

18 January 2024

**Kier Group plc
Trading Update**

Kier Group plc ("Kier" or the "Group"), a leading infrastructure services, construction and property group issues a trading update for the six months ended 31 December 2023 ("the period" or "first half"). The Group will publish its results for the six months ended 31 December 2023 ("half year results") on 7 March 2024.

Trading

Consistent with the update in November 2023, the first half of the current financial year continued to trade above the prior period and was in line with the Board's expectations. This was driven by strong volume growth, particularly in Construction. Similar to last year, the Group's performance is expected to be second-half weighted.

Business integration

On 4 September 2023, Kier acquired substantially all of the rail assets of Buckingham Group Contracting Limited from administration. The acquisition has been successfully integrated into the Group's Transportation business.

Order book

The order book as at 31 December 2023 was c.£10.7bn, a c.6% increase on the year-end position (30 June 2023: £10.1bn) and the prior year comparative (31 December 2022: £10.1bn). The Group has secured revenue of 92% for FY24, 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 continue to drive the high quality and profitable order book.

Recent awards include:

- Infrastructure Services:
 - o Natural Resources, Nuclear & Networks: Awarded a c.£30m contract with Evolve to deliver a pipeline in Northern Ireland under their Gas to the West project
- Construction:
 - o Awarded four education projects worth a total of c. £150m, a healthcare project worth c. £60m and the contract to deliver a new houseblock for the Ministry of Justice at HMP Elmley worth over £100m.

Net cash / debt

Kier's focus on operational delivery and cash management alongside the cash generation from the strong volume growth has successfully resulted in the Group continuing to deleverage materially with average month-end net debt of c.£(140)m (HY23: £(243)m) showing a significant improvement of c.£100m.

Kier is expected to report a modest net cash position at 31 December 2023 (HY23: £(131)m).

Dividend

The continued resilience in trading, order book security and ongoing strengthening of the balance sheet provides the Board with confidence to resume dividend payments in the current financial year, commencing with an interim dividend to be announced alongside the half year results.

Andrew Davies, Chief Executive of Kier, commented:

"Kier has made a good start to the year, in line with our expectations. I am particularly pleased with the progress we are making on reducing debt, which has resulted in the Group materially deleveraging its balance sheet in the first half. We have achieved this through disciplined growth as well as our unstinting focus on operational excellence, cash management and cash generation. Kier remains well positioned to continue benefiting from UK Government infrastructure spending commitments and this gives the Board every confidence in delivering our medium-term value creation plan."

- ENDS -

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About Kier Group plc

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

This announcement does not constitute an offer of securities by Kier Group plc (the "Company"). Nothing in this announcement is intended to be, or intended to be construed as, a profit forecast or a guide as to the performance, financial or otherwise, of the Company or any of its subsidiaries (together, the "Group") whether in the current or any future financial year. This announcement may include statements that are, or may be deemed to be, "forward-looking statements". By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company's or the Group's ability to control or predict. Forward-looking statements are not guarantees of future performance. You are advised to read the section headed "Principal risks and uncertainties" in the Company's Annual Report and Accounts for the year ended 30 June 2023 for a further discussion of the factors that could affect the Company's or the Group's future performance and the industry in which it operates. Other than in accordance with its legal or regulatory obligations, the Company does not accept any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.

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