

NG Bailey confident for the future as it bounces back to profit

2 years ago



[NG Bailey](#) has reported a return to profitability as it delivers on its diversified business strategy and continues to play a key role in the decarbonisation of the UK economy.

For the year ending 1 March 2024, the UK's largest independent engineering and services business reported annual turnover of £600m, up from £532m in 2023, with an underlying operating profit of £11.2m (2023: a loss of £17.3m).

NG Bailey has maintained its strong balance sheet with net assets of £129m (2023: £121m), including cash and investments of £70m (2023: £83m) and, since the end of March 2023, has no external debt. The Group's order book also remains healthy, increasing to £1.4bn (2023: £1.3bn).

This growth has been driven by the strong performance of the Services division, which delivered record levels of profitability for the second year in a row.

NG Bailey's Engineering division also returned to profitability, supported by a renewed focus on governance, quality margins and risk management, led by a refreshed leadership team. The small number of legacy long term fixed price contracts, which were adversely hit by Covid-19 and inflation, are now complete and the cash outflows behind the company.

Jonathan Stockton stepped into the role of Chief Executive on 1 June 2024 following David Hurcomb's retirement after 14 years of leadership. David will remain within the business until a small number of commercial matters on legacy contracts to recover value are resolved. Jonathan joined NG Bailey in 2016 and has held several senior roles within the business, most recently as Chief Operating Officer.

Jonathan Stockton said: *"NG Bailey is in a strong position as we continue to execute our diversified*

business strategy, the success of which is evidenced by our return to profitability even in the face of tough trading conditions.

“This is testament to our high-quality order book and our market leading capability to provide services across building construction, infrastructure, and services, alongside the quality, expertise and commitment of our teams and experienced management.

“With a growing pipeline of work in recession-proof markets and strong credentials in the energy and decarbonisation sectors, we have confidence that we will be able to successfully deliver our growth plans, with a clear route to pre-pandemic levels of trading and beyond.”

NG Bailey’s Services division has continued to perform strongly, with all three business streams; Facilities Services, IT Services and Freedom, increasing in turnover and either meeting or exceeding their budgeted profitability as the Group continues to execute its diversified business plan.

The Services division’s turnover, headcount and order book now accounts for broadly half of the overall Group, which has been driven by organic growth as well as selective, low risk acquisitions which have increased capability, geography and resilience. The division is now primed for further growth as it uses its expertise in renewable connections, electric vehicle charging infrastructure and the built environment to further support the decarbonisation of the UK economy.

NG Bailey’s Engineering division is well placed for the future, with a renewed focus in markets where it has leading expertise and experience, including nuclear, airports, higher education, defence, healthcare, custodial and rail, as well as continuing to be at the forefront of offsite construction methods.

Significant investment is planned in the next 12 to 18 months to accelerate digitalisation and systemisation of systems, supporting Modern Methods of Construction and design for manufacture solutions that provide safer, more efficient, and sustainable alternatives to traditional construction.

NG Bailey also continues to invest heavily in learning and development programmes to nurture the talent that will support the Group’s future growth plans. This includes the launch of two new leadership development programmes which will give future leaders the skills they need to support the delivery of NG Bailey’s plans. The Group’s award-winning apprenticeship programmes continue to be a core area with over 260 apprentices in training across a wide range of disciplines.

Jonathan Stockton added: *“Whilst market conditions remain challenging, we remain highly selective around the work we secure. NG Bailey is in a strong position to grow, supported by our excellent reputation, extensive operational skills and experience and a talented team at all levels. Alongside this we remain committed to being a responsible business by focusing on paying our supply chain on time and are proud that we are consistently a top performer amongst our peers in this regard. This is in contrast to the wider industry where a culture of late payments and underpayments remains prevalent.*

“We are confident for the future and are well placed to play a key role in critical long-term infrastructure projects and drive the transition to a decarbonised economy.”