

Wates achieves highest ever operating profit

3 years ago



The Wates Group has reported its highest ever operating profit of £40m. The business secured £2.3bn of new work during 2021 and ended the year with a record forward order book of £7.1bn, up 7% from its previous record in 2020.

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- Group secured £2.3bn of new work during 2021, finishing the year with record £7.1bn forward order book
- Group enters 125th anniversary year primed for growth and powering forward with ambitious sustainability targets

As the Group entered its 125th anniversary year, it reported a leap in pre-tax profits to £37.4m (up £35.7m from 2020, and £1.2m (3%) higher than 2019) and EBITDA of £51.1m from turnover of £1.63bn (up 12%). It ended the year with £228.7m in cash, (up 6% from 2020) and net assets at £177.1m (up 25%). As a UK-based employer, the Group increased its total tax contribution to the Exchequer from £107m in 2020 to £233m in 2021.

Throughout the year, Wates strengthened its commitment to environmental sustainability, cutting carbon emissions by 53% (since 2019). It also continued to give back to the communities where it operates, generating £116m in social value over the course of the year. The Group will shortly be announcing details of a significant new sustainability-linked loan facility.

All the Group's divisions performed strongly. [Wates Construction](#) generated pre-tax profits of £18.7m from a turnover of £772m (up 51%), cementing its position as a leader in the provision of new schools, offices,

leisure facilities and homes while expanding its offer in new sectors including healthcare.

[Wates Residential](#) increased its turnover by 75% to £268m, as well as boosting its headcount by nearly 100 employees. [Wates Developments](#) saw its turnover jump 65% to £107m, generating £5.6m in pre-tax profits. This performance reflected the Group's increasing investment in development activities.

Wates Property Services increased turnover by 14% across its three divisions to £475.9m, with its facilities management business, [Wates FM](#), experiencing the best trading year in its history. Specialist fit-out and refurbishment contractor, [Wates Smartspace](#), won more than £150m in new work. More than 50% of Smartspace's work is now for public sector customers. In 2021, this included a series of important projects for the Ministry of Justice (MoJ) and the Department for Work and Pensions.

David Allen, Chief Executive, the Wates Group, said: "I feel enormous gratitude for and pride in what the team here at Wates achieved in 2021. It is incredible that in a year that was frequently – and for extended periods – very challenging, we continued to work safely and produced the highest operating profit in Wates' 125-year history.

"What we've accomplished shows that our strategy of focusing on the performance priorities that will help us achieve our goals of being more trusted, sustainable and progressive – is working. This strategy is supported by significant new investments in our residential and developments businesses, and by the investments we're making in data and modern methods of construction to enable us to offer market-leading services to all our customers and partners.

"Despite the economic and political pressures that are affecting everyone right now, the strength of our performance in 2021; the size of our order book; our proven ability to help customers and partners meet their sustainability goals; the clarity of our strategy; and the quality of our amazing team mean we're looking forward to the future with confidence and excitement."

In 2021, the Wates Group bounced back financially with a reinvigorated focus on goals of becoming a more progressive, trusted and sustainable business.

[You can download the annual review here](#)

Image credit: Wates