

Willmott Dixon makes record start to 2024

10 months ago



Willmott Dixon, the privately owned construction and interiors company, publishes an update on current trading and its accounts for the 12 months to 31 December 2023.

Current trading:

- Strong start to year with £700m of new orders since December 2023 (at end of May 2024)
- Q1 profit and turnover already ahead of our budgeted forecasts
- Record orderbook over £3bn (as of April 2024)
- 2% of projected work for 2024 now secured (as of April 2024)

Main financials in 2023:

- Turnover: £1.172bn (2022: £1.147bn)
- Cash at bank up to £115.1m
- Loss before tax, goodwill and exceptional items: £5.2m (2022: £0.8m profit)
- Construction business turnover: £1.043bn (2022: £1.014bn)
- Interiors business turnover: £130.9m (2022: £133.4m)
- Frameworks: 67% of turnover procured via long-term frameworks
- Over 50% of turnover with repeat customers
- No debt
- Net assets for 2023: £158.8m

Chief executive Graham Dundas commented: “We are delighted by the strong start that Willmott Dixon has made to 2024, with our Q1 profit and turnover already ahead of our budgeted forecasts and a record pipeline of over £3bn.

"I'm particularly encouraged by the way in which the business has responded to a difficult 2023, when certain projects were materially impacted by the industry-wide problem of significant inflation, as well as key supply chain failures at critical times.

"With inflation easing and a strong pipeline of high-quality work, our resilient balance sheet and a healthy mix of long-term revenues means that Willmott Dixon is well-positioned to prosper in 2024."

2023 in review

We are confident of a swift return to profit in 2024 after last year's performance was disproportionately impacted by a small number of significant supply chain partner insolvencies.

The affected projects are now either finished or close to completion, allowing us to quickly return to predictable profits in 2024.

The calming of inflation is supported by a relentless focus on the right projects, with the right customers and right supply chain partners. An important source of new work remains our frameworks, with 67% of turnover coming from projects procured this way.

During 2023, this strengthened with a place on the next generation of both the Southern Construction (£4.5 billion pipeline) and Procure Partnership frameworks (£8 billion pipeline). We were also chosen for a new framework with Cambridge University and together with Prime plc, we are on the NHS Shared Business Services car parks framework.

These and other frameworks provide a fast and efficient route to serve our customers, which is important when many are having time constraints on their access to important funding for their capital projects. We are proud to serve customers through a rich variety of frameworks that include:

- Scape
- Procurement Hub
- Southern Construction Framework
- NHS ProCure23
- DfE
- Pagabo
- CCS

Current trading in 2024

We have created a strong platform for 2024, securing £700m of new orders since December 2023, including £230m in April alone.

This new work, a mix of full contract awards and preconstruction orders, takes our identified orderbook to over £3bn for the first time, providing a solid platform for a quick return to profitability and sustainable, targeted growth in 2024 and beyond.

This makes Willmott Dixon ideally placed in a market for construction services which is vibrant and strong. While build-prices are unlikely to fall back, we have seen cost inflation level off, supporting the viability of future projects as budgets are re-aligned to meet recent price increases, and we are seeing increased

stability in our key supply chains.

Significantly, our cash position remains strong; we closed out 2023 with a cashbook of £115 million, underlining our position of financial strength, and recently renewed our banking facilities with a new three-year term. While we have no expectations of drawing on these facilities, having access to this committed long-term additional source of funds provides further confidence to our customers, other stakeholders and supply chain partners in choosing Willmott Dixon as a long-term partner.

Willmott Dixon Construction – turnover £1.041bn

As the trend for climate change resilient property gathers pace, the Construction company continued to focus its expertise supporting customers in the delivery of their net zero in operation buildings. This includes a track record for delivering the most Passivhaus accredited projects.

We had 23 projects, either being completed or on site during 2023, that were either net zero in operation or Passivhaus standard buildings, including:

- The UK's largest wet and dry leisure centre for Spelthorne Borough Council.
- New Passivhaus standard student accommodation at St Peter's College at the University of Oxford.
- A new Multi-Faith Centre for University of Exeter built to Passivhaus standards.
- Eight new homes at the Gascoigne Estate regeneration built to Passivhaus standards.
- Tarleton Academy, one of the first academies to be net zero carbon in operation.
- Building the first net-zero school in Leicestershire with Hollycroft Primary School.
- Tower Bridge Court London, a 100 per cent electric and zero carbon workspace.
- Delivering 25 net-zero, social rented homes in Solihull for the local council.

With a focus on operational excellence, Construction is on course for strong growth in 2024 and beyond.

Willmott Dixon Interiors – turnover £130.9m

Although our Interiors team saw the programme and cost of some projects impacted by the demise of critical supply chain partners at a crucial stage, they delivered some outstanding projects and successful on-going roll-out programmes.

These include programmes for the Metropolitan Police and brand refreshes nationally to the hotel estate of Travelodge; a long-standing customer. With employers increasingly recognising the role of the working environment in attracting people back into the office, as well as supporting their well-being, the Cat-B refurbishment and roll-out markets present opportunities for growth in the future.

These solid foundations are supported by a strong position in several sectors including health, hotels, education, blue light and public sector estate modernisation.

Our People

The quality of our people was again recognised by the highest business accolade in the country. For the second successive year, we won a King's Award for Enterprise, this time for Sustainable Development, which followed achieving the accolade for Promoting Opportunity last year. This is the fifth time Willmott Dixon has received this accolade in the past ten years.

Another benchmark for quality is the CIOB construction manager awards, which recognise the best project leaders in the country. Willmott Dixon won three gold and two silver medals across the seven project categories.