging capabilities to drive disciplined growth
- ✓ Growing order book

Kier's Strategic Framework

Strategic priorities for FY22 onwards



Key Investment Proposition

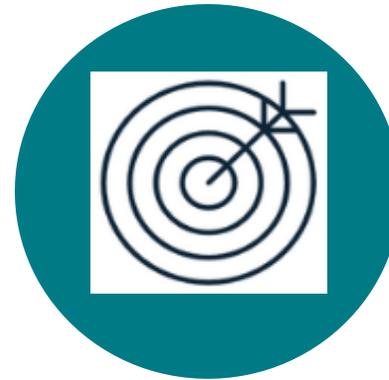
Creating value for the medium term



Value accretive earnings-led business model. Aligned to UK Government's investment priorities



Attractive market positions focused on UK infrastructure and construction markets



Strong order book underpinned by long-term contracts and framework agreements



Experienced management team. Proven track record of operational and financial delivery

Business Model

Aligned our businesses to take advantage of market opportunities



Infrastructure Services and Construction



Infrastructure Projects

Highways

Utilities

Construction

Property



Urban Regeneration and Property Development



Free cash flow generation

Disciplined investment of cash

Integrated Approach

Integration unlocks synergies across our businesses



Commercial synergies

- Contracting through long-term frameworks
- Leveraging relationships in the public sector – national and local

Project management synergies

- Managing highly complex projects across business units
- Design, integration and delivery capabilities
- Working with multiple stakeholders

Operational synergies

- Leveraging knowledge and experience in the public sector
- Competitive cost, efficient and timely delivery



Infrastructure
Projects



Highways



Utilities



Construction



Property



Market Opportunities

- National Infrastructure spending commitment opportunities
- Synergies across sectors – rail, road, utilities, education, health, industrial, local authorities and central government

Regional Footprint

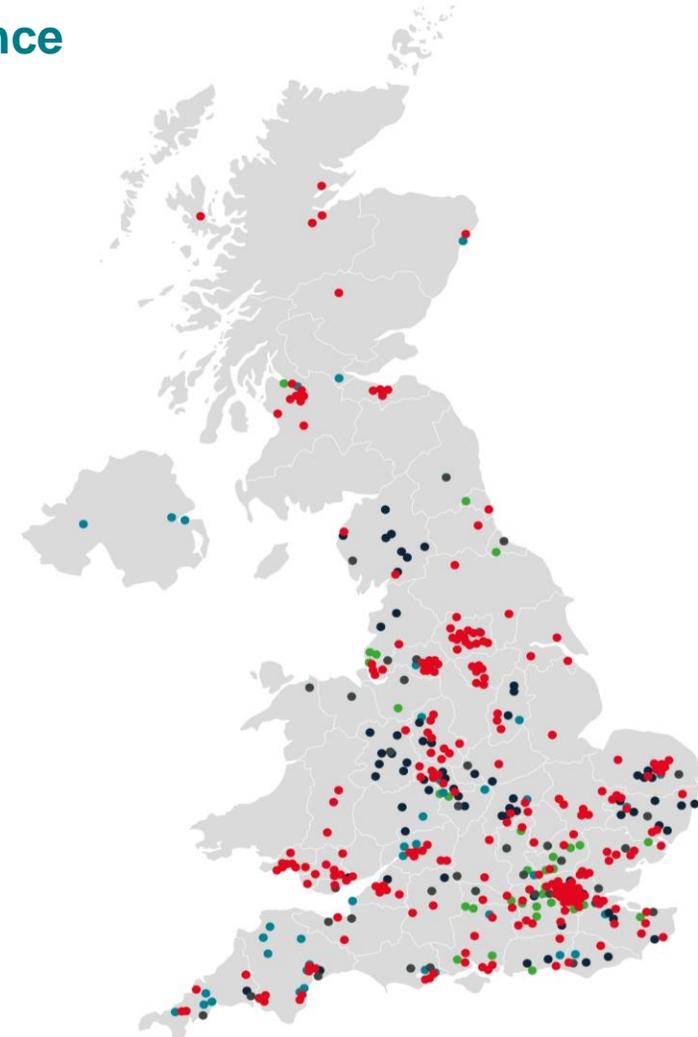
National capability and local execution with UK regional presence



- **Regional presence** across the UK with network of offices
- Approx. 400 national and local **projects**
- **Customer relationships** with central government and local authorities
- Business supported by:
 - **Employees** – c.10,000
 - **Supplier chain partners** – c.16,000

Key

- Highways
- Utilities
- Infrastructure
- Construction
- Property



Market Drivers

Positive market environment underpinning UK Government spending commitments



Population growth

- Population expansion with people living longer, net immigration and mini baby boom
- Pressure on health, social and housing driving change



Economic growth

- UK economic growth expected to slow given rising cost of living
- Construction industry historically used to stimulate economy



Congested transport

- Congested roads, rails and airports given population growth and increased travel



“Levelling up” agenda

- Increased spending in previously deprived areas to narrow the UK’s regional inequality



Climate change

- Energy supply shortage and rising demand driving investment
- UK’s Government’s commitment to net zero carbon

UK Government Spending Commitments

UK National Infrastructure Strategy – commitment to spend £650bn over next 10 years



Infrastructure

Highways



- Road investment Strategy 2: £27bn investment in England's strategic roads - 2020-2025 (a 60% increase on Roads Investment Strategy 1 from 2015-2020)
- Project Speed and the new Acceleration Unit launched by DfT in August 2020

Utilities



- Water England/Wales AMP7 £50bn by 2024
- Energy - GB - RIIO-ED1 £17bn by 2023 and NI - RP 6 £657m by 2024
- RIIO-GD £30bn by 2026 and GD17 £226m by 2023
- Telecoms – Fibre/5G by 2027, £32bn investment by private and public sectors

Rail and infrastructure



- £37- £53bn forecast cost ranges for HS2 Phases 2a and 2b
- £22bn available via Infrastructure Bank to fund or guarantee future schemes
- £20bn new nuclear build
- £50bn committed for CP6
- £4.8 billion cross-departmental "Levelling Up" Fund

Net Zero infrastructure



- UK leading net-zero pledge
- Ten point plan for a green industrial revolution
- £138bn investment in UK energy infrastructure by 2028
- Greener buildings, public transport and carbon capture

UK Government Spending Commitments continued

UK Government spending focused on schools, hospitals, prisons and defence



Construction

Education



- 500 DfE school replacement project over 10 years
- 209 further free school projects approved for DfE capital funding
- Commitment to additional SEND funding and further investment into Further Education

Health



- £1.5bn additional funding for hospital upgrades
- £3.7bn New Hospitals Programme to be delivered by 2025

Justice



- 20,000 new prison places required
- £4bn commitment over 4 years
- c.£200m per annum of estate maintenance

Defence



- £3.2bn Defence Estate Optimisation Programme
- £1.75bn UK Strategic Command Pipeline
- £1.37bn US Infrastructure Programme
- £1bn Clyde Programme

Property

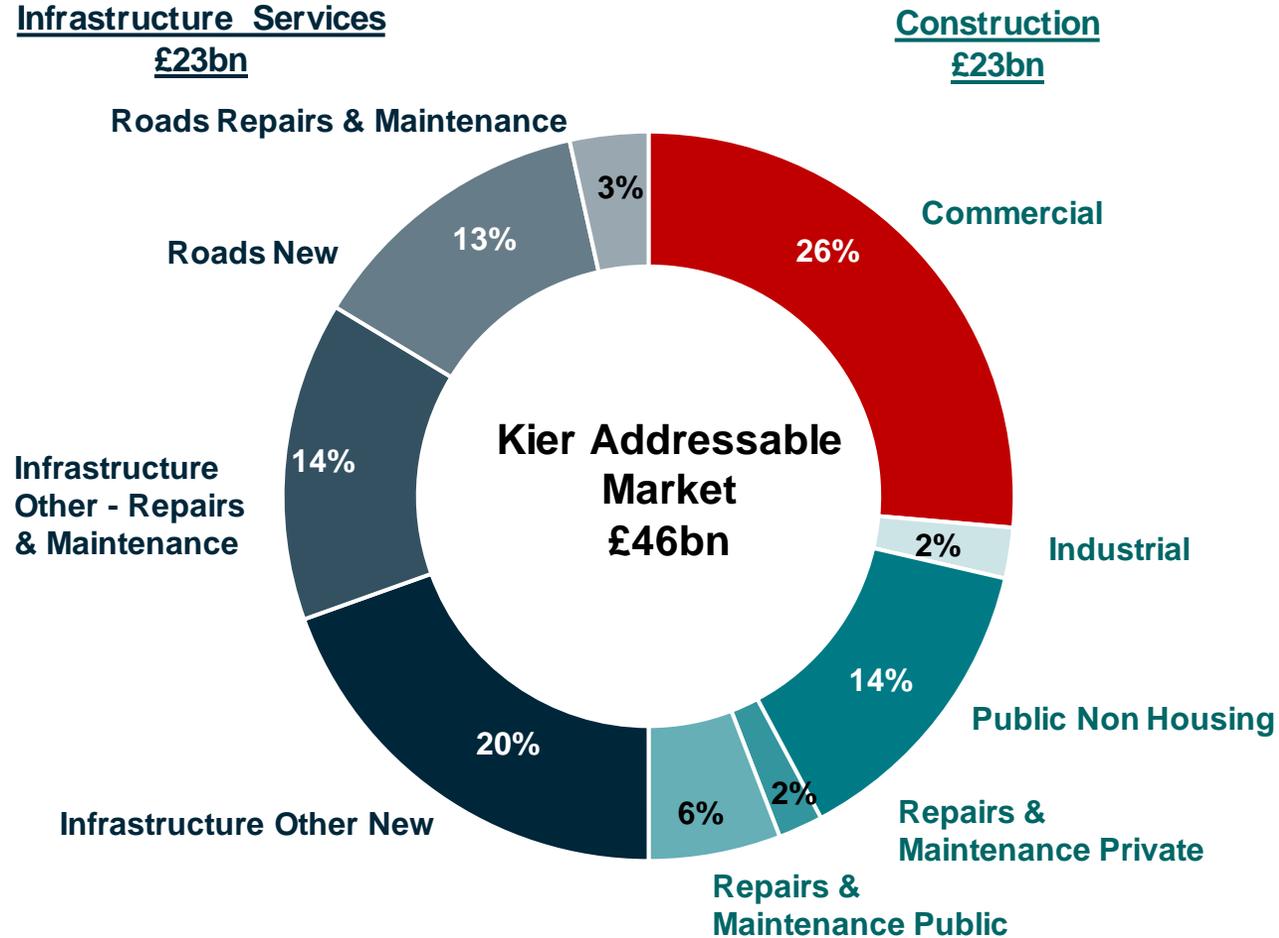
Urban Regeneration



- “Levelling up” agenda – increased spending in deprived areas
- £650bn 10 year spending commitment

Addressable Market

Significant addressable market opportunity in the Group's core markets



- Overall **UK construction market** (excluding housing) was estimated to be **worth £126bn in 2021**
- Group's addressable market estimated at £46bn** - £23bn for Infrastructure and £23bn for Construction
- Over 61% of our FY21 revenue was derived from projects delivered under framework agreements
- Total Group **framework award values** amounted to **£101bn** (OJEU values)

Attractive Market Positions

Focused on attractive market positions in UK infrastructure and construction markets



Infrastructure Services - £1.4bn



Infrastructure

- Delivers complex high value civil engineering projects for customers across key sectors - Nuclear, Energy, and Rail
- **Delivery partner on the largest section of HS2 Phase 1** – Europe's biggest infrastructure project
- Repeat business relationships >10 years for customers in our chosen sectors
- 81% of contracts delivered under cost reimbursable contracts



Highways

- **A market leading position (top 3 Strategic Highways and top 3 Local Highways)**
- Highways national assets valued at over £500bn drive robust ongoing demand for renewal, enhancement and maintenance
- Over two thirds of revenues undertaken on a low commercial risk cost sensitive basis
- Established relationships with strategic clients on long term frameworks typically 6-10 years



Utilities

- **Key contractor in water and energy sectors**
- More than 90% of revenues from long-term contract and alliances
- Majority of contracts delivered under target cost or cost reimbursable contracts
- Fibre network build partner to Top 3 UK digital infrastructure providers

Attractive Market Positions continued

Focused on attractive market positions in UK infrastructure and construction markets



Construction - £1.8bn



Regional Build

- **#1 UK national builder**
- Project delivery for public and private sectors
- Strategic supplier to the UK Government
- Experienced in education, health, justice and defence
- 72% of projects for repeat clients

Kier Places

- Facilities Management
 - **Integrated facilities management** services for public sector
 - Specialist mechanical and electrical expertise
- Housing Maintenance
 - **Housing services** for local authorities and housing associations incl. fire safety and remediation and capital works

Property - £134m

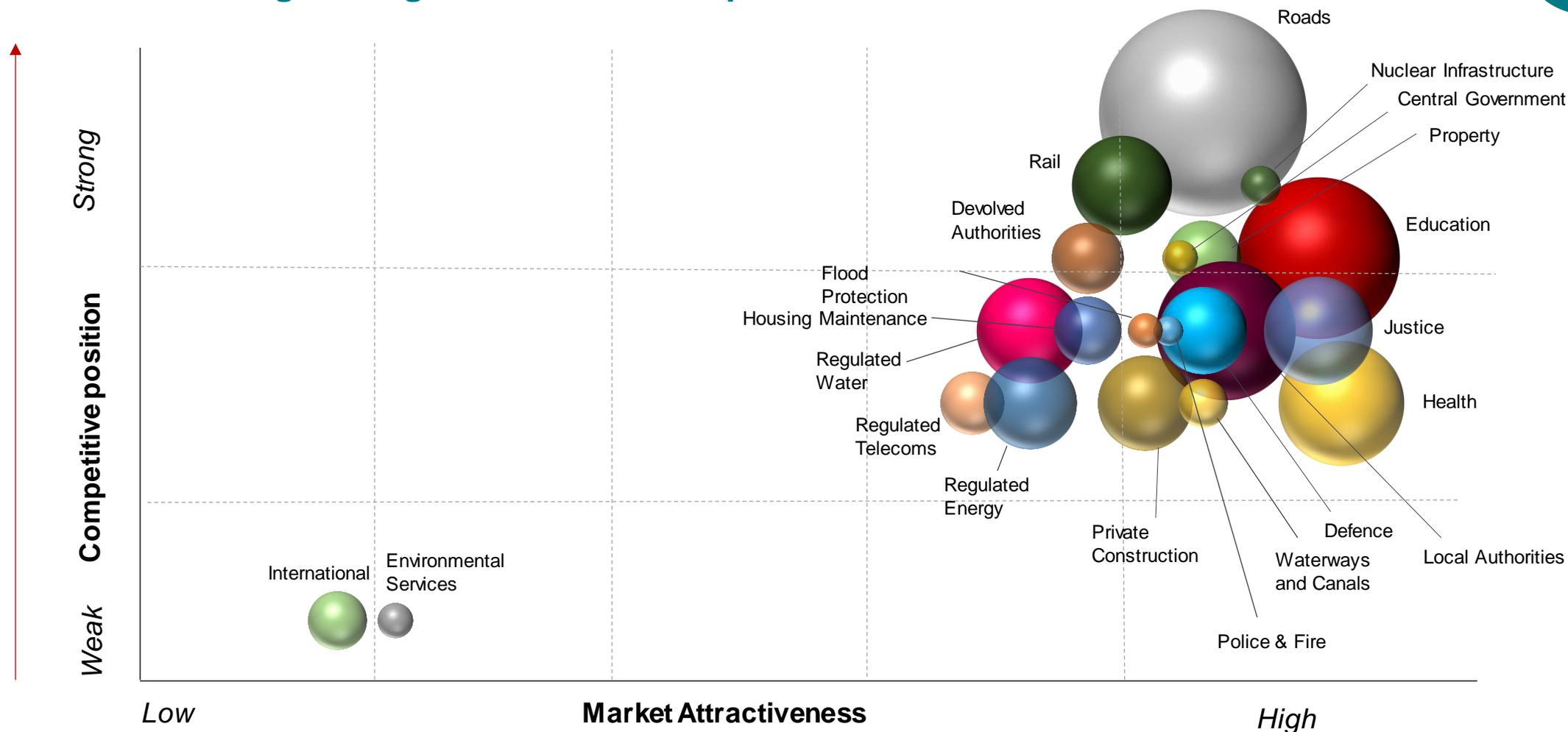


Property

- Mixed sector property development focused on sustainable urban regeneration
- Delivering nationally through key partnerships and joint venture partnerships
- Project delivery for public and private sector clients

Market and Competitive Position

Focused on strengthening attractive market positions in chosen sectors



Strong Customer Relationships

Strong relationship with UK Government and regulated sector clients



Central Government Clients

Department for Education

Ministry of Justice

Crown Commercial Service

Department for Work & Pensions

Defence Infrastructure Organisation

Department of Health

Wider Public Sector Clients

Regulated Sector Clients

Frameworks

- **“Strategic supplier”** to UK Government and regulated bodies
- **Commercial and engineering relationships** developed over many years
- **Regional presence** enhances client relationships across the UK
- Contract awards typically made for project life creating **long-term workstream**
- **Framework appointments** providing opportunities for future work with **acceptable levels of risk**

Management Team

Experienced leadership team focused on execution



Executive Board Members



**Andrew
Davies**
Chief Executive
Officer



**Simon
Kesterton**
Chief Financial
Officer

Corporate Functions



Alpha Amar
Corporate
Development
Director



Helen Redfern
Chief People
Officer



Stuart Togwell
Group Commercial
Director



Sophie Timms
Corporate Affairs
Director

Group Managing Directors



**Mark
Pengelly**
Infrastructure



**Andrew
Bradshaw**
Utilities



**Joe
Incutti**
Highways



**Leigh
Thomas**
Property



**Liam
Cummins**
Construction

Summary

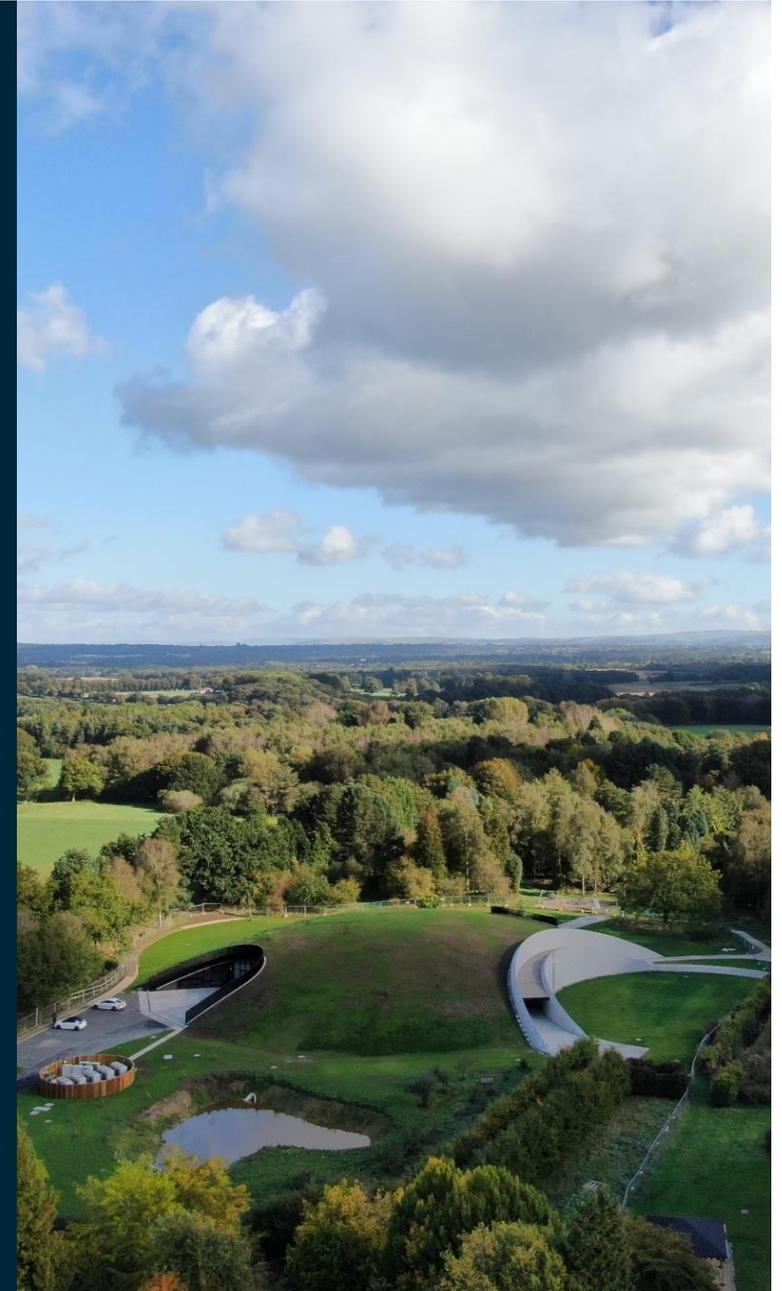
Medium term plan supported by UK Government spending commitment

-  | **1** **UK Government Spending** - continued UK Government commitment to infrastructure spending - £650 billion over 10 years
-  | **2** **Frameworks** – increasing use of framework agreements underpinned by ESG. Long term engagement and visibility benefits Kier and its customers
-  | **3** **Market Positions** – attractive positions in chosen markets together with regional footprint leading to repeat customer business
-  | **4** **Order book**– supported by high quality and strong order book of £8.5bn providing visibility over revenue
-  | **5** **Management Team** – experienced management team with commercial and operational execution capability to deliver medium term plan



Medium Term Value Creation Plan

Simon Kesterton
Chief Financial Officer



Medium Term Value Creation Plan

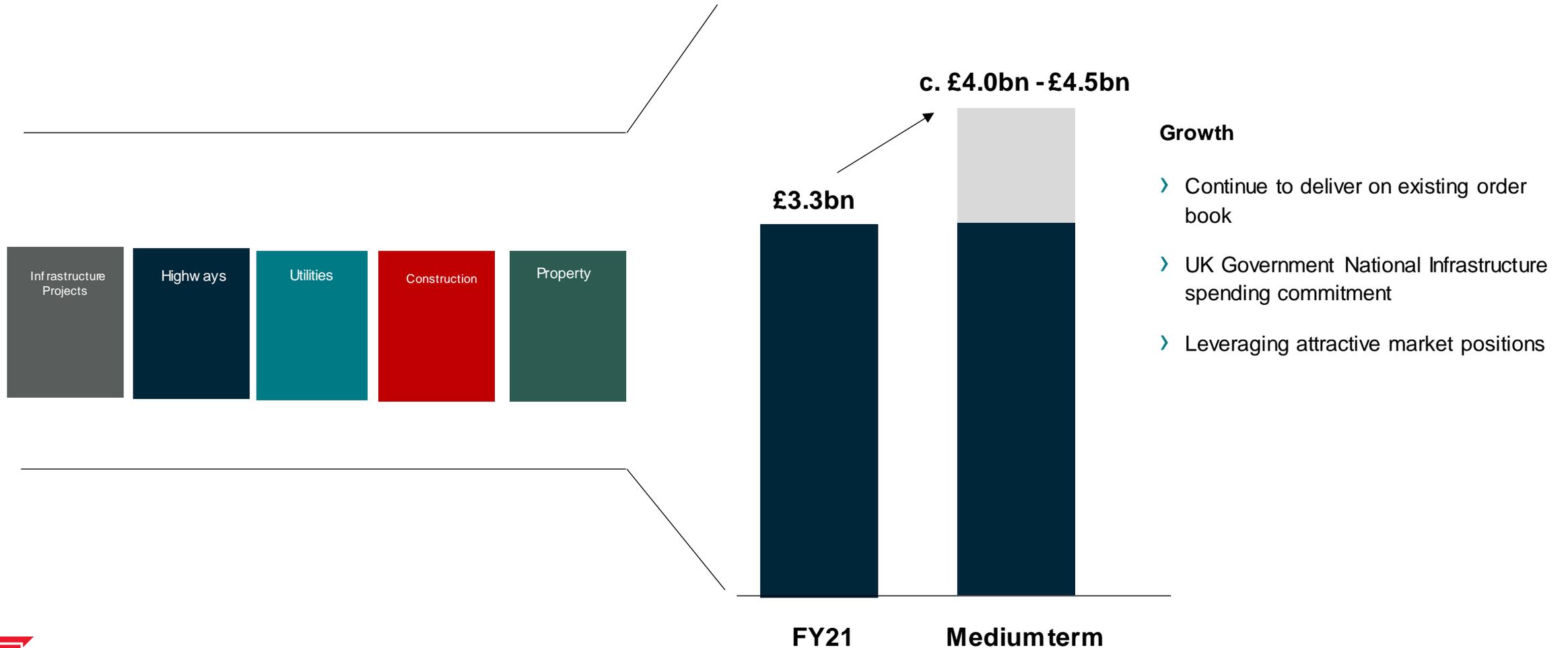
Medium term targets provide visibility over Group direction



- Annual **revenue c. £4.0 bn - £4.5 bn**
- Adjusted operating **margin c.3.5%**
- **Cashflow conversion** of operating profit **c.90%**
- Balance sheet: **sustainable net cash** position with capacity to invest
- Sustainable **dividend** policy: **c. 3x cover through the cycle**

Disciplined Revenue Growth

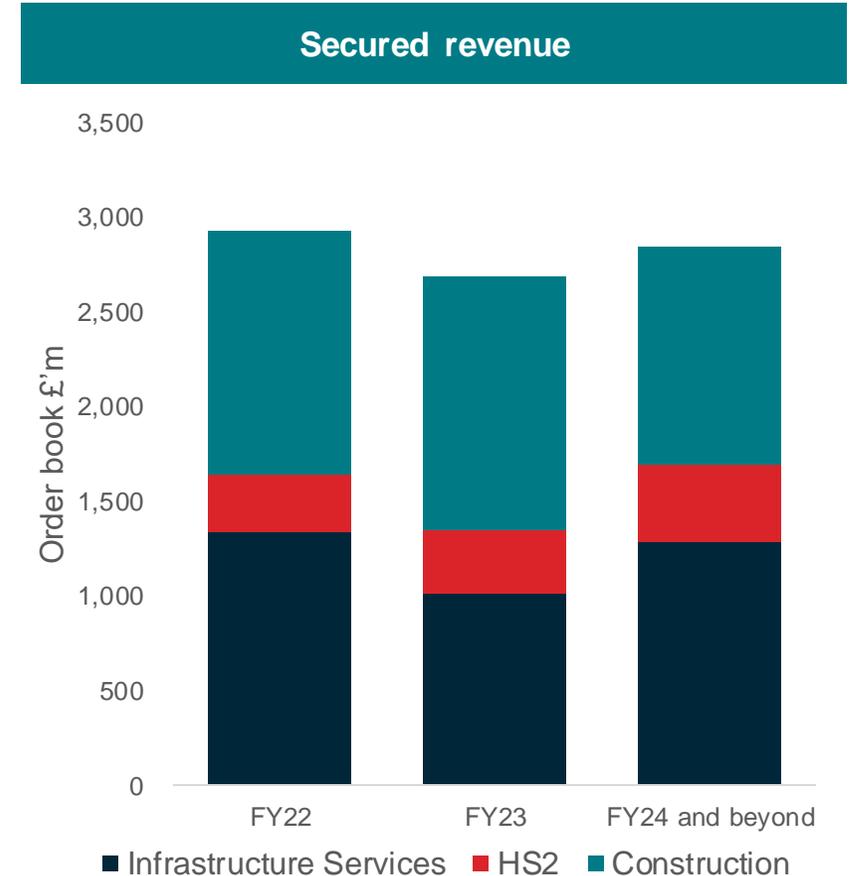
Leveraging market opportunities in core markets to deliver revenue growth



Order Book

Order book underpinned by long-term framework positions

- Order book at £8.5bn (HY22: £8.0bn)
- 95% of FY22 revenue secured
- De-risked contracts:
 - c.55% of order book is under target cost or cost reimbursable contracts
 - Construction - regional build and strategic projects average order size is c.£12m
 - Long-term framework positions as well as Property pipeline and fees excluded from order book. Represent additional opportunity



Frameworks

Frameworks can save significant time and money whilst providing visibility and certainty



What is a framework?

- An “**umbrella agreement**” enabling public sector and regulated bodies to invite tenders or place orders for services with pre-selected suppliers. Possible to pre-agree terms, price and quality at certain times

How do they work?

- Wide range of formats, typically involving **6-12 suppliers over a fixed term** of 4-6 years or longer

Who awards them?



How do we get awarded work from them?

- Construction frameworks typically involve “**mini-competitions**” to secure an award. Direct award options in certain cases or single supplier under certain frameworks

What are the benefits?

- **Customers** - provides **efficient tendering process**, quality assured delivery partners for customers, collaborative **innovation and ability to drive social value creation, carbon reduction and continuous improvement**
- **Suppliers** - gain access to pipeline of work, reduced competition vs. open market, increased risk share and quality based rather than lowest price. Aligned to Construction Playbook objectives

Frameworks – Route to Market

Maintaining and growing central and local framework positions



- Awarded places on long-term frameworks and contracts worth up to **£101bn** (total OJEU values)
- Driving **long-term revenue streams**, barriers to entry and strengthened customer relationships, underpinning strong order book

Infrastructure Services

- **6** national framework positions
- **26** regional framework positions
- Typical durations 4 to 8 years
- Highways Frameworks and contracts secured up to 11 years
- Total advertised OJEU value over:

£16bn

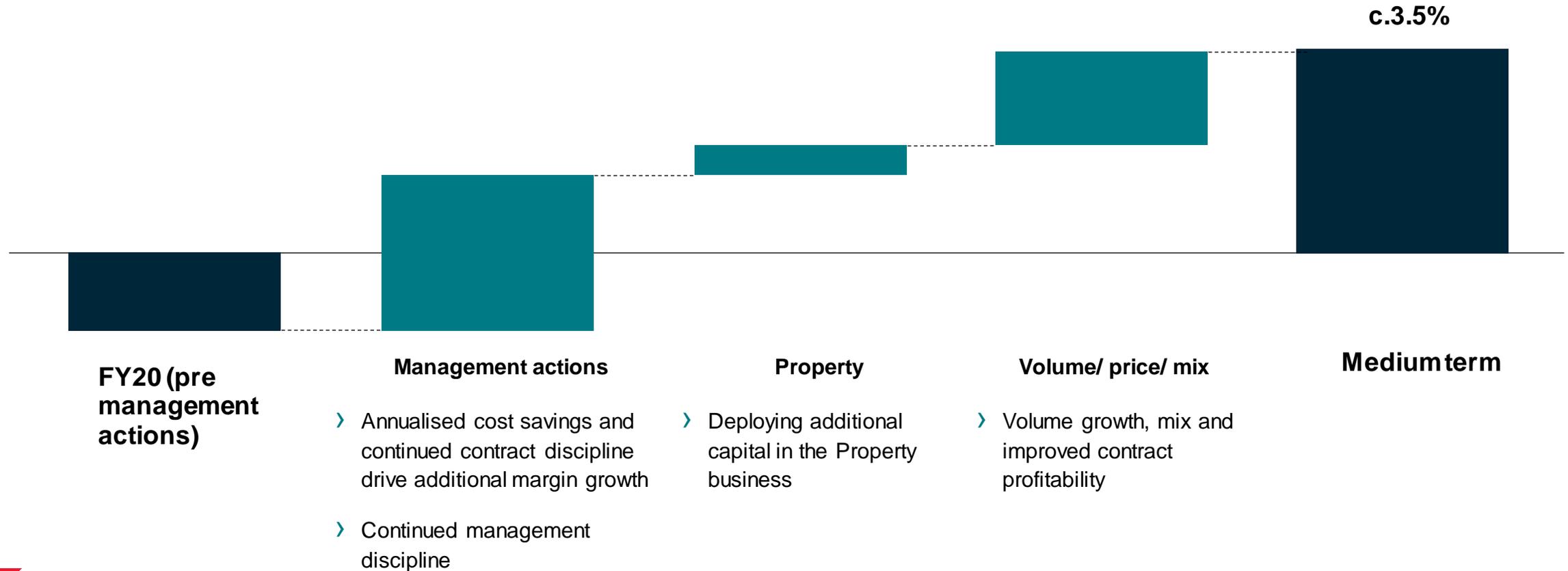
Construction

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

£85bn

Adjusted Operating Profit Margin

Route to deliver adjusting operating profit margin c. 3.5%



Income Statement – HY22

Medium-term plan margin target of 3.5% achieved despite volume declines

£'m	HY22	%	HY21	%	Δ	FY21	%
Revenue	1,536		1,624		(5.4)%	3,329	
Adjusted Operating Profit	54.2	3.5	47.6	2.9	13.9%	100.3	3.0
Net finance costs	(11.2)		(19.8)			(34.9)	
Adjusted Profit	43.0	2.8	27.8	1.7	54.7%	65.4	2.0
Adjusting items	(20.4)		(7.5)			(38.8)	
Amortisation	(9.9)		(11.3)			(21.0)	
Taxation	(2.7)		(1.9)			17.4	
Profit from continuing operations	10.0		7.1		40.8%	23.0	
Adjusted basic EPS	7.8p		10.4p		(25.0)%	25.0p	
Statutory EPS	2.2p		3.8p		(42.1)%	11.6p	
Net (debt) / cash	(131.3)		(353.5)			3.0	
Average month-end net debt	191		436			432	

- Anticipated revenue decline reflects procurement delays and project completions partially offset by ramp up of HS2
- Adjusted operating profit of £54m reflecting business mix
- Statutory profit of £10m

Financing and Liquidity – HY22

Significant reduction in net debt. Facilities maturing in January 2025

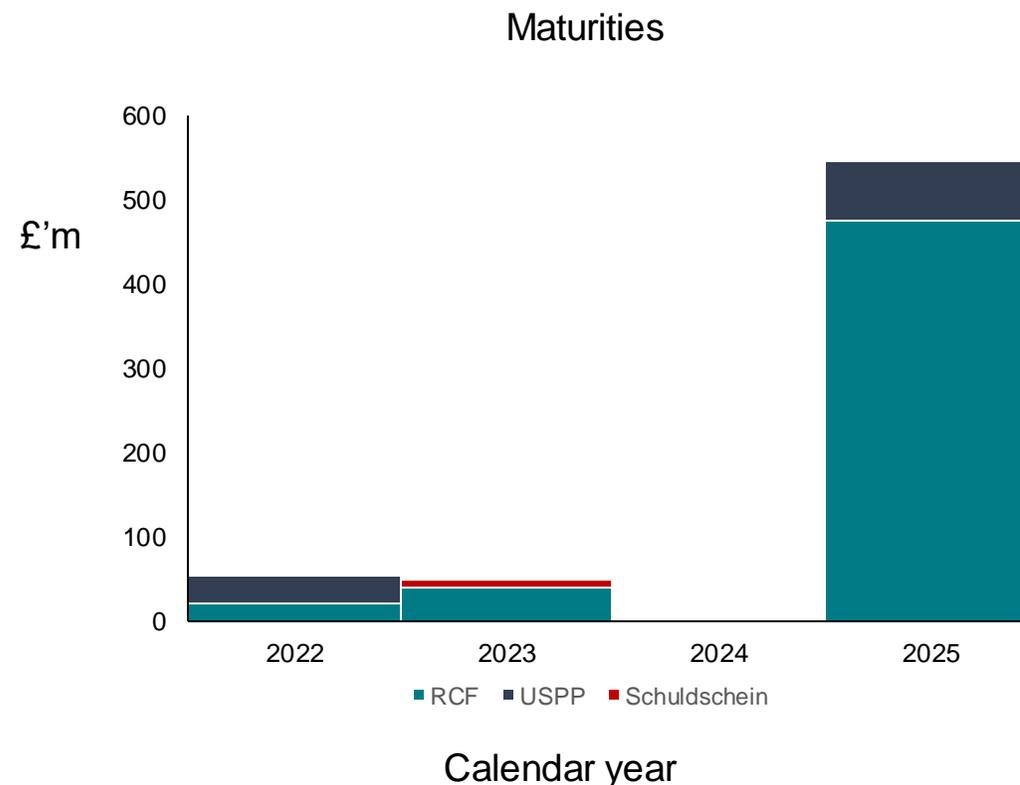
KPIs	Dec 2021
Net debt (£m)	131
Average month-end net debt (£m)	191

Average month-end net debt

- Significant reduction from £436m to £191m due to capital raise, sale of Kier Living and cash generation
- Partially impacted by KEPS reduction, repayment of HMRC Government support and payment of adjusting items

Facility extensions

- Facilities aligned to medium term value plan. Maturing in January 2025
 - RCF - £475m
 - USPP Notes - £70m



Free Cash Flow – HY22

Free cash outflow due to seasonal unwind of working capital and reduction in KEPS

£'m	HY22	FY21	HY21	HY20
Adjusted EBITDA	76.8	150.3	71.7	73.0
Working Capital	(143.0)	63.5	1.1	(84.8)
Net capex (Including IFRS16 leases)	(19.6)	(47.0)	(20.6)	(18.9)
JV dividends less profits	0.1	6.6	4.9	9.0
Other ⁽¹⁾	2.2	7.0	0.9	5.5
Operating Cash Flow	(83.5)	180.4	58.0	(16.2)
Net interest & tax	(10.1)	(26.8)	(10.3)	(14.0)
Free Cash Flow before COVID-19 impact	(93.6)	153.6	47.7	(30.2)
Adjusted conversion	(154)%	180%	122%	(35)%
Net COVID-19 impact	(16.1)	(61.0)	(28.9)	-
Free Cash Flow	(109.7)	92.6	18.8	(30.2)

- Operating cash flow conversion in line with expectations
- Working capital:
 - Reverting to traditional seasonal outflow
 - c.£10m VAT payments on account
 - Further £10m reduction in KEPS to £69m
 - Maintaining supply chain payment days to 34 days on average
- COVID-19 impact
 - Repaid £16m of HMRC deferred taxes with £3m remaining

Capital Allocation

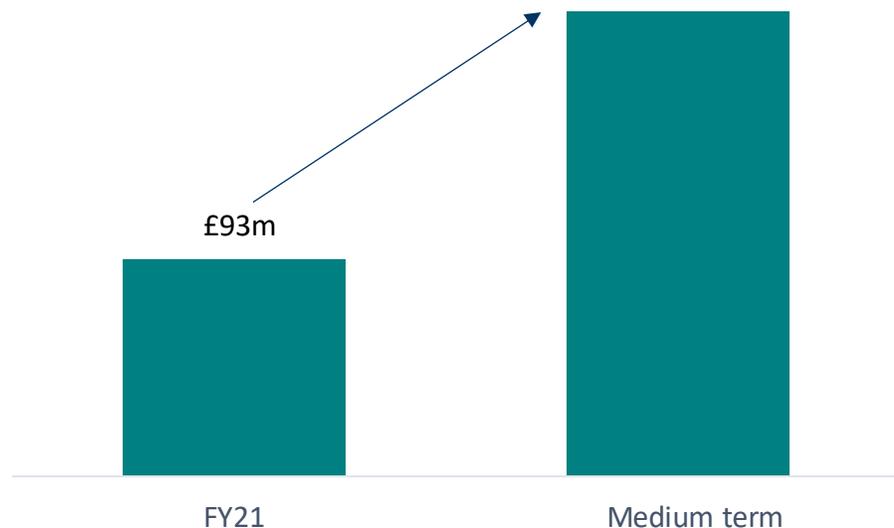
Capital allocation priorities aligned with strategic objectives

- Sources and uses of cash

Sources of Cash

- Free cash flow generation over medium term

Cumulative Adjusted Free Cash Flow £'m



Uses of Cash

- **Capex** - investment to support business
- **Property** - disciplined investment in Property business to generate returns
- **Deleverage** - further deleveraging in order to operate with a strong, resilient and flexible balance sheet
 - Targeting a sustainable net cash position in medium term
- **Dividend** - targeting dividend of 3 x earnings through the cycle
- **M&A** - value accretive and in core markets. Potential to accelerate medium term plan

Key Investment Proposition

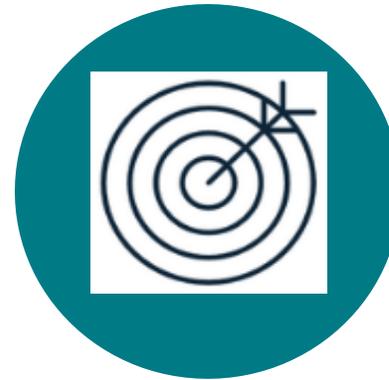
Creating value for the medium term



Value accretive earnings-led business model. Aligned to UK Government's investment priorities



Attractive market positions focused on UK infrastructure and construction markets



Strong order book underpinned by long-term contracts and framework agreements

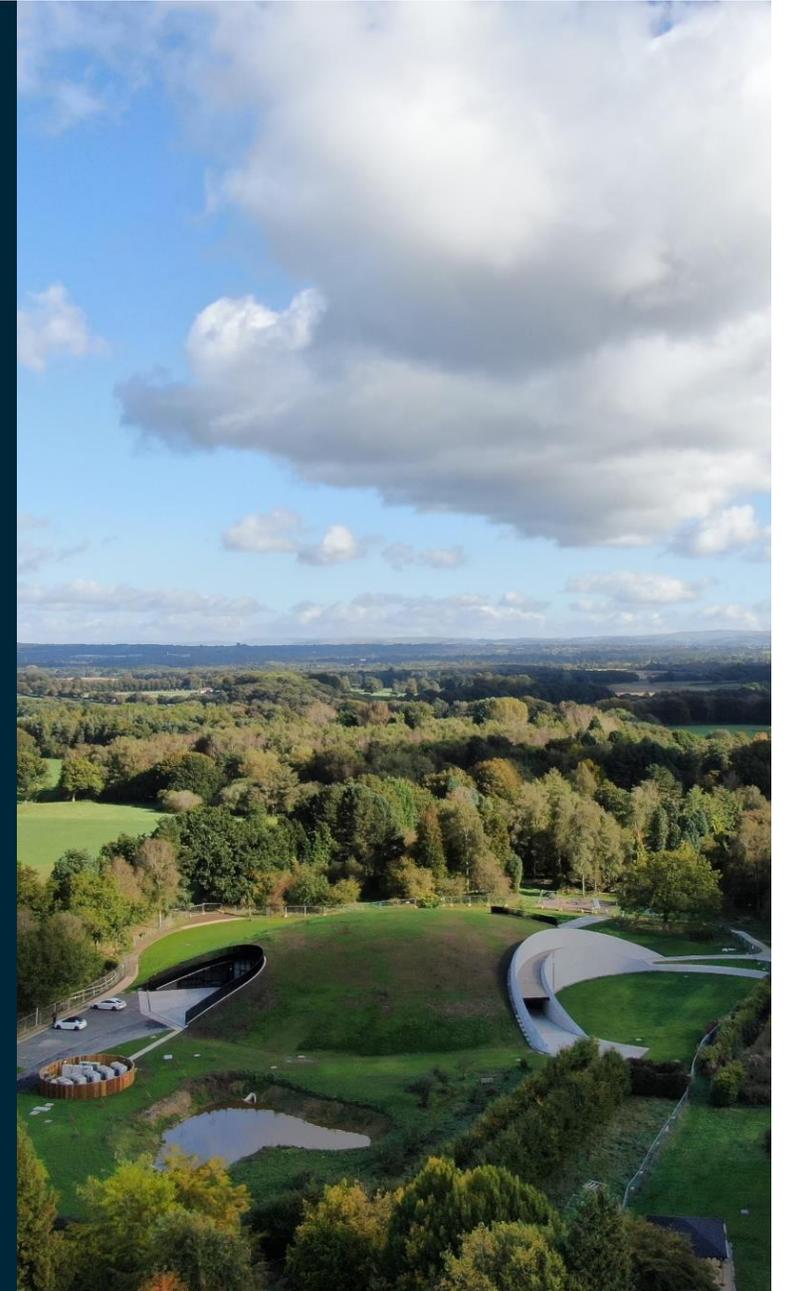


Experienced management team. Proven track record of operational and financial delivery

Stand 1 – ESG

Helen Redfern
Chief People Officer

Sophie Timms
Corporate Affairs Director



Sustainability

ESG is fundamental to our ability to win work and secure positions on long-term frameworks



| 1

“Strategic Supplier” to UK Government – ESG is fundamental to our ability to win work and secure positions on long-term frameworks



| 2

Operations – ensuring we operate in a safe and sustainable way



| 3

Net Zero Carbon – building capabilities to achieve net zero carbon in-line with our targets



| 4

Social Value – historically a strength at Kier. Committed to achieving our social value targets as well as attracting and retaining talented people

Sustainability – UK Government Contracts

UK Government contracts require net zero carbon and social value commitments

Procurement Policy Note – Taking Account of Carbon Reduction Plans in the procurement of major government contracts

Action Note PPN 06/21

05/06/2021

Carbon – PPN 06/21

- Requirement for bidding **suppliers to provide a Carbon Reduction Plan confirming the supplier’s commitment to achieving Net Zero by 2050** in the UK and measures they have in place during the performance of the contract

Procurement Policy Note – Taking Account of Social Value in the Award of Central Government Contracts

Action Note PPN 06/20

September 2020

Social Value – PPN 06/20

- Requirement by all public bodies to **maximise social value** effectively and comprehensively through its procurement

THE CONSTRUCTION PLAYBOOK

Government Guidance on sourcing and contracting public works projects and programmes

Construction Playbook

- **Standards** - in setting standards and specifications, contracting authorities should consider **sustainability** and options that **support the government’s wider priorities**, including achieving net zero by 2050 and the UK’s commitment to the UN Sustainability Development Goals (“SDGs”)

Sustainability Framework

Building for a Sustainable World

Reminder of key focus areas:

- 1

➤

Environment – pollution prevention, sustainable procurement, net zero carbon, zero avoidable waste and biosphere protection

- 2

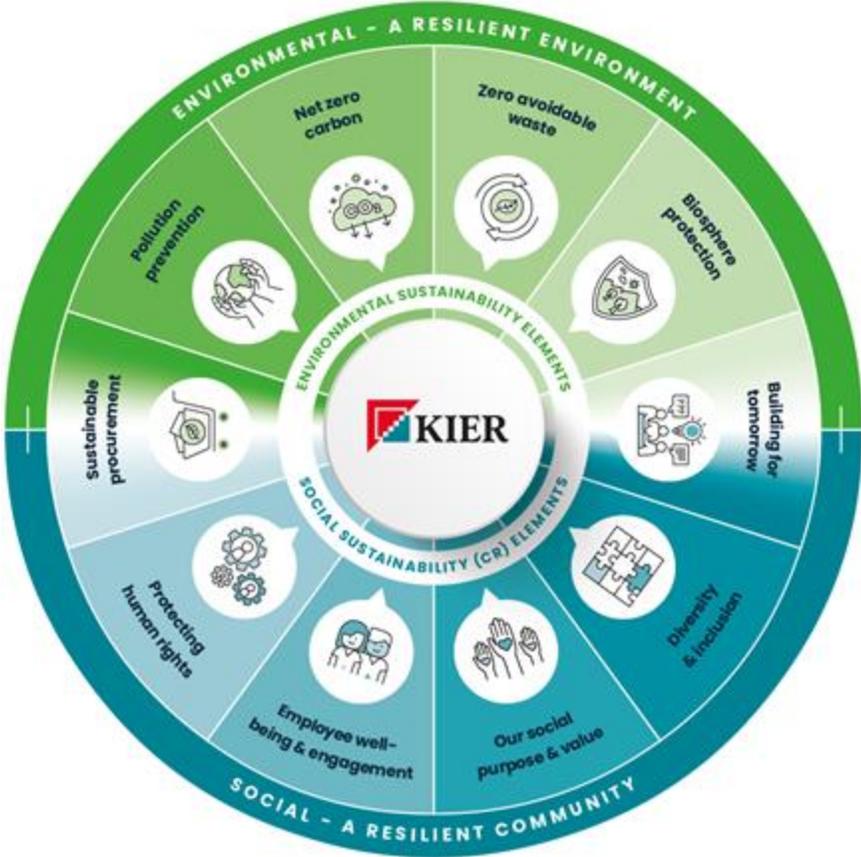
➤

Social – building for tomorrow, diversity and inclusion, our social value and purpose, employee wellbeing and retention and protecting human rights

- 3

➤

Governance – operating responsibility, governance, health and safety and risk mitigation



Environment – Carbon, Waste and Water

Carbon, waste and water reduction commitments and progress made



Carbon

- **Target: Net zero carbon across operations and supply chain by 2045**
- FY21 achievement:
 - ✓ **24% carbon intensity reduction** against FY19 baseline



Waste

- **Target: Eliminate avoidable waste by 2035. Committed to being single-use plastic free by 2030**
- FY21 achievement:
 - ✓ **22% reduction** year over year reduction in volume of non-hazardous construction waste
 - ✓ **Construction waste** (materials and packaging) **diverted from landfill – 87% of FY21 waste**



Water

- **Target: reducing water usage over the long-term.** Maintaining a healthy environment for future generations
- FY21 achievement:
 - **Transition year.** baseline set using FY21 data. Cost of water as a percentage of operational spend, 0.03%
 - **Biosphere assessment conducted** to identify risks and define targets

Environment – Our Projects

Examples of projects to reduce carbon and waste



HVO Fuel

- Twerton project - part of the Environment Agency Collaborative Delivery Framework South-West Hub
- Diesel fuel replaced with Hydrotreated Vegetable Oil (“HVO”) for generators that power site accommodation
- Saved 6,341kg CO2 over nine weeks. Equivalent to 23,884 miles travelled in a diesel car



Electric JCB Excavator

- Electric powered excavator trial. Benefits included:
 - Filtration of exhaust gas from diesel engine no longer required
 - Reduced burning of fossil fuels
 - Reduced noise for operatives involved and other personnel on site



PPE Recycling

- Staysafe Personal Protective Equipment (“PPE”) recycling service – programme for continuous improvement:
 - Reduce environmental impact
 - Reduction of waste and carbon
 - Reduce PPE stock levels
 - Reduce PPE expenditure
 - Eliminate threats from supply chain shortages



Community Wood Recycling

- During 10 year partnership, recycled 9,170 tonnes of wood
- Rescued c.698 tonnes of timber from waste stream over 12 months
 - 261 tonnes were reused
 - 101 tonnes used as firewood
 - 335 tonnes recycled
- Saved 347.0 tonnes of CO2, created 7 jobs and trained 9 people

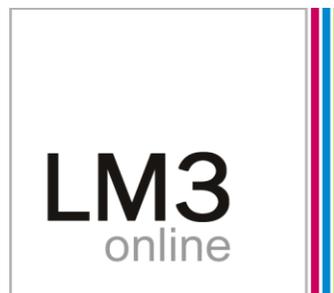
Social – Measuring Social Value

Committed to addressing social issues and creating £5bn of social value by 2030



Social Value Calculator – Thrive

- Launched in 2022
- 1,287 live projects as at 30 April 2022
- Social value output c.£570k. Tracking higher than £500k FY22 target



Social Deprivation Mapping Tool – LM3

- Measures Kier's spend in socially deprived areas
- Uses UK Government's Indices of Deprivation 2019
- Able to see positive benefit of spend on communities

Social – Supply Chain Partners

Investing in supply chain partners with training and prompt payment



Supply Chain Sustainability School

- Total partner value of c.£490k including workshops, training and resources
- Additional ongoing value: additional facilities available
 - 2,500 online resources and
 - 101 e-learning modules worth c.£1m

Prompt Payment Code

- Average Days to Pay – 34 days for the 6 months to 31st Dec 2021
- SMEs – 41% expenditure with SMEs for public sector frameworks in FY21

Social – Fundraising

Kier Foundation – independent charity donated c. £2.4m to over 600 causes



End Youth Homeless

- Raised c.£280k
- Funded:
 - c.380 safe nights' sleep; and
 - c.480 Christmas gifts



Cancer Support

- Raised c.£500k
- Funded:
 - 18,000 nursing hours



Heart Support

- Raised c.£290k
- Funded:
 - Cardiac arrest research

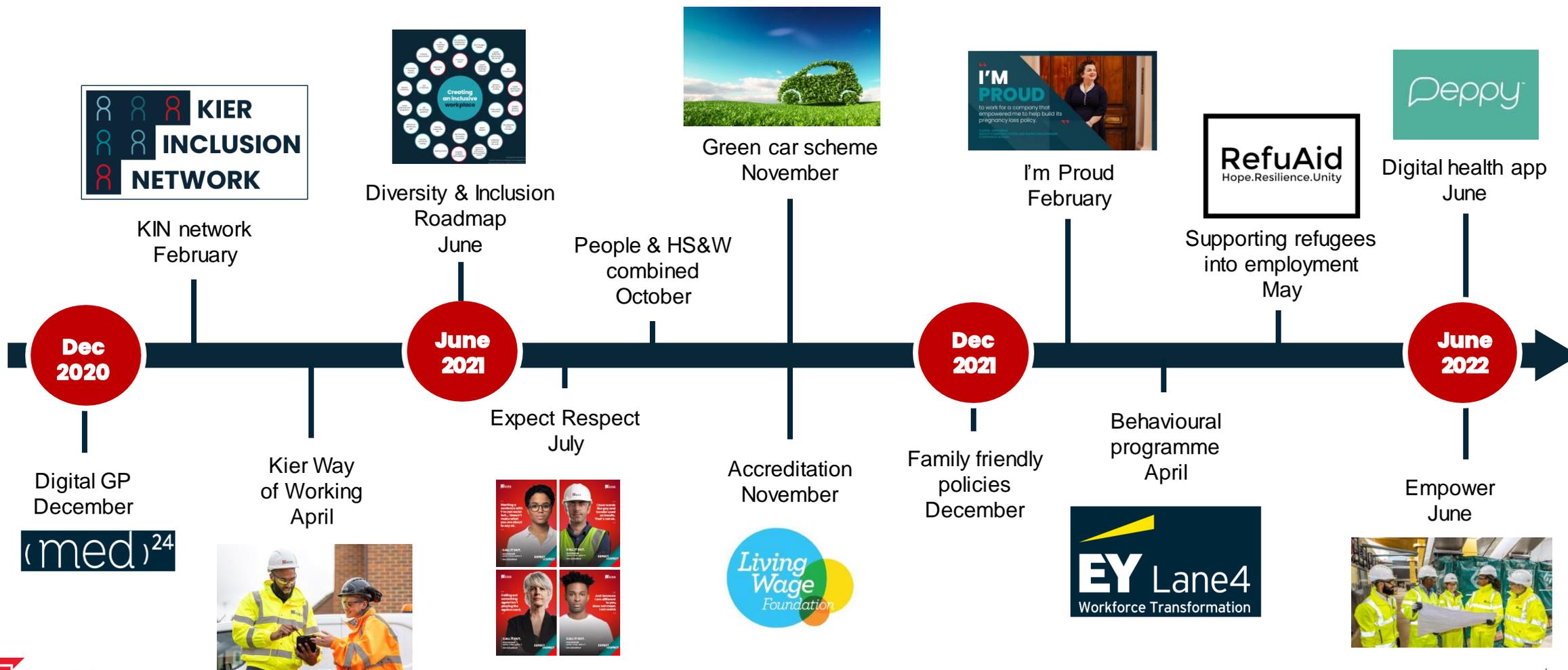


Alzheimer's Society

- Raised c.£430k
- Funded:
 - c.17,000 hours of dementia support

Social – Platform to Attract and Retain Talent

Timeline of social and environmental programmes launched at Kier since December 2020



Social – Employees

Examples of how Kier continues to support employees and the business

Industry leading **Glassdoor** company rating of **4.3/5**

Since Making Ground's launch in 2013, we have provided **104 work placements and employed 78 prison leavers** through Kier or our supply chain

772 employees benefited from introduction of the Real Living Wage



Diversity of **Executive Committee** increased over the past 18 months with **27% female** representation, **9%** are from **ethnic minority** groups

Awarded ERS Gold in recognition for Armed Forces support. Originally awarded in 2016, re-awarded in 2021

Awarded gold by 5% Club for recognition of our support for **learning and development** programmes



First company to sign **Armed Forces Covenant** in 2013 (re-signed in 2021)

EMPLOYER RECOGNITION SCHEME

GOLD AWARD

Diversity of **Kier Plc Board** have **29% female** representation and **14%** from **ethnic minority** groups

Social – Apprentices

Examples of how Kier continues to support employees and the business



556 apprentices



<p>First Line Manager Apprenticeship 13 months Level 3 Leadership and Management Diploma, CMI Certified New to management</p>	<p>The Kier Degree Undergraduate programme enabling learners to work and gain bachelor's degree Construction Management Quantity Surveying Civil Engineering</p>
<p>Manager Development Programme Apprenticeship 13 months Level 5 Leadership and Management Diploma, CMI Certified Middle Manager</p>	<p>Activate 24 months Mastership Apprenticeship MSc Cranfield School of Management</p>

Trade apprenticeship
Entry to advanced apprenticeships offered for new entrants and current employees wanting to upskill or change careers

“

I strongly believe that doing an apprenticeship - the combination of work and studying - is a great way of starting your professional career. It will open so many doors for me and has given me a solid career path for the future. I would recommend it to anyone who may not be considering going to university and is looking to get qualified but doesn't want to be saddled with student debt

Parin Patharni,
Trainee Quantity Surveyor

Sustainability – Summary

ESG is fundamental to our ability to win work and secure positions on long-term frameworks



| 1

“Strategic Supplier” to UK Government – ESG is fundamental to our ability to win work and secure positions on long-term frameworks



| 2

Operations – ensuring we operate in a safe and sustainable way



| 3

Net Zero Carbon – building capabilities to achieve net zero carbon in-line with our targets



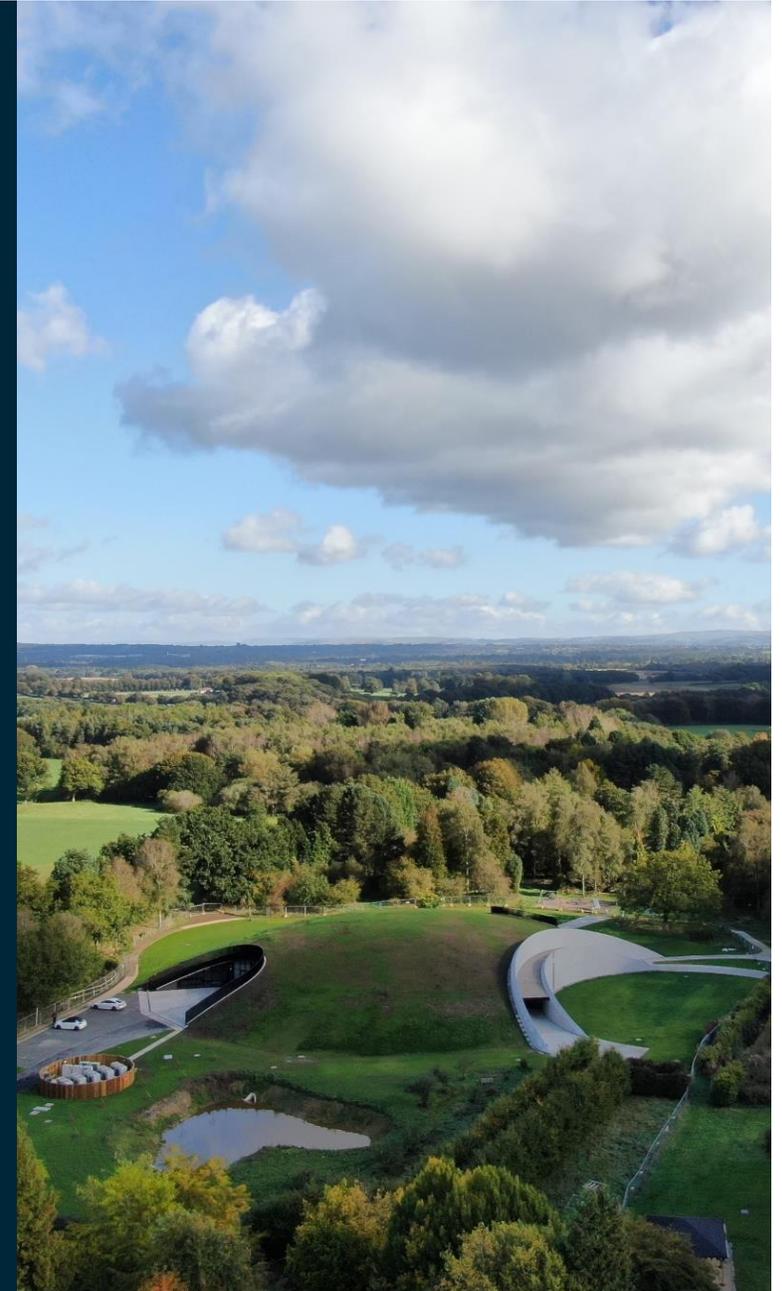
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Social Value – historically a strength at Kier. Committed to achieving our social value targets as well as attracting and retaining talented people

Stand 2 – Construction: Regional Build and Kier Places

Liam Cummins
Managing Director, Construction

Mark Whittaker
Managing Director, Kier Places



Regional Build – Overview

National builder with 26 regional offices. Key relationships in education, health, justice and defence

Education

- Delivered **almost £5bn** of primary, secondary and tertiary **facilities** in the past **15 years**
- Currently has **10** Department of Education (“DfE”) framework **projects on site**, with **5 schemes** being developed in **preconstruction** phase
- Delivers value for the DfE by **supporting design improvements**, developing social value, supporting carbon agenda, using local suppliers and implementing risk management

Health

- Long standing collaborative relationship with health authorities across England, Scotland and Wales.
- Delivered **over 100 healthcare projects** in the past **10 years**, working in partnership with over **80 NHS Trusts**
- Currently **16 health projects on-site** and 13 in development

Justice

- **12 year relationship** with the Ministry of Justice (“MoJ”)
- Delivering **over £600m** of new build and refurbishment projects across all categories of **prisons and courts**
- Leading the development of a Modern Methods of Construction (“**MMC**”) **social value calculator** following its use on custodial projects

Defence

- **Key partner** on national and regional Defence Infrastructure Organisation (“**DIO**”) **frameworks**
- Delivering a number of defence projects including:
 - **RAF Lakenheath** – a development programme to deliver facilities and infrastructure for the US Air F-35 Fighter Jets
 - **HMNB Clyde Submarine Training Facility** – a contract to build facilities for future submariner training

Regional Build – Market Opportunities

UK Government spending weighted towards schools, hospitals, justice and defence

Education



- 500 DfE school replacement project over 10 years
- 209 further free school projects approved for DfE capital funding
- Commitment to additional SEND funding and investment into Further Education

Health



- £1.5bn additional funding for hospital upgrades
- £3.7bn New Hospitals Programme to be delivered by 2025

Justice



- 20,000 new prison places required
- £4bn commitment over 4 years
- c.£200m per annum of estate maintenance

Defence



- £3.2bn Defence Estate Optimisation Programme
- £1.75bn UK Strategic Command Pipeline
- £1.37bn US Infrastructure Programme
- £1bn Clyde Programme

Commercial



- Increase in refurbishment for agile working practices due to COVID-19
- Regional focus

Regional Build – Market Positioning

Proven customer relationships and operational delivery



1

A leading UK builder with attractive **market positions** and **regional footprint** to take advantage of UK Government committed spend



2

Track record of **successful delivery** with design, operational and support capability



3

Longstanding collaborative **relationships** across chosen sectors and a “strategic supplier” to the UK Government

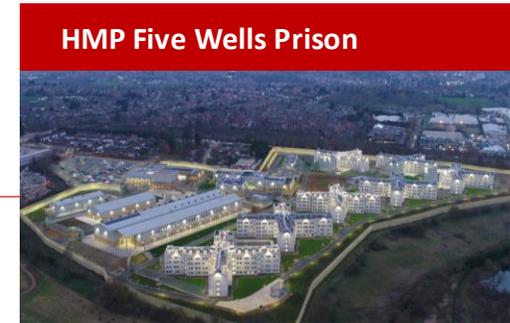


4

Contracting through **frameworks** providing competitive advantage, consistency and visibility over revenue streams

Regional Build – Locations

277 projects across the UK in our chosen sectors



Project 1: Winterstoke Hundred Academy – Education

Appointed to a new net zero carbon school building in Weston-Super-Mare



- Appointed by North Somerset Council and Cabot Learning Federation to deliver a **new net zero carbon building for Winterstoke Hundred Academy** in Weston-Super-Mare for 7-11 year olds
- The new school building will be an expansion of the Winterstoke Hundred Academy and will provide 900 new pupil places when complete
- Procured through the **Southern Construction Framework**
- The three-storey 8,296m² building has been **designed to achieve Net Zero Carbon**, a commitment to deliver a **10% biodiversity net gain** and provide a Sustainability Lab to deliver a lasting legacy to the school and local community
- Kier has created partnerships with surrounding educational institutions offering students work experience, **apprenticeships** and placements.

Project 2: Heatherwood Hospital – Health

Completed £98m transformation of Heatherwood Hospital under Procure 21+ Health Framework



- Completed the a £98m transformation of Heatherwood Hospital in Ascot for Frimley Health NHS Foundation Trust
- The 11,500 sq m new building is for NHS and private patients
- **State-of-the-art theatre**, outpatient and diagnostic **facilities** for orthopaedics, cardiology, radiology, lithotripsy, physiotherapy, and orthodontics. In addition, the site has a primary care hub
- **Appointed through the Procure 21+ Health Framework** and has utilised the latest digital technology and Building Information Modelling (“BIM”)
- Hospital includes **solar farm covering** on the roof and a **sustainable urban drainage system** under the car park

Project 3: HMP Five Wells Prison – Justice

New resettlement prison in Wellingborough built using Modern Methods of Construction



- Completed a £253m contract for the Ministry of Justice (“MoJ”) for a **new build resettlement prison in Wellingborough**
- Designed, procured, delivered and operated, through a Design for Manufacture and Assembly (“DfMA”) or ‘**modular**’ approach
- Approx. 80% of design standardised with just 20% as site-specific
- Offsite construction of pre-cast panels using a range of suppliers
- **Benefits** of modular approach include:
 - Reduction in **timing** of delivery
 - Lower **cost** to client
 - Quality of work improved
 - Improved **health and safety**
 - Reduction in **waste**
 - Lower **carbon emissions** due to less deliveries and lower use of forklift trucks on-site

Project 4: RAF Lakenheath – Defence

Construction project to deliver first permanent UK home for the US Air Force F-35 fighter jet



- Kier VolkerFitzpatrick joint venture was awarded a **contract to deliver new infrastructure to ready RAF Lakenheath** for the first permanent home in Europe of the US Air Force F-35 Fighter Jet
- The F-35 Beddown programme, which is part of a wider programme of work to support the US Air Force operations in the UK, involves **construction and renovation of a number of buildings and infrastructure projects** on the Suffolk site, including a six-bay flight simulator, an aircraft maintenance unit, new hangars, and 42 aircraft parking aprons
- The project has involved engagement with the local community, creating new jobs and procuring at least **30% of the supply chain within a 75 mile radius of the site**. At the height of construction, it is expected there will be up to 600 people on site supporting the programme
- Main construction works began in summer 2019, following extensive enabling works

Kier Places – Overview

Specialises in affordable housing maintenance and facilities management services

Facilities Management

- Delivering **integrated facilities management services**
- Servicing over 2,000 buildings and maintaining 20,000 assets for the public sector
- Specialist teams with mechanical and electrical expertise
- **Key contracts include: Ministry of Justice, Home Office** and Wiltshire County Council



Affordable Housing Maintenance

- Providing housing maintenance services to local authorities, housing associations and social landlords
- Capabilities include maintenance, fire safety, retrofit, capital works, cladding and façade remediation, compliance and decarbonisation
- **Key contracts include: London & Quadrant, Hammersmith & Fulham** and Peabody Trust



Kier Places – Market Opportunities

Net zero carbon agenda and building safety regulations driving housing maintenance opportunities

Facilities Management



- Government Property Agency (“GPA”)
- Strategic Alliance Agreement Framework (“SAA”)
- Ministry of Justice
- Home Office
- Department for Education (“DfE”)

Affordable Housing Maintenance



- £4.8bn cross department “levelling up” fund
- £4bn ECO4 funding
- Building safety opportunities generated from Social Housing Paper 2020
- Community Infrastructure Levy (“CIL”) related works

Kier Places – Market Positioning

Ability to tailor services and leverage longstanding public sector relationships



1

Specialist provider of facilities management and affordable housing maintenance services to the public sector



2

Longstanding relationships with central UK Government, Local Authorities and Housing Associations



3

Multi-year contracts providing steady “**annuity**” type stream tailored to the requirements each customer



4

Experienced team well placed to take advantage of increased fire remedial works and affordable housing maintenance opportunities

Project 1: Wiltshire Council – Facilities Management

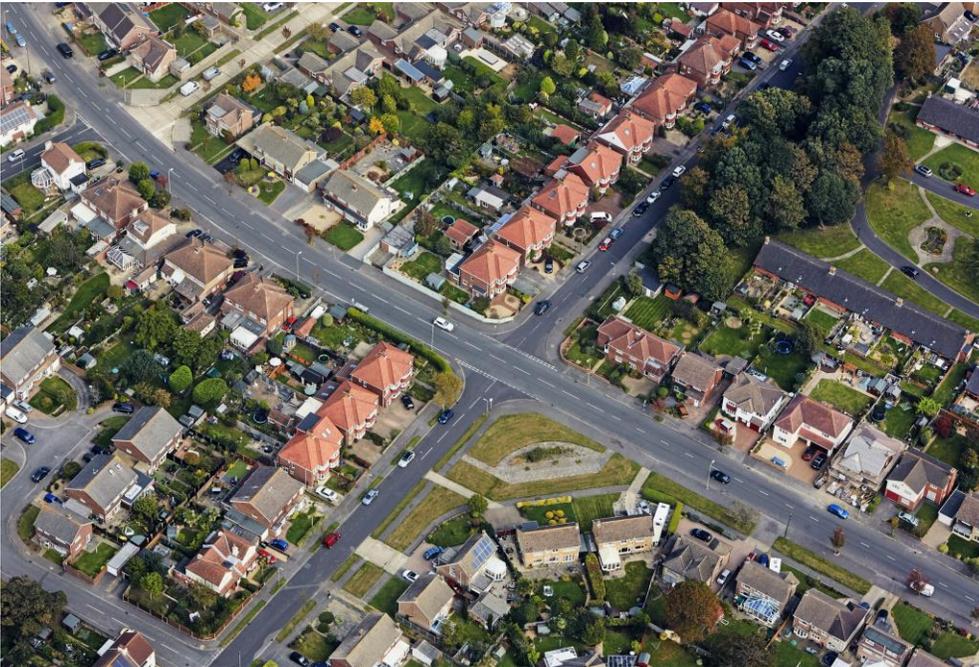
Delivering facilities management services across the Wiltshire Council estate



- Kier Places has been working with Wiltshire Council since 2016 **delivering mechanical and electrical services** across their estate
- Delivering **integrated facilities management services to 1,500 properties** including **100 schools, 27 libraries, 36 child care centres, 38 farms, one theatre and one windmill**
- Directly employing **23 people** and together with our specialist supply chain partners to **maintain over 50,000 assets** and ensure compliance
- Kier's service includes a **24/7 helpdesk** and on call service
- **Collaborative partnership** with Wiltshire Council for 6 years

Project 2: Gosport Borough Council– Housing Maintenance

Repair and maintenance, planned improvements and specialist work for Gosport Borough Council

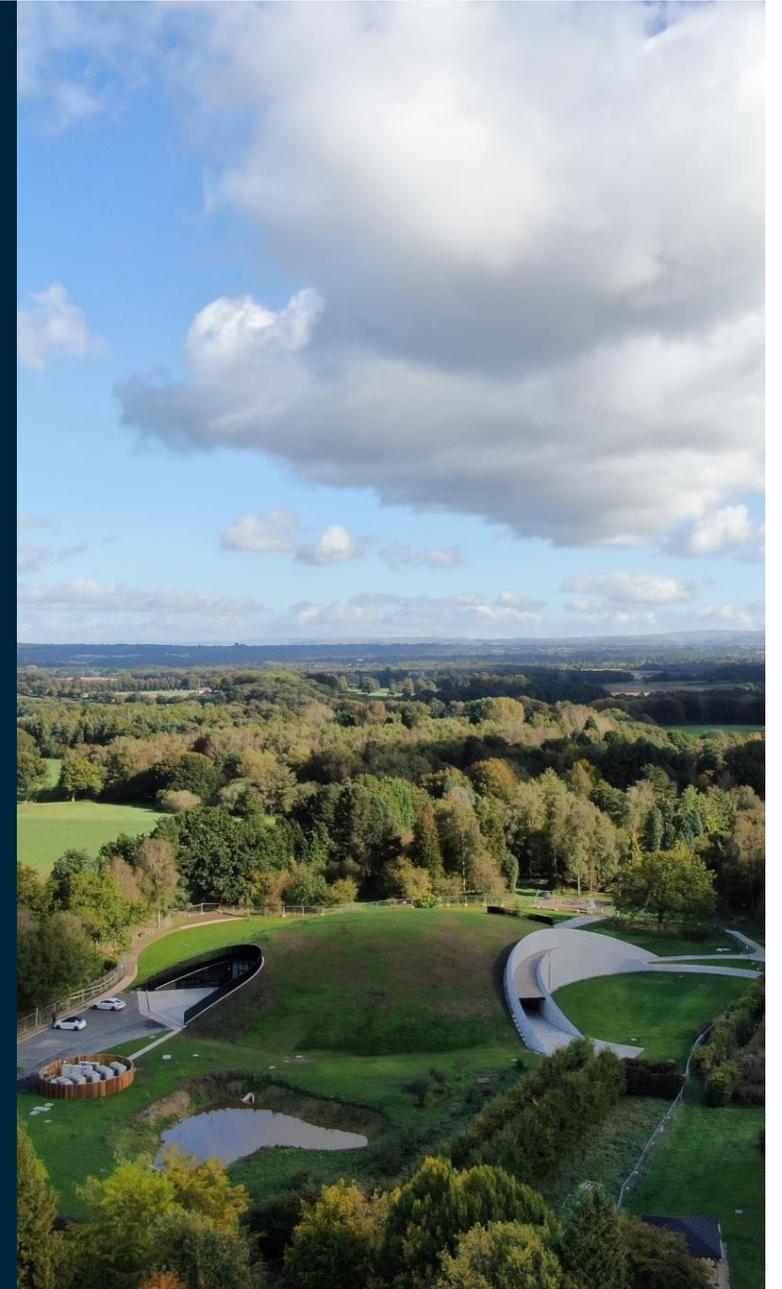


- Kier Places has been working with Gosport Borough Council for 11 years **to repair and maintain their housing stock and public buildings**
- Kier currently **delivers integrated services to 3,200 homes** including responsive repairs and planned maintenance as well as specialist works including gas systems, electrical works and major disabled adaptations
- Delivering 12,000 repairs and taking, on average, 17,000 calls including out of hours per annum
- Highly skilled labour workforce **(100% live locally)**
- Working with local subcontractors where needed **with 100% of external spend within a 20 mile radius**

Stand 3 –Infrastructure Services: Infrastructure Projects

Mark Pengelly
Managing Director, Infrastructure Projects

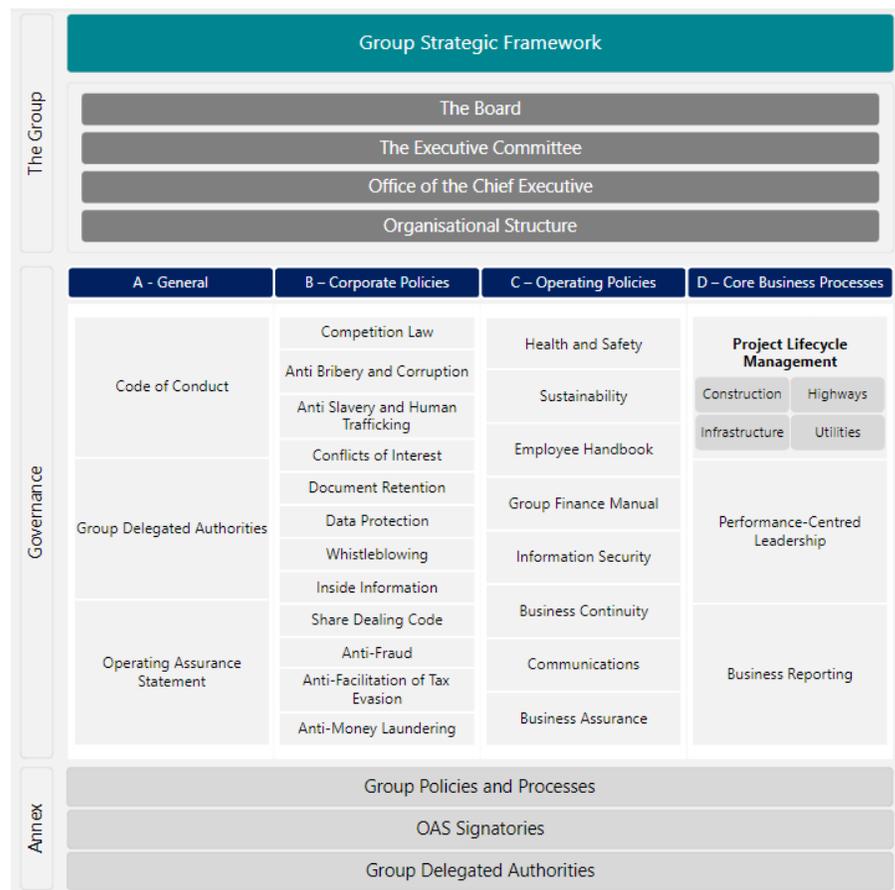
Stuart Togwell
Group Commercial Director



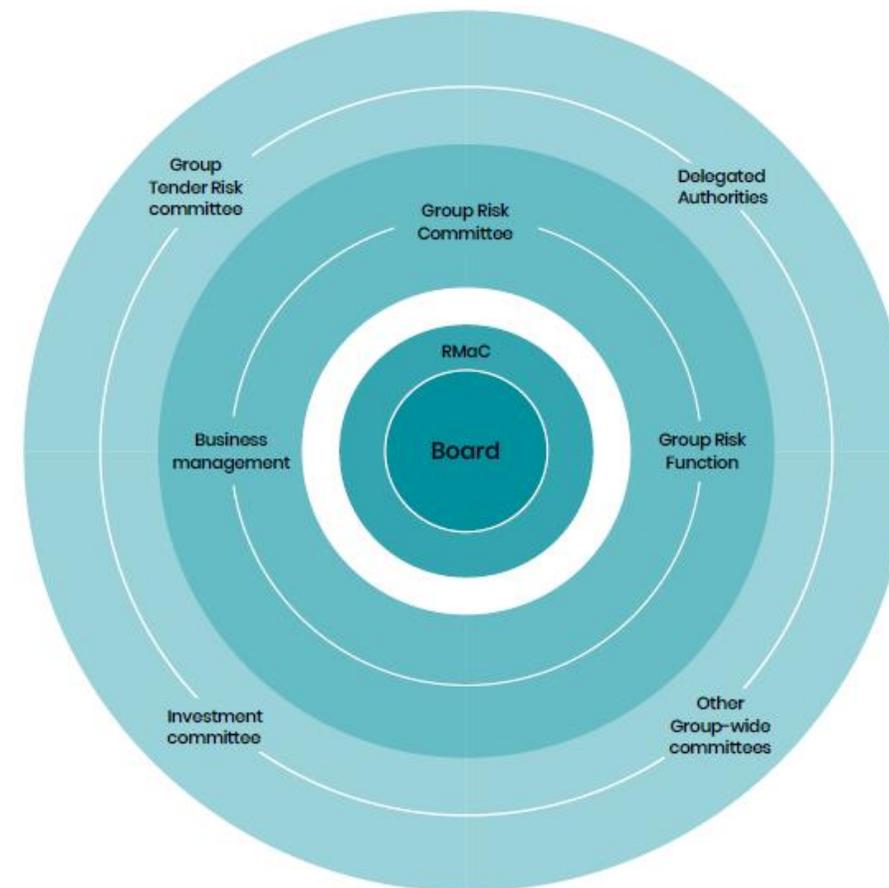
Governance – Risk Management

Visibility and widened accountability through operating and risk management frameworks

Operating Framework



Risk Management Framework



Infrastructure – Overview

Infrastructure delivers a number of high value and complex civil engineering projects

Project management

- 150 **quality civil engineering** projects leads with extensive **project management** experience
- Significant experience as a “systems integrator”
- Increasing demand on complex projects e.g. Crossrail and HS2



Quality management

- Dedicated team of 10 people whose primary role is to provide **quality assurance**



Design management

- 75 **structural and civil engineering designers** providing technical advice and support
- Offices in Manchester, Leeds, Liverpool, Birmingham, Norwich and Bristol



Procurement and cost control

- 100 qualified commercial and procurement staff, providing **control of projects and contracts** from inception to completion
- **Cost certainty** and **value add to customers**



Infrastructure Projects – Market Opportunities

Growing opportunities in our key end markets

Rail



- £37bn - £53bn forecast cost ranges for HS2 Phases 2a and 2b
- £50bn committed to Network Rail CP6
 - CP7 procurement now underway

Nuclear



- £20bn for new nuclear build
- White paper commitment to a new power station c.£1.7bn
- Modular reactor commitment to support energy policy

Water



- AMP 7 Water commitment - £51bn
- Canal and Rivers Trust framework
- Environment Agency framework

Defence



- Defence spending - £42bn in FY21
- Government priority to strengthen national security

Infrastructure Projects – Market Positioning

Strongly positioned with high value and complex civil engineering project capabilities



1

Customer focused approach



2

Targets customers that offer **repeat business** through frameworks, and ownership of large **asset** bases



3

Acts as the major projects **expertise**, working with the rest of the business to leverage capability and **relationships**



4

Robust risk management processes

Infrastructure – Locations

42 projects across the UK in rail, defence, nuclear infrastructure and energy



Project 1: Sellafield – Nuclear Infrastructure

Delivering complex infrastructure at Sellafield, as part of nuclear power decommissioning programme



- Appointed to deliver a £59m reinforced concrete structure at Sellafield, as part of the nuclear power stations' decommissioning programme
- Awarded the work through the station's **Programme and Project Partner's model**, a scheme that includes four other companies as long-term partners for work
- Building a seismically designed structure to act as an annexe to an existing facility
 - Design able to withstand impact and extreme weather conditions to ensure building safety
- Project located on the coastline in North West England. Facility offers employment to local community

Project 2: HS2 – Rail

Delivering civil engineering works across a 80km section of the high speed rail link



- As part of the Eiffage, Kier, Ferrovial and BAM (“EKFB”) joint venture, Kier is delivering civil engineering works across an 80km section of the new high speed rail link between the Chiltern Tunnel and Long Itchington Wood – Phase 1
- Scope of works includes **15 viaducts, 6.9km of green tunnels, 22km of road diversions 81 bridges and around 30 million cubic metres of excavation**
- More than **20,000 jobs and over 500 apprenticeships** are already being supported by the project, which is set to transform transport links between Britain’s major cities, free up space on the rail network for more freight and local services and support the UK’s transition to net zero carbon emissions
- Kier has also recently been awarded work on HS2 Phase 2a

Project 3: Luton Dart – Aviation

Construction of a new guided mass passenger transit system linking Luton Airport to the rail station



- Luton DART (Direct Air – Rail Transport) project is a joint venture project between Kier VolkerFitzpatrick
- Construction of the new **state-of-the-art £225m, 2.1km guided mass passenger transit system** linking the London Luton Airport terminal building to Luton Airport Parkway mainline rail station
- Scope included **design, execution and completion** of:
 - DART Parkway and Central Terminal stations;
 - The Gateway Bridge;
 - The Viaduct;
 - Running Slab;
 - The Tunnel and approaches; and
 - Maintenance area

Project 4: Sofia Wind Farm – Energy

Civil engineering and building construction works on offshore wind farm convertor station



- Energy conglomerate General Electric selected Kier to deliver an **onshore converter station** for RWE's £3bn **Sofia Offshore Wind Farm in the UK**
- The converter station will be installed next to the Wilton Complex, which is located near the village of Lazenby
- Kier will be responsible for **civil engineering and building construction works** on the valve halls, control and ancillary buildings
- Scope of works include the installation of heating, cooling, building management systems and all associated building services at the project site, which covers a total area of 34,000m²

Project 5: Stolford – Flood Defence

Installation of a flood protection system in Somerset for the Environment Agency

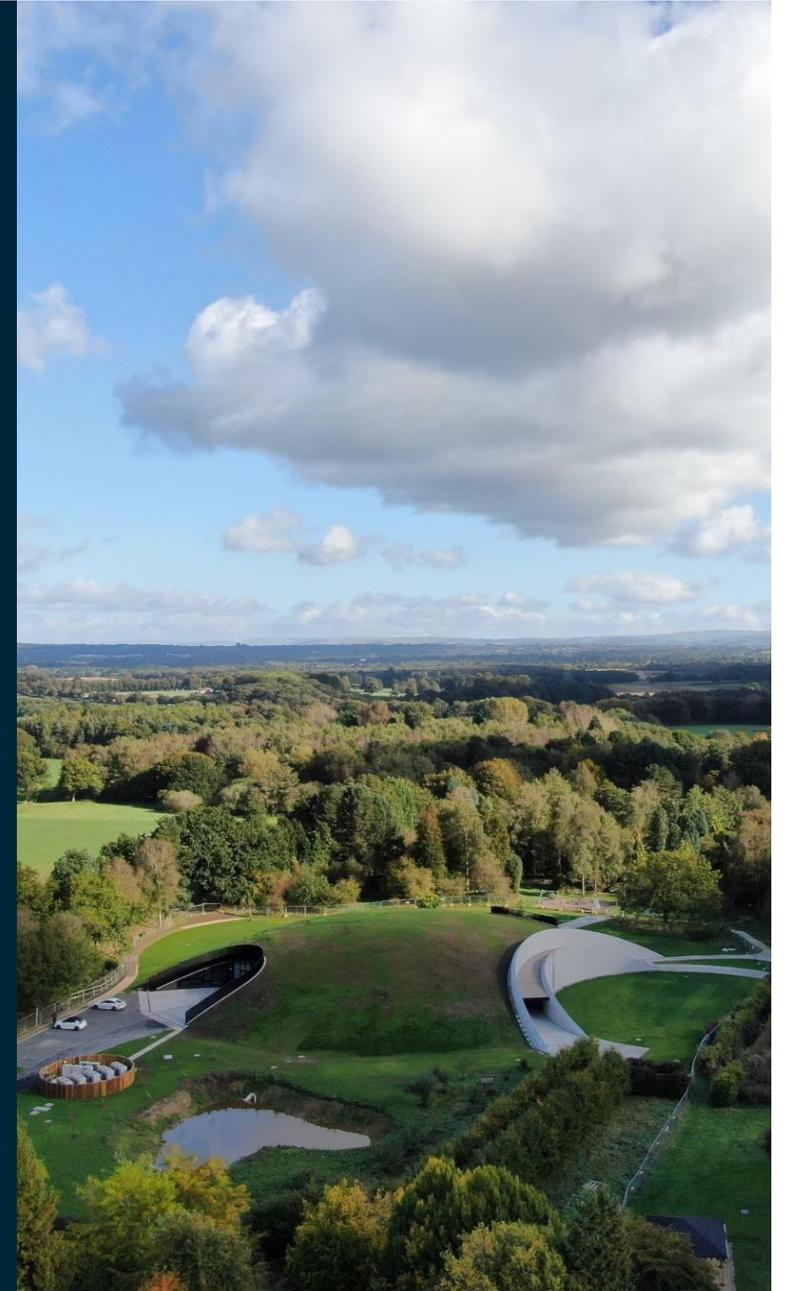


- Kier are employed as the **single choice contractor for flood defence and coastal protection** measures under the Collaborative Delivery Framework operated by the Environment Agency (“EA”) in the South West of England
- **Relationship with the EA** have been in place under this framework for over 10 years
- Schemes have been undertaken across the region including:
 - The construction of new precast flood walls, highways modifications and installation of significant flood gates to manage tidal flowing risk at Exmouth
 - Installation of the first Dutch flood protection system in the UK to alleviate flood risk in Somerset Homes
 - The Lower Otter Restoration Project in East Devon

Stand 4 – Infrastructure Services: Highways and Utilities

Joe Incutti
Managing Director, Highways

Andrew Bradshaw
Managing Director, Utilities



Highways - Overview

Designs, constructs and maintains roads for National Highways and Local Authorities

Design

- Prepares **designs** and undertakes supporting work for **capital projects**
- Team of **500 + designers**
- Design activity ranging from initial scheme **feasibility to as-build** phases



Maintenance

- **Managing, maintaining and improving** more than **27,000 km** of Local Authority and strategic **roads**
- For example, the **Shropshire Highways contract** commenced April 2018 and **runs for up to 10 years**
- **Strong operational delivery**



Integrator

- **Integrator** with design, development and implementation expertise in road schemes
- **Team includes designers, environmentalists, ecologists, traffic engineers** and safety engineers



Major Projects

- **Analysing network** needs
- Leveraging **existing frameworks and relationships** to secure additional capital work opportunities
- For example, **the A417**, a **3.4 mile dual carriageway** following the alignment of the existing A417 between Gloucester and Swindon



Highways – Market Opportunities

Highways market opportunity underpinned by the Road Investment Strategy

National Highways



- Road Investment Strategy 2 (“RIS2”) spending of £27 billion covering the period from 2020 – 2025
 - Represents 60% increase on RIS1 from 2015 – 2020

Local Authorities



- Requirement for investment in local authority roads increasing
- Major project opportunities across wider Group

Other



- Project Speed and new Acceleration Unit launched by Department for Transport (“DfT”) in August 2020
- Northern England investment and connectivity to Scotland

Climate Change



- Climate change - managing change on transport sector

Highways – Market Approach

Focused on securing both maintenance programmes and major projects

Highways Maintenance

- Market leading position
- Strong operational delivery in maintenance through existing frameworks and relationships
- Continue to secure maintenance programme opportunities
- Key contracts include:
 - **National Highways** – Area 3, Area 4, Area 13 and Scheme Delivery Framework
 - **Local Highways** – Birmingham, Shropshire, Suffolk, Transport for London (“TfL”), Northamptonshire and Norfolk



- Road Investment Strategy (“RIS”) rebalanced
- Maintenance works being insourced
- Major works spending increased and outsourced

Major Projects

- Successfully transitioned towards major projects
- Delivery of capital works on new and existing frameworks
- Key contracts include:
 - A66 road;
 - Windy Harbour;
 - Port of Liverpool;
 - Lune Gorge Bridges;
 - A417 road;
 - SMART motorways; and
 - HS2 Highways interfaces

Highways – Market Positioning

Integrator capabilities, track record of delivery and long-term relationships



1

A market leading position (top 3 Strategic Highways and top 3 Local Highways)



2

Integrator with unique in-house road **design, construction and maintenance** capabilities. **Long track record of successful delivery**



3

Established relationships with strategic clients on long-term frameworks of typically 6-10 years



4

Asset and investment management expertise. UK highways assets valued at £500bn driving ongoing demand for major projects and maintenance

Highways - Locations

22 projects delivered from locations across the UK covering maintenance and major projects



Project 1: Windy Harbour – Highways

Appointed on £150m road scheme from Windy Harbour to Skippool in Lancashire



- Kier was appointed to the **£150m A585 road scheme from Windy Harbour to Skippool**, near Poulton-le-Fylde in Lancashire
- The **new three-mile dual carriageway** encompasses junction improvements, dualling existing road, three new bridges and a new bypass
- Project is being delivered through National Highways' six-year **£8.7bn Regional Delivery Partnership ("RDP") framework** and will alleviate the heavily congested A585 between Windy Harbour and Skippool
- Project expected to **improve the safety** of pedestrians, equestrians and cyclists around the existing A585, as well as **reducing congestion and supporting the economic growth** potential in Wyre and Fylde

Project 2: A46 Warwick Bypass– Highways

Reduced, reused and recycled 3.5 miles of dual carriageway for the A46 Bypass in Warwickshire



- Kier Highways working with National Highways **reused 17,432 tonnes of old road materials** to resurface the A46 Bypass in Warwickshire
- The scheme **carbon footprint was cut by 23%** by recycling more than half the materials used in the original stretch of the road. The **remaining material was also recycled across the strategic Road Network (“SRN”) on other projects**
- Using recycled materials also meant there was less raw material needed for the works, **around 82,000 road miles were saved** on the scheme which ran between late July and September 2021
- Kier Highways and its supply chain partners worked collaboratively and innovatively to demonstrate how to **rapidly cut carbon from road construction, maintenance and operations**, and support the transition to zero emission vehicles

Project 3: M6 Smart Motorways Scheme – Highways

Upgraded M6 Junction 13 to J15 to into a SMART motorway for National Highways



- Upgraded **Junction 13 to 15 of the M6 road into a SMART motorway** for National Highways
- The section of the road runs from Crew to Knutsford
- Project team worked with restrictive access within narrow lanes whilst **maintaining live lanes of traffic for approx. 120,000 road users**
- Kier installed:
 - 18 new emergency areas;
 - 40,000m of safety fencing
 - 800,000m³ of carriageway re-surfacing
 - 44 variable message signs
 - 50,000m of slip formed surface water channels
 - 22 motorway structures (over and under bridges)
 - 60,000m of drainage

Utilities – Overview

Utilities provides repairs, maintenance and capital projects to water, energy and telecoms

Water

- Enables the flow of clean water and disposal of waste water to approx. 18m properties in the UK
- Manage and maintain assets for Anglian Water, Thames Water, Yorkshire Water, Severn Trent Water, South West Water and Northumbrian Water
- Has major projects capability in renewal investments

Electricity

- Supports electricity connectivity for approx. 10m properties in the UK
- Provides a 24/7 emergency response service
- Builds new connections, networks re-enforcements and renewables
- Customers include UK Power Networks and Western Power Distribution

Gas

- Kier is the only gas distribution contractor operating in Northern Ireland
- Customers include Phoenix Natural Gas, Firmus Energy and SGN Natural Gas
- We are at the forefront of Hydrogen conversion trials

Telecoms

- Installs high-speed fibre optic networks for Openreach, Virgin Media, CityFibre and others
- Undertakes a task every 4 minutes, 24 hours a day, maintaining key parts of the UK's 4G and 5G access network
- Maintains functionality of business and domestic broadband services

Utilities Market Opportunities

Market opportunities in water, energy and acceleration of broadband and EV roll-out

Water



- Water England & Wales Asset Management Plan 7 (“AMP7”) - £50bn by 2024
- Northern Ireland Price Control 21 (“NI PC21”) - £2.1bn from 2021- 2027

Energy



- Energy Distribution - GB Ofgem Pricing Framework ED1 (“RIIO”) ED1 - £17bn by 2023
- Northern Ireland Regulatory Price Control for Electricity 6 (“NI RP6”) - £657m by 2024
- Gas Distribution Price Control 2017 (“GD17”) - £226m by 2023
- Gas Distribution – GIIO-GD2 £30bn by 2026

Telecoms



- Telecoms – roll out of fibre/ 5G connectivity by 2027
- Significant investment required for upgrade to the network predominantly by private sector spending

Other



- Electric vehicle (“EV”) - plans to roll out charging points

Utilities – Market Positioning

Well positioned with presence across water, energy and telecoms market



1

Key infrastructure provider of **repairs, maintenance and capital** projects to water, energy and telecoms sectors



2

Longstanding customers operating in **regulated industries**



3

Consistently delivering services to customers and **executing** on direct-delivery model



4

Well positioned to **maximise infrastructure** roll-out **opportunities** in EV market given existing maintenance and installation capabilities

Utilities – Locations

28 projects delivered from locations across the UK covering maintenance and development work

Firmus Energy Gas Distribution



South West Water Infrastructure

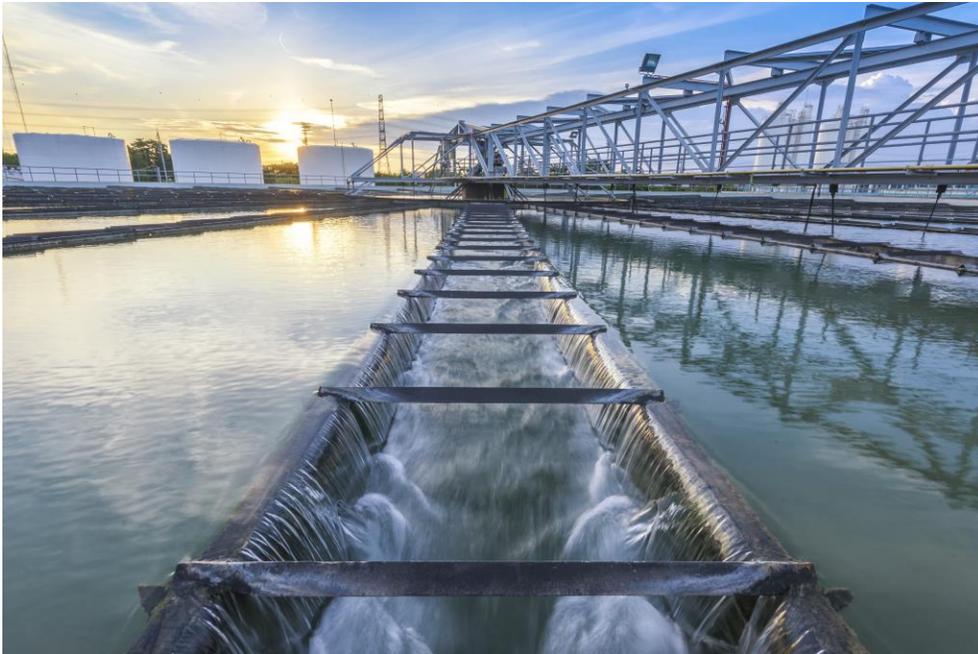


CityFibre – 5G installation



Project 1: South West Water – Water

Working collaboratively with water customers to repair and maintain water infrastructure



- Long standing relationship with **South West Water for over 25 years**
- Provided a range of services each year to both South West Water and Bournemouth Water's 1.9m customers
- **Reappointed to South West Water's Network Services Alliance framework** as part of the AMP7 cycle
- Carrying out **planned and 24/7 reactive services** including:
 - Mains network repair and maintenance
 - Metering
 - New connections
 - Developer services
- Working collaboratively with South West Water

Project 2: Firmus Energy – Energy

Partnership with Firmus Energy to distribute natural gas across Northern Ireland



- Strong partnership with Firmus Energy since 2005 to develop and **distribute natural gas across 30 Northern Ireland cities and towns**
- Over time, Kier have **laid over 1,600km of gas pipeline**, connecting more than 48,000 Firmus Energy customers
- Responsibilities include:
 - 24/7 emergency gas escape response and maintenance
 - Main laying;
 - Service laying; and
 - Meter installation;
- Developed a **full in-house first call operative team**
- Use of trenchless techniques including directional drilling which reduces environmental impact

Project 3: City Fibre – Telecoms

Appointed by CityFibre to the UK's third largest digital infrastructure platform



- Appointed by CityFibre to **construct and install 5G broadband across five cities in South West England:**
 - Cheltenham,
 - Gloucester,
 - Bath,
 - Weston-Super-Mare; and
 - Worcester
- **New innovation includes electric excavators** to support with safe and fast delivery of full fibre premises to homes and offices
- **Works are part of CityFibre's £4bn Gigabit City Investment Programme** which is targeting up to 8m premises to upgrade to full fibre and support the UK Government's plan to deliver super-fast broadband speeds across the country by 2025

Stand 5 – Property:

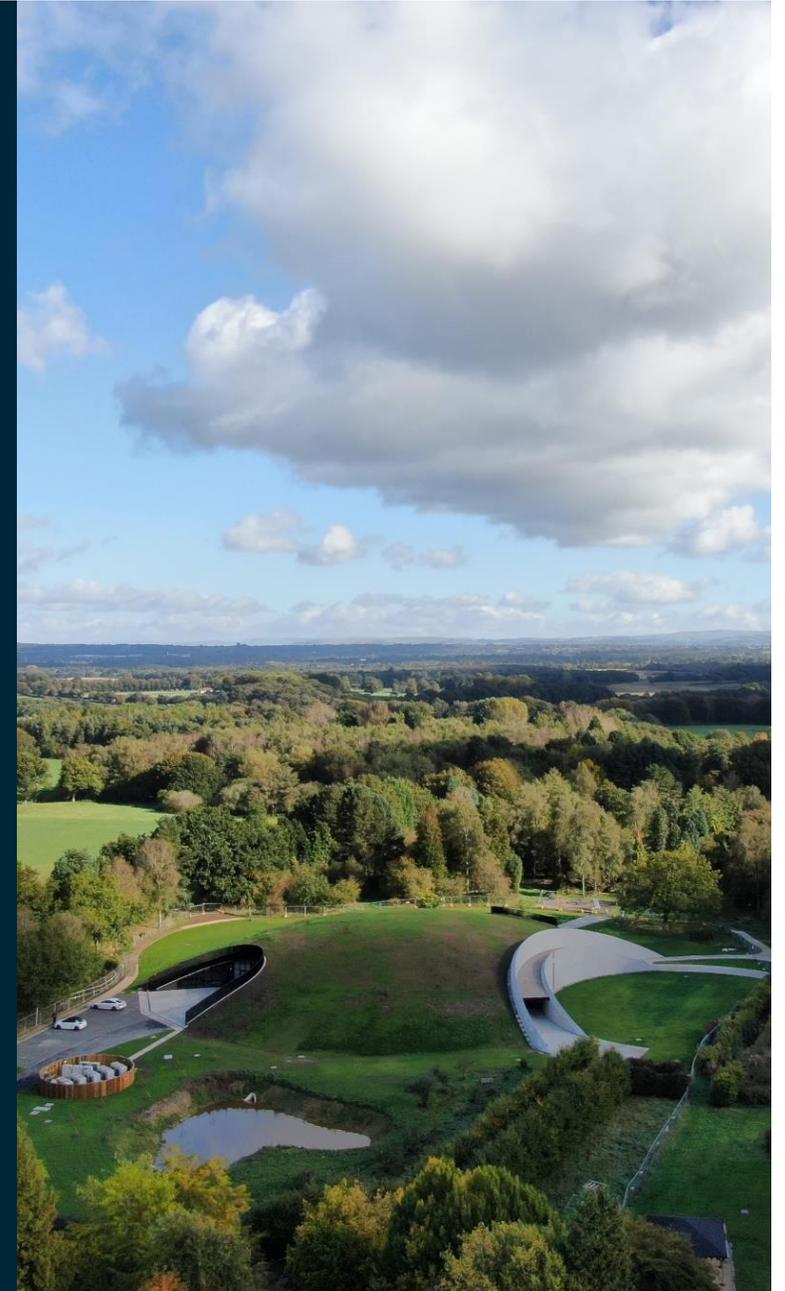
Urban Regeneration and Property Development

Leigh Thomas

Managing Director, Property

Lee Howard

Finance Director, Property



Property – Market Drivers

Carbon reduction demands, housing shortages and changing consumer trends driving opportunities

Climate Change



- **Legislation change** – driving obsolescence in real estate market
- **ESG** – net zero carbon, wellbeing and attracting and retaining employees, a key driver of demand
- **Regional relocation** – businesses relocating to regional cities due with growth of millennial population and improved infrastructure
- **Energy efficiency** – crucial factor in home moves

Population Growth



- **Population growth** - 65+ age group is expected to see highest rate of population growth over the next two decades
- **Households** – increase in single person households
- **Ownership** – increased demand for build to rent
- **Supply** – shortage of housing and restrictive planning policies

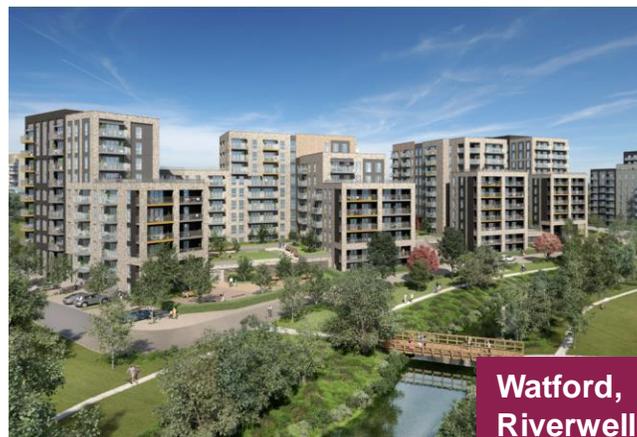
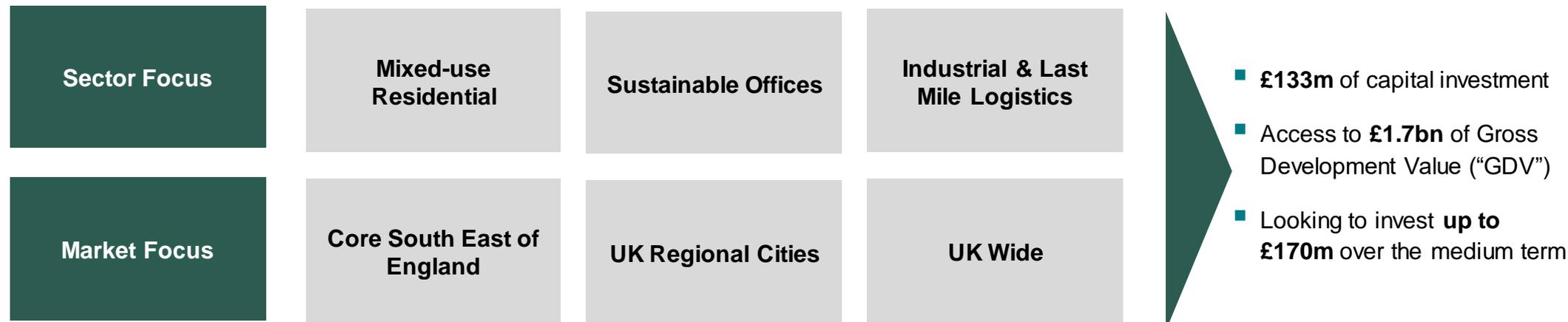
Changing Consumer Trends



- **Demand** - significant demand for high quality large scale warehouses
- **Logistic vacancy rate** –rate currently < 3%
- **Consumers** - on-line retail spending increased from 19% to 26% following Covid
- **Global supply chains** - stockpiling and onshoring
- **Technology** - growth in AI, robotics and automation driving demand

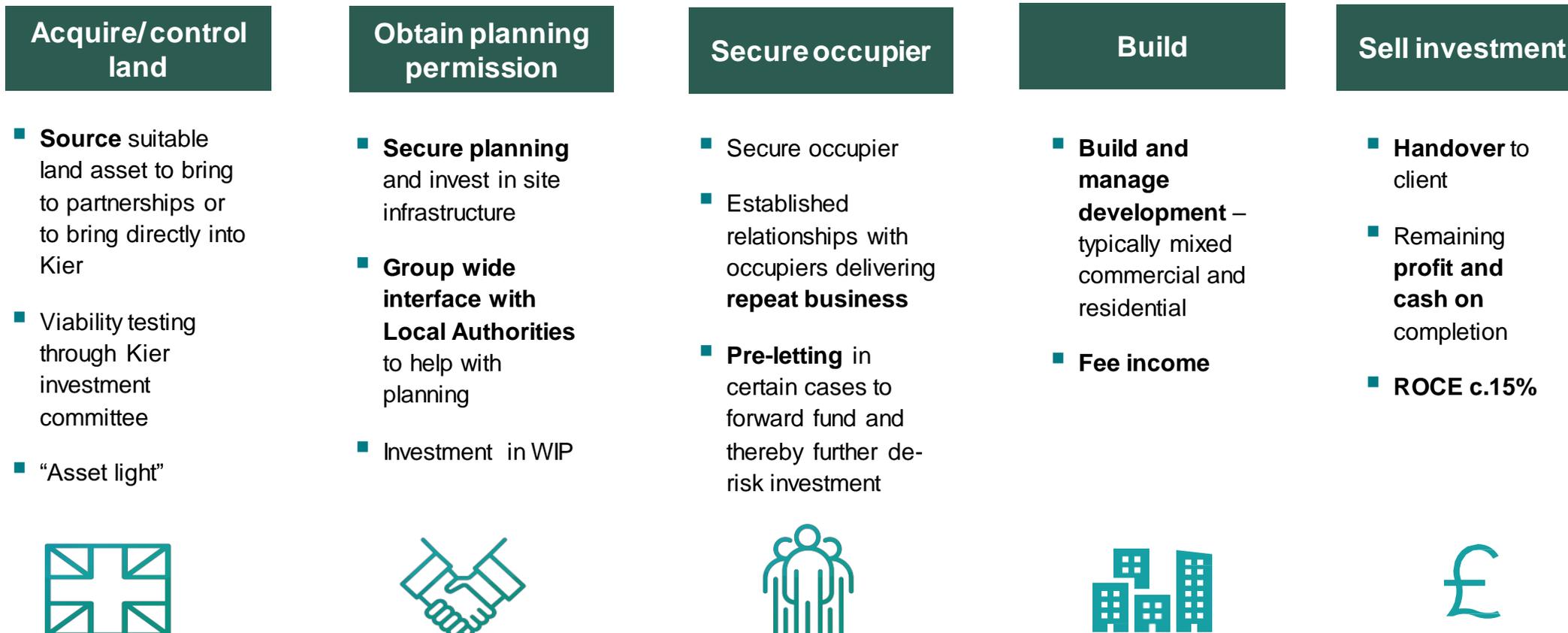
Property – Overview

Mixed-use commercial and residential property development delivered through joint ventures



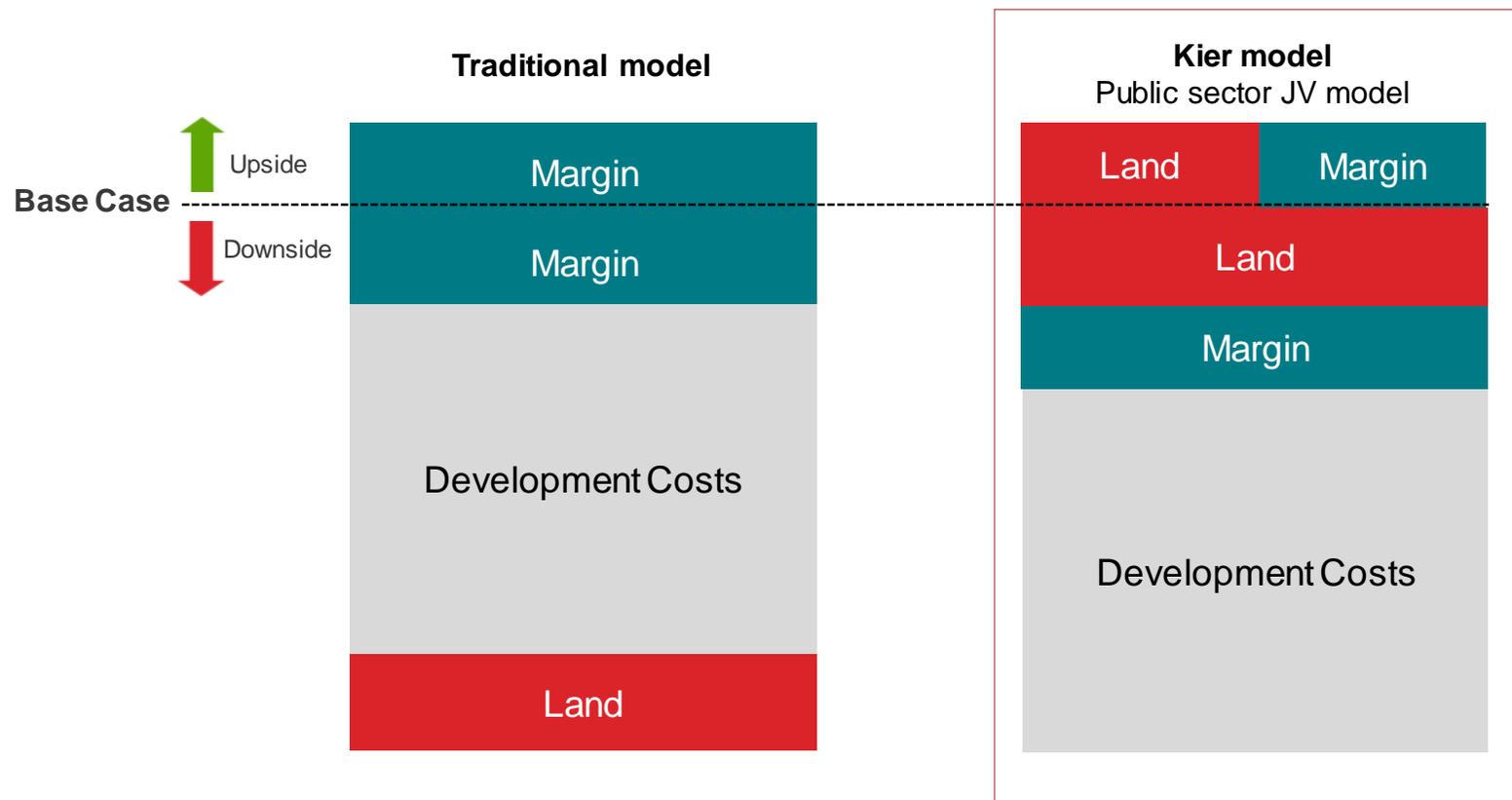
Property – Value Creation Model

Unlocking UK Government land and investing through public and private partnerships



Property – Value Creation Model continued

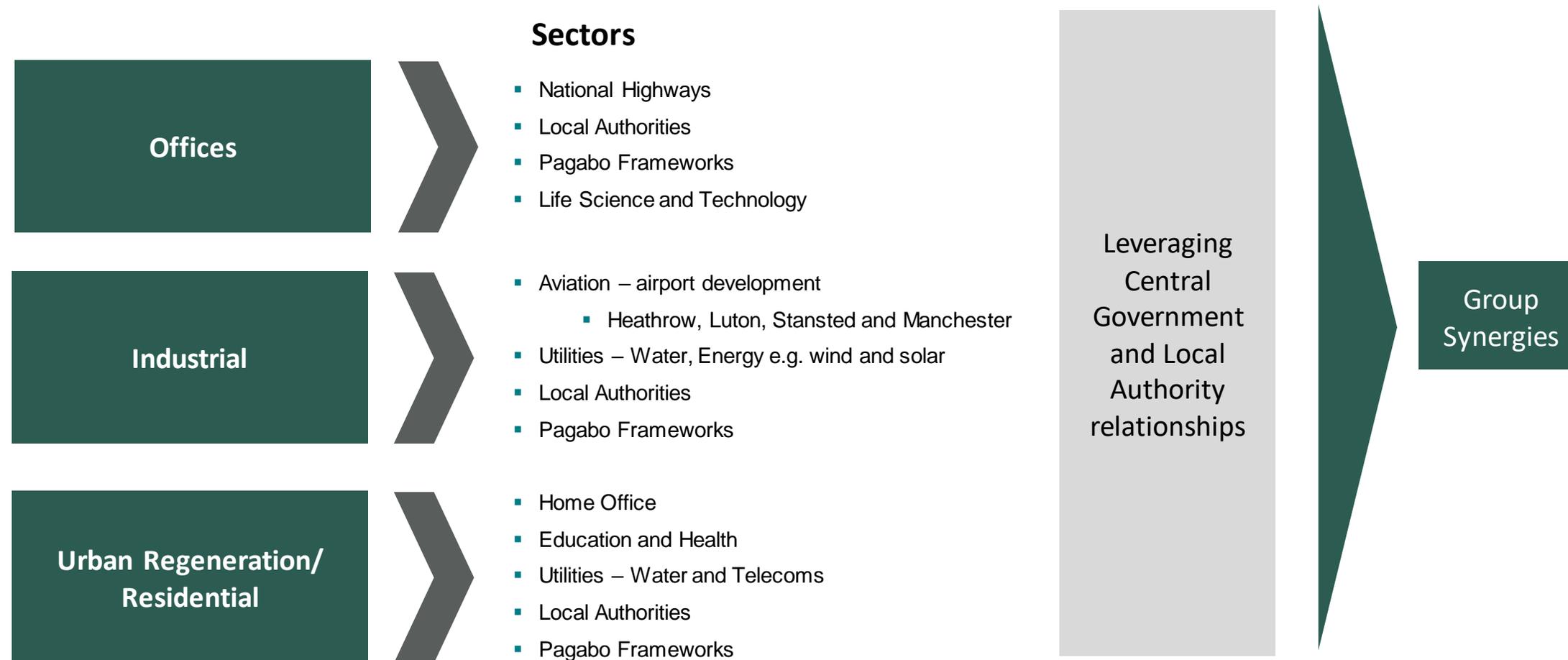
Kier's public sector JV model provides margin protection compared to a traditional model



- **Traditional model** – potential margin upside and downside risk
- **Kier public sector JV model** – margin protected as overhead and margin pre-agreed. Land is the flexible number
- **Benefits**
 - Consistent distribution of profit
 - Insulates against market volatility
 - Use overhead efficiently

Property – Group Synergies

Leveraging commercial and operational synergies with public sector partnerships



Property – Key Partnerships

Competitive advantage achieved through close relationships



- **Established relationships with land owners and Local Authorities**
 - Key for sourcing projects
 - Generate repeat business
- Collaboration and **partnership key to delivery in the public sector**
- **Commercial and operational synergies** with Group businesses given public sector partnership approach
- **Competitive advantage** achieved through close relationships

Property – Market Opportunities

Market opportunities driven by “levelling up”, hub programme and high street re-purposing

Urban Regeneration



- **High street** repurposing
- **Supply shortage** - one third of Local Authorities currently do not have a 5 year housing supply
 - Growth in urban population
 - Post graduation retention rates in regional cities

Levelling Up Agenda



- **“Levelling up” agenda** - increased spending in previously deprived areas
- **Relocation** of parts of the UK civil service
- **Devolution** and city mayors driving regional growth

Hub Programme



- **National Infrastructure spending** - £650bn committed over 10 years
- This includes development and regeneration of local sites

Property - Market Positioning

Established relationships, in-house capability, synergies and consistent returns over time



1

Well established **relationships** with land owners and local authorities providing **access to a large land bank**



2

Proven **track record of delivery in the urban regeneration** and **property development** market. **Experienced team** with in-house capability



3

Commercial and operational synergies with Kier's other businesses

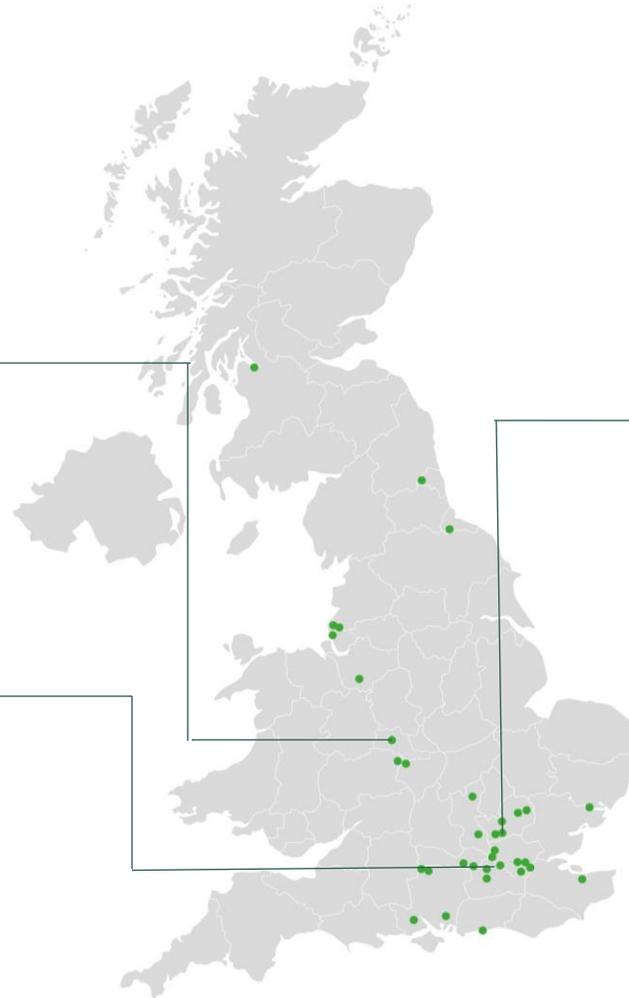


4

Potential to deliver consistent **ROCE of 15%**

Property - Locations

34 projects across the UK with particular expertise in the South East of England



Project 1: Leatherhead – Urban Regeneration

Joint venture partner to Mole Valley District Council on urban regeneration of Leatherhead



- Mole Valley District Council has signed up Kier Property as its joint venture partner to lead the **£350m regeneration of Leatherhead** town centre in Surrey
- The partners aim to redevelop the Bull Hill and Swan Centre sites with residential, commercial and retail infrastructure across an **8-10 year programme of development**
- Kier brings **technical skills, innovation and technology** to the partnership as well as extensive in-house experience of complex **public-sector** regeneration projects
- The project is expected to enhance the leisure, entertainment and cultural offering of the town centre, providing high quality public realm and significant social value for Leatherhead

Project 2: Watford Riverwell – Urban Regeneration

Joint venture partner to Watford Borough Council for regeneration of brownfield land



- Watford Riverwell urban regeneration project being delivered through a **50/50 joint venture with Watford Borough Council**
- Allows both parties to develop the phases together, with the **Council providing the land and Kier matching the value with equity**. There is potential for the Council to also add equity
- **The project consists of:**
 - 1,200 residential units made up of 1, 2 and 3 bed flats, 2 and 3 bed family housing and affordable housing
 - 77,000 sq ft of industrial space
 - 82,000 sq ft of storage space
 - 40,000 sq ft of retail space
 - 8,000 sq ft of leisure
 - 100 bed hotel
 - 1,450 space multi-storey car park

Project 3: Birmingham City Council – Arena Central

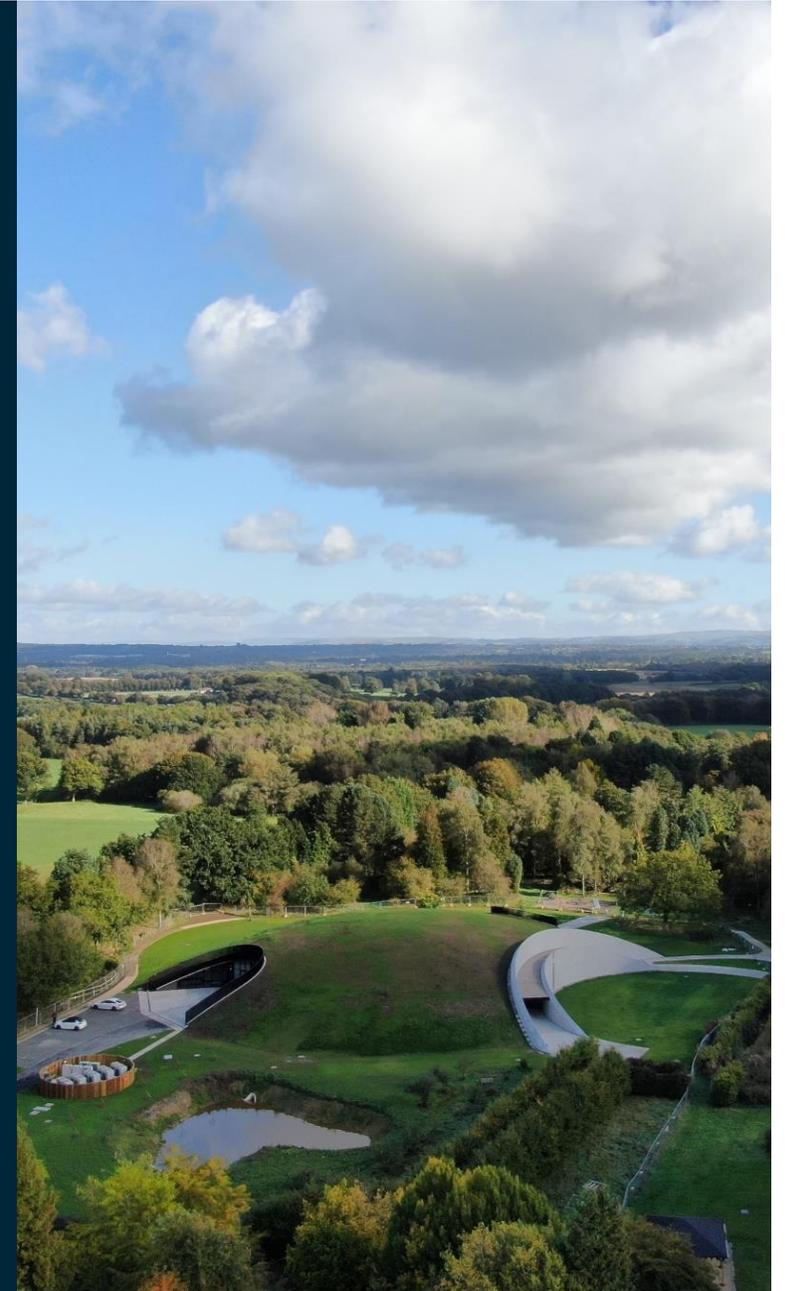
Regeneration of West Midlands through office and commercial redevelopment



- Secured **purchase of Arena Central in March 2019** and partnered up with Birmingham City Council. Significant regeneration project
- Opportunity provides rights to develop three further phases of the site's existing plan
- Main elements of the development will include **developing three further office buildings**, totalling **526,009 sq. ft**
- The buildings known as 5 Centenary Square, 4 Arena Central and 5 Arena Central will be **phased over the next 5-7 years**.
- This scheme is part of a **major redevelopment of 10 buildings** consisting of offices, shops, bars, cafes, restaurants and a hotel
- In March 2021, secured planning for the next phase; 5 Centenary Square

Conclusion

Andrew Davies
Chief Executive Officer

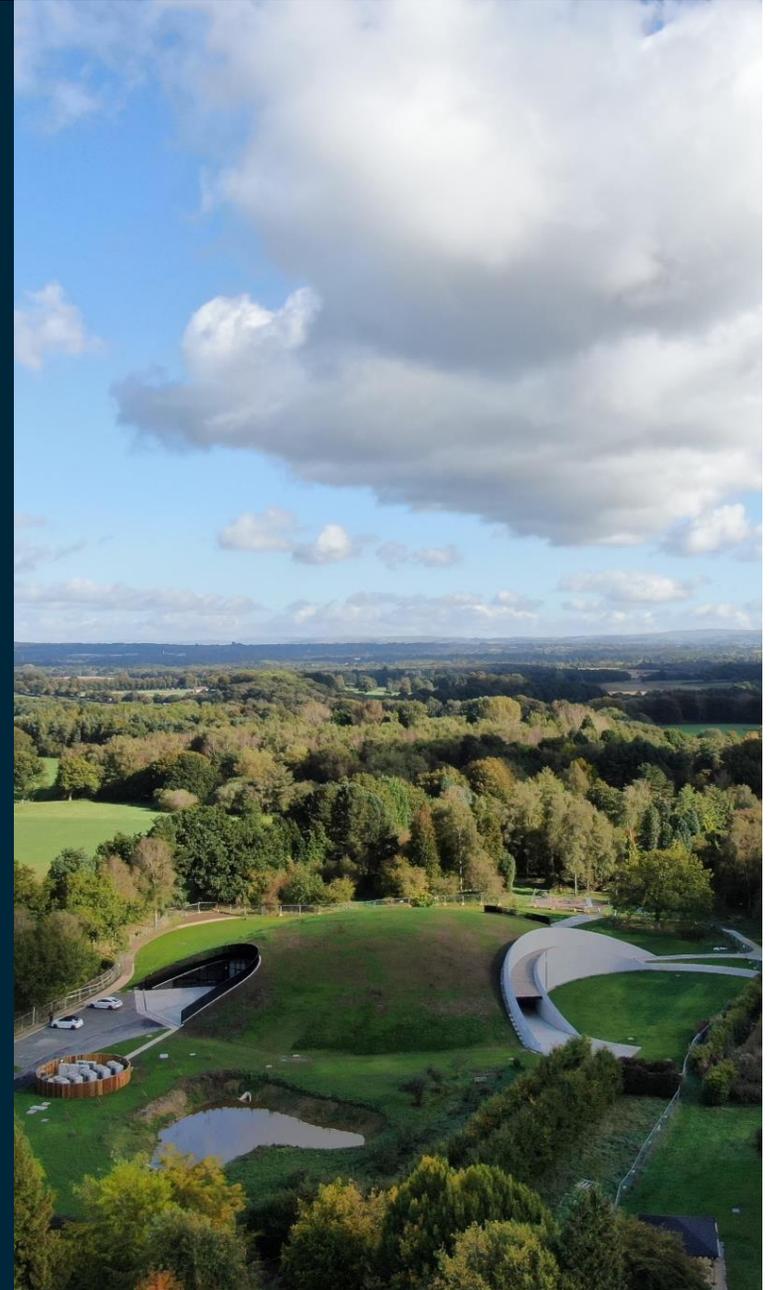


Conclusion

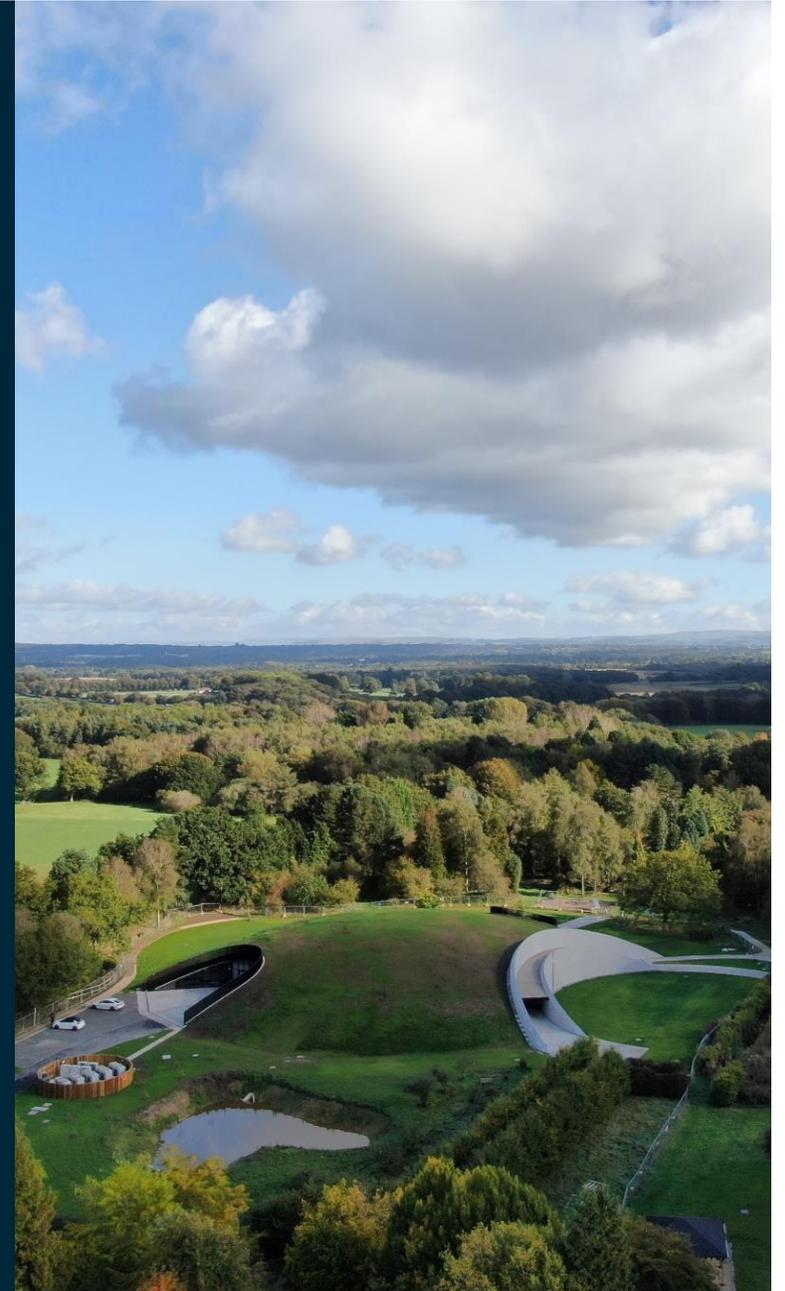
Medium term plan supported by UK Government spending commitment

-  | **1** **UK Government Spending** - continued UK Government commitment to infrastructure spending - £650 billion over 10 years
-  | **2** **Frameworks** – increasing use of framework agreements underpinned by ESG. Long term engagement and visibility benefits Kier and its customers
-  | **3** **Market Positions** – attractive positions in chosen markets together with regional footprint leading to repeat customer business
-  | **4** **Order book**– supported by high quality and strong order book of £8.5bn providing visibility over revenue
-  | **5** **Management Team** – experienced management team with commercial and operational execution capability to deliver medium term plan

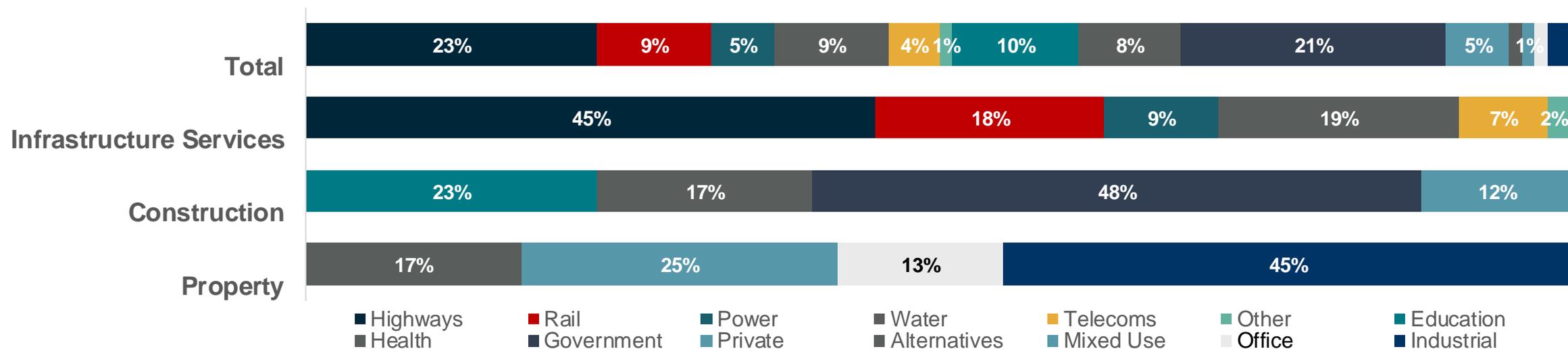
Q&A



Appendix

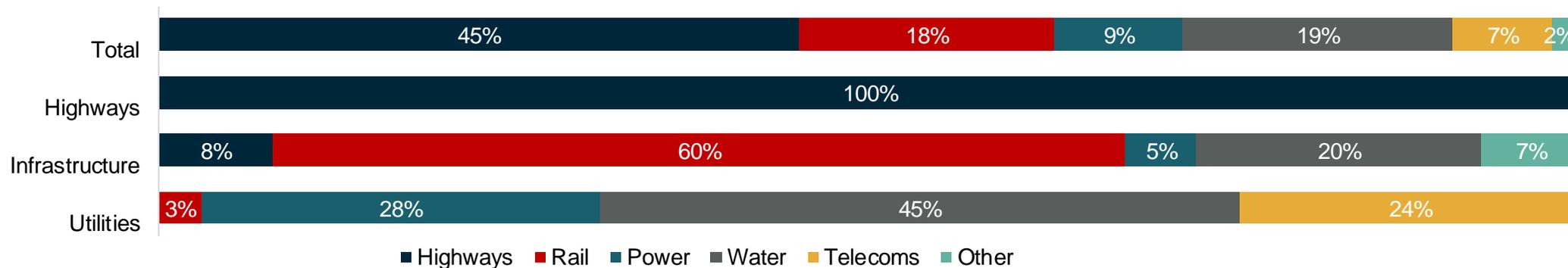


Group Revenue Analysis - HY22

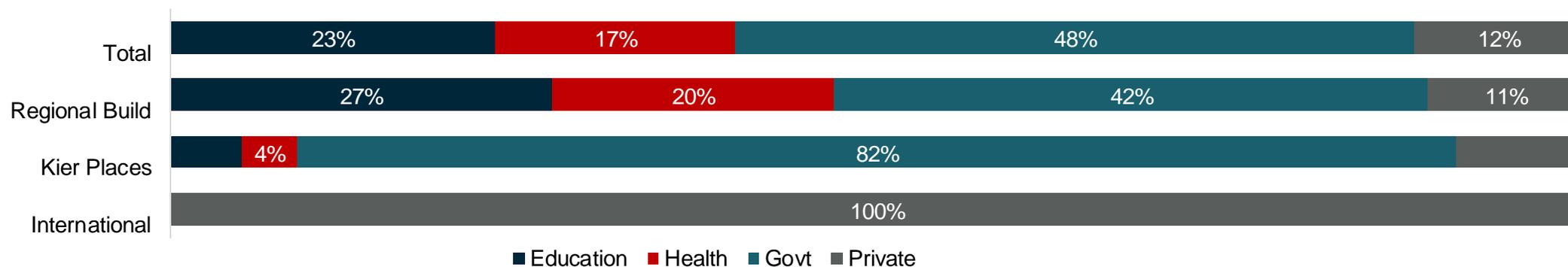


Segmental Revenue Analysis – HY22

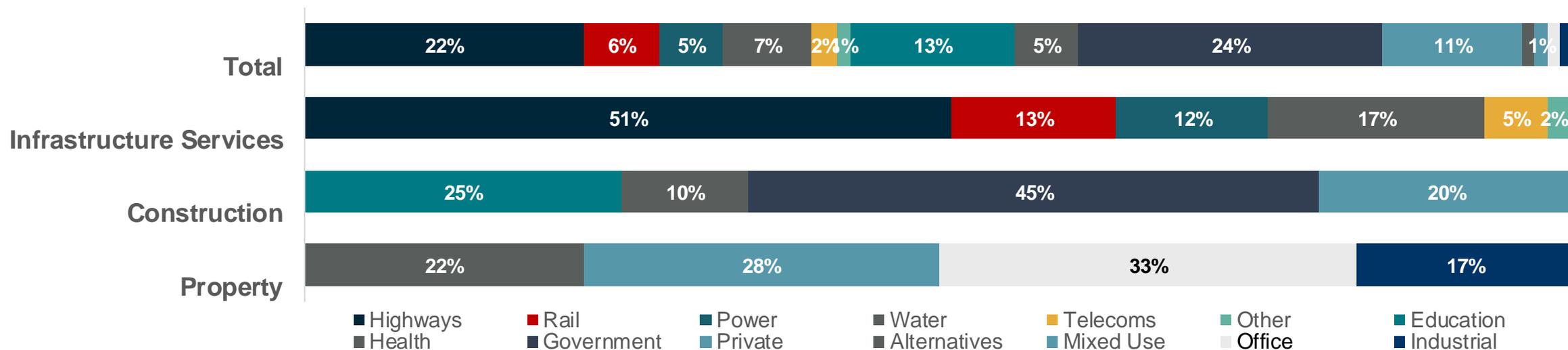
Infrastructure Services



Construction

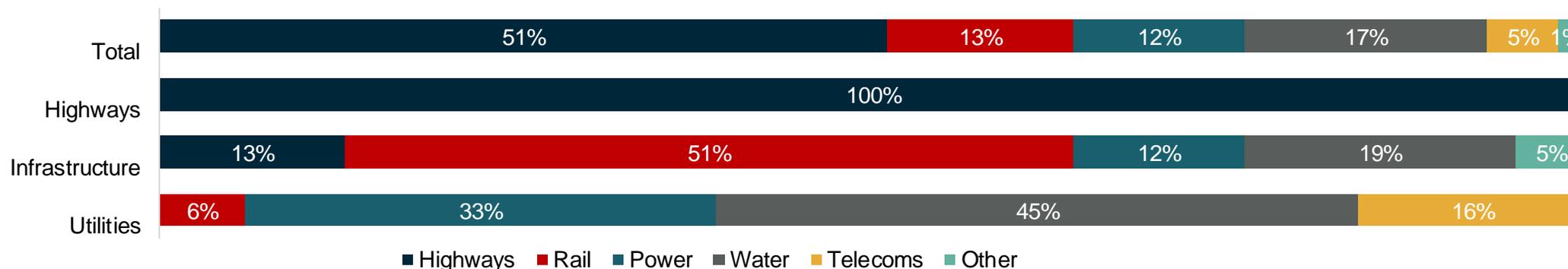


Group Revenue Analysis - FY21



Segmental Revenue Analysis – FY21

Infrastructure Services



Construction

