

Balfour Beatty Announces Strong Order Book and Profit Growth Driven by UK Energy Sector

2 months ago



Balfour Beatty, has announced that it expects significant growth in its order book and underlying profit for the full year 2025, buoyed primarily by surging momentum in the UK energy market.

The company provided a trading update covering the period up to December 4, 2025, confirming its strong financial and operational position.

Financial Highlights: Energy and UK Construction Lead Growth

Balfour Beatty's financial outlook is characterised by growth across key metrics:

- **Order Book Surge:** The total order book is expected to grow by approximately 20% over the 2024 figure (£18.4 billion). This increase is largely driven by the UK Construction division, which secured over £3.5 billion in new power generation orders this year alone.
- **Revenue Growth:** Full-year 2025 revenue is anticipated to be over 5% ahead of the prior year (£10.0 billion), reflecting strong progress in chosen growth markets, particularly UK energy and US buildings.
- **Profit Ahead:** Underlying profit from operations (PFO) from earnings-based businesses is expected to be ahead of the previous year (£252 million). Robust performance in UK Construction and Support Services offset lower profits in US Construction.

- Cash Position: Average monthly net cash is projected to land at the top end of the previously guided £1.1 billion to £1.2 billion range (£766 million in 2024).

Strategic and Operational Milestones

Operational performance was marked by key successes in major infrastructure projects globally:

- UK Major Projects: In Construction Services, the UK business is on track to achieve a 3% PFO margin. Key milestones included the Balfour Beatty Vinci joint venture completing the 3.5-mile-long Bromford tunnel at HS2 Area North, and the installation of the triple point shaft formwork structure at Hinkley Point C. Earthworks also began at the Net Zero Teesside carbon capture project.
- Sizewell C & Nuclear: Following the project reaching financial close in November, approximately £3 billion of Sizewell C work is now included in the Group's order book, secured through the Programme Alliance Agreement signed in June. Furthermore, Balfour Beatty was selected as the sole contractor for the Rolls-Royce fissile construction framework.
- Support Services Strength: Revenue in the Support Services division is expected to grow by around 15% (FY24: £1,210 million), with the PFO margin projected to be near the top of its 6-8% target range. The company secured two places on National Grid's High Voltage Direct Current supply chain framework and a place on Scottish Power Energy Networks' transmission framework.
- US and Asia Growth: The US buildings business is expected to see revenue growth of about 25%. Notable additions to the US order book include correctional facility and data centre work. In Asia, Gammon saw progress on major projects, including the opening of the first phase of Terminal 2 at Hong Kong International Airport.

CEO Sets Vision for Continued Growth

Philip Hoare, Balfour Beatty Group Chief Executive, said: "In my first three months at Balfour Beatty, I've been delighted to see first-hand the pride, care, and passion on which the company is built, and the team's depth of talent and technical expertise has genuinely exceeded my expectations. These values and capabilities, alongside exciting opportunities in our end-markets, a high-quality order book and disciplined risk processes, give the Group a powerful platform to shape the next chapter of growth and deliver lasting value for all our stakeholders.

"Our immediate priority is to finish 2025 strongly, while laying the groundwork for further progress in 2026, where I expect the Group to continue on its journey of delivering PFO growth from its earnings-based businesses. In addition, we are reaffirming our commitment to shareholder returns and confirming a further share buyback for 2026."

The Group also reaffirmed its commitment to shareholder returns, confirming that the 2025 share buyback programme is set to finish shortly, delivering a total of £189 million to shareholders this year through buybacks and dividends. A further share buyback is intended for 2026.