

## 2022 financial results show highest-ever turnover

2 years ago



Wates has reported a profit of £33.7m on our highest ever turnover of £1.89bn, up 17% on last year. It secured £2.8bn of new work during 2022 with a record forward order book of £8.35bn, up 17% from 2021, which was itself a record year for turnover.

Against strong inflationary pressure, interest rate rises and other economic headwinds, it rounded out its 125<sup>th</sup> anniversary year with order book and profit up across every one of the divisions and net assets of £162m. We ended the year with £153m of net cash, with a £90m undrawn bank facility, and as a UK-based employer, Wates increased its total tax take on behalf of the Exchequer from £233m in 2021 to £313m in 2022.

- [Download our 2022 results](#)
- [View our interactive PDF](#)

During 2022 Wates maintained its industry-leading health and safety performance and its commitment to creating real social value in the communities where we deliver projects. This was the second full year of our five-year social value strategy and the company generated £183m in social value whilst also spending £7.2m with social enterprises. It also continued moving toward becoming a net zero operator, continuing to play a key role in upgrading the energy efficiency of the built environment.

Operations across our business performed strongly. Our construction business won £1.32bn of new work, and turned over £958m, up 24% from last year, with a highest-ever average project size of £43m. This included projects completed during the year such as the Sandwell Aquatics Centre, which played host to

the swimming events at the Birmingham 2022 Commonwealth Games and will now benefit the community of Sandwell for decades to come. We also completed over £100m of work on our largest-ever construction project, the c.£500m Envision AESC Gigafactory in Sunderland, which will make batteries to meet the growth in demand for electric vehicles.

Turnover in the residential business increased by £42m, taking it to £310m during 2022, a rise of 16%. Wates marked the year with a number of industry awards for our work with Cardiff Council, providing low-carbon, energy efficient homes, including many built offsite. Meanwhile, Developments group turned over £123m, up by 15%, and held £148m in invested assets. Wates' portfolio of development investments in joint ventures performed well and new deals were created through the Partnerships business.

The property services division increased turnover across its three businesses to £499m, with a forward order book of £1.9bn. It launched the Wates Retrofit offer, providing zero-carbon retrofit services to domestic and commercial properties, and 2022 was the best year yet for our specialist fit out and refurbishment business, which retained all its key customers and won or extended places on some of the market's biggest public and private sector frameworks. One of these is the Ministry of Justice's Construction Services Framework that will see us work on projects worth between £5m and £30m. The facilities management business also went from strength to strength, having its best-ever year, winning new contracts and expanding work with existing customers.

Eoghan O'Lionaird, Chief Executive, Wates Group, said: "These results in our 125th year represent a really strong performance in the context of a challenging economic environment. Each of our divisions have contributed strongly to profitability and I am delighted to see such consistency across the Group.

"2022 saw us continue our upward trajectory on turnover, reaching £1.89bn the highest in our history. This high figure reflects the strong and stable family governance, hard work of people across the business, the scale of our ambition, our proven capability to manage large scale projects of strategic national significance, and our customers' confidence in our ability to deliver for them, particularly in the public sector.

"We are in a strong, resilient position, with profitability across all our divisions, another record forward order book, and a solid cash balance. These results are a testament to the efforts of everyone at Wates, and my particular thanks go to Philip Wainwright for his sterling performance as Interim Chief Executive. He has left a firm foundation from which I hope to continue growing this remarkable business."

## Group Environmental Sustainability Plan

Sustainability is a strategic issue for Wates, and it regularly evaluates the resilience of all investments and activities through this lens.

The Environmental Sustainability Plan announced today alongside the results, represents an evolution of the goals set by us in 2020, reflecting an improved understanding of the science behind addressing climate change and the actions necessary to drive the greatest impact within an achievable timeframe.

Last year, near-term greenhouse gas emissions reduction targets were validated by the Science Based Targets Initiative.

## 2022 HIGHLIGHTS

### Financial performance and productivity

- Profit before Tax of £33.7m.
- Record order book of £8.35bn, up 17% from 2021 (£7.1bn).
- Group turnover at £1.89bn (up 17%) from £1.63bn.
- Net cash at £153m, and net assets at £162m.
- Total tax contribution to HM Government of £313m (up 34%) from £233m.
- £2.8bn in new work secured during 2022.

## Work winning

Key contract wins in 2022 included:

- Signing and beginning work on the c.£500m contract to design and build Envision AESC's advanced car battery gigafactory in Sunderland, which will boost growth in electric vehicles in the UK and will help to create around 4,500 jobs in the North East. This is the largest single contract in Wates' history.
- Securing a place on the Ministry of Justice's new five-year Constructor Services Framework which will deliver property estate activities including new build, refurbishment, maintenance, and minor works. Work will be on projects worth between £5m and £30m.

## Health, safety, and wellbeing

- Industry-leading health and safety performance, with a RIDDOR AFR (Accident Frequency Rate) of 0.04 and an Accident Incidence Rate (AIR) of 84 down from 110 the previous year.
- This marks the seventh consecutive year in which Wates outperformed the industry average on the AIR as recorded by both the Health and Safety Executive (HSE) and Build UK.
- 23.4 million hours worked with 683 sites under construction during the year.
- 28 Mental Health First Aiders trained in 2022 growing the business-wide network to 307. An additional 98 people trained in Mental Health First Aid from across the supply chain and client partners.
- At the end of 2021 Wates pledged to reduce by 10% the number of mental health absences related to work through a programme of training, promoting the support available to staff, and better management of workplace pressure. In the 12 months from January 2022, there was a 20% improvement from 2021.

## Sustainability and Net Zero

- Building net zero homes the Cardiff Living programme is delivering 1,500 homes for Cardiff Council over 10 years, as the Council increases its provision of affordable homes for local residents. The Aspen Grove low-carbon development incorporates 149 homes which make use of the latest low-carbon technologies. CO2 emissions will be around 90% lower than an average home and 80% lower than a new build.
- Retrofitting to decarbonise In Spring 2022, Wates completed one of the first Social Housing Decarbonisation Fund Demonstrator projects for Northampton Borough Council, adopting a truly

collaborative approach to social housing retrofit. This work reduced the carbon footprints of homes and reduced annual energy bills by as much as £724.

- Building net zero schools It has completed a £10m net zero school in Rochdale, Greater Manchester. Littleborough Community Primary School is the first project to be completed as part of the initial tranche of net zero schools in the DfE's School Rebuilding Programme, which will see Wates delivering two more projects at Lytham St Annes High School and Whitworth Community High School.

## Social value

- £183m generated in social value, through education, employability, and community development projects and in support for social enterprises.
- As part of Wates' five-year social value strategy it committed to spending £45m with social enterprises by 2025. It has exceeded that target already, with £45.6m spent in total, including £7.2m spent with social enterprises during 2022. Wates has now increased the target, aiming to spend £55m with social enterprises by 2025.

## Homes and properties

- Over 500,000 homes maintained in the social housing sector, with facilities managed at 701 commercial properties
- Over 4,626 new homes under construction in 2022 including senior living, student accommodation, social housing and high-density, city centre housing
- Over 15,812 homes in our Developments' pipeline, of which 3,000 are seeking planning consent on six sites

## Greater inclusion and diversity

- In 2022 Wates was recognised for its work to make the business more inclusive and diverse, with national awards, including being listed in [The Times Top 50 Employers for Women](#); the [Construction News Award for Diversity and Inclusion Excellence](#); and [two Working Families Best Practice Awards, in recognition of its flexible working principles and initiatives.](#)