Severfield

Market leader in structural steel across the UK, Europe and India

Severfield plc
Annual Report and Accounts
for the year ended 28 March 2026

Welcome to our
2026 Annual Report

Engineering that matters

Severfield is the leading specialist structural steelwork group across the UK, Europe and India with a strong reputation for engineering excellence.

"Severfield's engineering expertise, depth of talent and refreshed strategy provide strong foundations for sustainable growth and enhanced shareholder returns."

PAUL MCNERNEY
CHIEF EXECUTIVE OFFICER

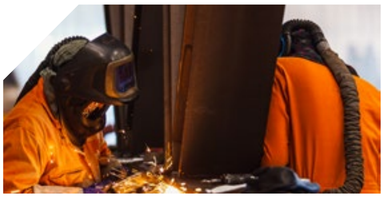
"Strong cash management, disciplined capital allocation and our recent refinancing provide the liquidity and financial flexibility to capitalise on future opportunities."

ANDREW PAGE
CHIEF FINANCIAL OFFICER

Find us online @
www.severfield.com

You can find out more about the Group on our website www.severfield.com, which includes an investor information section containing a wide range of information of interest to institutional and private investors, including the following:

- Latest news and press releases
- Financial reports and investor presentations
- Company share price



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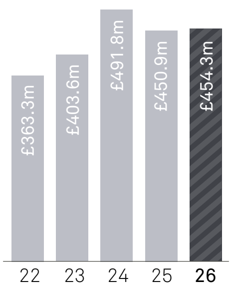
Our year in review

Financial highlights

Revenue (£m)

£454.3m

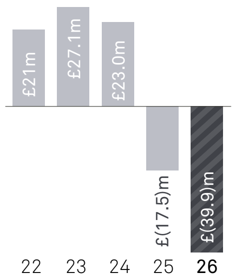


Underlying[1] profit before tax (£m)

£10.5m

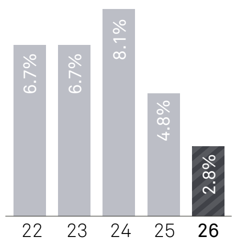
Profit/(Loss) before tax (£m)

£(39.9)m



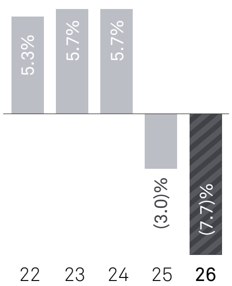
Underlying[1] operating margin (%)

2.8%



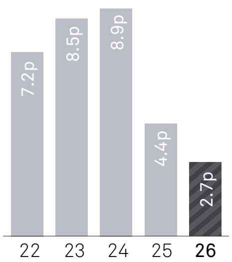
Operating margin (%)

(7.7)%



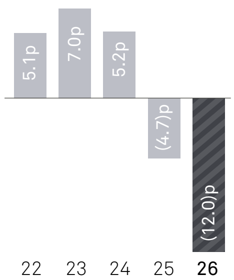
Underlying[1] basic earnings per share (p)

2.7p



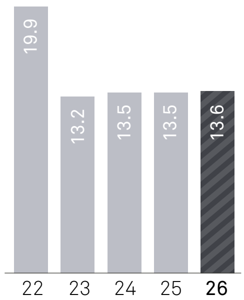
Basic earnings/(loss) per share (p)

(12.0)p



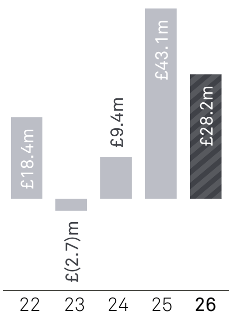
Greenhouse gas intensity[2] (tonnes CO_2e/£m)

13.6 tonnes



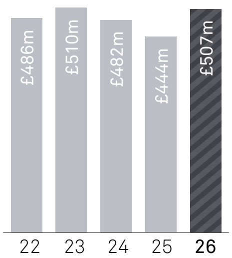
Net debt (£m)

£28.2m



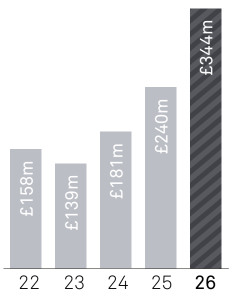
UK and Europe order book (£m)

£507m



Indian order book (£m)

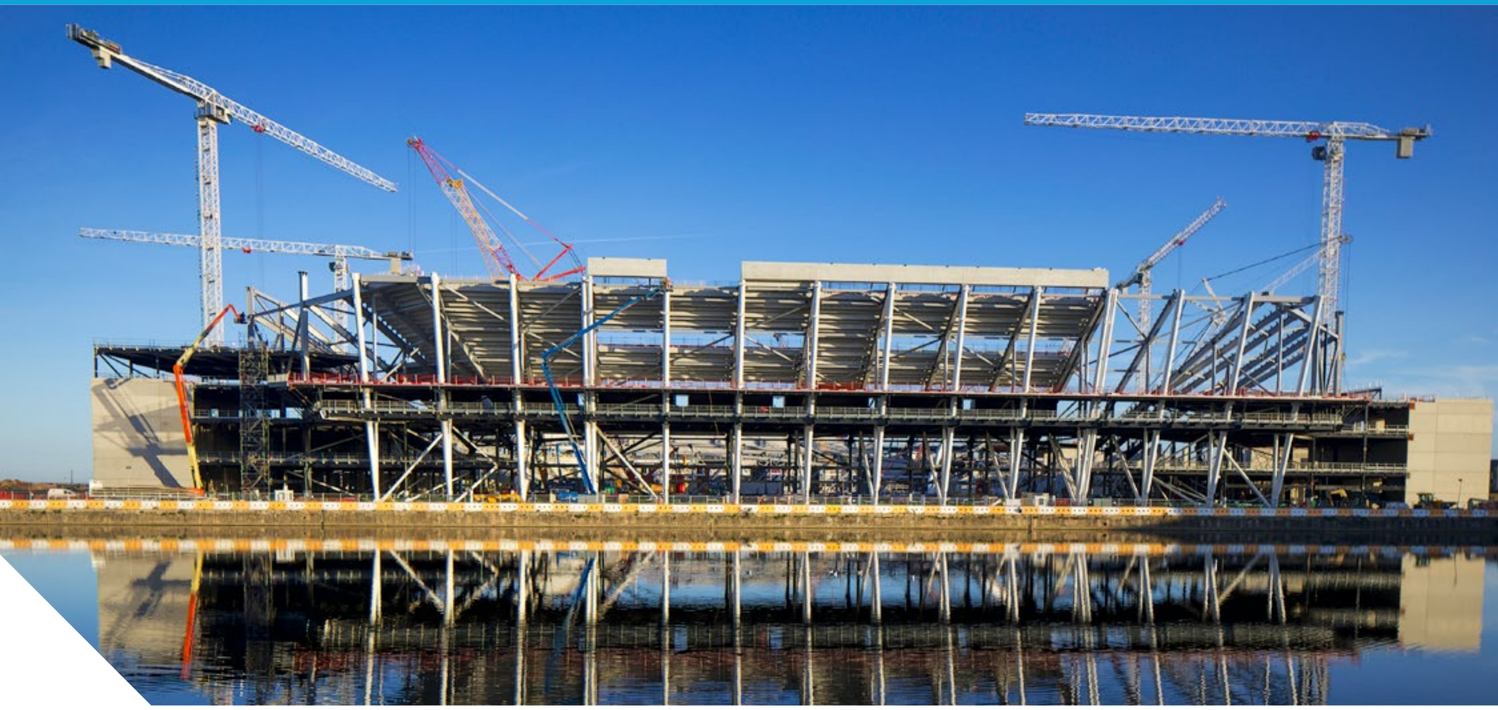
£344m



1 Except as otherwise stated, '2026 and FY26' and '2027 and FY27' refer to the 52-week periods ending 28 March 2026 and 27 March 2027. The Group's accounts are made up to an appropriate weekend date around 31 March each year.

Underlying results are stated before non-underlying items of £50.3m (2025: £35.6m). Non-underlying items have been separately identified by virtue of their magnitude or nature to enable a full understanding of the Group's financial performance and to make year-on-year comparisons. They are excluded by management for planning, budgeting and reporting purposes and for the internal assessment of operating performance across the Group, and are normally excluded by investors, analysts and brokers when making investment and other decisions. See note 32 for APM definitions.

2 Scope 1 and 2 emissions, using a market-based approach.



Financial highlights

- Revenue of £454.3m (2025: £450.9m)
- Underlying[1] profit before tax of £10.5m (2025: £18.1m) – in line with market expectations
- Loss before tax of £39.9m (2025: £17.5m)
- Underlying[1] basic earnings per share of 2.7p (2025: 4.3p)
- Basic loss per share of 12.0p (2025: 4.7p)
- Net debt (on a pre-IFRS-16 basis[1]) of £28.2m (2025: £43.1m), includes amortising term loans of £7.6m, year-end underlying leverage of 1.2x
- Non-underlying items of £50.3m include non-cash impairment of goodwill and investments, bridge testing and remedial costs, insurance recoveries, and restructuring related costs. See 'Our financial performance' on page 48 for further details
- UK and Europe order book of £507m at 1 June 2026 (1 Nov 2025: £429m); of which £339m is for delivery over the next 12 months
- Continued strategic progress in India – record JSSL order book of £344m at 1 June 2026 (1 Nov 2025: £286m)
- Successful refinancing of the Group's debt facilities – extended to June 2029 with extension options and access to an accordion facility

Operational highlights

- New senior leadership team and organisational structure in place, led by Paul McNerney (CEO) and Andrew Page (CFO)
- Portfolio simplification successfully completed, with the planned exit from Modular Solutions progressing as expected, enabling increased focus
- Strong project execution and progression across key sectors, including Nuclear, Commercial and Industrial
- Bridge remedial programme continuing to progress well and expected to be substantially complete during FY27; £15.7m increase in costs partially offset by an additional £7.5m of insurance recoveries
- Capacity expansion in India progressing as planned through the development of the Gujarat facility
- The order book provides good earnings visibility and supports future activity levels
- FY27 is expected to be a transition year, with first half profitability continuing to reflect lower margin work secured in a tighter pricing environment, whilst several larger and higher-value projects are expected to commence later in FY27
- The Board expects FY27 underlying profit before tax to be in line with previous guidance of £12m–£15m
- Refreshed strategy launched – read more on page 6

ESG highlights

- Retained MSCI's highest 'AAA' ESG rating for the fifth consecutive year
- Achieved CDP 'A' score for climate change leadership for the third consecutive year and 'A' for supply chain engagement for the second year running
- Continued progress against approved Science-Based Net Zero targets and maintained carbon neutral accreditation for Scope 1, 2 and operational Scope 3 emissions
- Procured 100% renewable electricity across all owned facilities
- Recognised in the Financial Times Europe's Climate Leaders report for the sixth consecutive year
- Achieved Platinum membership of The 5% Club, reflecting our commitment to apprenticeships and other earn-and-learn programme

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Our refreshed strategy

View from the Chair

CHARLIE CORNISH
NON-EXECUTIVE CHAIR AND DIRECTOR

> With a new Executive leadership team, strong market positions and a refreshed strategic framework, Severfield is well placed to drive sustainable growth and create long-term stakeholder value.

Introduction

This year has been one of focusing on delivering to expectations and a refreshed strategic focus for Severfield. Whilst market conditions have remained challenging across many of our sectors and geographies, the Group has demonstrated financial discipline and delivered a resilient operational performance, highlighting the quality of its people, its market leadership position and the importance of engineering excellence.

Dear shareholders,

The Board was pleased to welcome Paul McNerney as Chief Executive Officer and Andrew Page as Chief Financial Officer during the year. Both have brought significant experience, fresh perspective and strong leadership to the Group at an important point in Severfield's transformation. Since joining, Paul and Andrew have worked with pace to understand the business, refine the Group's strategic direction and strengthen the foundations for long-term sustainable growth. Together, they have shaped a clear strategic framework focused on creating a more agile and capital efficient organisation, strengthening client relationships and optimising our position in markets and sectors most aligned with our differentiated capabilities.

On behalf of the Board, I would also like to thank the wider management team for their leadership and commitment during this period of transition, ensuring continuity and disciplined operational oversight as the new executive leadership team embedded itself within the business.

During the year, the Group announced the closure of its Modular Solutions business, an important step in simplifying the portfolio and sharpening our focus. I would like to thank all those colleagues who contributed to the business over many years and recognise their professionalism, commitment and support throughout the closure process.

The year has not been without its challenges. Trading conditions across our markets have remained difficult, with subdued demand in certain sectors and continued pricing pressure. Whilst there were encouraging signs of improving 'anchor' project activity towards the end of 2025, broader macroeconomic and geopolitical uncertainty continues to influence client confidence and investment decisions.

Against this backdrop, the Group has performed well and delivered underlying results in line with market expectations. This reflects disciplined project execution, strong client relationships and the dedication and professionalism of our teams across the business.

India continues to represent a significant long-term growth opportunity for the Group and performance during the year has been particularly encouraging. Our Indian order book has reached record levels and FY26 saw record output of 125,000 tonnes, reflecting the scale of the opportunity and our unrivalled market access via our enduring partnership with JSW Steel. Expansion at the new Gujarat facility is progressing to plan and will further enhance our capability and capacity in this strategically important market. The Board remains highly encouraged by the momentum building within the Indian business and the increasing contribution it is expected to make to the Group over the coming years.

The bridge remedial works programme has also continued to progress well during the year and is now entering its final phases, with an expectation that all works will be substantially complete in FY27. It has reinforced the importance of quality, engineering rigour and continuous improvement across the Group. The lessons learned have strengthened procedures, controls and oversight across the business and reinforced our commitment to delivering the highest standards for our clients.

Our people remain central to Severfield's success. I am particularly pleased that the Group continued to deliver a strong safety performance during the year, reflecting the ongoing commitment of our teams to maintaining safe and responsible working environments across all of our operations. Creating a culture where our people are safe, supported and able to develop remains a key priority for both the Board and the executive team. I would like to thank all of our colleagues across the Group for their resilience, professionalism and contribution during what has been an important year for the business.

Looking ahead, the Board remains confident in Severfield's longer-term prospects. The Group enters the new financial year with a leading market position, a good order book and a new Executive leadership team, focused on embedding the Group's refreshed strategy through a series of transformation programmes. These initiatives are intended to create shareholder value through a more agile and efficient business, strengthened operational capability and governance, and by ensuring the Group remains well positioned to respond to changing market conditions and client requirements.

The refreshed strategy builds on the significant capabilities already established across the Group in engineering, manufacturing, project delivery and client support. The focus now is on deploying these capabilities more effectively across the right sectors, projects and geographies, strengthening client relationships and fully utilising the Group's integrated offering. By maintaining a diversified presence across sectors and end markets, Severfield is well positioned to respond resiliently through economic cycles whilst continuing to capitalise on long-term structural growth opportunities.

The Group's strategy is also intended to create a more agile and flexible operating model, leveraging Severfield's established capabilities across a broader range of higher-value engineering, project management and integrated delivery activities. Through disciplined execution, selective investment, valued partnerships and a continued focus on operational excellence, the Group aims to strengthen returns, enhance resilience and create sustainable long-term value.

Central to this strategy is a continued focus on our clients and our people. Maintaining strong safety performance, investing in capability development and reinforcing a culture of accountability, engineering excellence and delivery certainty are key priorities for the Board and leadership team.

Severfield has strong market positions, differentiated capabilities and talented people across the Group. By continuing to build on these strengths, the Board believes the Group is well positioned to deliver sustainable growth, improved returns and long-term value for all stakeholders.

Thank you for your continued support and trust.

Yours sincerely,

CHARLIE CORNISH
NON-EXECUTIVE CHAIR

23 June 2026

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Building a responsible and sustainable business

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Board of Directors

Our refreshed strategy

PAUL MCNERNEY
CHIEF EXECUTIVE

> By focusing on areas where our engineering expertise and delivery capability provide a clear competitive advantage, we are creating a more agile, resilient and higher-return business for the future.

Having spent my first eight months with the Group, I have been deeply impressed by the strength of Severfield's engineering capability, long-standing client relationships and proven delivery track record. The Group also benefits from a well-diversified business across sectors, geographies and clients, reducing exposure to individual market cycles, whilst operating in markets supported by long-term structural demand. These qualities provide a strong foundation for future growth and reinforce my confidence in the opportunities ahead.

Building on these strengths, we have undertaken a comprehensive review of the business and refined our strategy with a clear focus on project selectivity, margin progression, cash generation and disciplined capital allocation. The refreshed strategy prioritises sectors and projects where our engineering expertise, delivery capability and client relationships provide a clear competitive advantage. By strengthening our contract selectivity and focusing on higher-quality revenue, we aim to deliver improved margins, stronger cash generation and sustainable long-term value for shareholders.

The Group's refreshed strategy targets four principal goals:

- Delivering profitable growth through improved margin quality, disciplined project selection and strong cash conversion
- Reinforcing our position as the leading engineering partner for complex, high-value projects, where delivery certainty is critical
- Building a high-performance culture – where our people are safe, engaged and accountable for operational excellence
- Doing good and building communities to deliver lasting value

Each strategic goal builds on our core strengths in engineering excellence and delivery certainty, underpinned by a highly skilled workforce aligned to consistent execution. This provides a strong foundation to deliver focused growth whilst making a positive contribution across our core markets and communities.

The Group is driving a disciplined shift away from prioritising volume towards selecting the right work in the right markets and in the right sectors with a greater emphasis on margin progression and cash generation. This is supported by a transition to a more flexible, capital-light business model, incorporating increased use of strategic partnerships. The Group is therefore transitioning from a fabrication-led model towards a more integrated, flexible and capital-efficient delivery approach, enabling it to capture greater value through expanded services and delivery capabilities.

Driving improvements in margin quality, cash and returns in the medium term

The Group's strategy is expected to deliver improved performance through a number of clearly defined drivers:

- Improved sector mix: increasing exposure to higher-value growth sectors where the Group has a clear competitive advantage
- Disciplined project selection: improving the quality and consistency of earnings
- Cost and productivity actions: supporting efficiency and margin improvement across the business
- Flexible, capital-light delivery: enhancing scalability, reducing capital intensity and improving returns
- Scaling India: delivering strong growth and increasing operating leverage, driving a growing contribution to Group performance

Together, these drivers support the Group's medium-term ambition to deliver the following:

- Revenue of c.£500m-£550m
- Sustainable operating margin of 7-8%
- Underlying profit before tax of £40-50m (including £10m from India JV)
- ROCE >15%
- Leverage 1.0x – 1.5x
- Cash conversion in excess of 90%
- A sustainable dividend, underpinned by cash generation and a disciplined financial framework

Our integrated service offering

The Group is evolving beyond a traditional linear, manufacturing-led delivery model to a broader, more integrated service proposition, combining internal capability with strategic delivery partners across the following four service offerings:

- Design & Engineering
- Manufacturing
- Delivery
- Project Management

This new proposition allows the Group to engage earlier, stay involved for longer and ultimately capture greater value across the project lifecycle whilst supporting improved margin progression and stronger cash generation through a more capital-efficient delivery model.

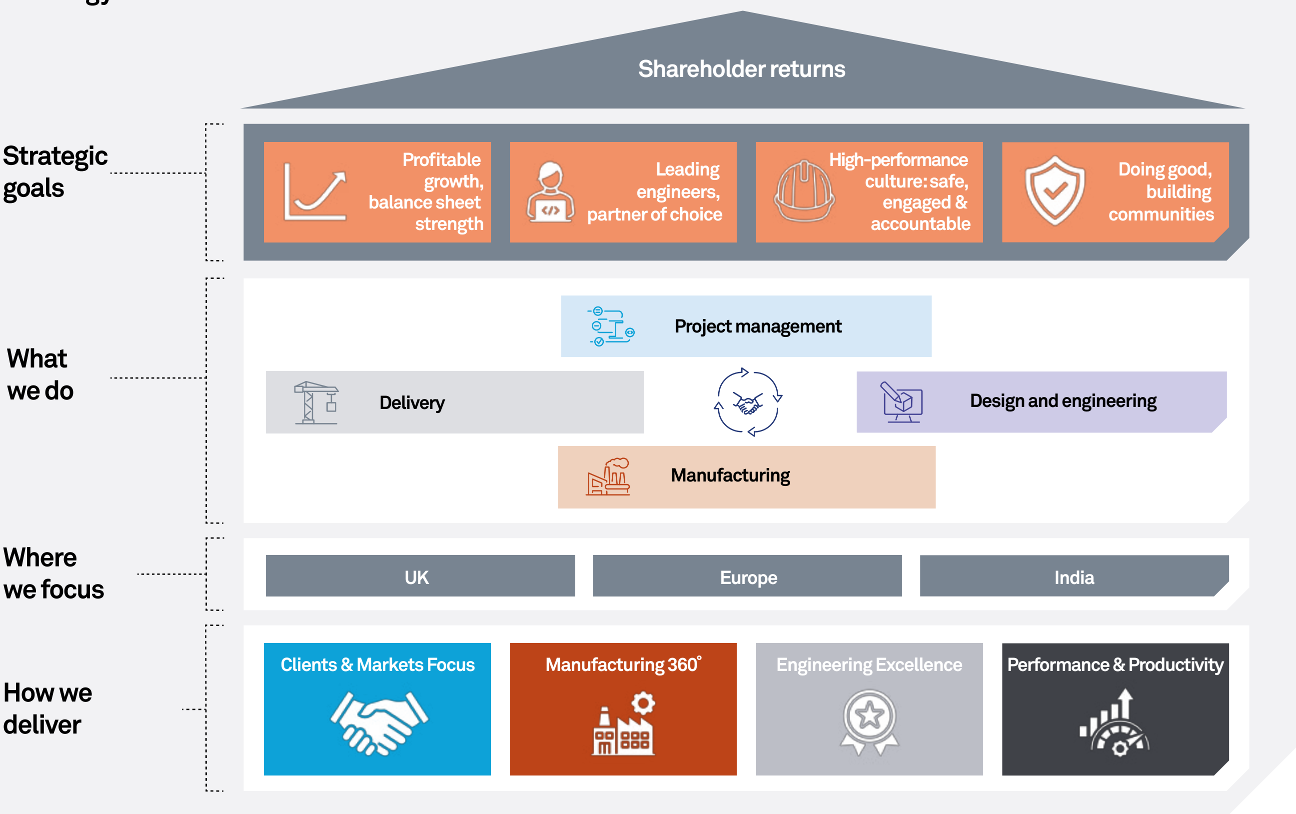
We are already making strong progress against this approach, with integrated delivery opportunities underway, including our work with Ørsted on the Hornsea 3 offshore wind farm. We are also developing new partnerships to broaden our service offering and access new market opportunities. For example, we have recently entered into a partnership with energy infrastructure provider GEG Global, creating a framework for collaboration on future projects.

Focused geographic and sector exposure

The Group continues to prioritise its core markets of the UK, Europe and India, reinforcing its established position whilst focusing on opportunities aligned with its capabilities:

- UK – improving sector mix and margin quality through focus on higher-growth, higher-margin sectors with complex engineering requirements
- Europe – expanding exposure to large and growing markets, through a disciplined capital light delivery model, supporting long-term growth and diversification
- India – scaling a rapidly growing platform through a strong joint venture, driving increasing contribution to Group growth and profitability

Strategy overview



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Our refreshed strategy continued

This combination of integrated services and targeted geographic focus supports higher-quality growth, improved margin potential and increasing contribution from higher-value activities in the medium term.

A. Markets (UK)

The Group will apply a disciplined approach to project selection in the UK, focusing on complex projects with attractive margin characteristics. Emphasis will be placed on projects where barriers to entry are high, and where scale, complexity and delivery certainty and speed are critical to client outcomes. In the UK, our sectors include commercial, industrial and defence, transport Infrastructure (including bridges), nuclear, stadia and leisure, data centres and power, energy and processing. This approach supports improved sector mix, stronger margins and more consistent project delivery.

B. Markets (Europe)

In Europe, the Group is well positioned to increase its exposure to complex projects in large and growing markets. Activity is focused on sectors, which include energy, transport, commercial, industrial and nuclear, with opportunities varying by country.

The business operates through a flexible delivery model that leverages both local presence and expertise, such as that found in the Netherlands, with our proven global experience in successfully delivering major projects. This provides a platform for disciplined and efficient expansion into additional European markets in the medium term, supporting long-term growth and diversification.

C. Markets (India)

The Group's joint venture with JSW Steel ('JSW'), JSW Severfield Structures Limited ('JSSL') allows favourable access to the large and rapidly expanding Indian market, combining Severfield's engineering and project delivery expertise with JSW's strong local market position and industrial capabilities.

The joint venture is currently focused on delivering structural steel solutions across key sectors including commercial, industrial, infrastructure and data centres, with value creation today primarily driven through full-service delivery as well as leveraging contract manufacturing. This is supported by an increasingly flexible delivery model, including the use of selected subcontractors and the potential to expand capacity in the medium term. This positions the business to scale efficiently in line with market demand and as such, JSSL is expected to form an increasingly important contributor to Group growth and profitability over the medium term.

Strategic goals

- Profitable growth, balance sheet strength
- Leading engineers, partner of choice
- High-performance culture: safe, engaged & accountable
- Doing good, building communities

Transformation enablers

Clients & Markets Focus	Manufacturing 360°	Engineering Excellence	Performance & Productivity
Better connecting client needs with technical and operational capabilities	Optimising manufacturing performance and production capability	Strengthening technical capability, innovative solutions and market leadership	Improving agility, controls, cash generation and cost competitiveness

Underpinned by our focus on sustainable outcomes and ESGs (People, Planet, Partners)

Delivering performance through transformation

Our execution of the strategy is supported by a transformation programme to improve margin quality, cash generation and operational performance across the Group.

Initial progress includes improved factory utilisation, increased use of delivery partners, and over £3m of annualised cost savings delivered through structural and process improvements. The transformation programme has the following key components:

1. Clients & Markets Focus

Better connecting client needs with our technical and operational capability

The Group is strengthening its client engagement model to improve visibility of opportunities and enable earlier involvement in project development. This includes a more coordinated, country-led structure and a dedicated Clients & Markets function, supporting deeper relationships, improved opportunity selection and a clearer understanding of client requirements.

2. Manufacture 360°

Optimising manufacturing performance and production capability

To support the evolution of the Group's service offering and delivery model, the manufacturing strategy is being refined to enhance utilisation, improve flexibility and maintain strong quality standards. Key priorities include optimising factory utilisation, increasing the use of delivery partners and making targeted investments in our production capability.

Manufacturing capacity will be actively managed in line with demand, with increased use of strategic delivery partnerships supporting a more flexible and capital-efficient model. This includes aligning manufacturing capability more closely with key geographic markets, particularly in Europe, to improve efficiency and support growth.

The Group will continue to invest selectively to retain critical capability and value-add activities, including enhancements to paint and protection capacity at Dalton. This balanced approach supports improved efficiency, greater agility, more consistent financial performance and aligns production more closely with market requirements.

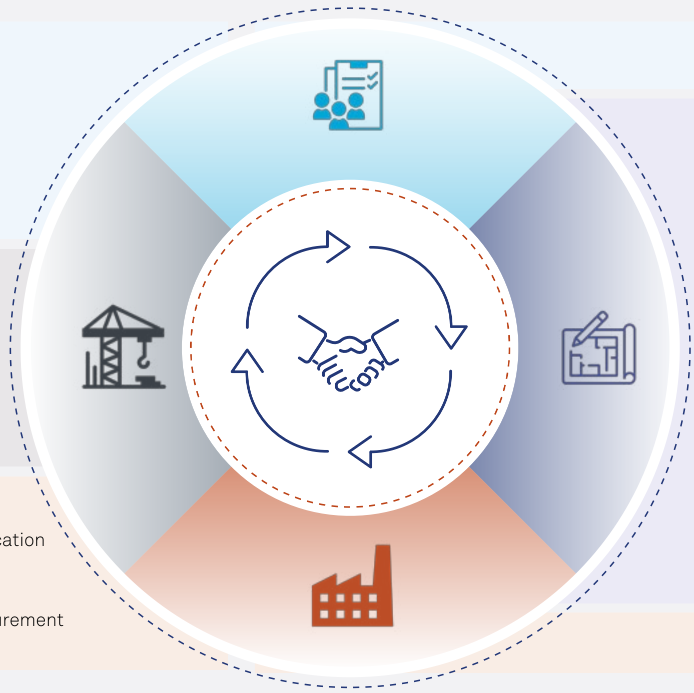
As part of the ongoing strategic review, the Group is assessing how best to optimise its manufacturing footprint and geographic alignment.

What's New – Opportunity to expand our existing offering

Project management
- End-to-end programme integration and project delivery
- Partnered and collaborative delivery models
- Driving efficiency, risk management and consistency across complex projects

Delivery
- Proven delivery of complex, high-risk projects
- Flexible, scalable execution models tailored to project needs
- Efficient logistics, plant and lifting driving productivity and cost control

Manufacturing
- High value-add manufacturing and fabrication
- Expertise in complex, precision and specialist steelwork
- Flexible delivery models and strong procurement driving efficiency and quality



Design and Engineering
- Integrated design, technical and engineering capability
- Specialist expertise in complex, high-value structures
- Delivering efficient, assured and optimised solutions

Existing addressable market
Expanded market opportunity

Our refreshed strategy continued

3. Engineering Excellence

Strengthening technical capability, innovative solutions and market leadership

Engineering capability remains a core differentiator for the Group, supporting the delivery of complex and technically demanding projects across its core markets. The refreshed strategy places greater emphasis on strengthening this capability through targeted investment in skills, standardisation and a more rigorous approach to execution and governance, supporting access to higher-value projects, improved delivery consistency and stronger margin quality.

4. Performance and Productivity

Improving agility, controls, cash generation and cost competitiveness

The Group is progressing a focused programme of initiatives to improve operational efficiency and optimise its cost base across all service lines. This includes process improvements, organisational simplification and targeted cost reduction actions, supported by digitalisation and investment in technology.

These actions are already delivering results, with over £3m annualised cost savings achieved to date, and are expected to support ongoing margin improvement, cash discipline and enhanced competitiveness.

Together, these initiatives support improved margin quality, stronger cash generation and more consistent delivery across the Group.

Outcome

The execution of this strategy supports higher-quality growth, improved margins, stronger cash generation, driven by disciplined project selection, a broader integrated service offering and a more flexible, capital-light delivery model, underpinning the Group's medium-term ambition to deliver significant growth in profitability.

PAUL MCNERNEY
CHIEF EXECUTIVE

23 June 2026

Case study

SeAH Monopile Facility

Severfield provided an impressive 35,000 tonnes of structural steelwork for the giant monopile factory on Teesside for SeAH Wind, a subsidiary of South Korean steel manufacturer SeAH. This is one of the **largest monopile facilities in the world**, measuring an impressive 810m x 210m, and it has created an estimated 750 direct jobs and a further 1,500 jobs in the supply chain. This superstructure is one of the **largest projects** we've worked on to date in the UK.

Read more: www.severfield.com/projects/seah-monopile-facility

Chief Executive Q&A

PAUL MCNERNEY
CHIEF EXECUTIVE

> Everything we do starts with our people. By investing in their development, safety and success, we strengthen our ability to deliver for clients, create value for stakeholders and realise the opportunities ahead.

Q. What were your initial expectations, and how have they compared to what you've seen on the ground during your first few months as CEO?

A. Severfield has a strong reputation as a market leader, so I expected to find a business with exceptional technical capability and talented people. Having previously been a client of Severfield, I had already experienced, first hand, the quality of the business, its engineering expertise and its ability to deliver complex projects. I'm pleased to say that my experience since joining has more than reinforced those impressions.

One of my priorities in the first few months has been to spend time with colleagues across the organisation, and that has reinforced the depth of talent we have within the business and the engineering excellence that underpins our success. I've been particularly impressed by the commitment, resilience and professionalism of our people, especially given some of the challenges the business has faced in recent years.

I've also seen, first hand, the depth of our client relationships, the strength of our market position and the significant opportunities available to us. At the same time, it is clear there are opportunities to improve how we operate, become more agile and unlock even greater value from our capabilities.

That is what sits behind our refreshed strategy. We have a strong foundation to build from, and by providing a clear direction, investing in our people, and delivering our strategy, I believe we can create a stronger, more resilient business that delivers greater value for our clients, employees, shareholders and wider stakeholders

Q. Recent financial results reflect a challenging market. How is the business responding?

A. The market has been affected by economic uncertainty, delayed investment decisions and, more recently, geopolitical developments. Despite these challenges, I am proud of how our people have responded, maintaining absolute focus on execution and operational delivery, which enabled us to deliver underlying results in line with market expectations for FY26.

Whilst we cannot control external market conditions, we can control how we respond to them. Through my early review of the business, it became clear that there are opportunities to improve our responsiveness, resilience and competitiveness, helping us deliver more consistent performance through economic cycles.

That is one of the key drivers behind our strategy. Working closely with the leadership team, we have redesigned our operating model to create a more client-focused, flexible and efficient organisation. The new structure gives us a stronger platform to serve clients, improve efficiency and pursue attractive growth opportunities, whilst maintaining a disciplined approach to capital investment and cost control.

Alongside these structural changes, we are progressing a number of performance initiatives focused on improving efficiency, strengthen margins and enhance cash generation. Collectively, these actions will help position Severfield to respond more effectively to changing market conditions and create long-term value for all our stakeholders.

Q. You've spoken about a 'refreshed strategy'. What are its key priorities?

A. Our strategy is focused on delivering higher-quality growth, stronger margins, improved cash generation and more consistent returns through economic cycles. It sets a clear direction for the business to operate with greater flexibility, be more client led and more focused on the markets and opportunities where we can create the greatest value.

A core priority is placing clients and markets at the centre of how we operate. Our new geography-focused structure and dedicated Clients and Markets team will help us build deeper relationships, engage earlier in the project lifecycle and develop more effective, value-driven solutions for our clients.

We are also broadening our capabilities building on our strong manufacturing foundation to provide more integrated design, engineering, delivery and project management services. Alongside continued investment in our market-leading manufacturing capability, we will expand our use of trusted delivery partners to increase flexibility and efficiency.

Improving performance and productivity is another key focus. We are implementing initiatives to strengthen operational discipline, reduce costs and enhance delivery, supporting improved margins and stronger cash generation.

Underpinning the strategy is our engineering expertise, which remains central to how we differentiate Severfield and deliver complex projects with certainty. We will continue to put people at the heart of what we do and invest in development and training to ensure we have the strongest talent in the market – to deliver innovative, market-leading solutions.

Q. How do you plan to deliver this strategy?

A. Delivering the strategy requires clear priorities, strong accountability and pace of execution. To do this, we have established a dedicated transformation programme built around four key pillars: (1) Clients and Markets Focus; (2) Manufacture 360°; (3) Engineering Excellence; and (4) Performance and Productivity.

Each pillar contains a portfolio of initiatives, and we are managing the timings and sequence of delivery based on the benefits and interdependencies of each, with flexibility to adjust priorities as new opportunities come to light.

This is a structured, medium term programme focused on embedding lasting change across the business, rather than a single transformation event. It will be delivered through a series of practical improvements that collectively, will create a more agile, client-focused and profitable business.

We are driving our transformation with pace and have already delivered a number of initiatives, including implementing our new organisational structure, discontinuing non-core services (Modular Solutions), delivering overhead cost savings and negotiating partnerships with companies to open new markets or support our delivery. We will be discussing changes, and their impact, as they are delivered through the transformation.

Q. What have you done so far?

A. We have already made a strong start. During the year, we restructured our operating model, implementing a new geography-led organisation and integrating the UK business to create greater consistency, reduce fragmentation and drive more standardised ways of working. This is helping us to improve collaboration, strengthen client relationships and support higher-quality delivery across the Group.

Strategic goals

Focused growth
Delivering profitable growth through improved margin quality, disciplined project selection and strong cash conversion

Leading engineers in our field
Reinforcing our position as the leading engineering partner for complex, high value projects, where delivery certainty is critical

Our people are safe, inspired and admired
Building a high-performance culture – where our people are safe, engaged and accountable for operational excellence

Doing good, building society
Doing good and building communities to deliver lasting value

Chief Executive Q&A continued

We also established the Clients and Markets team to improve client focus, opportunity management and cross-business coordination, whilst taking decisive action to simplify the portfolio through the exit from our Modular Solutions business.

Alongside these structural changes, we have already delivered cost savings through organisational changes, process improvements and the removal of duplicated or low-value activity, with further opportunities identified as the transformation progresses.

Existing transformation initiatives, including Project Horizon and a number of operational improvement programmes, have continued to make good progress and have now been integrated into the wider transformation programme. This ensures we are building on the work already completed, whilst providing a more coordinated framework to accelerate delivery and maximise benefits across the Group.

In parallel, we have been developing strategic partnerships that will broaden our service offering, improve delivery flexibility and support growth in attractive markets. Whilst there is still much more to do, we have already laid many of the foundations needed to support the successful delivery of our strategy.

Q. How will you know the strategy has been successful?

A. Success starts with our people. If we are creating an environment where our people are safe, inspired, admired and developing their skills, they will be empowered to deliver for our clients – building a strong foundation for long-term success.

More broadly, we will assess success against a clear set of outcomes aligned to our strategic priorities. We aim to deliver profit growth through improved margin quality, disciplined project selection and strong cash conversion, alongside more consistent performance through economic cycles.

A further indicator of success will be strengthening our position as the leading engineering partner for complex, high-value projects, with delivery certainty remaining critical to how we support our clients and differentiate in the market.

Finally, success will be reflected in the value we create beyond the business, including delivering lasting benefits for the communities in which we operate through responsible, sustainable and reliable delivery.

As we deliver the strategy over the medium term, we have established a range of proof points and leading indicators to track progress, assess what is working well and adapt our approach where needed. This will ensure we remain focused on delivering sustainable, long-term value for all our stakeholders

Early progress can already be seen in areas such as the development of strategic partnerships, which are helping us broaden our capabilities, access new market opportunities and support a more flexible delivery model. We have initiated a number of discussions with carefully selected organisations, providing early evidence that this aspect of the strategy is gaining traction.

Q. What are you excited about for the coming years at Severfield?

A. There is a tremendous opportunity ahead of us. We are starting from a market-leading position, with exceptional people, strong client relationships and a proven track record of delivering some of the most complex projects in our industry.

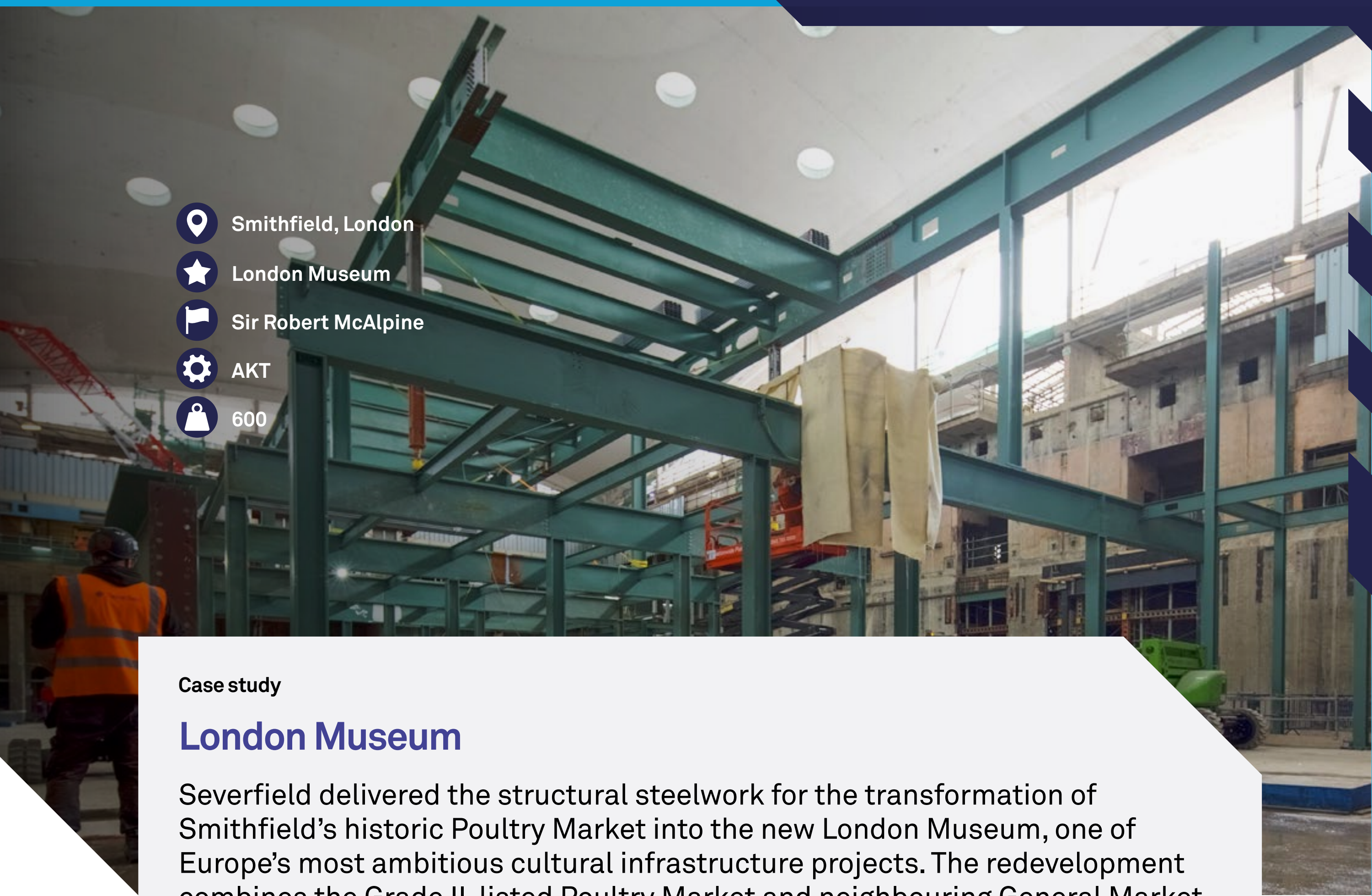
What excites me most is that we can see a significant pipeline of attractive opportunities emerging across many of our key markets. These sectors are supported by long-term structural growth drivers, giving us confidence in the opportunities available to the business over the coming years.

At the same time, I believe there is a real opportunity to improve the performance of the Group through the changes we are making to our strategy and operating model. We are building on strong foundations and I believe we can create a business that is more resilient, more client-focused and better positioned to capture value across the project lifecycle.

Alongside this, our Indian joint venture continues to perform strongly and represents an exciting growth opportunity for the Group.

Perhaps most importantly, I am excited about taking our people on that journey. The success of Severfield has always been built on the talent, commitment and expertise of our colleagues, and I want them to share in the success we create together. We have a great team, a clear direction and a significant opportunity ahead of us, which makes me very optimistic about the future.

PAUL MCNERNEY
CHIEF EXECUTIVE



Case study

London Museum

Severfield delivered the structural steelwork for the transformation of Smithfield's historic Poultry Market into the new London Museum, one of Europe's most ambitious cultural infrastructure projects. The redevelopment combines the Grade II-listed Poultry Market and neighbouring General Market to create a world-class cultural destination in the heart of London.

Severfield provided a 600-tonne steel package, including, approximately, 150 tonnes of Fabsec plate girders, supporting the complete internal reconstruction of the retained Poultry Market structure. **Working within a constrained site**, **with access limited** to a single 3.5m by 2.8m opening, the team utilised a bespoke derrick crane to lower and manoeuvre steel sections, some over 15 metres long and weighing up to 5 tonnes, through the existing structure.

Preserving the historic fabric was a key priority. The steelwork was designed to support and protect the retained concrete structure, requiring **extensive planning, scanning and coordination** due to the fragility of the original materials.

Delivered in partnership with Sir Robert McAlpine, the £437 million project targeted a BREEAM Outstanding rating, with **70% of the existing building fabric retained** and recycled and 95% of construction waste diverted from landfill.

The project also delivered lasting **community benefits** through volunteering activities, careers support delivered alongside Construction Youth Trust, charitable donations and a partnership with Tech-Takeback. Through this initiative, Severfield donated four laptops to local young adults facing long-term unemployment, supporting digital inclusion and reducing e-waste.

Location Client Main contractor Engineer Tonnage

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Strategic Report

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Our locations

UK

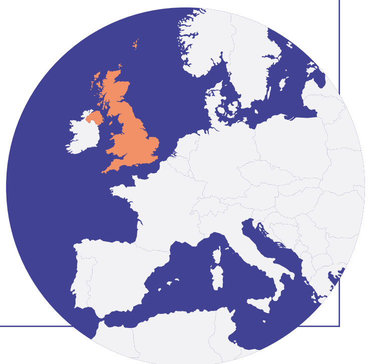
- Established market position
- Focus on high-margin sectors
- Complex projects expertise
- Profitable utilisation

Manufacturing locations

- Dalton
- Enniskillen, Northern Ireland
- Lostock

Total employees

1,778



Commercial and Industrial segment

Commercial offices

Industrial and distribution

Data Centres

Retail

Stadia and leisure

Our Commercial and Industrial division designs, fabricates and constructs structural steelwork for a variety of different sectors including commercial offices, stadia and leisure, industrial and distribution, data centres, retail, and health and education.

The division has manufacturing sites in four locations: Dalton, Lostock, Enniskillen (Northern Ireland) and Rijssen (the Netherlands). Each has full-service capabilities and modern manufacturing processes enabling us to provide a high-quality product to a variety of different sectors. Each of our sites has its own strong reputation in the market and, between them, cover a wide geographical area, including Europe.

Construction Metal Forming

The Group's 50:50 joint venture in Monmouthshire, South Wales, is a specialist designer, manufacturer, innovator and installer of profiled MetFloor® metal decking.

The modern manufacturing facility in South Wales houses three dedicated roll-forming production lines, for the manufacture of MetFloor® metal decking. CMF has further expanded its product range to include cold-formed products, the design and manufacture of steel purlins, and certain modular products.

Europe

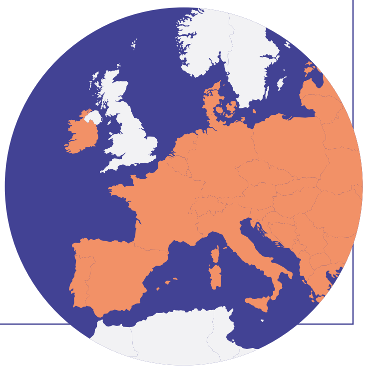
- Geographic expansion into new regions
- Major projects focus
- Flexible, capital light model
- Platform for disciplined expansion

Locations

- Maassluis, Netherlands
- Rijssen, Netherlands

Total employees

174



India

- Strategic JV; strong partner
- Fast-growing market
- Scalable platform; flexible delivery model
- Well positioned for significant value creation

Locations

- Bellary
- Gujarat

Nuclear and Infrastructure segment

Nuclear

Power and energy

Transport infrastructure

Process industries

Our Nuclear and Infrastructure division has extensive experience in the specialist, highly regulated nuclear, transport (road and rail), process industries, and power and energy sectors. We provide award-winning design teams, which utilise state-of-the-art design software and Tekla detailing facilities to offer clients value engineering.

This gives a mix of proven success along with modern, innovative design and fabrication ideas to provide a quality, specialised service for a growing market.

JSW Severfield Structures Limited (India)

The company, a 50:50 joint venture with JSW Steel (India's largest steel producer), which is situated in the district of Bellary, Karnataka, India, is involved in the design, fabrication and construction of structural steelwork to principally service the Indian market.

Its state-of-the-art facility consists of six standard (saw and drill) fabrication lines, two plate lines, smaller welded beam lines, bit shops and five bays, which provide bespoke off-line heavy fabrication, tubular products, specialised multi-coat painting and further bogey-line fabrication. Off-line facilities are available to manufacture hand railings, stairs and other ancillary products.

The facility has been designed to optimise product range, quality and productivity, and incorporates cutting-edge technology and processing equipment. The Bellary facility has a capacity of c.114,000 tonnes (c.160,000 tonnes including sub-contract work). In 2025, we acquired a new site in Gujarat, with development already underway, this will increase in-house production capacity to c.164,000 tonnes with phase one, with further expansion planned in future years to increase total in-house production capacity to c.264,000 tonnes (c.414,000 tonnes including sub-contract work).

A compelling investment case

01

Market leadership and capability

- Leading structural steel and engineering business across the UK, Europe and India, with established scale and delivery capability
- Integrated offering spanning engineering, design, manufacturing, project management and delivery across complex projects
- Strong reputation for engineering excellence, quality and delivery certainty, supporting long-standing client relationships
- Differentiated technical expertise and fabrication capability create significant barriers to entry in higher-value markets

02

Growth opportunities

- Well positioned across attractive end markets including infrastructure, energy, transport, industrial and commercial sectors
- Benefitting from long-term structural drivers, including infrastructure investment, energy transition and sustainable construction demand
- Ability to deploy integrated engineering expertise into selected new geographies and growth sectors, supported through strategic partnerships
- India represents a significant long-term opportunity, supported by growing market demand and continued investment in capability and scale

03

Higher-value, more resilient business model

- Strategy focused on increasing participation in higher-value engineering, project management and integrated delivery activities
- Transitioning towards a more flexible and less capital-intensive operating model through strategic partnerships and subcontracting
- Diversified exposure across sectors, clients and geographies supports greater resilience through economic cycles
- Broadening the integrated offering to improve margin quality, enhance returns and reduce reliance on individual projects or markets

Disciplined capital allocation supporting sustainable returns

- **The Group maintains a disciplined** and balanced approach to capital allocation, focused on supporting long-term sustainable growth, maintaining financial resilience and delivering attractive returns for shareholders.
- **The Group's operating cash flows** are expected to continue supporting the ongoing requirements of the business. As the benefits of the Group's strategic and operational initiatives are delivered in the medium term, the Board expects increasing financial flexibility to support targeted investment in growth opportunities and sustainable shareholder returns.

Our investment case, underpinned by the Group's new strategy and disciplined approach to capital allocation, demonstrates how Severfield aims to create long-term value for all stakeholders through sustainable growth, resilience through market cycles and attractive shareholder returns. By continuing to invest selectively in the Group's capabilities, operational effectiveness and growth opportunities, whilst maintaining financial discipline and strong client relationships, the Board believes Severfield is well positioned to support its clients, employees, communities and investors over the long term.

04

Operational strength and capital discipline

- Continued investment in operational efficiency, digital capability and manufacturing excellence to strengthen competitiveness
- Transformation programmes enhancing execution discipline, accountability and organisational effectiveness
- Strong client relationships and disciplined project selection underpin the order book and long-term visibility
- Disciplined capital allocation balancing strategic growth investment, financial resilience and long-term shareholder returns

05

Financial discipline

- Recent refinancing extends facilities to June 2029, with two extension options, and a £30m accordion facility – enhancing financial flexibility and supporting future growth opportunities
- Disciplined capital allocation framework focused on growth investment, financial resilience and sustainable returns
- New operating model supports a more flexible and less capital-intensive growth profile in the medium term.
- Positioned to support future growth investment and the resumption of sustainable shareholder distributions in the near term

06

People, safety and sustainability

- Engineering expertise, people and client relationships are central to long-term success
- Strong focus on safety, culture and creating an environment where employees are safe, inspired and admired
- Sustainability increasingly embedded across operations, supporting responsible long-term growth
- Clear roadmap to achieve Net Zero by 2040, with SBTi-approved targets aligned to recognised global climate standards

- **Capital allocation priorities** include selective investment in manufacturing, digital and transformation programmes, alongside targeted growth opportunities in existing and new markets, including continued expansion in India where appropriate. Investment decisions continue to be assessed against clear financial and strategic criteria, including returns, cash generation and alignment with the Group's long-term strategic priorities.
- **The Group's new operating model** is also intended to support a more flexible and less capital-intensive growth profile. Increasing use of integrated delivery models, strategic subcontract partnerships and higher-value engineering and project management activities is expected to improve operational agility, strengthen returns and enhance resilience through economic cycles.
- **The Board remains focused** on maintaining a strong balance sheet and disciplined financial framework, preserving appropriate leverage and financial flexibility whilst supporting future growth opportunities. Consistent with this approach, the Group also remains committed to sustainable shareholder returns over the long term, supported by prudent capital allocation and improving cash generation.

Our market sectors

As a market-leading structural steel Group, we serve people every day, whether for work, leisure or travel, or to provide essential services, including power and energy, health and education.

Market Summary

Transport Infrastructure

We continue to see strong long-term pipelines supported by opportunities in HS2, rail enhancement programmes and bridge infrastructure investment across the UK and Europe.

Estimated market sizes show a substantial opportunity of 100 kt in the UK and >150kt in some of our focus European markets[1].

Data Centres

Demand for data centres in the UK and Europe is expected to grow, supported by the needs from cloud computing and artificial intelligence ('AI').

We estimate the opportunity to be ~80 kt in the UK and a similar size in our focus European countries[1], both of which are growing significantly.

Commercial Offices

The Group has a strong track record in the commercial office sector, including both new build and 'cut and carve' (retrofit) design and construction. Net Zero and decarbonisation are driving demand for low-carbon buildings.

Significant demand coming from the UK (est. 100 kt), particularly focused on London developments.

Stadia and Leisure

There is an attractive pipeline of major stadia redevelopments and leisure projects across the UK and Europe. We have a proven track record and strong capability to deliver these complex projects for our clients.

The opportunity has been estimated to be ~20 kt in the UK and ~15kt* in focus European countries.

Power, Energy and Process

Decarbonising the power sector, whilst meeting a significant increase in electricity demand, is driving investment in renewables, grid infrastructure, hydrogen, carbon capture and process industries. Significant investments are being made across counties and are a focus for our growth, both in the UK and in Europe.

Nuclear

There is a strong pipeline of long-term opportunities supported by nuclear new build and decommissioning activity in the UK, through 'Great British Energy – Nuclear'.

In addition, opportunities are emerging across Europe in countries such as the Netherlands and Sweden, as they look to reduce dependency on fossil fuels.

Industrial and Defence

There is growing defence infrastructure investment supported by committed UK and European spending programmes, as well as wider demand from industrial investments.

Distribution and Other

Market conditions remain relatively subdued, with activity levels broadly stable across the distribution and logistics segments

* kt = thousand tonnes.
1 Netherlands, Belgium, Germany and Nordic countries.

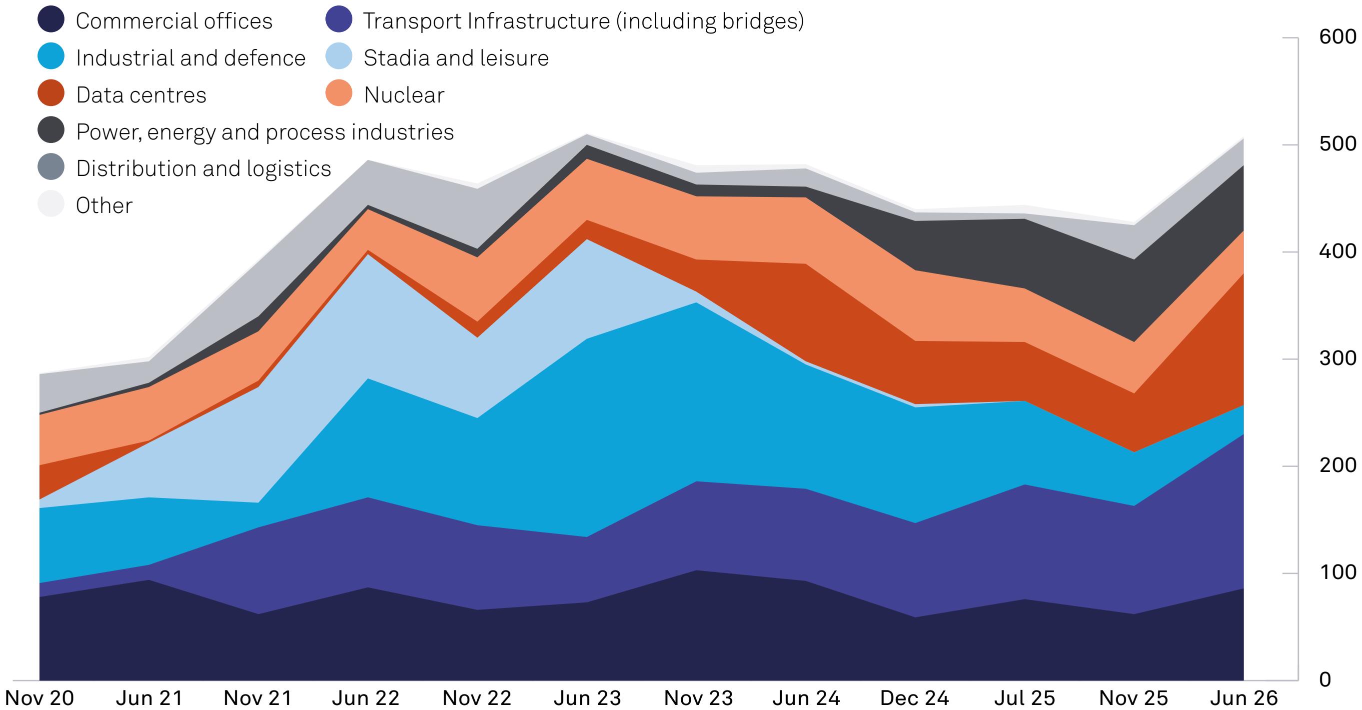
ORDER BOOK

The order book remains well-diversified and contains a good mix of projects across the Group's key market sectors, including in Europe, with 28% of the order book representing projects in continental Europe and Ireland (1 November: 22%), reflecting our greater access to growing European market sectors and our stronger market position in Europe.

Division/Sector	June 2026 £507m	Nov 2025 £429m	Future trend for Severfield
Commercial and Industrial:			
Industrial	**5%**	11%	↑
Distribution	**5%**	8%	↑
Stadia and leisure	**0%**	0%	↑
Commercial offices	**17%**	14%	→
Data centres and other	**24%**	13%	→
Health and education	**1%**	1%	↑
Retail	**–**	–	↑
TOTAL	**52%**	47%	
Nuclear and Infrastructure:			
Transport infrastructure	**28%**	23%	→
Nuclear	**8%**	11%	↑
Power and energy	**8%**	11%	↑
Process industries	**4%**	7%	↑
TOTAL	**48%**	52%	
Modular Solutions	**0%**	1%	
UK	**72%**	78%	
Europe and Ireland	**28%**	22%	

Order book balance

The Group's growth strategy has delivered a high-quality UK and Europe order book with a broad diversity of sectors, geographies and clients, providing us with good earnings visibility through 2027 and beyond.



The markets we serve

UK and Europe

As the UK's leading and most diverse specialist structural steelwork group, we are well-positioned to secure work across a broad range of markets with attractive long-term fundamentals, providing a strong platform to support our strategic growth ambitions in the UK and Europe.

Order book

£507m

Performance in 2026

The Group possesses an annual production capacity of, approximately, 150,000 tonnes, comprising 130,000 tonnes in the United Kingdom and 20,000 tonnes in continental Europe. In 2026, production volumes reduced year-on-year to, approximately, 80,000 tonnes (2025: c.95,000 tonnes), reflecting the continuation of subdued market conditions across several key sectors, particularly industrial and distribution, together with delays to the commencement and progression of a number of major projects.

Market conditions remained challenging throughout much of the year, with lower levels of business confidence, delayed investment decisions and extended project award timescales continuing to impact activity levels in both the UK and Europe. Geopolitical uncertainty, particularly arising from the ongoing conflict in the Middle East and its potential implications for global economic stability, energy markets and supply chains, also contributed to a more cautious investment environment. In particular, weakness in the distribution and logistics sector persisted, whilst certain major projects, including large energy and industrial schemes, progressed more slowly than originally anticipated.

Despite these headwinds, the Group has an order book of £507m (1 November 2025: £429m), supported by activity across a range of sectors including data centres, energy, infrastructure, nuclear, commercial offices and industrial projects. The order book continues to benefit from increasing opportunities in continental Europe and Ireland, reflecting the Group's growing market presence and access to attractive end markets.

Market developments

Structural steel continues to be the preferred construction material across the UK and European construction sectors, supported by its speed of construction, design flexibility, sustainability credentials and suitability for complex projects.

During 2026, market conditions across the UK construction sector remained mixed. Whilst demand in certain traditional sectors, particularly industrial distribution and speculative commercial development, continued to be impacted by higher financing costs, lower business confidence and delayed investment decisions, activity levels improved in several strategically important sectors, including energy infrastructure, nuclear, data centres, transport infrastructure and major public sector projects.

Demand for structural steel in the UK continued to be supported by investment in nationally significant infrastructure programmes and the transition towards a lower-carbon economy. Investment in energy, transport and grid infrastructure projects remained a key driver of activity across the sector.

The data centre sector continued to experience strong growth across both the UK and Europe, driven by increasing demand for cloud computing, artificial intelligence and digital infrastructure. This supported a growing pipeline of opportunities for large-scale structural steelwork packages.

The commercial office market also showed signs of improvement during the year, particularly in London and major regional cities, as demand increased for high-quality, sustainable and energy-efficient office space. This supported a gradual increase in both new-build and refurbishment ('cut and carve') opportunities, although project award timescales remained extended in many cases.

Across continental Europe, construction markets experienced similar trends to those seen in the UK. Market activity remained influenced by macroeconomic uncertainty, labour shortages and elevated construction costs, although underlying demand for infrastructure, energy and industrial investment remained resilient. Public investment programmes linked to energy security, transport infrastructure and sustainability targets continued to support medium- and longer-term growth opportunities across several European markets.

Overall, the long-term outlook for structural steel demand across both the UK and Europe remains positive, underpinned by investment in infrastructure, energy transition projects, digital infrastructure and sustainable construction.

Outlook

Whilst market conditions in the UK and Europe remain competitive, with ongoing pressure on pricing and project award timescales, we continue to see a healthy pipeline of opportunities across our core sectors. Encouragingly, levels of client engagement and tendering activity increased during the second half of the year, particularly within the data centre, energy, infrastructure and commercial office sectors. However, clients continue to exercise caution in committing capital to major projects, reflecting a combination of macroeconomic uncertainty and ongoing geopolitical tensions, which, in some cases, are contributing to extended procurement and investment decision-making timeframes.

The stabilisation of inflation and interest rates is gradually improving market confidence and supporting renewed levels of private sector investment. However, clients continue to adopt a cautious approach to capital deployment and project procurement, which is contributing to a slower conversion of opportunities into live projects.

Notwithstanding the near-term market backdrop, the longer-term outlook for the Group remains positive. Our businesses are increasingly focused on sectors that benefit from strong structural growth drivers and offer opportunities to generate sustainable value through technical expertise, engineering complexity and long-term client relationships. These sectors include data centres, energy, renewables, nuclear and major infrastructure projects, where barriers to entry are higher and market fundamentals remain attractive.

The demand for data centres across the UK and Europe continues to increase rapidly, driven by growth in AI, cloud computing and data processing requirements. This is resulting in significant investment by major global technology companies and developers, creating a substantial pipeline of opportunities across both new-build and expansion projects. The Group has secured, and continues to tender for, a number of significant data centre projects across both the UK and Europe. Our manufacturing scale, engineering expertise and strong delivery track record position us well to capitalise on these opportunities.

The growth in data centre infrastructure is also increasing demand for electricity generation and transmission infrastructure, creating further opportunities in energy and power-related projects. Investment in renewable energy, grid upgrades and energy security continues to accelerate across both the UK and Europe as governments and private sector organisations progress decarbonisation initiatives and seek to strengthen long-term energy resilience.

We continue to see significant opportunities within the nuclear and wider energy sectors, including through our involvement at Sellafield, where we remain one of two key delivery partners for structural steelwork under the long-term Programme and Project Partners ('PPP') framework. Activity levels and opportunity pipelines within this framework continue to increase.

We continue to strengthen our presence within the renewables sector, building on our involvement in offshore wind and wider renewable energy projects and the growing opportunities these markets are creating across the broader energy sector. We continue to see encouraging levels of activity and engagement across a range of renewable energy and energy infrastructure opportunities. As part of the Group's new strategic plan, we are focused on expanding our presence in sectors that offer attractive long-term growth and value creation potential, whilst broadening our market presence and supporting expansion into new geographies, particularly across continental Europe.

Within the commercial office sector, activity levels improved during the year, particularly in London, supported by increasing demand for premium, sustainable office accommodation. We continue to see opportunities across both new-build developments and refurbishment projects as asset owners seek to modernise existing buildings to meet evolving environmental and occupier requirements.

Government-backed infrastructure investment across the UK and Europe continues to provide a significant long-term opportunity for the Group. Major planned investment in transport, energy and public infrastructure projects is expected to support demand for structural steelwork over the coming years.

The Group has commenced work on significant packages at Old Oak Common Station, including the station structure and associated roof lights, forming a key part of the HS2 programme. This landmark project further strengthens our position within major transport infrastructure and reflects our capability to deliver complex, large-scale structural steel solutions for nationally significant infrastructure schemes. The project enhances our already strong infrastructure order book and reinforces our visibility within the long-term UK transport investment pipeline.

In the UK, this includes continued investment in rail, transport and energy infrastructure projects, together with programmes supporting grid expansion, nuclear energy and emerging energy technologies such as carbon capture and hydrogen infrastructure. Similar investment trends are evident across continental Europe, where governments continue to prioritise infrastructure modernisation, energy transition and sustainability-led investment.

Our new strategic plan is focused on driving profitable growth through a combination of sector selection, operational excellence and targeted market expansion. We will continue to prioritise opportunities in sectors where our engineering capability, manufacturing scale and project delivery expertise can support attractive returns and long-term value creation. Alongside this, we are actively exploring strategic partnerships across the supply chain to enhance our offering, access new markets and support expansion across Europe, whilst maintaining a disciplined approach to risk and capital allocation.

Overall, we remain confident in the medium- and longer-term outlook for the Group. Our market-leading position, manufacturing scale, technical expertise and established client relationships leave us well-positioned to capitalise on the significant opportunities emerging across our target higher-value sectors. Through our involvement in major data centre, energy, renewables, nuclear and infrastructure programmes, including Old Oak Common and our long-term participation within the Sellafield PPP framework, we are building a strong platform for sustainable growth across both the UK and Europe. Supported by our new strategic plan and a focus on higher-value sectors, strategic partnerships and geographic expansion, we believe the Group is well positioned to deliver long-term value for all stakeholders.

The markets we serve continued

India

Creating value in India remains a key strategic priority for the Group through its joint venture, JSW Severfield Structures Limited ('JSSL'). India continues to offer significant long-term growth potential, supported by rapid urbanisation, major infrastructure investment and the increasing adoption of structural steel solutions across the construction sector.

Order book

£344m

2026 performance

FY26 represented a record year for JSSL in terms of operational output, profitability and order intake, reflecting strong execution across several major projects together with improving market momentum across its core sectors.

During the year, JSSL achieved record production output of, approximately, 125,000 tonnes, including subcontracted work, supported by strong activity levels across commercial buildings, data centres, industrial projects and infrastructure sectors. The increase in volumes reflected improved project execution, stronger operational utilisation and the benefit of growing demand for steel-intensive construction solutions across India.

JSSL also delivered record profitability during FY26, with profit before tax of £7.8m (2025: £0.3m), reflecting the higher production volumes, improved project mix and continued operational efficiencies across the business.

Both the order book and pipeline strengthened materially during the year, supported by increasing client engagement, consultant partnerships and new client additions across strategically important sectors. JSSL continued to expand its relationships with leading developers, technology companies and industrial clients, whilst also increasing participation in technically complex and higher-value projects.

The business further strengthened its market position during the year through continued investment in operational capability, supply chain relationships and strategic growth initiatives, including the ongoing expansion of the Gujarat facility.

Market developments

The outlook for the Indian construction and real estate market remains positive, with demand increasingly being driven by speed of delivery, execution certainty, sustainability and technology-led infrastructure. Structural steel is becoming increasingly aligned with these market requirements, particularly within Grade-A commercial buildings, data centres, industrial facilities and infrastructure projects.

India's commercial real estate market continued to perform strongly during FY26, supported by sustained occupier demand from technology companies, global capability centres ('GCCs'), financial services, manufacturing and flexible workspace operators. India recorded 83.3 million sq ft. of gross office leasing during 2025, with momentum continuing into 2026 as demand remained particularly strong across Bengaluru, Delhi-NCR and Mumbai.

A structural shift from reinforced concrete ('RCC') towards steel-led construction continues to develop across the Indian market. Labour shortages, rising labour costs and the increasing need for faster project delivery are encouraging developers and consultants to adopt construction solutions that reduce site dependency, improve quality and accelerate programme completion. As a result, structural steel is becoming increasingly relevant for complex commercial buildings, large-span structures, high-rise developments and fast-track projects.

Data centres continue to represent one of the most significant long-term growth opportunities for JSSL. India's digital infrastructure market is expanding rapidly, driven by cloud computing, AI, enterprise digitisation, data localisation requirements and increasing data consumption. India's operational data centre capacity exceeded, approximately, 1.5GW during 2025, with substantial further capacity planned over the coming years.

The scale of planned investment in AI-enabled digital infrastructure is creating a significant pipeline of steel-intensive, technically complex and schedule-driven construction opportunities. JSSL is well-positioned within this market through its established delivery capability and growing relationships with major clients, including Adani and CtrlS.

Industrial and specialised manufacturing projects are also emerging as attractive growth markets, supported by increasing investment in semiconductors, electronics, batteries, electric vehicles, renewable energy equipment and advanced manufacturing facilities. These projects typically require technically demanding, utility-intensive and time-sensitive construction solutions, areas where JSSL's engineering and project execution capabilities are strong differentiators.

Infrastructure investment across India also continues to provide a substantial opportunity. The Indian Government has maintained high levels of public capital expenditure across rail, road, bridge and transportation infrastructure projects. JSSL's recent RDSO approval further strengthens its position to participate in railway bridges, road-over bridges, freight corridors and wider transportation infrastructure projects.

Overall, the long-term fundamentals for the Indian structural steel market remain highly attractive. Structural steel penetration in India remains significantly below that of more mature markets, providing substantial headroom for future growth as clients increasingly prioritise speed, quality, sustainability and execution certainty.

Current and future operations

JSSL operates a state-of-the-art fabrication facility at Bellary, Karnataka, serving a broad range of sectors across the Indian market. The Bellary facility currently provides, approximately,114,000 tonnes of in-house annual production capacity and forms the foundation of JSSL's operational platform.

Including strategic subcontractor capacity, JSSL's current total production capability is, approximately, 166,000 tonnes per annum, including, approximately, 45,000 tonnes delivered through subcontractor arrangements.

As part of its long-term growth strategy, JSSL is continuing the phased development of its Gujarat manufacturing facility in western India. During FY26, the Gujarat open yard facilities became operational, providing additional fabrication and operational capability to support larger and more geographically diverse projects.

By the end of FY27, the Gujarat facility is expected to increase JSSL's total annual production capacity to, approximately, 214,000 tonnes, including around 50,000 tonnes of subcontractor capacity.

Over the longer term, JSSL expects the Gujarat facility to provide, approximately, 150,000 tonnes of annual in-house production capacity, significantly enhancing the Group's manufacturing scale, geographic reach and ability to support major projects across western and northern India.

The expanded operational footprint will strengthen JSSL's ability to service growing demand across commercial buildings, data centres, industrial facilities and infrastructure projects, whilst also improving client proximity and project execution capability across key growth regions.

Outlook

The outlook for JSSL in FY27 and beyond remains positive. Commercial buildings continue to provide scale and continuity, data centres represent a significant high-growth opportunity, industrial and advanced manufacturing projects provide diversification, and infrastructure investment creates an expanding long-term market opportunity.

With a strong order book, growing client base, increasing consultant engagement, expanded market access and additional manufacturing capacity through the Gujarat facility, JSSL is well-positioned to benefit from the next phase of steel-intensive construction growth in India.

Overall, we remain highly positive about the long-term growth prospects for both the Indian construction market and JSSL's ability to create further value through continued expansion, operational excellence and increasing market penetration.

Engaging with our stakeholders

We maintain regular dialogue with our key stakeholders to ensure we understand their views and act in their best interests, supporting the delivery of sustainable, profitable growth and long-term value creation.

Our approach to engagement spans all stakeholder groups, from those who influence our activities and benefit from the value we create, to those who help shape our strategy, culture and long-term success. We incorporated the views of all key stakeholder groups into the materiality assessment.

As part of our sustainability framework, we consider all stakeholders as a key pillar (under 'partners') in shaping our sustainability priorities and long-term strategy. We are currently updating our materiality assessment to reflect the Group's evolving strategic priorities and stakeholder expectations.

Our culture

We believe a strong corporate culture is essential for creating and protecting long-term value. Our success is underpinned by The Severfield Way (our Values), which defines how we work together, the behaviours we expect, and our shared purpose – to create better ways to build for a world of changing demands.

Our culture combines engineering excellence, operational discipline and collaboration, enabling consistent delivery certainty across our projects. It is supported by a strong focus on safety, accountability and continuous improvement. We are committed to fostering an environment where our people are safe, inspired and admired, creating a high-performance culture in which colleagues feel supported, valued and empowered to perform at their best.

We recognise the positive impact we can have on local communities and the environment. Every new employee receives a formal induction to embed our core values and culture from the outset, and our recruitment, performance management and reward processes reinforce behaviours aligned with the Group's purpose, values, strategy and culture.

During the year, we continued to strengthen our focus on colleague engagement, leadership capability, wellbeing, inclusion and technical capability development. As we embed the Group's strategy, we remain focused on building the engineering, technical and leadership capabilities required to support operational excellence, disciplined project delivery and future growth opportunities.

Colleagues

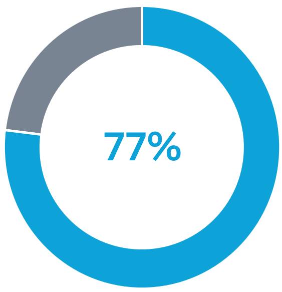
Why we engage

Our people and engineering expertise are fundamental to the Group's long-term success and competitive advantage. We are committed to creating a culture where people are safe, supported and able to develop, whilst continuing to strengthen technical, engineering and leadership capability across the Group.

Creating an environment where people want to join, stay and develop their careers, while contributing to a higher performance culture aligned to productivity and performance, remains a priority for both the Board and the executive team.

What they want

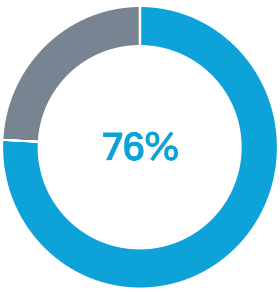
- To feel heard, valued, and involved in decisions that affect them
- A safe, respectful and well-equipped working environment
- Investment in their personal growth and professional development
- Clear pathways for career progression and opportunities to build technical, engineering and leadership capability
- Access to training, mentoring and career development opportunities
- Job security and confidence in the future of the business
- Fair, consistent and transparent people practices across all locations and roles
- Recognition for their contributions and efforts
- Strong, supportive leadership and open communication from managers



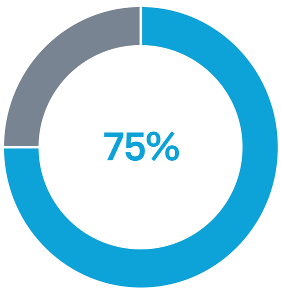
77% of you said you understand how the work you do helps Severfield success

What we did

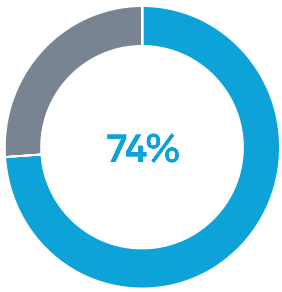
- Our MyVoice forum remained a key part of our colleague listening strategy. Our colleague representatives from across the Group met with our CEO, workforce engagement Director and Group HR Director, three times during the year to provide a view of colleague sentiment and key topics of interest.
- As part of our MyVoice forum, we introduced a 'You Said, We Did' communication programme to demonstrate that colleague feedback drives action, with a focus on implementing practical improvements that enhance the employee experience.
- We completed our second 'Build a Better Workplace' survey, achieving a 51% response rate and providing valuable insight into colleague experience across the Group. The results showed an overall engagement of 60%, with particularly positive feedback across areas such as diversity and inclusion, job satisfaction, relationships with line managers, and perceptions of workplace safety. Insights from the survey are informing targeted actions to enhance leadership visibility, communication, wellbeing, career development and culture across the Group.
- Local management teams held regular meetings with our union representatives and works council (where applicable) and our MyVoice forum members met regularly with management teams to discuss local issues outside of the formal MyVoice forum meetings. Pay negotiations and changes to hours of work are some examples of the topics of discussion.
- We have empowered local management teams to respond to and resolve issues more quickly, ensuring local challenges are addressed by those closest to them.
- We continued to invest in strengthening engineering and technical capability across the Group, supporting professional development, knowledge sharing, succession planning and capability development in critical skill areas. As the Group's new strategy is embedded, we are continuing to develop the skills and capabilities needed to support operational excellence, digital transformation and future growth opportunities.
- We continued to engage colleagues on business performance, market conditions, organisational change and strategic priorities through regular business updates and open communication channels with senior leadership teams. Through our intranet platform, Connect, colleagues were able to engage with updates relating to project delivery, wellbeing, benefits, business performance and transformation initiatives. Executive committee members continued to monitor engagement and feedback trends throughout the year.
- Skyline, our Company magazine (produced, on average, three times a year) continues to provide a broad range of Company updates and is now available in Dutch for our colleagues in the Netherlands.
- We also continued to support future talent pipelines through apprenticeships, graduate programmes and early careers initiatives across the Group.



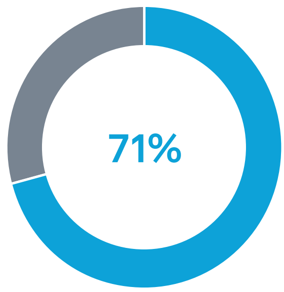
76% of you feel safe in your work environment



75% of you have a good relationship with your manager



74% of you feel you do something worthwhile



71% of you believe you get the training you need, to work safely and do your job well


340
OXFORD
STREET


SBL
COURIERS
sunglass hut
KIDS SHADES
CHANEL

Engaging with our stakeholders continued

Clients

Why we engage

Our ability to work collaboratively and innovatively with clients is fundamental to our success, and critical to securing new work and achieving our strategic objectives. The Group is strengthening its client engagement model to improve visibility of opportunities and enable earlier involvement in project development. This includes a more coordinated, organisational structure with a dedicated Clients & Markets function, supporting deeper relationships, improved opportunity selection and a clearer understanding of client requirements.

What they want

- Confidence and trust in the strength, capability and expertise of our engineering and project delivery teams
- Outstanding client service, benefitting from our employees' technical knowledge and expertise
- Projects to be delivered on time and on budget
- Innovative and cost-efficient methods of working
- Collaborative approach to lower carbon emissions and improving sustainability across all projects
- The Group's continued good financial health and strong balance sheet

What we did

- We focused on early engagement with clients, anticipating the challenges they face and providing collaborative, engineering-led solutions to balance time, cost and quality objectives, whilst ensuring that risk and reward are appropriately shared. Engineering capability remains a core differentiator for the Group, supporting delivery of complex and technically demanding projects across its core markets. The refreshed strategy places greater emphasis on strengthening this capability through targeted investment in skills, standardisation and a more rigorous approach to execution and governance, supporting access to higher-value projects, improved delivery consistency and stronger margin quality.
- We continued to secure work through long-term partnerships, framework agreements and repeat business, reflecting the strength of our client relationships and the expertise of our teams.
- On completion, clients were asked for feedback on their experience in face-to-face interviews using detailed questionnaires. The results were shared and analysed in order to drive further improvements.

Suppliers

Why we engage

Our relationships with supply chain partners are strategically important and support the Group's operational flexibility, specialist capability and long-term success.

We continue to strengthen strategic supply chain partnerships and integrated delivery models to support efficient project delivery, innovation, safety performance and progress against our decarbonisation goals.

What they want

- Repeat opportunities to work with the Group
- To be treated fairly and with respect
- Prompt payment
- Sound health and safety performance
- Clear expectations and collaborative working relationships
- Long-term partnerships built on trust, transparency and shared standards

What we did

- The majority of our suppliers continued to operate under Group-wide agreements. Through our supplier engagement programme, we maintained a structured schedule of senior-level engagement with strategically important suppliers, supported by regular meetings, covering a broad range of topics, including the identification and management of modern slavery incidents.
- We continued to operate a comprehensive Group-wide supplier accreditation process, reviewing supplier performance against criteria including quality and safety, whilst providing constructive feedback to support continuous improvement.
- Framework agreements with subcontractors that promote collaborative working, strengthen relationships and create sustainable repeat work opportunities.
- We paid our supply chain promptly. Our larger businesses are signatories to the Prompt Payment Code ('PPC'), which focuses on both payment terms and the timeliness of payments. The Board received updates key supplier performance, prompt payment practices and related initiatives.
- In response to the evolving conflict in the Middle East and the related supply chain impacts, the Board received monthly updates as we continued to work closely with key suppliers to maintain supply continuity, manage risk and secure pricing stability where possible.
- We continued to implement our sustainable procurement approach via the Suppliers Code of Conduct, onboarding and engagement.

Shareholders

Why we engage

We have c.six thousand shareholders, including institutional and private investors, providing the Group with capital to support long-term growth. The Board is committed to building and maintaining strong relationships with shareholders and ensuring regular, open dialogue with them throughout the year.

What they want

- Share price growth and a continuing progressive dividend policy
- Robust financial and risk management
- Strong corporate governance
- Regular communication of the Group's performance and strategy, including climate-related strategic objectives
- Confidence in the Group's long-term resilience and disciplined capital allocation framework

What we did

- Our Executive Directors communicated regularly with institutional investors and analysts and all shareholders were invited to the Group's annual general meeting.
- Our Chair, Chief Executive Officer and Chief Financial Officer have met with a number of investors and have emphasised their intent on clear and transparent information.
- Our Non-Executive Directors were also available to meet with shareholders.
- The Group's website provided an important resource for communications to all stakeholders, with a specific section dedicated to investors.
- The Group provided regular updates on financial performance and significant events using a regulatory information service, and responded to shareholder queries throughout the year.
- The Board continued to apply its disciplined capital allocation framework throughout the year. In light of ongoing challenging market conditions, the Board took the prudent decision to continue the suspension of dividend payments for the financial year ended 28 March 2026 in order to preserve financial flexibility and support the long-term interests of the business and its stakeholders.

Local communities

Why we engage

Engagement with the communities in which the Group operates is an important part of our purpose and supports our ambition to create a positive, sustainable and lasting impact.

What they want

- Improvements to, and investment in, the local environment and quality of life of those that live and work in the surrounding areas of our sites
- Sustainable buildings and infrastructure, which consider whole life impact
- Continuing commitment from the Board to reduce carbon emissions to achieve the Group's sustainability target of Net Zero by 2050 across all scopes
- Meaningful social value and community engagement
- Access to employment, skills and career opportunities within local communities

What we did

- Through social and charitable committees within each business and through The Severfield Foundation, we supported , and raised money for, local events, such as school or college talks and careers fairs, or supporting local charities. More details of the work of The Severfield Foundation can be found on page 81.
- Our directors continued to engage directly with community stakeholders through project site visits and stakeholder engagement activities, helping to ensure our operations deliver positive local outcomes and respond to key priorities.
- We have continued to enhance our approach to measuring and reporting on social value in line with the Social Value Model. This included improvements to reporting on local value spend by project and postcode, as well as by supplier type (including SMEs and VCSEs), providing greater transparency on our economic contribution to local communities.
- We have encouraged the uptake of our volunteering policy enabling colleagues to support local charitable causes and contribute their skills and time to community initiatives. A planned review will further align volunteering with our strategic social value objectives and maximise its impact.
- We established new third-party partnerships to support the delivery of social value, expanding our reach and enabling more targeted and meaningful community benefits (see page 81 for more information).
- The Board continued to receive regular ESG and climate-related reports and updates from the Group safety, health and environment ('SHE') team, ensuring appropriate oversight of sustainability and social impact matters. Further details on the governance of climate-related matters can be found in our Task Force on Climate-related Financial Disclosures ('TCFD') on page 62.

How we create value

Severfield is the UK's market-leading structural steel group, providing unrivalled project management, design and engineering, manufacturing and delivery solutions for a diverse range of market sectors.

Our key inputs and supply chain

Our people

Our market-leading position is only possible with the right people. We know our people are what makes us stand out from the competition and allow us to successfully execute our strategy. They are the ones with the knowledge and expertise in design, innovation and engineering that makes us industry leaders.

Steel mills and stockholders

We recognise the vital importance of building strong partnerships with steel suppliers who meet our service and quality expectations. We have built a breadth of relationships directly with steel mills to give our clients the best value, as well as with stockholders to support more flexibility. These relationships support us to deliver with certainty, ensure we get the best price for quality steel and give our clients optionality based on their specific project objectives (e.g. lower carbon). We continue to build stronger and wider relationships to deliver for our clients.

Sub-contractors

We have a range of sub-contractor relationships with providers of fabrication, painting and protection, logistic and engineering services. We carefully select our sub-contractors to ensure they meet our stringent standards for quality, sustainability and service. As part of our strategy refresh, we are actively pursuing the development of new partnerships to deliver sustainable growth, profitability and improved agility.

Market partnerships

We are proactively engaging with other market players to jointly pursue new market opportunities, which we would otherwise not be able to access. We have shown our ability to make these relationships a success, through our partnership with JSW Steel to grow in India, and will look for other opportunities to replicate this success.

We create value across the entire project lifecycle

Project management

The Group has a large and highly experienced contract management team, providing services from traditional project management to project integration services. Each manager is the single point of contact for the client and is supported by the Group's resources to deliver exceptional results.

Delivery

Our dedicated and highly experienced delivery teams ensure an efficient and safe build. They work closely with our engineers to plan temporary works to avoid any potential site issues – an essential component for high-rise and complex builds.

Manufacturing

The Group's manufacturing facilities include expansive stockyard areas and in-line cutting, fabrication, welding and painting, and some of the largest finished goods and subassembly areas in the industry. With this strength of capability and increasing breadth of trusted partners, we are able to deliver our client's strict expectations for quality, efficiency and time.

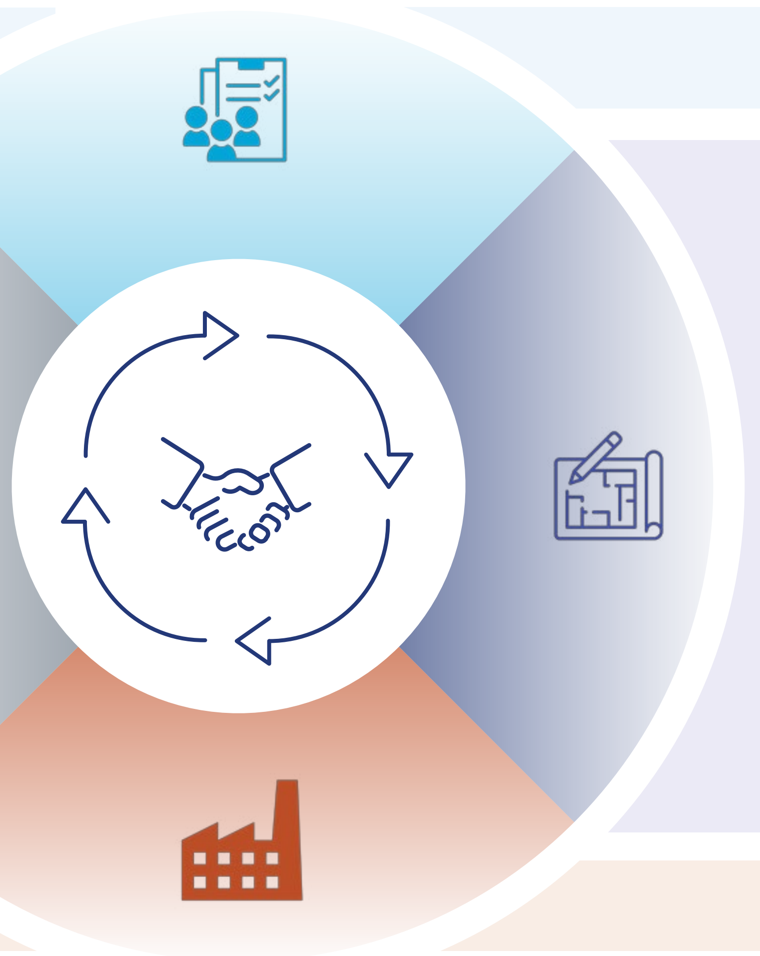
Our strategic goals, enabling enhanced value

Profitable growth, balance sheet strength

Our strategy has been designed to deliver sustainable growth, leveraging our existing strengths to expand project management, design and engineering services, as well as expand our presences in attractive geographies and markets (e.g. expansion in India).

Leading engineers, partner of choice

We already have some of the best engineers in the field and continue to look to strengthen our capability, both internally and by leveraging trusted partners.



Design and Engineering

Our market-leading engineers provide clients with innovative concepts and solutions to realise and improve designs, create efficiencies and deliver sustainability objectives.

Our teams have vast experience with some of the most complicated designs and builds over the years and we thrive on finding innovative solutions to deliver what our clients want.

High-performance culture: safe, engaged & accountable

Our people are critical to our success and our continued focus is to keep them safe, inspired and admired through the market-leading projects and output we deliver for our clients.

Doing good, building communities

The work we do helps build the infrastructure and services that we all rely on. We continue to seek our projects that will benefit our society, delivering efficiently to maximise our value. In addition, we will continue to enhance our community engagement initiatives.

The value we create

Employees

We provide stable and secure employment within a growing business, offering opportunities for development and career progression. All our employees are paid at, or above, the National Living Wage, reflecting our commitment to fair and responsible employment.

Suppliers and partners

We build long-term, collaborative relationships with our suppliers and partners, recognising the essential role they play in delivering projects safely, efficiently and to the highest standards.

Clients

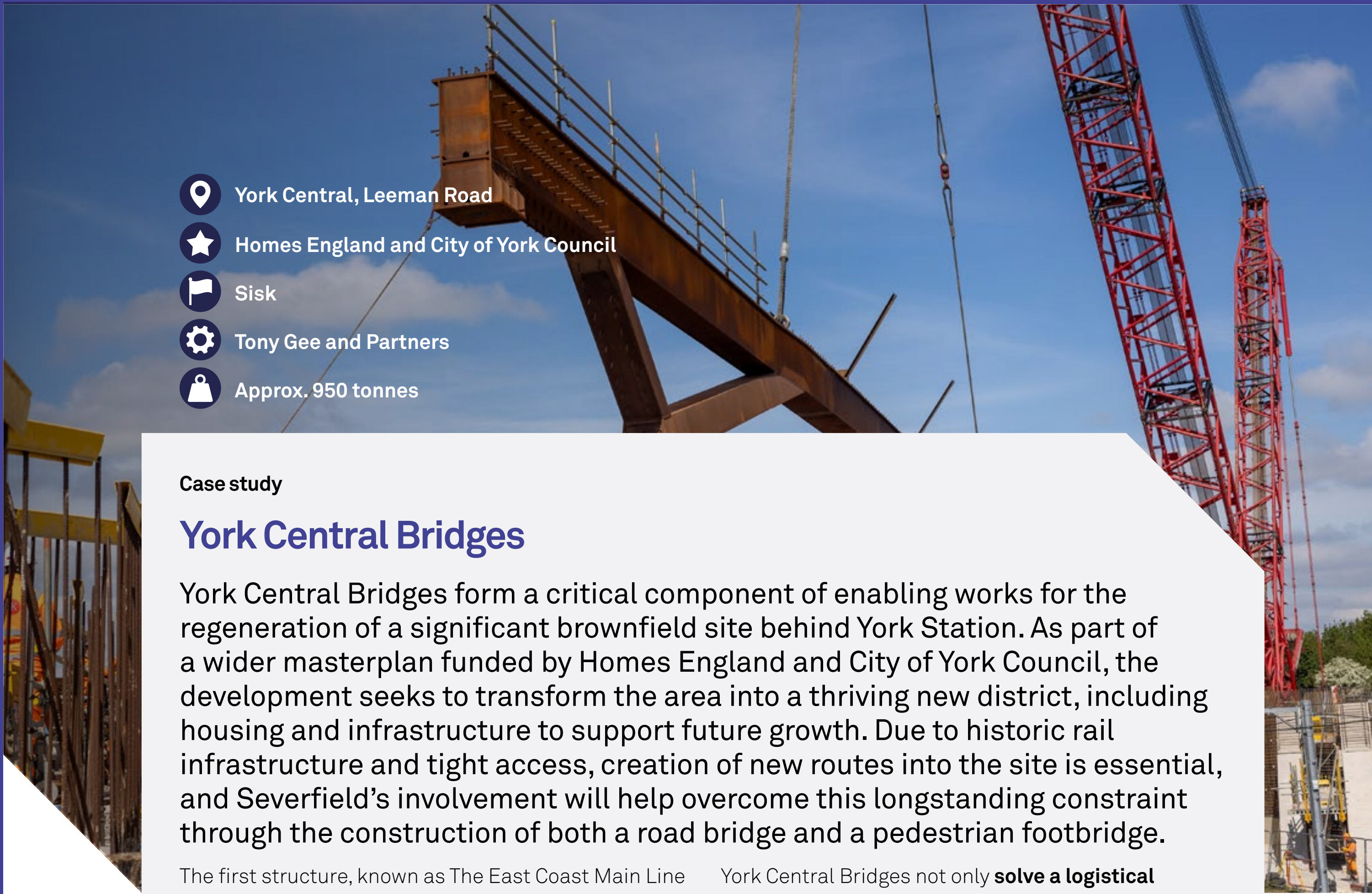
Our clients are central to our success. We are committed to consistently delivering high-quality projects, on time and to specification, to ensure client satisfaction and long-term trust.

Local communities

We actively contribute to the communities in which we operate through local recruitment, community engagement initiatives, charitable giving via the Severfield Foundation, and volunteering. We are proud to play a positive role in creating social value.

Shareholders

The Group is cash-generative, reinvesting in the business to support long-term growth and profitability. Our refreshed strategy is designed to deliver sustainable shareholder value and growth of returns.



York Central, Leeman Road

Homes England and City of York Council

Sisk

Tony Gee and Partners

Approx. 950 tonnes

Case study

York Central Bridges

York Central Bridges form a critical component of enabling works for the regeneration of a significant brownfield site behind York Station. As part of a wider masterplan funded by Homes England and City of York Council, the development seeks to transform the area into a thriving new district, including housing and infrastructure to support future growth. Due to historic rail infrastructure and tight access, creation of new routes into the site is essential, and Severfield's involvement will help overcome this longstanding constraint through the construction of both a road bridge and a pedestrian footbridge.

The first structure, known as The East Coast Main Line ('ECML') Bridge, is a single-span road bridge designed to span the ECML. Measuring, approximately, 86 metres in length, the structure consists of seven architectural weathering steel box girders with distinctive V-shaped down stand supports. Outer girders feature elegant arches with vertical steel hangers, giving the bridge a **striking visual identity** whilst maintaining **robust engineering performance.** Each box girder line will be fully welded on Severfield trestles after being delivered to site in smaller assemblies.

The second structure, Severus Footbridge, is a three-span pedestrian bridge of, approximately, 75 metres in length. It comprises two asymmetric weathering steel box girders – one large girder on the roadside and a smaller, rail-side girder with integrated architecturally shaped handrails. Like the road bridge, the footbridge was fabricated in smaller assemblies, with all welding of box girders and crossbeams being carried out on Severfield's own stillages.

Use of weathering steel across both bridges ensures **longevity and reduces maintenance requirements,** aligning with **long-term sustainability goals.** Temporary works were also designed for maximum efficiency, with an eye to reducing embodied carbon where possible.

York Central Bridges not only **solve a logistical challenge for regeneration** to the site but also deliver **architectural elegance and engineering excellence**, setting a high standard for infrastructure supporting one of the North's most ambitious urban redevelopment schemes.

Location Client Main contractor Engineer Tonnage

Case study

BAE Govan

Severfield provided 6,400 tonnes of steelwork for McLaughlin & Harvey's project to construct a new state-of-the-art **shipbuilding facility** in Glasgow, forming the backbone of the facility's structural framework. The Janet Harvey Hall will house advanced manufacturing and assembly lines, supporting the shipbuilding industry on the banks of the River Clyde.

Read more: www.severfield.com/projects/bae-govan

Case study

334 Oxford Street

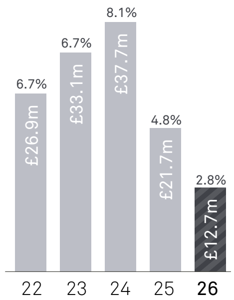
Severfield was contracted to provide the structural steelwork for the reinvention of 334 Oxford Street, the former Debenhams department store. This project involves refurbishing and extending the building to create a **highly sustainable, modern space.** The design, led by Allford Hall Monaghan Morris, focuses on **preserving the building's heritage** whilst achieving the client's **sustainability goals.**

Read more: www.severfield.com/projects/334-oxford-street

Key performance indicators

Financial KPIs

1. Underlying operating profit and margin[1]



Why this is important

This is the principal measure used to assess the success of the Group's strategy. We are focused on driving growth in underlying operating profit in order to drive higher and sustainable returns for our investors.

How we calculate

Underlying operating profit is defined as operating profit before non-underlying items and the results of JVs and associates. Underlying operating margin is calculated as underlying operating profit expressed as a percentage of revenue.

Progress during the year

Underlying operating profit has reduced by £9.0m (41%) to £12.7m, reflecting tougher market conditions – including tighter pricing and delays to the award and commencement of projects.

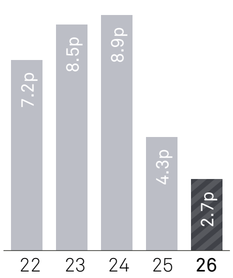
Stakeholder linkage

2 3

Transformation pillars

A B C D

2. Underlying basic earnings per share ('EPS')[1]



Why this is important

Underlying EPS is one of the key metrics in measuring shareholder value. The measure reflects all aspects of the income statement, including the performance of India and the management of the Group's tax rate.

How we calculate

Underlying EPS is calculated as underlying profit after tax divided by the weighted average number of shares in issue during the period.

Progress during the year

Underlying EPS has reduced by 37% to 2.7p, reflecting the reduction in underlying operating profit.

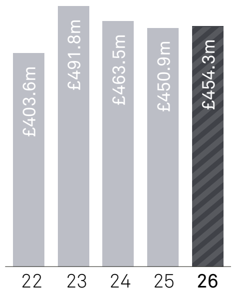
Stakeholder linkage

2 3

Transformation pillars

A B C D

3. Revenue growth[2]



Why this is important

This is a key measure for the business to track our overall success in specific contract activity, our progress in increasing our market share in chosen markets and our ability to maintain appropriate pricing levels.

How we calculate

This represents the year-on-year percentage change in revenue from continuing operations.

Progress during the year

Revenue has increased by £3.4m (0.7%) compared to last year, mainly reflecting higher revenue in the Nuclear and Infrastructure division partially offset by the decreased revenue in Modular Solutions.

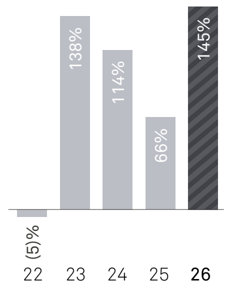
Stakeholder linkage

1 2 3 4 5

Transformation pillars

A C

4. Operating cash conversion



Why this is important

Cash is critical for providing the financial resources to develop the Group's business and to provide adequate working capital to operate smoothly. This measures how successful we are in converting profit to cash through management of working capital and capital expenditure.

How we calculate

Operating cash conversion is defined as underlying cash generated from operations (before interest, CAPEX and tax) expressed as a percentage of underlying EBITDA (before JVs and associates). We have adjusted the calculating during the year to remove the impact on non-underlying cashflows.

Progress during the year

Operating cash conversion was 145% in 2026,mainly due to strong working capital management.

Stakeholder linkage

2 3 4

Transformation pillars

A D

1 See note 32 for APM definitions and reconciliation to IFRS measures.

2 Revenue includes Voortman, which was acquired in April 2023.

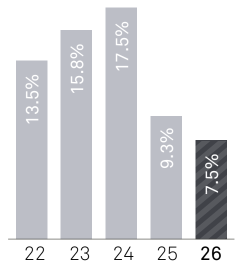
Stakeholder linkage

1 Clients
2 Employees
3 Shareholders
4 Communities
5 Suppliers

Transformation pillars

A Clients and markets focus
B Manufacture 360
C Engineering excellence
D Performance and productivity

5. Underlying return on capital employed ('ROCE')



Why this is important

ROCE measures the return generated on the capital we have invested in the business and reflects our ability to add shareholder value over the long term. We have an asset-intensive business model and ROCE reflects how productively we deploy those capital resources.

How we calculate

Underlying ROCE is calculated as underlying operating profit divided by the average of opening and closing capital employed. Capital employed is defined as shareholders' equity, excluding retirement benefit obligations (net of tax), acquired intangible assets and net funds.

Progress during the year

ROCE fell to 7.5%, reflecting the reduction in underlying operating profit.

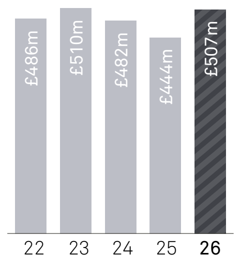
Stakeholder linkage

3

Transformation pillars

A B C D

6a. UK and Europe order book



Why this is important

The order book is a key part of our focus on building long-term recurring revenue. It is an important measure of our success in winning new work. Whilst the revenue within the order book is reported externally, the margin inherent within the order book is monitored internally to provide visibility of future earnings.

How we calculate

Our UK and Europe order book shows the total value of future revenue secured by contractual agreements.

Progress during the year

Our diversified order book for UK and Europe, which stands at £507m, provides us with a good volume of future work, of which £339m is for delivery over the next 12 months.

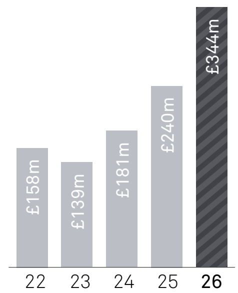
Stakeholder linkage

3

Transformation pillars

A

6b. India order book



Why this is important

The order book is a key part of our focus on building long-term value in JSSL. It is an important measure of our success in winning new work. Whilst the value in the order book is reported externally, the margin inherent within the order book is also monitored internally to provide visibility of future earnings.

How we calculate

Our India order book shows the total value of future revenue secured by contractual agreements. Note, this revenue isn't consolidated into the Group revenue.

Progress during the year

The record order book at 1 June of £344m, contains a strong mix of higher-margin commercial work of 75% and provides good earnings visibility for 2027.

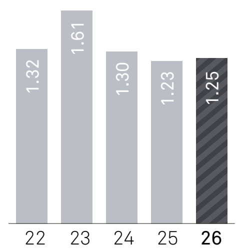
Stakeholder linkage

1 2 3 4 5

Transformation pillars

A

7. Injury frequency rate ('IFR')



Why this is important

IFR is an industry-standard measure of the safe operation of our business and is one of a number of health and safety measures the Group uses to monitor its activities. IFR focuses on a variety of incidents, ranging from minor to potentially more serious.

How we calculate

IFR is the number of reportable injuries per 100,000 hours worked.

Progress during the year

Our IFR has remained relatively flat at 1.25, compared to1.23 in the prior year. We are committed to continually improving safety standards at Severfield and focus on leading indicators in our pursuit of 'no harm' and industry-leading metrics.

Stakeholder linkage

1 2 3 4 5

Transformation pillars

D

Chief Executive Officer's review

PAUL MCNERNEY
CHIEF EXECUTIVE

> Our engineering expertise, project delivery capability and talented people continue to differentiate Severfield. Combined with a strong order book, growing presence in India and a clear strategic focus, these strengths provide confidence in our ability to deliver sustainable long-term growth.

Introduction

The Group delivered a resilient performance in FY26, with revenue and underlying profit before tax in line with expectations. Revenue of £454.3m (2025: £450.9m) was flat on the prior year, with a relatively strong second half performance driven by contract progression and disciplined execution.

The UK and Europe structural steelwork market remained subdued throughout the year, reflecting ongoing macroeconomic and geopolitical uncertainty. Competitive bidding conditions and a constrained pipeline of larger projects continued to place pressure on margins, whilst delays to project start dates further impacted profitability. Against this backdrop, underlying profit before tax for the year was £10.5m (2025: £18.1m), with an underlying operating profit margin of 2.8% (2025: 4.8%).

Despite these challenges, the Group delivered a strong operational performance, supported by disciplined project execution, focused cash management and continued progress across several strategically important sectors. We continue to see encouraging tendering activity and a pipeline of attractive large-scale projects, particularly for FY28 and beyond, underpinning confidence in the Group's medium-term prospects.

The Group reported a statutory operating loss of £35.1m (2025: £13.7m), reflecting £50.3m of non-underlying items recognised during the year. These principally comprised non-cash impairment charges, costs associated with the strategic exit from the Modular Solutions business and bridge testing and remedial costs. Whilst these items significantly impacted the statutory result, they largely relate to portfolio simplification, the resolution of legacy matters and actions taken to support the Group's refreshed strategy. These actions, together with continued progress on the bridge remedial programme, strengthen the platform for future performance by increasing focus on the Group's core structural steel activities and enhancing operational and financial resilience.

The Group enters FY27 with an order book of £507m (1 November 2025: £429m), spread across a broad range of sectors and geographies. With £339m scheduled for delivery over the next 12 months (1 November 2025: £324m), this provides good forward visibility and supports factory activity levels across the Group's core markets. A balanced mix of near-term revenue projects secured in a tighter pricing environment and longer-duration anchor projects provides a strong volume base for Q4 FY27 and into FY28, transitioning towards a higher-margin mix of work.

During the year, we continued to make good progress on several major projects. At the Agratas site in Somerset, a nationally significant battery manufacturing facility for Jaguar Land Rover and Tata Motors, the structural steelwork for the main building is now complete, with ancillary works ongoing. We have successfully delivered a number of major data centre projects across Europe and have also progressed several complex commercial developments in London, including Salisbury Square, the new City of London Police Headquarters.

In India, JSSL continued to perform strongly, delivering record output of 125,000 tonnes and generating revenue of £154.8m and profit before tax of

£7.8m, resulting in a Group share of profit after tax of £3.0m. JSSL ended the year with a record order book of £344m (1 November 2025: £286m), providing strong visibility and reflecting growing exposure to higher-margin commercial projects. Expansion of the Gujarat facility from 7 kt to 200 kt (including 150kt from subcontracting) by FY27 continued to progress as planned, enhancing the business's ability to capitalise on the significant long-term growth opportunities within the Indian market.

The Group continues to monitor geopolitical developments, including the situation in the Middle East, alongside broader economic conditions that may affect project timing, supply chains and client investment decisions. Whilst disruption to shipping routes and commodity markets may create some cost and lead-time pressures, the Group's direct exposure remains limited, reflecting its established approach of securing steel prices at the contract stage and the largely pass-through nature of steel costs within the industry. The Group has not experienced a material impact on trading or its order book to date.

Since joining the Group, I have seen first-hand the depth of expertise, commitment and professionalism that underpin Severfield's market position. Our teams continue to deliver complex projects safely and to a high standard for a broad client base across the UK, Europe and India. This combination of technical capability, operational experience and trusted customer relationships remains a clear differentiator for the business.

As we look ahead, our priority is to convert these strengths into more consistent financial performance. We are focused on improving the quality of our order book, maintaining strong discipline in bidding and project delivery, and ensuring that the Group is well positioned to benefit as market conditions improve. Whilst the near-term environment remains challenging, the actions taken during the year have sharpened our focus, strengthened the business and give us confidence in Severfield's ability to deliver sustainable growth over the medium term.

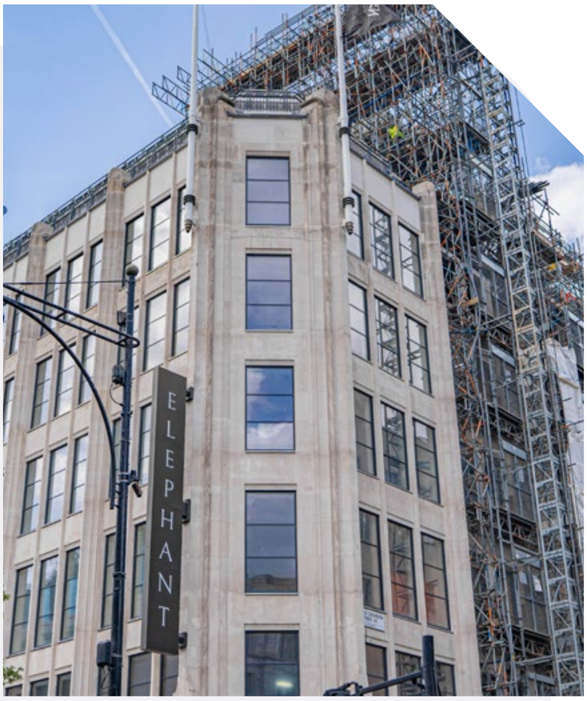
PAUL MCNERNEY
CHIEF EXECUTIVE

Case study

The Elephant (318 Oxford Street)

We are proud to be part of the redevelopment of The Elephant, a landmark project transforming the former House of Fraser building into a dynamic mixed-use space in the heart of London. The project is split into two phases, with each phase playing a crucial role in **modernising and expanding the building.**

Read more: www.severfield.com/projects/the-elephant



Our operational performance

Operational Review

The Operational Review provides an overview of Group performance together with updates from each of the Group's reporting segments. The analysis reflects the operating structure in place during FY26 and is presented on a consistent basis with prior reporting. Future reporting will be aligned to the Group's revised operating structure from the FY27 interim results onwards.

2026 (£m)	Revenue	UOP*	UPBT*
Core Construction Operations	442.5	12.7	12.7
Modular Solutions	16.3	–	(0.5)
India	–	–	3.0
Central items/eliminations	(4.5)	–	(4.7)
Group	**454.3**	**12.7**	**10.5**
Underlying operating margin		*2.8%*	

2025 (£m)	Revenue	UOP*	UPBT*
Core Construction Operations	435.4	21.3	21.3
Modular Solutions	24.2	0.4	0.4
India	–	–	0.1
Central items/eliminations	(8.7)	–	(3.7)
Group	**450.9**	**21.7**	**18.1**
Underlying operating margin		*4.8%*	

* The references to underlying operating profit (before JVs and associates) and underlying profit before tax are set out on page 165. A reconciliation of the Group's underlying results to its statutory results is provided in the Alternative Performance Measures ('APMs') section (see note 32).

Revenue of £454.3m (2025: £450.9m) was broadly in line with the prior year, reflecting resilient activity levels within Core Construction Operations, offset by the lower revenue from Modular Solutions following the decision to discontinue the business. Revenue from Core Construction Operations increased to £442.5m (2025: £435.4m), supported by higher revenues from our Nuclear and Infrastructure division.

Underlying operating profit (before JVs and associates) of £12.7m (2025: £21.7m) represents a decrease of £9.0m (41%) compared with the prior year. This primarily reflects a more challenging trading environment in the UK and Europe, characterised by competitive pricing pressure, delays to project start dates and a less favourable project mix, partially offset by disciplined project execution and operational performance across the portfolio. Underlying operating margin reduced to 2.8% (2025: 4.8%).

The Group's share of profit from JSSL, our Indian joint venture, increased to £3.0m (2025: £0.1m), reflecting record output levels, a record order book and increasing exposure to higher-margin commercial projects. Performance was supported by strong project execution and continued progress on the expansion of the Gujarat facility providing additional capacity.

Underlying profit before tax was £10.5m (2025: £18.1m), reflecting lower profitability within Core Construction Operations, partially offset by the improved contribution from JSSL.

The statutory loss before tax was £39.9m (2025: £17.5m), after accounting for £50.3m of non-underlying items. Non-underlying items in the year primarily relate to:

- Non-cash impairment charges in respect of the Infrastructure business and the Group's investment in CMF. The Infrastructure impairment reflects a reassessment of the business following the implementation of a refreshed strategy focused on its core markets and operational improvement. Whilst we remain positive about the long-term opportunities in the business, the assessment incorporated updated forecasts of future cash flows, resulting in a reduction in the recoverable amount.
- The bridge testing and remedial programme, where further testing and the development of project-specific solutions resulted in higher estimated costs. These additional costs were substantially offset by further insurance recoveries secured during the year. The programme is now entering its final phases and is expected to be substantially complete in FY27.
- The strategic exit from the Modular Solutions business, with closure and restructuring costs incurred to support the orderly wind-down of operations and increase focus on the Group's core structural steel activities.

Core Construction Operations

£m	2026	2025	Change
Revenue	**442.5**	435.4	+2%
Underlying profit before tax	**12.7**	21.3	(40)%
Revenue:			
Commercial and Industrial	**318.2**	349.6	(9)%
Nuclear and Infrastructure	**124.3**	85.9	+45%

Revenue of £442.5m (2025: £435.4m) increased by £7.1m, year on year, driven by higher volumes in the Nuclear and Infrastructure division. Underlying operating profit decreased by 40% to £12.7m (2025: £21.3m), reflecting competitive pricing pressures, delays to project commencement and a less favourable project mix during the period, particularly in the first half of the year.

Market conditions across the UK and Europe remained challenging during the year, with macroeconomic uncertainty, delayed investment decisions and competitive bidding conditions continuing to impact project award timings and pricing. Despite this backdrop, the Group maintained a disciplined approach to project selection and ended the year with an order book of £507m (1 November 2025: £429m), of which £339m is scheduled for delivery over the next 12 months.

Order intake remained resilient throughout the year, with, approximately, £190m of new work secured during the first half and a further £150m in the second half. The order book provides good visibility across a diverse range of sectors, geographies and clients, with increasing exposure to continental Europe and Ireland reflecting the Group's growing market presence and strategic focus on attractive end markets.

Activity was supported by continued demand across the data centre, infrastructure, energy and industrial sectors, despite the absence of several large projects that had been anticipated to come to market. The Group continued to strengthen its position in continental Europe, securing repeat business and progressing projects in sectors benefitting from favourable structural growth drivers, including industrial development, energy infrastructure and digital infrastructure.

Commercial and Industrial

The Commercial and Industrial order book stood at £262m at 1 June 2026 (1 November 2025: £202m). During the year, the Group secured a number of strategically important projects, including a significant data centre project in Finland and several Commercial buildings, including Project Vista, the redevelopment of the old ITV studios on the South Bank of the River Thames in London, further strengthening the Group's position in digital infrastructure and complex engineering projects.

Revenue decreased by 9% to £318.2m (2025: £349.6m), reflecting a weaker order book entering the year and challenging market conditions across a number of Commercial and Industrial sectors.

Despite these conditions, the Group continued to make good progress across a number of major projects. At Agratas in Somerset, the UK's largest battery manufacturing facility, the main production building has been completed, with ancillary buildings, secondary steelwork and link bridges continuing through to late 2026. During the year, the Group also secured an additional package of work to provide steel framing in support of the mechanical and electrical fit-out programme.

In Europe, work continued on Project ONE for INEOS in Antwerp, one of the largest investments in the European chemicals industry in recent decades, whilst the Group also progressed a number of data centre projects across Finland and Sweden. In London, progress continued at Salisbury Square, providing new Police headquarters and court facilities for the City of London, and South Molton Triangle, a technically complex mixed-use development incorporating retained heritage facades. Fabrication also progressed on 50 Fenchurch Street, a 36-storey commercial office development.

The Group has secured several major projects for delivery in FY27 and beyond, including Project Vista, together with additional data centres and commercial offices.

Nuclear and Infrastructure

The Nuclear and Infrastructure ('N&I') order book stood at £245m at 1 June 2026 (1 November 2025: £220m). Of this, 59% represents transport infrastructure, 33% relates to power and energy (including nuclear) and 8% comprises process industries projects. The order book was further strengthened through the increase in the scope of the steelwork package at Old Oak Common station, adding to the Group's existing involvement in this highly complex HS2 project.

Revenue increased by 45% to £124.3m (2025: £85.9m), reflecting the strong order book entering the year and increased activity levels across the division. During the period, the Group progressed several significant projects across the nuclear, transport infrastructure, power and process industries sectors.

In the nuclear sector, work continued on Turbine Hall 1 at Hinkley Point C, with Unit 1 steelwork now predominantly fabricated and site works progressing. At the Sellafield Retreatment Plant ('SRP'), internal steelwork erection is substantially complete, whilst

Our operational performance continued

fabrication of the external steelwork is underway following completion of the design and detailing phases. The Group also continued work on the MEH Electrical package at Hinkley Point C, with activities scheduled to continue until late 2026.

Within process industries, work progressed at Saltend Chemical Park in East Yorkshire for Mitsubishi Chemical, comprising the fabrication, painting and installation of primary steelwork for a new production line alongside the existing processing plant which produces Soarnol, a high-performance polymer used in a variety of industrial applications, together with an extensive network of secondary steelwork and pipe support structures. Design and detailing activities are substantially complete, with fabrication expected to complete during FY27 ahead of project completion in 2027.

In the transport infrastructure sector, the Group successfully completed and installed the York Severus footbridge and progressed the adjacent road bridge crossing the East Coast Main Line. Good progress was also made on the Baker Viaduct scheme as part of the TransPennine Route Upgrade, with the first two phases completed and handed over to the client, and fabrication of the remaining phases underway. Looking ahead, Old Oak Common station continues to progress through off-site development, with construction expected to commence in 2027.

The Group also continued work on Ørsted's Hornsea 3 offshore wind farm, one of the largest offshore wind developments currently under construction globally. The project includes the supply of boat landings, ladders, anode cages and supported internal platform structures.

Modular Solutions

£m	2026	2025	Change
Revenue	**16.3**	24.2	(33)%
Underlying operating profit (before JVs and associates)	**–**	0.4	(0.4)
Share of results of CMF*	**(0.5)**	–	(0.5)
Underlying profit before tax	**(0.5)**	0.4	(0.9)

* In 2026, CMF reported revenue of £21.2m (2025: £26.8m) and a loss after tax of £1.0m

During the year, the Board completed a strategic review of the Modular Solutions business and concluded that it represented a sub-scale, non-core activity with limited strategic fit alongside the Group's core structural steel operations. Accordingly, the decision was taken to discontinue the business, with new sales and tendering activity ceasing in December 2025. As part of the process, management explored potential sale options with the objective of preserving employment and maintaining continuity for clients and the supply chain. Whilst interest was received from a number of parties, no formal offers were made.

The business is now being wound down in a controlled manner, whilst continuing to fulfil remaining client commitments. Construction Metal Forming ('CMF'), which operates as a separate joint venture, is unaffected by this decision and continues to trade independently.

The Modular Solutions division generated total revenue of £16.3m in FY26 (2025: £24.2m). Excluding internal revenue, it generated external revenues of £11.8m in FY26 (2025: £15.5m).

Revenue reduced as the business stopped selling and wound down its remaining order book.

The decision to discontinue the business resulted in losses and closure-related costs during the year. Whilst management acted promptly to withdraw from new sales activity and reduce the cost base, certain fixed costs could not be removed immediately due to operational requirements, employee consultation processes and the orderly wind-down of operations. These costs reflect the direct consequences of implementing the exit decision and have been presented as non-underlying items within the Group's results.

The exit from Modular Solutions represents an important step in simplifying the Group's portfolio and increasing focus on its core structural steel activities. It also supports the Group's refreshed strategy, enabling greater focus on selective market sectors that generate higher margins, targeting better quality of earnings through the disciplined allocation of capital.

The Group's share of results from CMF was a loss of £0.5m (2025: £nil). Performance was impacted by lower activity levels during the year, reflecting subdued conditions within the Commercial and Industrial sector, where projects typically incorporate significant metal decking and purlin packages. As a result, reduced volumes led to lower capacity utilisation and profitability.

Outlook

Looking ahead, the Group remains well positioned to benefit from long-term investment themes across infrastructure, energy security, defence, transportation and digital infrastructure. Whilst pricing conditions remain competitive and project award timescales continue to be extended, these sectors align closely with the Group's refreshed strategy, which is focused on increasing exposure to projects where its engineering expertise, project management capability and delivery track record provide a clear competitive advantage, supporting improved margins, stronger cash generation and attractive long-term returns.

The medium-term outlook for the Group's core Nuclear and Infrastructure markets remains positive. The UK Government's £725bn 10-year infrastructure strategy and National Infrastructure Pipeline are expected to support sustained investment across nationally significant infrastructure, transport, energy security and defence projects. The Group continues to see a growing pipeline of opportunities across nuclear, electricity transmission and distribution, defence infrastructure and major transport programmes, where long-term investment commitments, technical complexity and high barriers to entry create attractive opportunities for higher-value work.

Recent commitments to increased defence spending across both the UK and Europe are also expected to drive investment in defence manufacturing, military infrastructure and strategic national assets. These programmes typically require complex engineering solutions, rigorous project delivery and specialist technical expertise, aligning closely with the Group's capabilities and strategic focus.

In Europe, investment in electricity networks and energy security infrastructure continues to accelerate, supported by increasing demand for power, electrification and grid resilience. Combined with the Group's strong market position, proven track record in delivering complex infrastructure projects and refreshed strategic focus, this provides an encouraging platform for sustainable growth and long-term value creation.

INDIA

£m	2026	2025	Change
Revenue	**154.8**	103.3	+50%
EBITDA	**14.0**	7.1	+97%
Operating profit	**11.5**	4.5	+156%
Operating margin	**7.4%**	4.3%	310 bps
Finance expense	**(3.7)**	(4.2)	+0.5
Profit before tax	**7.8**	0.3	+7.5
Tax	**(1.8)**	(0.1)	(1.7)
Profit after tax	**6.0**	0.2	+5.8
Group share of profit after tax (50%)	**3.0**	0.1	+2.9
Tonnage output	**125,000 t**	64,000 t	+95%
Order book (1 June 26 / 1 Nov 25)	**344**	286	+58

India remains a key strategic priority for the Group through its joint venture, JSW Severfield Structures Limited ('JSSL'). The market continues to offer attractive long-term growth opportunities, supported by urbanisation, infrastructure investment and the increasing adoption of structural steel solutions. Structural steel penetration remains significantly below that of more mature markets, providing substantial headroom for future growth as clients increasingly prioritise speed, quality, sustainability and execution certainty.

JSSL delivered a record performance during the year, achieving record output, profitability and order intake. Production output increased by 95% to, approximately, 125,000 tonnes, including subcontracted work (2025: 64,000 tonnes), reflecting strong execution across major projects, improved operational utilisation and robust demand across commercial buildings, data centres, industrial facilities and infrastructure sectors. Momentum is further evidenced by a record order book of £344m (1 November 2025: £286m), comprising an increasingly favourable mix of higher-margin commercial, data centre and technically complex projects. The order book provides significant coverage for the year ahead, with the majority of anticipated revenues already secured. The focus is, therefore, on disciplined project execution and delivery.

Revenue increased by 50% to £154.8m (2025: £103.3m), whilst operating profit more than doubled to £11.5m (2025: £4.5m), delivering an operating margin of 7.4% (2025: 4.3%). The improvement reflected higher production volumes, a stronger project mix, improved factory utilisation and continued operational efficiencies across the business. Finance costs reduced to £3.7m (2025: £4.2m), reflecting lower borrowings, resulting in profit before tax increasing to £7.8m (2025: £0.3m). Profit after tax increased to £6.0m (2025: £0.2m), of which the Group's 50% share was £3.0m (2025: £0.1m).

The Indian construction market continues to offer significant long-term growth opportunities. Commercial real estate remains buoyant, supported by record office leasing activity and the continued expansion of Global Capability Centres. Data centres represent one of the most attractive growth sectors, driven by cloud computing, AI, enterprise digitisation and data localisation requirements. Industrial and advanced manufacturing projects, including semiconductors, electronics and renewable energy infrastructure, are also creating attractive opportunities for steel-intensive construction solutions. Public investment in rail, road and bridge

Our operational performance continued

infrastructure continues to provide a substantial long-term pipeline, further enhanced by JSSL's recent RDSO approval, which expands access to railway bridges, road-over-bridges and wider transportation infrastructure projects.

The development of the Gujarat facility continues to progress well and forms an important part of JSSL's long-term growth strategy. The new open-yard facilities at Gujarat became operational during the year, increasing manufacturing capability and supporting larger and more geographically diverse projects. By the end of FY27, the Gujarat facility is expected to increase total annual production capacity to approximately 224,000 tonnes, including subcontractor capacity, strengthening JSSL's ability to service growing demand across commercial buildings, data centres, industrial facilities and infrastructure projects. Whilst the opportunity remains substantial, management remains focused on scaling at the right pace, ensuring that growth does not compromise operational processes, execution standards or product quality.

Outlook

The outlook remains very positive. With a strong order book, expanding client base, increasing consultant engagement, additional manufacturing capacity and exposure to some of the fastest-growing segments of the Indian construction market, JSSL is well positioned to create significant long-term value. As India's economy continues to expand and structural steel adoption increases, the business remains focused on scaling at the right pace, balancing growth opportunities with operational excellence, quality and disciplined capital deployment.

People and planet

Safety

At Severfield, the safety of our people remains our highest priority and is fundamental to everything we do. During FY26, the Group maintained a strong safety performance, with an Accident Frequency Rate ('AFR') of 0.09 (2025: 0.08) and an Incident Frequency Rate ('IFR') of 1.25 (2025: 1.23). The number of high-potential incidents ('HIPOs') reported increased to 58 (2025: 37), reflecting our continued focus on identifying, reporting and addressing potential risks across our operations. Whilst this represents an increase on the prior year, HIPO levels remain significantly below those reported historically.

During the year, we further strengthened our safety culture through proactive reporting, targeted interventions and a sustained focus on preventing serious incidents and injuries. Creating an environment where every employee feels safe, inspired to speak up and take accountability for safety, and where our performance is admired across the industry. This is central to the Group's refreshed strategy and underpins our ambition to deliver operational excellence across the business.

Sustainability

Sustainability remains a key strategic priority for the Group and is embedded throughout our operations. During FY26, Severfield continued to make strong progress against its environmental, social and governance ('ESG') objectives, maintaining a number of leading external accreditations and recognitions.

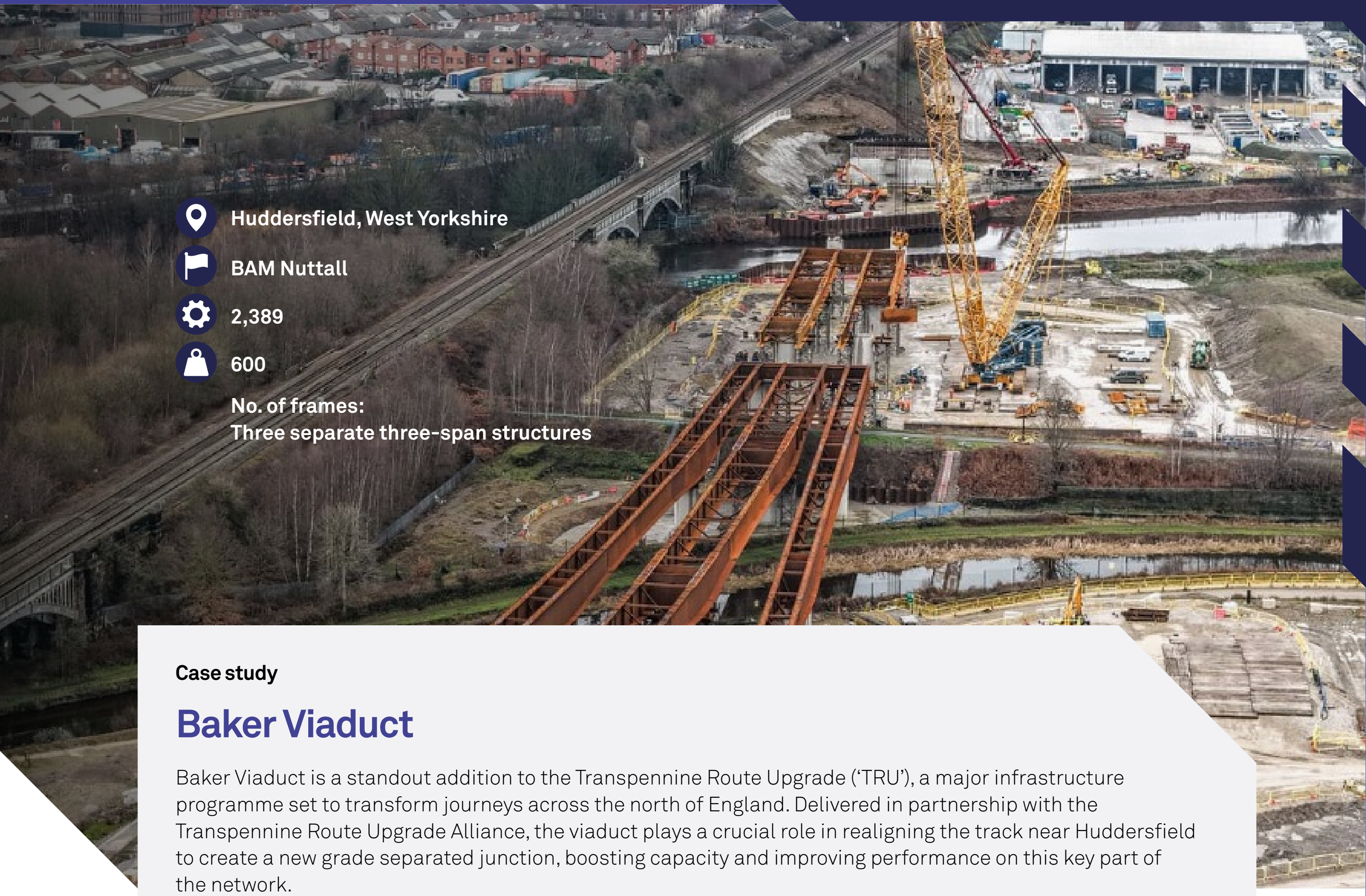
Key achievements during the year included the following:

- Retaining MSCI's highest ESG rating of 'AAA' for the fifth consecutive year
- Achieving a CDP 'A' score for climate change mitigation for the third consecutive year and an 'A' rating for supply chain engagement for the second consecutive year
- Maintaining third-party carbon neutral accreditation for Scope 1, Scope 2 and operational Scope 3 emissions across our manufacturing, office and construction operations
- Maintaining procurement of 100% renewable electricity across all owned facilities in the UK and Europe
- Continuing progress towards our approved Science Based Targets initiative ('SBTi') Net Zero targets through a range of emissions reduction initiatives across the business
- Maintaining our BES 6001 responsible sourcing accreditation at the 'Very Good' level
- Being recognised in the Financial Times Europe's Climate Leaders ranking for the sixth consecutive year

The Group continued to deliver social value in line with the National Themes, Outcomes and Measures ('TOMs') framework through a range of community engagement, local supply chain, fundraising and volunteering initiatives. During the year, the Group also established new partnerships to support the delivery of our social value commitments, including programmes focused on literacy and digital inclusion within local communities. In recognition of our commitment to apprenticeships, graduate development and other 'earn and learn' programmes, Severfield achieved Platinum membership of The 5% Club.

Overall, the Group delivered a resilient operational performance in a challenging market environment, supported by disciplined project execution and a diversified order book. The strategic exit from Modular Solutions further simplifies the Group and increases focus on its core structural steel activities. Looking ahead, the Group is well positioned to benefit from long-term investment themes across infrastructure, energy security, defence and digital infrastructure, supported by its growing presence in continental Europe and strong momentum in India through JSSL. In parallel, continued investment in safety, people and sustainability underpins operational excellence and supports the delivery of sustainable growth and long-term value for stakeholders.

PAUL MCNERNEY
CHIEF EXECUTIVE



Huddersfield, West Yorkshire

BAM Nuttall

2,389

600

No. of frames:
Three separate three-span structures

Case study

Baker Viaduct

Baker Viaduct is a standout addition to the Transpennine Route Upgrade ('TRU'), a major infrastructure programme set to transform journeys across the north of England. Delivered in partnership with the Transpennine Route Upgrade Alliance, the viaduct plays a crucial role in realigning the track near Huddersfield to create a new grade separated junction, boosting capacity and improving performance on this key part of the network.

The viaduct spans both the River Calder and the Calder and Hebble Navigation Canal and comprises three independent modules, each made up of three spans. Each module stands alone structurally, with separate bearings and a distinctive configuration.

Severfield was engaged to provide fabrication, erection and temporary works design, delivering 2,389 tonnes of steelwork across the three modules. Installation labour and plant will be supplied in collaboration with MJ Hughes.

The decks are predominantly precast, with some in-situ elements introduced to navigate site-specific geometry. During construction, trestles will support the structure whilst pier heads are cast.

A key innovation is the **reuse of temporary works**, helping to **reduce fabrication time** and **embodied carbon.** Designed for efficiency, the temporary works maximise material use whilst **maintaining safety and structural integrity.**

Despite the **structural complexity** and **logistical demands** of building across both water and live railway lines, the viaduct remains on programme, supported by **strong coordination between Severfield, the Alliance and transport haulier Allely's.**

Location Client Main contractor Engineer Tonnage

Our financial performance

ANDREW PAGE
CHIEF FINANCIAL OFFICER

Our focus on cash generation delivered a significant reduction in net debt, whilst a successful refinancing has strengthened the Group's balance sheet and supports future growth.

Alternative measures* £m	2026	2025	Change
Underlying operating profit (before JVs and associates)	**12.7**	21.7	(41)%
Underlying operating margin (before JVs and associates)	**2.8%**	4.8%	(200) bps
Underlying profit before tax	**10.5**	18.1	(42)%
Underlying basic earnings per share	**2.7p**	4.3p	(1.6)p
Underlying operating cash conversion	**145%**	66%	+79pp
Underlying return on capital employed ('ROCE')	**7.5%**	9.3%	(180) bps

* The basis for stating results on an underlying basis is set out on page 165. A reconciliation of the Group's underlying results to its statutory results is provided in the Alternative Performance Measures ('APMs') section (see note 32).

Statutory measures £m	2026	2025	Change
Revenue	**454.3**	450.9	+1%
Operating loss	**(35.1)**	(13.7)	(156)%
Operating margin	**(7.7)%**	(3.0)%	(470) bps
Loss before tax	**(39.9)**	(17.5)	(128)%
Basic loss per share	**(12.0)p**	(4.7)p	(7.3)p

Revenue of £454.3m (2025: £450.9m) was broadly in line with the prior year. Increased activity within the Nuclear and Infrastructure division, including progress on a number of major projects, offset more challenging market conditions within the Commercial and Industrial sector. Revenue performance reflects a strong second half, supported by disciplined project execution and operational delivery across the Group.

Underlying operating profit (before JVs and associates) of £12.7m (2025: £21.7m) was 41% lower than the prior year, with the underlying operating margin reducing to 2.8% (2025: 4.8%). This primarily reflects competitive pricing pressures and a less favourable project mix, particularly during the first half of the year. Statutory operating loss was £35.1m (2025: £13.7m), reflecting the impact of £50.3m of non-underlying items, including impairment charges, Modular Solutions closure costs and bridge-related costs.

Underlying profit before tax, the Group's primary measure of profitability, was £10.5m (2025: £18.1m), a reduction of 42% on the prior year. The Group recognised a statutory loss before tax of £39.9m (2025: £17.5m), principally reflecting the non-underlying items recognised during the year. The underlying tax charge was £2.4m (2025: £5.2m), representing an effective tax rate (excluding JVs) of 29.5% (2025: 28.6%). The elevated tax rate principally reflects the impact of non-deductible expenses and the geographic mix of profits.

The total tax credit recognised during the year was £4.3m (2025: £3.4m), which includes a £6.6m (2025: £8.6m) tax credit on non-underlying items, representing only a 13.1% effective tax rate, largely reflecting the c.£22m of non-deductible impairment charges.

Underlying basic earnings per share decreased by 1.6p to 2.7p (2025: 4.3p), reflecting lower underlying profitability during the year. Basic loss per share was 12.0p (2025: 4.7p), reflecting the increase in non-underlying items recognised during the period.

Non-underlying items

Non-underlying items for the year of £50.3m (2025: £35.6m) consisted of the following:

£m	2026	2025
Bridge testing and remedial costs (net of insurance recoveries)	**5.7**	23.4
Other bridge-related costs	**2.6**	9.1
Amortisation of acquired intangible assets	**2.6**	2.6
Other non-underlying costs	**4.6**	2.9
Legacy employment tax (credit) / charge	**–**	(1.4)
Acquisition-related credits	**–**	(1.0)
Asset impairment charge	**22.2**	–
Modular Solutions closure costs	**12.6**	–
Non-underlying items	**50.3**	35.6

Non-underlying items totalled £50.3m (2025: £35.6m). These comprised amortisation of acquired intangible assets of £2.6m (2025: £2.6m), impairment charges of £22.2m (2025: nil), Modular Solutions closure related costs of £12.6m (2025: nil), net bridge testing and remedial costs of £5.7m (2025: £23.4m), comprising costs of £13.2m (2025: £43.4m), net of insurance recoveries of £7.5m (2025: £20.0m), other bridge-related costs of £2.6m (2025: £9.1m) and other non-underlying costs of £4.6m (2025: £2.9m).

The non-cash impairment charge of £22.2m predominantly comprises the impairment of goodwill relating to the infrastructure business of £11.5m and an impairment of the Group's investment in CMF of £9.9m.

Following the Board's decision to discontinue the Modular Solutions business during the second half of FY26, the Group recognised non-underlying closure and restructuring costs of £12.6m. Prior to the decision to exit the business, Modular Solutions had reported an operating loss of £1.1m during the first half of the year; however, management expected performance to improve during the second half

Our financial performance continued

as several key contracts were being tendered for delivery in H2. Following the strategic review, management implemented a controlled withdrawal from new sales and tendering activity whilst continuing to fulfil the remaining client order book and undertake an orderly wind-down of operations.

The total charge of £12.6m includes £3.8m of losses that are caused as a direct financial consequence of implementing the exit decision, including reduced operational leverage and under-recovery of fixed costs as future workload declined following the cessation of new sales activity. The remaining £8.8m relates to closure and restructuring activities associated with the discontinuation of the business, including a £4.1m onerous contract provision for the Modular Solutions facility, which is now surplus to requirements, together with redundancy costs, asset impairments and other exit-related costs.

The Board considers these costs to be non-underlying in nature as they arise from a significant strategic restructuring decision, are one-off and non-recurring, and are not reflective of the ongoing trading performance of the Group's continuing operations. Presenting these items separately provides greater transparency and allows stakeholders to better assess the underlying performance of the business and compare results on a consistent basis across reporting periods.

The bridge testing and remedial programme continued to progress during the year. Following further testing activities and the development of project-specific remedial solutions, the Group recognised an additional provision of £13.2m, reflecting both costs incurred during the year and the current estimate of remaining testing and remedial costs across affected bridge projects. The Group also secured and received additional insurance recoveries of £7.5m during the year, increasing total insurance recoveries recognised to £27.5m.

Other bridge-related costs of £2.6m principally comprise provisions for third-party claims together with other incremental costs and legal fees associated with the bridge remedial programme. The Group continues to engage constructively with clients and other stakeholders and, based on discussions to date, has not been notified of any significant additional consequential costs beyond those already provided for. In some instances, any potential claims may also be subject to contractual liability caps or other contractual limitations.

Other non-underlying costs of £4.7m predominantly comprise £1.5m of transformation-related expenditure incurred in support of the Group's strategic transformation programme and strategic activities, £1.2m relating to changes within the executive management team during the year, and £1.4m of exceptional refinancing costs associated with the previous extension of the Group's banking facilities in July 2025.

The amortisation of acquired intangible assets of £2.6m represents the non-cash amortisation of customer relationships identified on the acquisitions of DAM Structures and VSCH.

Cash flow and financing

£m	2026	2025
Cash generated from/(used in) operations	**23.3**	(6.1)
Capital disposal proceeds/(expenditure)	**1.0**	(6.9)
Underlying operating cash conversion	**145%**	66%
Net debt (pre-IFRS-16 basis)**	**(28.2)**	(43.1)
Net debt	**(46.6)**	(63.6)

** The Group excludes IFRS 16 lease liabilities from its measure of net funds/debt as they are excluded from the definition of net debt as set out in the Group's borrowing facilities; a reconciliation of the Group's underlying results to its statutory results is provided in the APMs section (see note 32).

Net debt (pre-IFRS-16 basis**) at the year-end was £28.2m, with RCF drawings of £45.0m and amortising term loans of £7.6m, offset by cash of £24.4m, providing facility headroom of c.£39m. Year-end leverage (pre-IFRS-16 basis) was 1.2x. There remains an enhanced focus on cash generation and conservation, including careful working capital management, a reduction in planned capital expenditure, the disposal of certain non-core assets, and other ongoing cost reduction actions in support of a stronger balance sheet and our objective of improving ROCE.

Cash generated from operations was £23.3m (2025: cash used in operations of £6.1m). Operating cash flow before working capital movements and bridge remedial costs was an outflow of £4.5m (2025: outflow of £3.3m). Net working capital reduced by £27.8m (cash inflow), mainly reflecting positive movements in trade creditors, stock and contract debtors. The increase in trade creditors relates to the higher contract activity in H2, whilst the reduction in trade debtors relates to focused cash control and the unwind of several significant contract investments at the prior year end.

Bridge remedial cash outflows were £19.8m, which was offset by insurance proceeds of £27.5m. At the year end, £20.7m of provisions relating to bridge remedial works remained on the balance sheet. The remedial works are expected to be substantially complete during FY27 and, accordingly, the majority of the associated cash outflows are anticipated to occur during the year. These outflows are expected to be supported by continued strong cash management, including a £10m advance payment secured in May 2026 for a significant project commencing in FY27.

Net capital proceeds of £1.0m (2025: £6.9m expenditure), included £2.9m of capital expenditure and £3.9m of proceeds from the disposal of fixed assets, predominantly relating to the mothballed ex-Harry Peers factory in Bolton – this reflects a reduced capital investment programme consistent with the Group's focus on cash conservation. This compares to annual depreciation of £10.8m (2025: £9.9m).

Post year-end, on 11 June 2026, the Group completed the refinancing of its banking facilities. The new facilities comprise a £60.0 million revolving credit facility, a £7.6 million term loan facility amortising through to December 2027, and an accordion option of up to £30.0 million, subject to lender consent. The facilities have an initial term to June 2029, with two one-year extension options on the revolving credit facility, subject to lender consent.

The facilities remain unsecured and replace the Group's previous banking facilities. The refinancing enhances the Group's liquidity position and financial flexibility and was completed on improved commercial terms, including the removal of the debt service cover covenant. The refinancing has no impact on the Group's financial position at the reporting date.

Pensions

The Group's net defined benefit pension liability at 28 March 2026 was £2.9m (2025: £6.9m), comprising scheme liabilities of £28.0m (2025: £29.6m) and scheme assets of £25.1m (2025: £22.8m). The deficit reduced by £4.0m during the year, principally reflecting employer contributions of £2.9m together with the impact of higher bond yields, which increased the discount rate used to value scheme liabilities.

The latest triennial actuarial valuation of the Atlas Ward Pension Scheme, with an effective date of 5 April 2023, identified a funding deficit and resulted in the agreement of a Schedule of Contributions with the Scheme Trustees. Under this arrangement, deficit recovery contributions are, approximately, £246,000 per month, in addition to meeting the ongoing administration costs of the Scheme. The next triennial actuarial valuation, with an effective date of 5 April 2026, is currently underway and will determine future funding requirements. Given the significant improvement in the Scheme's funding position since the previous valuation, the Group anticipates that future deficit recovery contributions will reduce from current levels.

All other pension arrangements within the Group are of a defined contribution nature.

Dividends and capital allocation

The Group maintains a disciplined and balanced approach to capital allocation, focused on supporting sustainable long-term growth, maintaining financial resilience and delivering attractive returns for shareholders. Capital allocation decisions will continue to be assessed against clear financial and strategic criteria, including expected returns, cash generation, balance sheet resilience and alignment with the Group's long-term strategic priorities.

The Group's capital allocation priorities are to:

- support the ongoing requirements of the business and invest in profitable organic growth opportunities;
- pursue selective strategic investments and growth opportunities that enhance the Group's market position and long-term earnings potential;
- maintain a strong balance sheet and appropriate financial flexibility; and
- deliver sustainable shareholder returns over the long term through a sustainable dividend policy when supported by earnings, cash generation and financial position.

The Group's refreshed strategy is expected to support a more flexible and less capital-intensive growth profile in the medium term, with increasing emphasis on higher-value engineering and project management activities, strategic partnerships and disciplined investment decisions.

As a result of the ongoing challenging market conditions and the Board's focus on maintaining a strong balance sheet and financial flexibility, no final dividend is proposed for the financial year ended 28 March 2026. The Board is confident in the Group's strategic direction and intends to resume distributions when earnings, cash generation and market conditions support a sustainable return to dividends.

ANDREW PAGE
CHIEF FINANCIAL OFFICER

23 June 2026

Building a responsible and sustainable business

PAUL MCNERNEY
CHIEF EXECUTIVE

> Our refreshed strategy is underpinned by sustainable outcomes and ESG priorities. By focusing on People, Planet and Partners, we are strengthening resilience, supporting our stakeholders and creating long-term value.

Sustainability continues to be a key priority for the Group and is embedded within our refreshed strategy, supporting long-term value creation, resilience and responsible business practices across our operations.

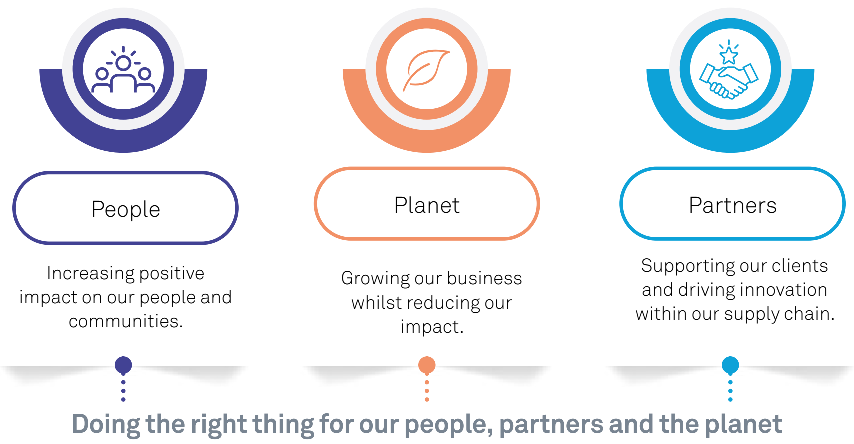
During the year, we refined our approach to sustainability to better align our sustainability ambitions with the refreshed strategy and broader business objectives. This included updating our sustainability framework and its supporting pillars to ensure they remain relevant to the Group's strategic priorities and provide a clear focus for the years ahead.

To achieve this, we are committed to motivating and enabling our people and supply chain to deliver high-quality, innovative buildings in a sustainable and efficient way. As part of our strategy, we are striving to create a culture where our people feel safe, inspired and admired, recognising that their talent, wellbeing and engagement are fundamental to delivering positive outcomes for our clients, communities and other stakeholders.

Our sustainability framework aims to be:

- sustainable and progressive;
- client focused;
- transparent;
- inclusive of our whole value chain;
- aligned to our company values; and
- communicated across the whole value chain.

Our 3Ps Sustainability Framework comprises three pillars – 'People', 'Planet' and 'Partners' – each reflecting our commitment to operating responsibly and ethically. As part of our refreshed strategy, we have placed greater emphasis on alignment and collaboration with our clients', suppliers' and other stakeholders', making the 'Partners' pillar an increasingly important element of our approach. Together, the three pillars support our sustainability objective of '"doing the right thing for our people, planet and partners".



In line with the Global Reporting Initiative ('GRI') Standards, our sustainability framework and reporting are structured around our most material sustainability issues. Our ESG approach to frameworks, reporting mechanisms and targets remains relevant to the foundational sustainability pillars we've established. Principles of governance continue to underpin our framework, with the ESG risk committee meeting quarterly to discuss any ESG-linked risks and opportunities.

In this year's report, we have simplified our disclosures to better communicate our sustainability strategy and achievements, and we have reported against our targets on pages 56 and 76.

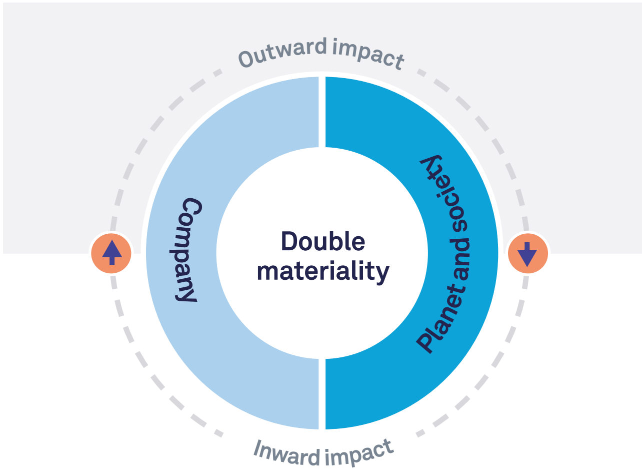
Our approach to materiality

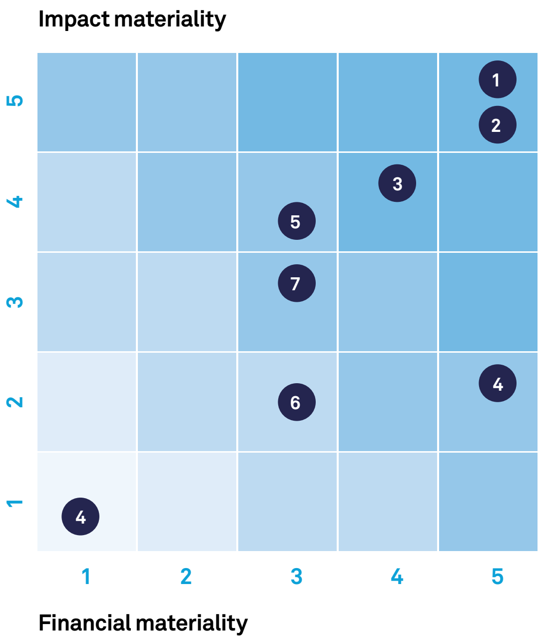
Materiality assessment

We conduct regular assessments to ensure our sustainability priorities continue to reflect the expectations and concerns of our key stakeholders. The seven priority areas identified through our current double materiality assessment remain unchanged. A new double materiality assessment is currently underway, with the results to be published in next year's Annual Report.

The Group continues to ensure material issues that are important to our stakeholders are fully integrated into our Business Plan and risk management framework.

The concept of 'double materiality' refers to how ESG information can be material both in terms of its implications on the Company, and also the impact of the Company on the environment and society.





Materiality index

1. Health and safety
2. Product lifecycle
3. Climate change and carbon emissions
4. Attracting, developing and retaining talent
5. Sustainability governance and management
6. Waste, resource use and circular economy
7. Sustainability regulation

Building a responsible and sustainable business continued

2026 ESG Company highlights

Environment

Progress against
SBTi TARGETS
for Scopes 1, 2 & 3

CDP ‘A LIST’
for climate leadership achieved for third year running

100% RENEWABLE ENERGY
procured for all UK owned facilities

CARBON NEUTRAL CO_2
since 2021

RENEWABLE ENERGY EU
for our EU operations

Maintained
ISO 14001
certification 100% Group-wide

BES 6001
certified since 2011

7 AFFORDABLE AND CLEAN ENERGY
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Social

Achieved Platinum Membership of
THE 5% CLUB

Over 3,600 weeks of
TRAINING OPPORTUNITIES
provided via NVQ in 2025

Nearly 4,600 weeks of
APPRENTICESHIPS
provided in 2025

The Severfield Foundation
DONATED OVER £70,000*

Over 500 hours
VOLUNTEERED
through our volunteering policy

8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

* Now includes Group-wide donations, not just plc

Governance

Carbon emissions externally

VERIFIED BY THIRD PARTY

ESOS Phase 3

fully compliant, preparing for Phase 4

100% OF SUPPLIERS

subject to annual supply chain contractor due diligence reviews

Steel Construction Sustainability Charter

GOLD

RESPONSIBLE PROCUREMENT

committed to EPDs, FSC, PEFC

42

Director safety visits undertaken

Maintained

ISO 45001 & ISO 9001

Group-wide 100% accreditation

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Building a responsible and sustainable business continued

Planet

Our roadmap to Net Zero 2050

Our environmental mission statement is to 'Grow our business whilst reducing our impact'.

We are committed to our long-term target to achieve Net Zero emissions, in line with the SBTi, across all our value chain by 2050. These targets are based on the Paris Agreement, which seeks to limit global warming to below 1.5 degrees Celsius, compared to pre-industrial levels, and as verified by the SBTi.

- Near term, we commit to reduce absolute Scope 1 and 2 GHG emissions 50.4% and to reduce absolute Scope 3 GHG emissions 50.4% by 2033.
- Long term, we commit to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2040 and to reduce absolute Scope 3 GHG emissions by 90% by 2050.
- Overall, our Net Zero target is to reach Net Zero GHG emissions across the value chain by 2050.

All targets are set from an FY2023 base year. The target boundary includes land-related emissions and removals from bioenergy feedstocks.

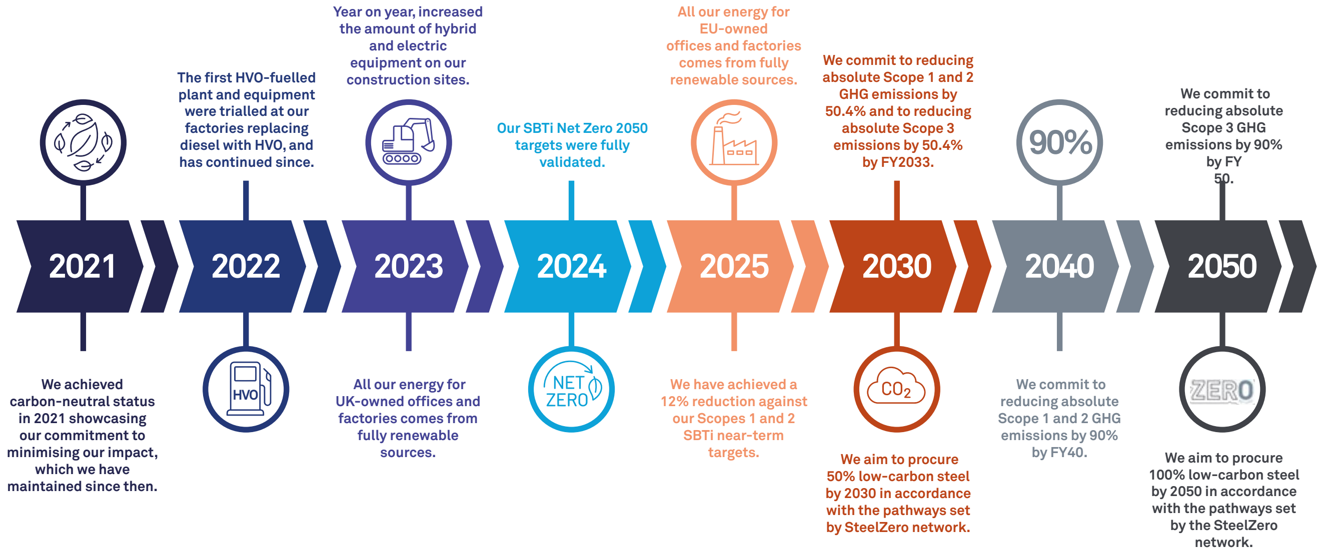
Our Net Zero roadmap is accompanied by a Group Net Zero Transition Plan. This plan identifies the main initiatives and technologies to be explored or implemented in order to achieve our near-term and long-term targets for Net Zero. We acknowledge that sustainability criteria and reporting are constantly evolving and, consequently, the Group's plan will also continuously develop over the forthcoming years. Our current plan is made up of a combination of actions to reduce our emissions, temporary offsetting activities and key steps we will take in supporting the low-carbon transition in the sector.

Group decarbonisation plan

Steel continues to play a significant role in the low-carbon future, as one of the world's most widely used materials with 100% recyclability. Our operational improvement initiatives focus on our environmental impact through innovative design, lean manufacturing techniques and cost and waste reduction programmes, ensuring that steel continues to be a key input in the buildings of the future with increasingly reduced impact.

To accelerate progress towards our decarbonisation targets, the Group has realigned operational responsibility for this priority to the relevant business functions, whilst maintaining support from the Group ESG team. With the majority of Scope 1 emissions linked to fuel and gas usage in our manufacturing operations, this shift enables a more focused and effective approach to emissions reduction. It also allows the Group ESG team to concentrate on other high-impact initiatives such as factory electrification and the adoption of lower-carbon fuels to drive progress against our SBTi-aligned targets and support long-term value creation.

Our achievements to date



Delivered last year:	Plans going forward
Maintained green electricity contracts (REGOs[1]) on all wholly owned facilities in the UK	Continue to upskill our colleagues on our Net Zero strategy, including focus on behavioural change
Maintained green electricity contracts (GoOs[2]) for our European operations	As part of all future investment decisions, priorities will be given to alternative fuel sources where practical
ESOS Phase 3 full compliance achieved	Preparation for ESOS Phase 4 started
Led circular economy by reusing temporary steel works across our projects to reduce steel waste and embodied carbon	Continue to reuse temporary works from sites to reduce steel waste
Continued to implement our roll out of HVO fuel across all applicable plant and equipment at all facilities and construction sites	Implement the use of on-site renewable generation at selected sites
Rolled out specialist training on embodied carbon to colleagues	Continue to engage and collaborate with our suppliers on their decarbonisation strategies and Net Zero targets

1 UK renewable Energy Guarantee of Origin ('REGOs').
2 EU Guarantees of Origin ('GoOs').

Carbon in procured steel and the projects we deliver

As part of our own Net Zero journey, we are undertaking a range of activities to support the reduction in the carbon impact of the projects that we deliver, and lifecycle assessments remain an important part of our analysis.

Our key focus areas remain as follows:

i. Supporting our clients: We engage with all of our clients on their Net Zero project targets. Examples of how we do this include the following:

- We look for emission reduction opportunities at early stage design first, before utilising low-carbon products and materials.
- We utilise embodied carbon calculators, both supporting the RICS and iStructE methodology that helps clients decide on material specification and understand the impact on their carbon targets.
- We reduce waste through efficient design and manufacturing processes, whilst also exploring methods to maximise the circularity of our materials and the reuse of steel.
- To reduce emissions associated with transport, the use of HVO for on-site delivery is now available to clients.

ii. Working with our supply chains: Our network of relationship positions us well to connect with key stakeholders and encourage decarbonisation activities, as underpinned by our SBTi Scope 3 reduction target. Examples include the following:

- Working with steel suppliers aligned with our climate and sustainability ambition as part of our internal supplier engagement programme
- Working with our transport hauliers to ensure we have full availability of HVO fuel for our steel deliveries
- Collaborating with governments and industry-wide partners to drive the decarbonisation of the sector, such as the BCSA or SteelZero Network and attending industry wide events and conferences

The decarbonisation process will not happen overnight and will require changes to infrastructure and capital expenditure to support the transition. We recognise that within the hard-to-abate industries, such as steel, a significant proportion of our emissions are generated within our supply chain as a result of the steel that we use. We are dependent on the steel sector decarbonising to fully address the carbon in our value chain, and a core part of our work around climate-related scenario analysis focused on the risks within our value chain, and our commentary around actions within this area is set out on page 75.

Building a responsible and sustainable business continued

Other sustainability focus areas

Whilst carbon emissions play an important role in our sector, we've also made progress against other areas of environmental sustainability.

Sustainable Procurement	The Group continues to align sustainability objectives with suppliers to ensure a more sustainable supply chain and ensure collaboration across our supply chain for our Net Zero targets, in line with ISO 20400 Sustainable Procurement guidance principles and BES 6001. In FY26, as part of our data capture improvement, we built in further details in our reporting systems on what information we capture from our supply chain to better align our data with the new Social Value Act.
Waste	Over the years, we have delivered an absolute reduction against our waste target and have expanded our reporting perimeter to include our European operations within a revised baseline. Internally, we continue to monitor both absolute waste reduction and waste intensity metrics to ensure alignment with best practice and ongoing operational efficiency. Going forward, we will focus on our diversion from landfill rate, which more accurately reflects the effectiveness of our waste-management processes. This metric will continue to be monitored closely and reported annually, supporting our commitment to continuous improvement. For further information on our targets, see page 76.
Water	Whilst still perceived as non-material by stakeholders as part of our latest double materiality assessment, we have maintained a 'B' score as part of the 2026 CDP Water Security disclosure. This reflects our strong commitment to managing this critical resource and we continue to monitor our water consumption intensity metrics internally.
Biodiversity	Last year, we continued our employee engagement on this topic and a number of colleagues completed biodiversity training to specific job roles.

Case study

Investment in hybrid access equipment to support Net Zero transition

As part of our Science Based Targets initiative ('SBTi') decarbonisation plan and Net Zero 2050 roadmap, we strengthened our low-carbon plant fleet with the addition of 12 HR17 Hybrid2 deckrider machines during the year, now representing 30% of our fleet, materially shifting emissions from this asset class.

The HR17 Hybrid2 combines electric power with Hydrotreated Vegetable Oil ('HVO') technology, delivering materially lower emissions compared to conventional diesel-powered access equipment. We are able to ensure operational capability whilst reducing environmental impact – as with the 12 new units, we are able to achieve 47 tCO_2e savings annually, compared to their diesel equivalent.

The machines are equipped with a compact, EU Stage V-compliant engine optimised for fuel efficiency, operating in tandem with an electric drive motor that supplies additional power only when required. This hybrid architecture minimises fuel consumption without compromising performance on site, and can lower carbon emissions up to 9kg CO_2e per hour*. The machines also operate in electric-only mode for zero-emission and low-noise applications, supporting improved air quality and reduced disruption across client sites.

This investment reflects a practical, near-term decarbonisation aligned with our sustainability commitments and embedded into operational delivery, driving measurable business and stakeholder impact while directly supporting the achievement of our emissions reduction targets.

"By integrating hybrid technology into our fleet, we are taking another meaningful step towards achieving our long-term environmental goals and reinforcing our role as an industry leader in responsible construction."

MICHAELA LINDRIDGE
HEAD OF ESG

Streamlined energy and carbon report

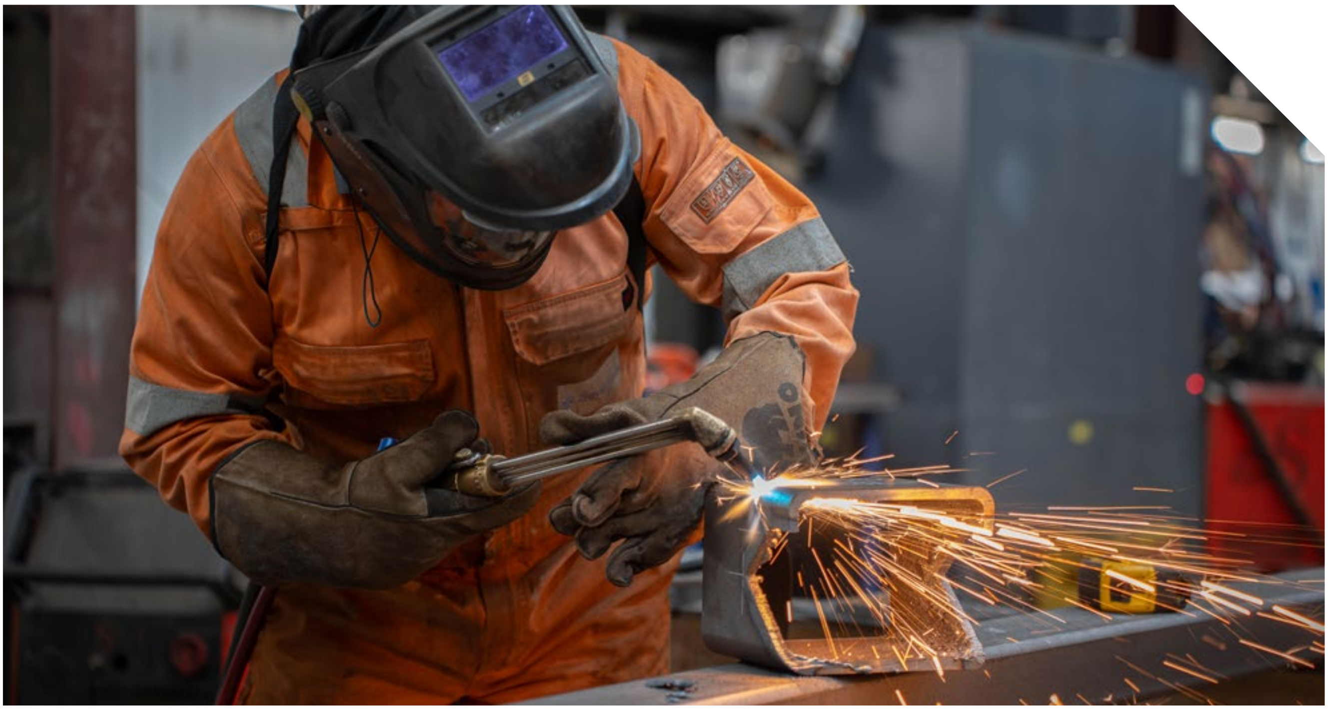
This inventory table has been prepared in accordance with the requirements of the measure-step of the Toitū carbon marks, which is based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2018 Specification with Guidance at the Organisation Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals. Where relevant, the inventory is aligned with industry or sector best practice for emissions measurement and reporting.

GHG emissions and energy use for period 1 April 2025 to 31 March 2026:

	1 April 2025 to 31 March 2026		1 April 2024 to 31 March 2025	
Energy usage from:	UK and offshore	Global (excluding UK and offshore)	**UK and offshore**	**Global (excluding UK and offshore)**
Emissions from activities for which the Company own or control including combustion of fuel & operation of facilities tCO_2e (Scope 1)	**5,667**	**449**	5,677	319
Emissions from purchase of electricity, heat, steam and cooling purchased for own use tCO_2e (Scope 2, location-based)	**2,805**	**300**	3,422	257
Total gross Scope 1 & Scope 2 emissions tCO_2e	**8,472**	**748**	9,099	576
Total gross Scope 1 & Scope 2 emissions tCO_2e (all)	**9,221**		9,675	
Energy consumption used to calculate emissions (kWh)	**27,829,522**	**2,470,928**	31,673,439	1,974,752
Gas (kWh)	**5,581,018**	**926,156**	6,226,151	769,608
Electricity (kWh)	**15,848,292**	**1,227,930**	16,528,107	1,060,784
Transport fuels (kWh)	**6,400,212**	**316,842**	8,919,181	144,360
Methodology	ISO14064 Part 1 2018 and Carbon Reduce			
Third-party verification	Verified to ISO14064 Part 1 2018 and Carbon Reduce			

3 Toitū carbon marks refers to the Toitū carbonreduce and Toitū carbon zero programmes.

4 Throughout this document 'GHG Protocol' means the GHG Protocol Corporate Accounting and Reporting Standard and 'ISO 14064-1:2018' means the international standard Specification with Guidance at the Organisational Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.



Building a responsible and sustainable business continued

Reporting our GHG emissions

In line with the requirements of the Streamlined Energy and Carbon Reporting ('SECR'), we report on our CO_2e emissions in accordance with the internationally recognised Greenhouse Gas ('GHG') Protocol and our metrics include Scope 1 and 2 emissions.

For the year ended 28 March 2026, the Group's global GHG emissions, using a location-based approach, and energy usage, were as follows:

GHG emissions from:	Tonnes of CO_2e 2026	2025
Scope 1 – combustion of fuel and operation of facilities	**6,116**	5,997
Scope 2 – electricity, heat, steam and cooling purchased for own use	**3,105**	3,678
Total CO_2e emissions (location-based)	**9,221**	9,675

Intensity measurement (location-based):	2026	2025
Absolute tonnes CO_2 equivalent per £m of revenue	**20.4**	21.5

For the year ended 28 March 2026, the Group's global GHG emissions, using a market-based approach, and energy usage were as follows:

GHG emissions from:	Tonnes of CO_2e 2026	2025
Scope 1 – combustion of fuel and operation of facilities	**6,116**	5,997
Scope 2 – electricity, heat, steam and cooling purchased for own use	**20**	107
Total CO_2e emissions (market-based)	**6,136**	6,104

Intensity measurement (market-based):	2026	2025
Absolute tonnes CO_2 equivalent per £m of revenue	**13.6**	13.5

All data reported are for our UK and European operations as described in our certification boundary.

Scope 1 emissions are direct GHG emissions that occur from sources under our ownership or operational control. This includes fuel consumed in our factories for fabrication, in our offices for heating and in company vehicles. There are no material exclusions from Scope 1.

Scope 2 emissions are indirect GHG emissions from purchased energy. This includes electricity used for all our offices and factories across the Group. There are no exclusions from Scope 2.

Carbon offset credits are excluded from our GHG emissions reporting.

All Scope 1 and 2 GHG emissions data is independently verified by Achilles, in accordance with the international standard ISO 14064-1.

In 2026, using a market-based approach, our intensity measured Scope 1 and Scope 2 GHG emissions have remained similar to the previous year. To date, our Scope 1 and 2 reductions are attributed to switching to green energy at all our UK and European operations and the use of alternative fuels on site.

Scope 3 emissions

GHG emissions from:	Tonnes of CO_2e 2026	2025
Waste	**60**	84
Business travel	**697**	969
Colleague commuting	**4,428**	4,676
Transport and distribution – Downstream	**2,378**	1,650
Transport and distribution – Upstream	**5,229**	5,056
Total verified Scope 3 CO_2e emissions	**12,793**	12,435

All data reported is for our UK and European operations as described in our certificate boundary. Our verified Scope 3 GHG emissions in relation to any transport also include 'Well To Tank' ('WTT') emission factors, as part of further data alignment with SBTi methodology. WTT emissions, also known as upstream or indirect emissions, is an average of all the GHG emissions released into the atmosphere from the production, processing and delivery of a fuel or energy vector. We have also reported on 'downstream' and 'upstream' transport emissions separately, for better alignment and transparency. Upstream relates to the transport of products purchased from our suppliers to our factory/offices (facilities) and downstream relates to transport of products from our factory to project sites.

Scope 3 emissions account for all of the other emissions an organisation produces when fossil fuels are burnt within its value chain and are a significant proportion of our total GHG emissions. In the context of the 2050 Net Zero target, this is the most challenging category to address. We are, however, committed to driving decarbonisation throughout our value chain, which is underpinned by our SBTi Scope 3 reduction target.

Our Scope 3 GHG data above is independently verified by Achilles, in accordance with the international standard ISO 14064-1. Last year's Scope 3 GHG emissions have largely remained the same.

Within Scope 3 emissions categories, we report on a total of nine of the 15 categories material to our business. Consistent with most businesses in the construction sector, the majority of our GHG emissions are indirect (Scope 3), accounting for 96% of total emissions, on a market-based approach. Within Scope 3 emissions, purchased goods and services represent 90% of emissions, largely due to the embodied carbon in steel. We continue to be committed to addressing our Scope 3 emissions, in particular those from purchased goods and services, in order to achieve our strategic objective of Net Zero across all emissions by 2050 (as approved by the SBTi). For progress against our GHG targets, please refer to pages 56 to 57.

Additional Scope 3 categories

GHG emissions from:	Tonnes of CO_2e 2026	2025
Purchased goods and services	**150,672**	162,145
Fuel and energy related	**2,584**	2,721
End of life treatment	**83**	85
Investments	**1,545**	1,439
Total additional Scope 3 CO_2e emissions (unverified)	**154,884**	166,390

Since 2021, the Group has been accredited as an operationally carbon neutral organisation to the Achilles 'carbon zero' standard in accordance with ISO 14064-1. We use carbon offsetting to eliminate the combined Scope 1, Scope 2 and operational Scope 3 GHG emissions generated from our manufacturing facilities and construction sites. In line with the SBTi methodology, carbon offsetting can only be used against the last 10% of residual emissions so we will rely on them less over time. However, at present, they are needed to offset our residual emissions and are an important step in our sustainability journey towards Net Zero.

Achilles Carbon Zero Certified Powered by Toitū Envirocare

Achilles Carbon Reduce Certified Powered by Toitū Envirocare

Building a responsible and sustainable business continued

Task Force on Climate-Related Financial Disclosures ('TCFD')

We report in accordance with the UK's regulatory requirements for climate-related disclosures, which are currently based on the framework developed by the Task Force on Climate-related Financial Disclosures ('TCFD'). Internationally, the TCFD's recommendations have been integrated into the International Sustainability Standards Board ('ISSB') climate disclosure standard (IFRS S2), which the UK Government has signalled support for, but has not yet adopted. Our continued alignment with TCFD enables us to provide stakeholders with clear, transparent and decision-useful information on the Group's climate-related risks and opportunities, whilst supporting communication of our sustainability strategy, governance framework, targets and progress.

The Board recognises the systemic risk posed by climate change and the need for urgent mitigating action. We are committed to addressing climate-related risks and reducing the Group's environmental impact and carbon emissions. In line with evolving international standards, we continue to report in accordance with the TCFD framework. This ensures our stakeholders receive transparent, decision-useful information on material climate-related risks and opportunities relevant to our business.

The information set out on pages 64 to 76 of our annual Report and Accounts provides key climate-related information that is aligned with the 11 recommendations, covering four thematic areas, as originally set out by the TCFD. We are compliant with the TCFD recommendations, including the relevant material elements of the 'Guidance for all sectors'.

In 2024, we updated the modelling for our detailed climate scenarios, selected from the risks identified in the Group's climate risk register as described on pages 68 and 69, and have provided the detailed quantitative disclosures required by TCFD. The detailed modelling was assisted by our external consultants, IMS, who have the necessary expertise of the detailed economic and climate change models required to perform the analysis.

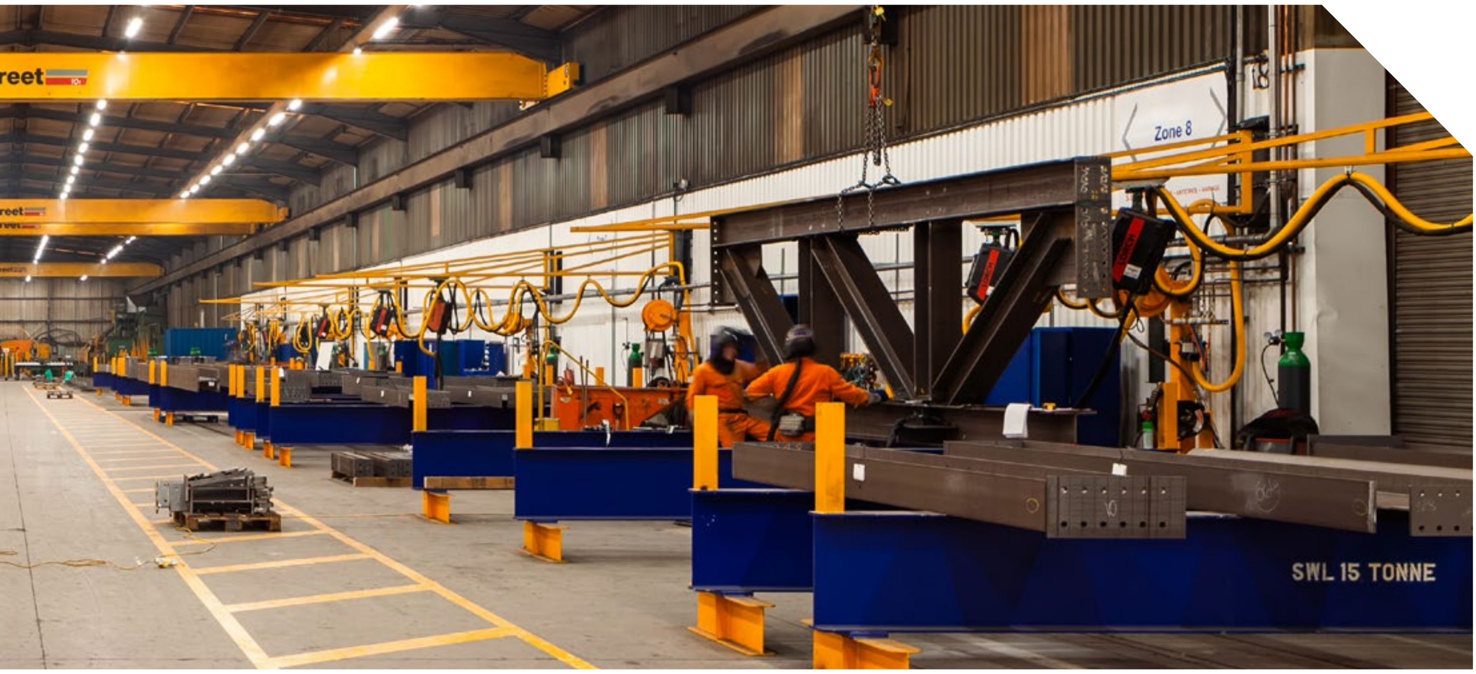
In 2026, we reviewed and reassessed the climate scenario modelling undertaken in 2024 to ensure it remains appropriate in light of the Group's current climate-related risk profile. This reassessment considered any changes in the Group's operations, strategy and external climate risk landscape.

Based on this review, we concluded that the existing modelling continues to provide a relevant and robust basis for our climate-related financial disclosures.

Further to this, we have assessed the impact of climate risk on the Group's balance sheet, including the impact on the measurement of financial instruments, the Group's owned land and buildings, goodwill and the Group's going concern and long-term viability, and have concluded that there is no material impact on the financial statements for the year ended 28 March 2026.

Some elements of our TCFD reporting are addressed elsewhere in our annual Report and Accounts. The table on the next page outlines where this information can be found.

Thematic area	TCFD recommendation	Section name	Page ref	Next steps
Governance	Board oversight	Corporate governance report	108 to 111	Continue to review and assess governance around climate-related risks and opportunities.
		Governance at a glance	100 to 101	
	Management role	Building a responsible and sustainable business	64 to 65	
Strategy	Risks and opportunities	Effective risk management	87 to 94	We will use the outputs of the scenario analysis to monitor any potential risks to the business and to continue to evolve our understanding of how climate-related risks and opportunities could impact on our business and strategy.
	Impact on organisation	Building a responsible and sustainable business	52 to 58	
	Resilience of strategy			
Risk management	Risk identification and assessment process	Effective risk management	83 to 86	Continue to enhance and improve our risk management approach for climate-related and wider sustainability risks and opportunities.
	Risk management process			
	Integration into overall risk management			
Metrics and targets	Climate-related metrics	Building a responsible and sustainable business	59 to 76	We disclose the metrics and targets that are most relevant to our stakeholders in assessing our ESG progress. These are continuously reviewed.
	Scope 1, 2 and 3 GHG emissions			
	Climate-related targets			



Building a responsible and sustainable business continued

Governance

Board oversight on climate-related risks and opportunities

Our CEO is responsible for the Group's strategic direction and progress on climate-related issues. They assume overall Board-level responsibility for climate-related matters and they also chair Severfield's sustainability and risk committees, thereby ensuring continuity throughout the business, particularly from a governance perspective.

As summarised on the Board skills matrix on page 101, the Board possesses expertise in climate-related and sustainability matters, and has a sound basis from which to consider the risks and opportunities facing the business as a result of climate change. We use our Board skills matrix for succession planning purposes to ensure there are no skills gaps.

All Board reporting at Severfield is underscored by a focus on climate change, sustainability and ESG. The Board is updated on climate-related matters on a biannual basis and is briefed on any other key changes throughout the year. Where relevant, we also arrange in-depth briefings from industry subject experts so as to draw attention to material ESG matters throughout the year. We are currently reviewing the frequency of reporting in line with business improvements taking place.

The work of the sustainability committee, which mainly consists of selected members of the executive committee, has responsibility to consider the impact of climate change on the business on behalf of the Board. The committee (via the Executive Directors) regularly updates the Board on the Group's sustainability strategy and progress against our targets. A quarterly sustainability Board report is prepared by the Group SHEQ Director, which includes a dashboard on greenhouse gas emissions to ensure ongoing monitoring.

In the next column, are some examples of strategic decisions, where we demonstrate how the Board gives full and close consideration to ESG factors and sustainability when assessing the impact of the decisions it makes.

- Taking steps to ensure we offer recycled steel as an option for our clients, reinforcing the sustainability benefits of steel. This is also linked to the identified risk of steel having a high embedded carbon.
- Investing in carbon offsets to maintain our carbon neutral certification. This links to the identified risk of failing to meet emissions targets or failing to comply with legislation or stakeholder expectations.
- Setting SBTi targets, completing our TCFD climate scenario analysis modelling and the further disclosure of our metrics and targets.
- Investing in climate-related research and development to identify and maintain the most efficient engineering techniques, supported by our ongoing operational improvement programme and Project Horizon.
- Embedding sustainability considerations into our capital expenditure approval process.
- Research into an internal carbon pricing system.

The Group Board, through the executive committee and risk committee (both chaired by the CEO) has delegated oversight of the management of climate-related risks and opportunities to the sustainability committee and sustainability risk review committee. The Board has overall responsibility for the Group's risk management and systems of internal control and for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives, which includes specific consideration of climate-related risks.

The Group's sustainability committee members include the following: Chief Executive Officer, Chief Financial Officer, Group Legal Director and Company Secretary, Group SHE Director, Group HR Director, Group Head of ESG and Group Head of Procurement. This ensures that key management is represented across all business areas and that they share an aligned approach to climate-related matters. Effectively, this ensures that the Group's overall sustainability strategy is delivered successfully.

Our Group Legal Director and Company Secretary, Mark Sanderson, is a member of the executive committee and chairs the sustainability risk review meetings. He is responsible for helping to ensure that an appropriate strategy is in place to understand, identify, monitor and control risks from climate change in line with the Group's risk appetite parameters.

Beyond the committees themselves, business unit management teams are responsible for managing climate-related risks and opportunities on a day-to-day basis. They are also driven to deliver on the Group's Net Zero roadmap and sustainability strategy.

The sustainability committee meets every two months and engages with a wide range of senior managers and colleagues from across the Group to oversee the day-to-day implementation of our sustainability strategy and report on the progress of the Group to the executive committee, who ultimately report to the Board.

The Chief Executive Officer and Chief Financial Officer are both members of the sustainability committee and, therefore, provide the Board with regular written and verbal updates on climate-related matters.

Management's role in assessing and managing climate-related risks and opportunities

Board of Directors
Responsible for the Group sustainability strategy

Executive committee and risk committee
Reports to the Board on the progress and success of the sustainability committee

Sustainability committee
Oversees strategy implementation and reviews progress against our strategic objectives and reports to the executive committee and the Board

Sustainability risk review committee
Exercises oversight over climate-related risks and the Group's approach to mitigating our impact on the environment

Supported by senior management
Including Group head of ESG and Group head of procurement

Wider employee groups
Implement the Group's strategy and report on performance within their sites

Building a responsible and sustainable business continued

Strategy

Climate-related risks and opportunities the organisation has identified over the short, medium and long term.

As part of our business processes, we identify climate-related risks and opportunities, assessing their likelihood and quantifying their potential financial and non-financial impacts and potential time horizons. Those risks with a higher impact are prioritised for action by the Board.

We consider climate-related issues within the time horizons used in our risk management process (see table). Risks and opportunities feed into our financial planning to the extent we expect them to impact our forecasts and/or three-year strategic plan. Beyond that, we consider medium- to long-term risks and opportunities when formulating the Group's overall strategy.

In line with our risk management process and assessment of the Group's principal risks, only high and medium risks are considered sufficiently significant for disclosure in the annual report. The ranking of each is determined based on the scoring of the risk within the Group's risk register. This scoring considers the potential impact (both financial and reputational damage) and likelihood associated with the crystallisation of each risk.

Short term	< 5 years	Aligns to how we assess the Group's principal risks and viability statement.
Medium term	5–10 years	Aligns to longer-term projects with risks driven by government policy, infrastructure needs and market conditions.
Long term	> 10 years	Factors that could impact the Group's ability to achieve its strategic goals.

Climate-related transition and physical risks have been assessed as an overall low risk to the Group, which aligns with the Group's principal risk assessment on pages 87 to 93.

Our approach to ESG risk

The Group's process of identifying and assessing climate-related risks and opportunities is embedded in the Group's existing risk management process and is fully aligned with our three lines of defence model (see pages 83 to 86 for more details).

We monitor and identify climate and other sustainability-related risks in our sustainability risk register by assessing their likelihood and quantifying their potential financial and non-financial impacts and the time horizons over which they may occur. New and emerging risks are included within the risk assessment process; these are reviewed quarterly to ensure that material risks are identified, escalated appropriately and managed effectively.

Both transition and physical risks can be impacted as a result of climate change and associated trends. The sustainability risk committee considers transition risks that may stem from the Group's transition to a Net Zero steel industry, such as through regulatory, legislative or technological changes and, thereafter, mitigates them accordingly. Physical risks could arise from an increased frequency of severe weather events, such as flooding or heat waves.

The table on pages 68 to 69 summarise key climate-related risks (transition and physical), as well as opportunities that have been identified during our sustainability risk review process; these risks are considered to have the greatest impact on the business in the short, medium, and long term.

The table on the subsequent pages summarises the key climate-related risks (transition and physical) and opportunities identified as part of our sustainability risk review process that are considered to have the greatest impact on the business in the short, medium and long term.

Building a responsible and sustainable business continued

Climate-related risks

Climate risk	Classification	Risk description	Potential impacts to the business	Time horizon
Transition	**Risk 1** Policy and legal	Failure to comply with climate-related legislation by not meeting targets or reporting requirements	• Loss of position as market leader and reputational damage. • Loss of opportunities within our market sectors. • Possible fines and penalties imposed.	Short term (<5 years)
	Risk 2 Reputation	Failure to comply with climate-related stakeholder expectations leading to loss of position as market leader and lost opportunities	• Loss of position as market leader and reputational damage. • Loss of opportunities within our market sectors. • Negative share price impact.	Short term (<5 years)
	Risk 3 Policy and legal	Failure to meet operational emissions reduction targets or increased costs due to offset costs	• Possible fines and penalties imposed, including carbon taxes. • Carbon offsetting costs could increase if the Group needs to purchase additional offsets where we fail to reduce our GHG emissions. • Offsetting prices increase as demand for these initiatives increase.	Medium term (5–10 years)
	Risk 4 Market	Steel becomes unsustainable due to high carbon content, or an over demand for low-carbon steel making it unaffordable and projects being cancelled	• Shortage of material availability resulting in project delays or cancellations. • Significant fluctuations in steel prices linked to procured carbon. • Pressure from clients to reduce emissions of materials as well as emissions associated with distribution and construction activities. • More stringent regulation for construction materials and products. • Increased R&D, design, IT and training costs associated with developing new technology to create innovative projects.	Medium term (5–10 years)
Physical	**Risk 5** Acute	Operational disruption/ reduced capacity due to extreme weather event, e.g. flooding or wind damage	• Project delays incurred due to unsafe working conditions on site and disruption to deliveries of materials to our factories. • Damage to construction sites and equipment. • Design and procurement challenges to deliver a project to withstand extreme weather effects. • Increasing difficulty in obtaining insurance in locations of extreme weather conditions.	Long term (>10 years)
	Risk 6 Chronic	Operational disruption/ reduced capacity due to increased frequency of extreme weather, e.g. drought	• Project delays incurred due to unsafe working conditions on site and disruption to deliveries of materials to our factories. • Damage to construction sites and equipment. • Design and procurement challenges to deliver a project to withstand extreme weather effects. • Increasing difficulty in obtaining insurance in locations of extreme weather conditions.	Long term (>10 years)

Assessment of likelihood	Assessment of financial impact	Current/future mitigation
Unlikely	Low	• Strong controls and governance on climate-related reporting to the Board. • Regular training and education on climate change matters to stay ahead of any legislative changes. • Engage external specialists, where appropriate, to provide advice on current sustainability risk management processes and upcoming or potential changes to climate-related legislation.
Unlikely	Moderate	• Regular engagement with all stakeholders, promoting open and transparent communication. • Strong controls and governance on climate-related reporting to the Board. • Demonstrating our commitment to reducing our environmental impact through obtaining industry recognition (such as CDP 'A' and MSCI 'AAA' ESG ratings) and SBTi validation. • This risk has been modelled as part of our scenario analysis – see pages 71 to 75 for further detail.
Possible	Low	• Our Group's Net Zero roadmap and sustainability framework continue to be embedded in our business's processes and procedures to ensure our ambition is achieved. • Regular monitoring and reporting of GHG to the Board. • Regular monitoring of offsetting prices and close monitoring of new development for permanent carbon removals.
Unlikely	Significant	• We maintain strong relationships with our supply chain. • We have engaged with key suppliers to understand their own strategies to achieve Net Zero and undertaken research into low-carbon alternatives. • Contributing to the SteelZero network demonstrates our commitment to procure 100% Net Zero steel by 2050, with specific interim targets set for 2030. • Provision of training for low-carbon design and new technologies. Engaging technologies. Engaging in discussions on climate-related matters early on in the project lifecycle so we can ensure our clients' expectations are fully understood and achieved. • Performing regular material price sensitivity assessments and considering contingency plans for procurement. • This risk has been modelled as part of our scenario analysis – see pages 71 to 75 for further detail.
Unlikely	Low	• Monitoring of weather forecasts to ensure employee safety and early steps taken to mitigate potential disruption to site activities and deliveries. • Detailed risk reviews of project sites in areas of extreme weather or located close to waterways. It is commonplace to agree allowances in our construction programmes to accommodate potential adverse weather conditions, for example the impact of wind on being able to lift significant steel structures. • The Group has appropriate insurance policies and arrangements, which we continually monitor. • This risk has been modelled as part of our scenario analysis – see pages 71 to 75 for further detail.
Possible	Negligible	• Monitoring of weather forecasts to ensure employee safety and early steps taken to mitigate potential disruption to deliveries. • Detailed risk reviews of project sites in areas of extreme weather or located close to waterways. • The Group has appropriate insurance policies and arrangements, which we continually monitor. • This risk has been modelled as part of our scenario analysis – see pages 71 to 75 for further detail.

Building a responsible and sustainable business continued

Climate-related opportunities

Opportunity	Classification	Description	Strategy to realise opportunity	Time horizon
Green revenue streams	**Opportunity 1** Market	Identify new and increase existing revenue streams from green infrastructure and low-carbon projects that support the green energy transition. The Group is well-placed to meet the demand for infrastructure that can mitigate the impacts of climate change and deliver energy security. These requirements dictate a significant investment in national energy infrastructure, including renewable electricity generation and storage, nuclear power (new build and decommissioning) and several other new energy supply initiatives. We also expect to see further projects aimed at carbon reduction in transport, such as the electrification of the UK rail network. Other projects in support of a low-carbon economy include battery plants (to facilitate the switch to electric cars), energy efficient buildings and manufacturing facilities for renewable energy.	The Group has a strong reputation in existing market sectors that are key to delivering the green energy transition. We continue to seek out opportunities in growing markets through market research and collaboration with our clients, ensuring we are well placed to take advantage of significant investment in the green energy transition. In 2026, 30% of Group revenues (2025: 27%) were derived from green revenue streams. Whilst this metric is not reported against a target due to its reliance on external market factors beyond our control, it remains a key area of strategic growth opportunity. See page 57 for further details.	Long-term (>10 years)
Renewable energy	**Opportunity 2** Energy source	Continuing the transition from using gas oil and natural gas to renewable low-carbon energy sources could give rise to operational and supply chain efficiencies and cost reductions.	In 2026, 100% of our total purchased and consumed energy was from green tariffs (REGOs) in the UK (for wholly owned facilities) and the EU (GoOs). We continue to assess the availability of other renewable energy sources for heating and power as part of our decarbonisation strategy.	Short-term (<5 years)
Research and development	**Opportunity 3** Products and services	With the increasing focus on climate-related matters as the UK, and the world, accelerates their efforts to decarbonise in line with the Paris Agreement, we expect to see a change in the requirements of our clients to build projects that reduce their carbon emissions. Research and development into products and processes will help us to provide innovative solutions that meet the complex and changing needs of our clients.	One of our objectives is to invest in climate-related research and development to identify new engineering techniques and innovative technologies. We aim to re-use steel and minimise scrap to allow our clients to minimise the lifecycle carbon emissions of their projects.	Short-term (<5 years)

Climate scenario analysis ('CSA')

We conducted CSA using a standard methodology in accordance with TCFD recommendations and guidance.

Our assessment prioritised risks considered to have the greatest impact on the business in the short, medium and long term (as defined in the table on page 57). Our analysis will continue to evolve over time as our understanding of the impacts of climate-related risks grow and as external data on the potential impacts of climate change develop.

The areas assessed relate to the following primary risks:

Risk	Rationale for selection
Impact of physical climate risk on assets, projects and supply chains	Climate change increases the risk of severe weather events such as floods, sea level rise, cyclone, heatwave, wildfire and water stress. Physical risks could potentially affect Severfield in a range of ways: • Direct damage to assets • Impacts on supply chains (delays to shipments, delays in the production activities of suppliers) • Delays to projects arising from the supply chain disruption Severfield has manufacturing facilities in the UK and Netherlands (excluding our joint venture, JSSL, in India) and key suppliers in the UK and Europe; however, the ultimate supply chains are more geographically spread. The focus of the modelling is on Severfield's manufacturing sites and considers the impact of the severe weather events referenced above.
Stakeholder expectations and the delivery of low-carbon projects	The steel sector as a whole is on a trajectory to decarbonise by 2050, but stakeholder expectations and demand may outpace the availability of low-carbon steel and, therefore, our ability to meet client demand to deliver low-carbon projects and stakeholder expectations to meet our emission targets may not be possible. Whilst our long-term transition plan focuses on a range of measures to achieve decarbonisation (see our Net Zero plan on pages 56 and 57), in the shorter term, there will be the need for carbon offsets to offset residual emissions. The price of carbon offsets could significantly increase in a scenario where the carbon offset supply is limited to removal offsets that store or sequester carbon, rather than avoiding emissions that would otherwise occur. The impact on Severfield depends significantly on levels of client demand, decarbonisation of the sector as a whole and our procurement strategy, and will be explored further in future periods as we seek to reduce dependence on the use of offsets and drive clear progress towards decarbonisation.
The steel market within the low-carbon transition	This was assessed as the risk of insufficient low-carbon steel in the market, or its price being so high as to make steel an unsustainable construction product. Various ways of producing steel exists, some of which can be very energy intensive. The most widely used method is through the combustion of fossil fuels in a blast furnace, which creates significant CO_2 emissions. This production method will be the focus of increased scrutiny and a drive to reduce emissions in the future, especially when greener alternatives become more widely available. Electric Arc Furnaces ('EAFs') are a greener alternative, and whilst not a new technology, they are less commercially used due to the significant investment required by producers to replace existing, fossil fuel-reliant, blast furnaces. EAF relies on recycled or scrap steel and melts it using an 'electric arc'. Additional use of green electricity in this process can further provide reductions in the embodied carbon of steel. We are already seeing an increase in client demand for low-carbon steel, as clients work towards their own Net Zero targets. Additional technologies will be required to achieve full decarbonisation of the sector, including processes that replace natural gas with green hydrogen, incorporate an element of carbon capture, and replace pulverised coal with high-carbon biomass sources. Given the significant investment required, and time taken to build new manufacturing facilities, there may be supply side limitations that amplify the increased demand for greener steel.

Building a responsible and sustainable business continued

The parameters, assumptions and data used to support our CSA are taken from various accredited sources that are summarised below. The CSA models incorporate a range of different temperature outcomes to 2100, including a scenario of less than 2°C.

Severfield PLC climate scenario	Low emissions	Medium emissions	High emissions
1. Physical risk assessment			
Relative Concentration Pathway (RCP)[1]	RCP2.6	RCP4.5	RCP8.5
Estimated 2100 warming projection	1.8°C	2.4°C	4.3°C
2. Stakeholder expectations and the delivery of low-carbon projects[7]			
Carbon offset market scenario (Bloomberg NEF)[2]	Regulated (carbon offset market is regulated, which limits supply)	Hybrid (combination of regulated and voluntary scenarios)	Voluntary (no regulation over carbon market)
3. The steel market within the low-carbon transition			
Mission Possible Partnership ('MPP') scenario[3]	Carbon cost (1.5°C aligned)[4]	Technology moratorium[5]	Baseline[6]
Carbon pricing	\$0/tCO_2 in 2023 rising linearly to \$200/tCO_2 in 2050	None	None
Technology constraints	None	Only near-zero emissions technologies permitted from 2030 onwards	None

1 RCP uses economic, social and physical assumptions within a set of scenarios to model possible future climate evolution. They are published by the MET Office and adopted by the Intergovernmental Panel on Climate Change ('IPCC'). The RCPs can be represented by the levels of temperature change that can be used in conjunction with flood projection models.

2 Bloomberg NEF is a strategic research provider covering global commodity markets and the technologies driving the transition to a low-carbon economy.

3 The Mission Possible Partnership ('MPP') is an alliance of climate leaders focused on decarbonising specific industries, including steel. They have sector transition strategies that set out illustrative scenarios to achieve Net Zero by 2050.

4 The Carbon Cost scenario illustrates how the steel sector might decarbonise if coordinated action to support low-CO_2 steel making takes hold this decade. This scenario assumes that, at each major investment decision, the steel asset switches to whichever technology offers the lowest total cost of ownership ('TCO').

5 The Technology Moratorium scenario takes an alternative approach by confining investments to near-zero emissions technologies from 2030 onwards to reach Net Zero. As with the Carbon Cost scenario, the steel asset switches to whichever technology offers the lowest TCO at each major investment decision.

6 Baseline scenario: to highlight the consequences of inaction, a reference case is modelled in which a steel asset switches to the technology with the lowest TCO at each major investment decision, without a Net Zero constraint.

7 As discussed later in more detail, whilst this data set was considered as part of the CSA, our disclosures are made on a simplified basis.

The assessment considers three time points – 2030, 2040, 2050 – which encompass the short, medium and long-term time horizons set out on page 67.

Impact of physical climate risk on assets, projects and supply chains

Methodology	Financial impact	Strategic resilience and planned mitigations
Long-term flood risk modelling (within an RCP8.5 scenario – see previous page) was undertaken to identify our operations with the highest flood risks. A sample of assets was further assessed to consider the most extreme risks arising from flood, sea level rise, cyclone, heatwave, wildfire and water stress (in an RCP8.5/SSP5[1] scenario – see previous page). This included specific manufacturing site locations and localised flooding, which could impact access roads. The modelling uses General Circulation Models based on the latest international modelling efforts (CMIP6), high-resolution historical observations from satellites and a range of other techniques to provide the greatest degree of accuracy. 'Value at risk' calculations were undertaken to assess asset exposure to a given hazard under different scenarios, simulating multiple events at different intensities. The value at risk calculations consider both structural damage and business interruption and are expressed as a single annual value of expected loss. Business interruption was assessed based on the fixed cost base of the respective sites.	**Mean loss: <£0.3m per year** The combined financial impact of both physical damage and business interruption is less than £0.3m per annum based on the worst-case scenario extending out to 2050. The climate risk relating to the assets assessed, and the associated financial risk is low based on our current modelling approach.	Whilst no sites are currently considered at risk of flooding, work has already been carried out to mitigate the risk and reduce the impact of localised flooding at both the Dalton and Enniskillen manufacturing sites. Access roads to the Dalton site, in particular, has seen significant investment from the North Yorkshire Council following flooding in the past. Such is the economic importance of the site, climate risks are likely to be further mitigated by future infrastructure investment. Our current and near-term insurance policies and arrangements mitigate against the risk of asset damage and business interruption. Regular discussion with insurers enables us to identify near-term localised risk and to implement measures to minimise risk impacts. Historical flood events and localised flood mitigation works are monitored to assess the changing risk profile for our operations and to understand risk tolerance for potential financial impacts. Project risk mitigations are discussed in the risks and opportunities table on pages 68 and 70. We will continue to monitor physical climate impacts within our wider risk management approach.

1 Shared Socioeconomic Pathways' ('SSPs') look at five (population, economic growth, education, urbanisation and the rate of technological development) different ways in which the world might evolve in the absence of climate policy and how different levels of climate change mitigation could be achieved when the mitigation targets of RCPs are combined with the SSPs.

Building a responsible and sustainable business continued

Stakeholder expectations and the delivery of low-carbon projects

Methodology	Financial impact	Strategic resilience and planned mitigations
We have considered the carbon offset market scenario based on Bloomberg NEF data; however, we consider there is too much uncertainty to reliably model and quantify the financial risk on a basis that would provide the Company with a valid range of potential outcomes. This is due to there being a wide range of possible outcomes for the price of carbon offsets. This is an emerging risk for Severfield as there is currently no significant demand from clients for the use of carbon offsets on projects. Furthermore, our SBTi targets only allow for a residual amount of offset; therefore, our expected use of carbon offsets in the short to medium term will reduce. Factoring in the above, we have simplified the analysis to disclose the financial impact of continuing to offset our residual carbon emissions from operations, based on a 2024 cost baseline.	**£0.2m for every 100% increase in the price of carbon offset.** We are currently accredited as carbon neutral, and it is our current intention to continue to offset our residual emissions from operations to maintain this. As such, the financial impact is quoted in the context of an increase based on our current spend on carbon credits.	Our ongoing conversations with clients and our supply chain provide meaningful insight into client-side demands for low-carbon projects, and supply side trajectories toward the increased availability of low-carbon steel. Any requirement for the delivery of lower-carbon projects, to the extent they are not our own controllable emissions, would currently be implicitly priced into a tender, as all market participants would incur the same costs to deliver a project. Our involvement with SteelZero and wider industry and government collaborations provide increased awareness of the challenges of the steel sector as a whole and how these could be overcome. This deeper understanding will feed into our Net Zero plans. We are investing in new machinery and more efficient processes. We are exploring methods to maximise the circularity of steel through its reuse, to reduce the carbon content of delivered projects. We are also focusing on our own operational emissions within our Net Zero roadmap.

The steel market within the low-carbon transition

Methodology	Financial impact	Strategic resilience and planned mitigations
The Mission Possible Partnership ('MPP') has conducted extensive scenario analysis to assess possible trajectories for the steel sector to reach Net Zero by 2050. Our modelling considers the three potential pathways to 2050: **Baseline –** Steel assets switch to the technology with the lowest total cost of ownership at each major investment decision, without a Net Zero constraint. **Carbon cost –** This scenario models how the introduction of a carbon price policy might impact the technologies adopted by the market. Carbon taxes create higher prices for the higher CO_2 emission technologies, therefore, causing higher prices, leading to a demand-side change to lower emissions technologies. **Technology moratorium –** Similar to the Baseline scenario, but confining investments to (near-) zero emissions technologies, through the use of regulation, from 2030 onwards to reach Net Zero. The modelling aligns our assumed steel procurement under each scenario to the market supply, aligned with our SteelZero commitments. We would aim to procure based on the lowest cost for the lowest embodied carbon steel; however, we assume constraints in supply as every market participant cannot do the same. The model assumed that there will be novel and nascent technologies that will disrupt incumbent technologies, as the cost of zero-carbon electricity and hydrogen declines over the coming decade. We assume that we will adopt a procurement strategy that evolves with the best available technologies.	The results of the modelling show that the increase in the overall cost of steel to Severfield, compared to our current baseline, does not exceed 10% for the periods modelled (2030, 2040 and 2050).	The price of steel is largely a pass-through cost to our clients; therefore, any increase in the cost of steel over time would be borne by the client. A potential 10% increase is not considered unsustainable in light of the market response to a more than doubling of steel prices in recent years following macroeconomic events, including the impact of the conflict in Ukraine. This highlighted our resilience as a Company and the importance of steel as a building product. We regularly assess how our strategic partners are working towards meeting these aims and are in the process of developing an engagement plan to enhance oversight of our progress towards achieving Net Zero.

Resilience of our strategy

The outputs from the qualitative assessment and the quantitative scenario analysis detailed above, along with the planned mitigations and existing strategic resilience, highlight the resilience of our business strategy to climate-related risks. Furthermore, our growth strategy means we are well positioned to take advantage of the opportunities associated with the green energy transition.

Metrics and targets

We disclose metrics and targets that we consider to be significant for the business and relevant for our stakeholders. See page 76. We internally measure a range of metrics to ensure our sustainability goals are on track and externally disclose measures that allow our stakeholders to assess our progress and benchmark us against our peers. We are currently working towards reporting relevant metrics and targets in line with the future requirements of IFRS S1 and S2.

Metrics used by the Group to assess climate-related risks and opportunities are in line with its strategy and risk management process.

Building a responsible and sustainable business continued

Our goals demonstrate our ambition, create accountability and drive alignment with our business strategy. They are influenced by our stakeholders and frameworks, such as the United Nations Sustainable Development Goals ('UN SDGs'). The table below illustrates our key achievements in the year against the UN SDGs goals, where the Group can have the biggest impact. In 2024, we undertook a UN SDGs alignment to ensure that our impact remains relevant and the outcomes of that exercise are visible in the table below:

SDG	Goal	Status	2026 Progress	Climate-related risk/opportunity
13 CLIMATE ACTION	**GHG Emissions.** Achieve near term target of 50.4% reduction by FY33 from our FY23 baseline. This goal is aligned with the Science-Based Target initiative (SBTi).	On track	11% reduction in our Scope 1 and 2 GHG emissions from our SBTi base year of FY23 (using a market-based approach).	Risk 1 & 2
13 CLIMATE ACTION	**Carbon Neutral Organisation.** Achieve 100% carbon neutral across our operations.	Achieved/ Continued	We have offset Scope 1 and 2 and operation-related Scope 3 greenhouse gas emissions.	Risk 3
7 AFFORDABLE AND CLEAN ENERGY	**Renewable electricity sourcing.** Procure 100% renewable electricity for all UK-owned facilities.	Achieved/ Continued	We have REGOs and GoOs renewable electricity across UK and Europe.	Opportunity 2
7 AFFORDABLE AND CLEAN ENERGY	**Renewable energy.** Install additional on-site solar renewables and storage.	Started	We plan to implement the use of on-site renewable generation to enhance our renewable capacity.	Opportunity 3
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Increase percentage of electric, hybrid or bi-fuel** plant and machinery hired in factories and on construction sites.	Ongoing	We have increased the amount hired sustainable plant and machinery by 1% from last year (FY26 38%; FY25: 37%).	Risk 2
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Waste reduction.** Maintain above 90% diversion from landfill against FY25 baseline.	On track	We have achieved a 94% diversion from landfill for all our waste.	Opportunity 3
10 REDUCED INEQUALITIES	**Workforce inclusion.** Retain normalised hourly rate within fair and balanced range.	Ongoing	We have achieved 0.92 male/ female normalised hourly rate ratio.	n/a
11 SUSTAINABLE CITIES AND COMMUNITIES	**Community engagement.** Achieve a total of 1,500 cumulative hours of volunteering time (from 2024 baseline) by 2030.	On track	This year, we have achieved 552 hours volunteering to contribute towards this target.	n/a
8 DECENT WORK AND ECONOMIC GROWTH	**Workforce training.** Increase the number of annual training hours per employee from FY25 baseline.	Started	In FY26, we have achieved 15 annual training hours per employee.	n/a
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Key training for senior managers.** All relevant senior management have been provided with training such as criminal corporate offences ('CCO'), anti-bribery and corruption and tax evasion.	On track	To date c.97% have completed this.	n/a

People

Why is it important?

Our people are our biggest asset and we are committed to effectively managing all aspects of health and safety and creating a safe, inclusive and diverse working environment where everyone can thrive.

We have around 1,900 colleagues across our manufacturing facilities, construction sites and offices. Our mix of designers, project managers, quantity surveyors, estimators, engineers, fabricators, steel erectors and support function experts work together with a clear, shared purpose, to create better ways to build, for a world of changing demands.

We continue to build sustained business performance through our rigorous approach to ESG and through embedding our values, The Severfield Way. The Severfield Way gives our colleagues clarity on our collective ways of working and expected behaviours so that we can continue to deliver effectively and efficiently for our clients.

Ensuring our colleagues can be their best every day is critical to us achieving our business goals and ambitions. To enable this, our focus remains on:

1. Making work safer @ Severfield

2. Developing and maintaining a robust, diverse talent pipeline

3. Creating a culture of inclusivity

4. Delivering social value

Building a responsible and sustainable business continued

Making work safer @ Severfield

At Severfield, we place the utmost importance on the safety, health and wellbeing of everyone connected to our work – from our employees and supply chain partners to individuals and communities impacted by our activities. We acknowledge the inherently high-risk nature of our sector, both within our manufacturing facilities and on construction sites, and have implemented industry-leading measures to safeguard the health and safety of everyone impacted by our operations.

Our leadership commitment

Safety, health and the environment remains the first item on the agenda for both our executive committee agenda and divisional leadership teams.

The Executive Committee reviews all high-potential or near misses (HiPos) and RIDDOR-reportable incidents (specified injuries and over-seven-day injuries, or over-three-day injuries in Northern Ireland) to ensure lessons are learned and appropriate corrective actions are implemented to prevent recurrence. During the year, we also introduced a weekly CEO-led Safety Leadership Team meeting to accelerate issue resolution, strengthen accountability and support proactive risk management across the Group.

Our progress

During the year, we have transitioned to a proactive Safety-II approach, which built on the foundations of Safety-I but places greater emphasis on care, collaboration, learning and continuous improvement. We recognise how important employee engagement is in safety, and so we focused on building an essential culture of trust, open communication and collaborative learning, where employees are actively involved in safety decision making at all levels.

By involving and empowering our employees in this approach, we delivered improvements at both the worker and organisational level for safety. It is our intention, in 2027, to extend learning teams to include 'learning from normal work' and not solely accidents and incidents.

- We have implemented a new process to improve the management and control of critical safety risks, whereby every assurance activity we do will be solely focused on our risk profile to ensure we focus on the right things at the right times.
- To bring this strategy to life, we have refreshed our approach to critical control management on key projects and invested in learning teams across our manufacturing operations.
- We have continued to adopt positive leading indicators to drive preventative behaviours in our workforce, moving beyond a reliance on accident and incident data as measures of safety performance.

The number of high-potential incidents (HiPos) reported across our operations increased to 50 (2025: 37), although this remains significantly below levels reported in earlier years. Our Accident Frequency Rate decreased marginally to 0.06 (2025: 0.08). The Incident Frequency Rate increased slightly to 1.25 (2025: 1.23), despite the total number of incidents being lower than in the prior year, this was spread over a lower number of working hours.

Our Group systems remain accredited to the highest standards and we remain certified to International Management systems ISO45001 (Occupational Safety and Health) and ISO14001 (Environmental Management). We are accredited to industry-leading compliance standards, such as CHAS, Constructionline and Achilles.

Accident frequency rate	25% decrease in 2026 to 0.06 (2025: 0.08).
Incident frequency rate	1.63% increase in 2026 to 1.25 (2025: 1.23).
Director safety visits undertaken	We have conducted 42 visits in 2026 (2025: 88).

Our approach

Our safety leadership is focused on understanding the realities of frontline work and adapting safety practices to reflect actual working conditions. This is particularly critical in managing high-consequence risks, where the presence of effective, resilient controls is essential.

Building a culture of trust, open communication and collaborative learning is essential, where employees are actively involved in safety decision making at all levels. Our safety leadership is focused on understanding the realities of frontline work and adapting safety practices to reflect actual working conditions. This is particularly critical in managing high-consequence risks, where the presence of effective, resilient controls is essential. Our approach to safety is based on three core principles:

Engineered safety: Focused on the implementation of engineering controls across our manufacturing and construction sites, reducing the chances of material unwanted events.

Delivery excellence: Safety is defined by the presence of controls that reliably manage risk under varying conditions, to ensure safe operations. We will focus on the effectiveness of our controls in relation to our top six risks and implement critical risk visual standards.

Human performance: Our culture embraces learning and continual improvement through worker engagement and support. We will work to ensure setting to work tools are easier and more specific for our work force and we will work with our supervision teams to streamline their health and safety responsibilities to enable them to carry out their duties more efficiently.

By embedding these principles across our operations, we are improving safety outcomes by better understanding the conditions that influence work, empowering employees as partners in safety, and integrating safety into the fabric of everyday activity.

This not only enhances the reliability of our operations but also strengthens a culture of care, resilience and continuous improvement, ensuring safer and more productive environments across the Group.

Developing and maintaining a strong and diverse talent pipeline

The future of the business depends on our ability to attract, recruit, develop and retain individuals with the right mix of expertise, technical skills and personal qualities. Our industry continues to face significant skills shortages in relation to fabrication and welding and broader diversity remains a challenge.

Our leadership commitment

Our executive committee dedicates significant time to reviewing our strategic workforce plan, alongside insights from performance and potential reviews. Reviews take place quarterly within each of our business units. We believe that being able to promote from within is critical to retain specialist skills and experience, especially given the capabilities and expertise that we provide to our clients. The Board receives regular updates on all aspects of our approach to managing performance, developing skills and progressing careers.

Our progress

During the year, we assessed the performance and potential of over 746 colleagues (Career Levels C-D), an increase of 46% from last year, providing the Board with a clear view of talent across the Group and ensuring strategies are in place to develop and retain the leaders and specialists we need for the future. This work also enabled a review of our succession plans for the Executive Committee and business unit management teams.

Following the assessment, we identified colleagues from across the Group to participate in a range of personal and leadership development activities, including the second cohort of our Female Mentoring programme and the fourth cohort of our Leadership Exploration and Discovery ('LEAD') programme. Together, these programmes strengthen our culture of development at all levels.

We maintained a strong focus on early careers to address future skills needs last year, welcoming 15 graduates and apprentices onto our 'Development on a Different Scale' programmes. In 2026, we plan to recruit around 29 apprentices across our manufacturing, design and drawing office departments.

Our continued commitment to providing opportunities for earning whilst learning enabled us to achieve Platinum Member status of 'The 5% Club', the highest tier of accreditation, by having more than 10% of our workforce in 'earn and learn' roles. It signals our long-term commitment to workforce development and building a future-ready workforce through apprenticeships, graduate schemes and vocational training.

We achieved additional external recognition in 2025, including winning Apprentice of the Year (Metals Industry Awards), Apprentice of the Year and Future Talent (Insider Made in Yorkshire Awards), Apprentice of the Year (East Yorkshire Awards), Apprentice of the Year at two of our internal training provider awards and we were regional finalists for Employer of the Year at the National Apprenticeship & Skills Awards.

Across the Group, more than 200 colleagues are currently undertaking nationally recognised qualifications, including apprenticeships, NVQs and other accredited programmes.

Last year, to support our UK manufacturing operations, we continued to strengthen our welding and fabrication capabilities by recruiting skilled colleagues from overseas. We successfully onboarded 22 new team members from the Philippines, in FY26, to join our overseas colleagues from Zimbabwe and South Africa. These intakes have stabilised our workforce and ensure our factories can operate at optimal capacity.

We continued to build engagement with **MyLearning**, our learning management system, with over 1,900 colleagues completing at least one course and a combined total of 11,306 courses were completed during the year.

Our online performance review system, **MyPerformance**, continues to support open, honest conversations between managers and colleagues about performance, goals, development and career aspirations. A total of 656 colleagues were impacted by those conversations in 2025.

2027 areas of focus

We will continue to deliver a wide range of internally and externally provided training courses, both face-to-face and through eLearning. Throughout FY26, we will further strengthen our approach to succession planning and the assessment of performance and potential through talent review and the identification of suitable development programmes.

Gender pay equality	0.98 male/female normalised hourly rate ratio.
Diversity and inclusion	10% of our workforce are female (no change from 2025). Of our three grade levels below Board, female representation is 17%, 20% and 9% respectively. Female percentage representation across our manufacturing departments is 2%, 7% (2025: 9%) within project delivery departments and 43% (2025: 42%) in core services.

Building a responsible and sustainable business continued

Creating a culture of inclusivity

We are committed to building a supportive, diverse and inclusive working environment where all colleagues feel they belong.

Creating multiple avenues for meaningful dialogue is key to achieving this. The launch of our inaugural 'Build a Better Workplace' survey gave all colleagues the opportunity to share their views on what we do well and, importantly, where we can improve. Our intranet, Connect, keeps colleagues informed about our strategy, performance, company news, and health and wellbeing initiatives. It also provides a platform for colleagues to comment on articles, participate in surveys and share their views.

Toolbox talks, manager briefings, emails, and Skyline (our Company magazine) all play their part in keep our colleagues informed and connected.

Employment policies

Our leadership teams are committed to fair and transparent recruitment, selection, development and promotion processes, which are underpinned by our equal opportunities and diversity policy. In recruitment, through interviews, aptitude testing, styles profiling and assessment centres, we can ensure a candidate's aptitude and abilities adequately meet the requirements of the role, regardless of gender, ethnicity, disability or sexual orientation. Training, development and promotion opportunities are open to all and reasonable adjustments are made to accommodate the needs of those who require them. If a colleague becomes disabled during their employment with us, then appropriate training, development, adjustments and support are made available to enable them to remain in employment for as long as practicable.

Our leadership commitment

Through working closely with the Group's workforce engagement Director, our MyVoice Forum has enabled many colleagues' concerns to be raised and tackled. Improvements to benefits, enhanced facilities for our manufacturing colleagues and access to information are just a few of the topics that have been raised and improved throughout the year. Minutes of each meeting are shared with the executive committee and Board and detailed communication is shared with all colleagues through our intranet. Each executive committee member takes personal responsibility for ensuring actions in their areas are progressed and closed out.

Our progress

We are committed to building diversity, equality and inclusion into everything we do and continue to implement the right conditions for all colleagues to achieve their full potential and bring their whole, authentic self to work. With only 9% of our workforce being female, greater focus is being placed on our hiring practices, candidate attraction and retention.

During the year, our second female mentoring programme took place with eight females from a range of departments across the business. Seventy of our leaders took part in Psychological Safety training to help create a workplace where colleagues feel safe to speak up, share ideas, take risks and challenge respectfully without fear of blame or retribution. Encouragingly, 77% of colleagues who participated in our 'Build a Better Workplace' survey said they feel comfortable approaching their manager when they encounter a problem, and 71% said they could be themselves at work without fear of judgement.

Our Diversity and Inclusion measures were also recognised as Excellent by our survey provider, with no difference in the average survey scores between majority and minority groups. We continue to track diversity data and this is shared with management teams on a quarterly basis.

Our median gender pay gap for the Group stands at 8.46%, which is a small decrease on previous years. Throughout FY26, all of our colleagues were paid at, or above, the National Living Wage.

	Male #	Female #
Main Board	5	2
Executive committee	9	1
Senior leadership*	42	11
All colleagues	1,720	180

* Senior leadership is defined as the two career levels below the executive committee.

The Board has two female directors (29%). Female representation on our executive committee is one (17%). The Company has a 'career level structure' (underpinned by AON's Joblink methodology) with the executive committee (excluding Executive Directors) being the most senior level. For the two levels below this, our female representation is 21% and 25%, respectively.

Our pension offering to all colleagues (including Executive Directors) is 7% employee contribution matched by a 7% employer contribution.

2027 areas of focus

This year, we will work closely with colleagues across the Group to identify the key areas for action arising from our Build a Better Workplace survey. Together, we will prioritise and implement meaningful initiatives designed to enhance our culture, strengthen inclusion and create an even better working environment for all. Progress against these actions will be carefully tracked and reviewed to ensure we deliver positive, lasting change and continue to build a workplace where everyone feels valued, supported and able to thrive.

Delivering social value

Increasing positive impact on our communities has shaped the way we approach social value, as we aim to create value beyond just delivering steel to projects. We regularly review and address all elements of our ESG agenda through our sustainability steering committee, including the 'S' for Social, which covers social value and wider community impact.

We continue to report on a number of key indicators through our internal social value reporting system, which is aligned with the nationally recognised 'Themes, Outcomes and Measures' ('TOMs') framework. These can be found on page 54.

Our progress

During the year, we continued to refine our approach to social value in line with the revised procurement policy note 002 (PPN002) and the Social Value Model. We focused on one of the key missions last year, 'Take back our streets', and solidified our commitment to supporting our colleagues on the topic of domestic abuse. We became a member of the Employers' Initiative on Domestic Abuse ('EIDA') and ran a short engagement campaign across our offices and factories during October.

We spent time on improving the values we capture as part of our existing systems, which now include easier access to local value spend (per project/per postcode) and by size of the Company (SMEs and VCSEs), further aligning to the Social Value model.

The Severfield Foundation (the 'Foundation') continued to support local charities and organisations, with strong connections to our colleagues through charitable contributions and by encouraging our people to donate their time to local communities and charitable initiatives.

Our employees coordinate the Foundation's activities, contributing to and taking part in events. With their help and commitment, we continue to support disadvantaged people and local communities and raise vital funds for local charities.

During the year, we supported many different charities, from air ambulances and blood bikes, to hospices and local community groups. Our colleagues across the business have raised over £70,000 for these causes, which is then match funded by the Group.

Our one-day paid colleague volunteering programme policy (launched 2024) has seen an increase uptake across all three key policy areas. These are areas we have identified as being of significant importance to the business and our communities: assisting the local charities that we support through The Severfield Foundation, supporting education and development of young people (including STEM activities) and undertaking activities aligned to the projects we are delivering in the communities where they have an impact.

To further support our volunteering policy, the Severfield's STEM Ambassador Programme (launched September 2025) is going to play a key role, with colleagues supporting the education and outreach events focused on the development of young people through the programme.

In addition to this, collaborating with valued partners such as Construction Youth Trust, Chapter One, Centre for Leadership Performance, and Inspira has played a key role in delivering meaningful social impact this year. In addition to these partnerships, we have engaged with the award-winning Design Engineer Construct! ('DEC') Learning Programme, developed by the social enterprise Class Of Your Own.

As part of increasing our social value delivery in and supporting our clients commitment to Section 106, we have also worked with social enterprise, Evolve, on employing our first shared apprentice within London. Our local hire will be working 'shared' across multiple projects in London, supporting both local employment and skills development.

All our initiatives in 2025 have also resulted in us being a Level 3 signatory of the Future Skyline Commitment. This industry-wide pledge to attract and retain new entrants into the build environment workforce recognises our responsibility in shaping built environment that is both future-ready and sustainable. Every project contributes to developing a sustainable, skilled workforce by supporting training and upskilling initiatives that strengthen the long-term health of the construction industry.

2027 areas of focus

Continue to encourage employees' volunteering policy uptake

Achieve a year-on-year increase in our social value delivery

Continue to build third-party partnerships to support the delivery of social value

Building a responsible and sustainable business continued

Case study

Delivering legacy beyond just projects – through the Design Engineer Construct! ('DEC') Learning Programme

As part of our community-first approach on the Agratas project – a new battery manufacturing facility currently under construction in Bridgwater – Severfield has adopted The Blue School in Somerset, supporting the delivery of the award-winning Design Engineer Construct! ('DEC') Learning Programme.

The DEC Programme introduces professional career pathways into the Built Environment through introductory STEM projects and work experiences. It is designed to enable the construction industry to form meaningful, long-term relationships with education providers and grow its own future talent pipeline.

Through this scheme, Severfield will work in partnership with the wider Agratas site teams. Together, we will support the DEC programme at The Blue School through a structured and sustained programme of engagement, tailored to the needs of both pupils and teaching staff.

Our involvement will include direct engagement from Agratas team members, providing:

- structured classroom support;
- site visits; and
- work placement opportunities.

All activities will align with DEC learning outcomes, giving students hands-on, practical experience and a clearer understanding of how classroom learning translates into real projects in the build environment and construction sector. Over the course of the programme, we aim to engage with a minimum 30 students and help them achieve their DEC Award.

Effective risk management

Strong and effective risk management is at the heart of how the directors run the business and supports the achievement of the Group's strategic objectives.

Our key focus areas in 2026

- Health and safety – implemented a revised strategy for preventing and mitigating safety-related incidents, including the use of positive leading indicators to drive preventative workforce behaviours
- Product risk – ensuring we continued to implement and review the improvement plan implemented after detecting the bridge welding quality issues in July 2024
- Ensuring long-term liquidity via refinancing and Indian option agreement
- Continued focus on mitigating cyber security risk.

Our priorities for 2027

Some of our main priorities (and emerging risks) this year:

- Seeking to mitigate the economic impact of geopolitical events
- Continued focus on liquidity and cash management
- Monitoring the completion of the bridge remedial programme within the budgeted cost envelope
- Reassessing risks against the refreshed strategy and new transformation programme
- Reviewing and updating our key controls and process for compliance with provision 29 of the Governance Code

Changes to principal risks

The following changes have been made to the Group's principal risks in 2026:

- Increased supply chain risk from medium to high due to the impact of recent geopolitical events
- Amended the description of 'Commercial and Market Risk' which already acknowledges the impact of geopolitical events (and is already scored as 'High') to reflect the impact of recent geopolitical events
- Removed industrial relations risk

Other principal risks remain largely unchanged from last year. Changes have also been made to the detailed descriptions of mitigation to reflect ongoing activity in the year.

Risk appetite

The level of risk it is considered appropriate to accept in achieving the Group's strategic objectives is reviewed and validated by the audit committee on behalf of the Board. The appropriateness of the mitigating actions is determined in accordance with the Board-approved risk appetite for the relevant risk.

Risk management process

The Board, supported by the audit committee, is responsible for overseeing the Group's risk management framework and systems of internal control. This includes determining the level of risk the Group is willing to accept in pursuing its strategic objectives.

Key elements of the Group's risk management process:

- Senior management across the Group regularly assess existing and emerging risks that could affect the achievement of business objectives. This process covers operational, financial, strategic, compliance and sustainability risks, and supports the Board's long-term viability assessment.
- Risks are recorded in divisional, functional and Group risk registers. Each risk is assessed for likelihood and impact, existing controls are reviewed and additional mitigation actions are implemented where necessary. Clear ownership is assigned for managing identified risks.
- The Executive Risk Committee, chaired by the CEO, oversees the identification, monitoring and management of significant risks across the Group and receives regular updates from a range of sources.
- Subsidiary Boards review risk monthly as part of the business review process, helping to identify emerging issues and ensure key controls are operating effectively.
- Divisional and functional management teams formally review risk registers each quarter and report to the executive committee. The Group Risk Register is maintained by the Company Secretary and Deputy Company Secretary and updated following these reviews.
- Management reports to the audit committee twice yearly, enabling the committee and Board to review the Group's principal risks, challenge management's assessments and consider the effectiveness of mitigating actions.
- A Group Assurance Map and Compliance Framework support the coordination of assurance activities and provide oversight of key compliance obligations across the Group.

Effective risk management continued

GROUP BOARD

RISK APPETITE

FIRST LINE OF DEFENCE	SECOND LINE OF DEFENCE	THIRD LINE OF DEFENCE
Management activity Divisional Boards Internal controls: • Project management procedures • Health and safety • Financial control • Cash and working capital management	**Group oversight** Group policies • Group authorisation policy • Group finance manual • Contract sign-off process • Purchase guidelines • Quality manual • SHE policies • Information security management policy Committees • Executive Committee, Risk Committee, Sustainability Committee and Information Security Management Committee • Audit Committee • Nominations Committee • Remuneration Committee	**Independent review** Divisional Boards Internal controls: • External audit • Internal audit • Other third-party assurance

Independent review

Independent assurance is provided mainly by the internal auditors and various external consultants and advisers. External consultants and advisers support management and the Board through ad hoc consulting activities, as required, including the Group's insurance brokers Lockton and Marsh. Whilst not a formal part of the 'Three lines of defence' model, external auditors contribute supplementary assurance to the overall assurance framework by independently reviewing financial controls and governance arrangements.

Internal auditor

The audit committee annually reviews and approves the internal audit programme for the year. The committee reviews progress against the plan at each of its meetings, considering the adequacy of audit resource, the results of audit findings and any changes in business circumstances that may require additional audits.

The results of internal audits are reported to the executive team and senior management and, where required, corrective actions are agreed. The results of all audits are summarised for the audit committee along with progress against agreed actions.

Annual review of effectiveness

The risk management and internal control systems have been in place for the year under review and up to the date of approval of the annual report and are regularly reviewed by the Board. The Board monitors executive management's action plans to implement improvements in internal controls that have been identified following the processes described.

During the financial year, any control weaknesses identified through the operation of our risk management and internal control processes, including the bridge weld quality issues, were remediated and subsequently monitored in line with normal business operations. Otherwise, the Board confirms that it has not identified any significant failings or weaknesses in the Group's systems of risk management or internal control as a result of the information provided to the Board and resulting discussions.

How we manage risk

Our materials controls

Management activity

The first line of defence involves senior management implementing and maintaining effective internal controls and risk management procedures. These internal controls cover all areas of the Group's operations. There are inherent limitations in any system of internal control and, accordingly, even the most effective system can provide only reasonable, and not absolute, assurance against material misstatement or loss. The system is designed to manage rather than eliminate the risk of failure to achieve the Group's objectives. The Group's policies and procedures are continuously under review and are improved to ensure they are adequate for our current circumstances. On acquisition, as part of integration, new businesses adopt these policies and procedures on a phased basis.

The key features of the Group's framework of internal controls are as follows:

1. Project management procedures

Project risk is managed throughout the life of a contract from the tender stage to completion. Individual tenders for projects are subject to detailed review with approvals required at relevant levels and at various stages from the commencement of the tender process through to the contract award. Tenders above a certain value and those involving an unusually high degree of technical or commercial risk must be approved at a senior level within the Group. Robust procedures exist to manage the ongoing risks associated with contracts. Regular monthly contract reviews to assess contract performance, covering both financial and operational issues, form an integral part of contract forecasting procedures.

2. Health and safety

Health and safety issues and risks are continually monitored at all sites and are reviewed on a monthly basis by senior management and the Board. The Group has a well-developed health and safety management system for the internal and external control of health and safety risks, which is managed by the Group SHEQ Director. This includes the use of risk management systems for the identification, mitigation and reporting of health and safety management information.

3. Financial control

The Group maintains a strong system of accounting and financial management controls. Standard financial control procedures operate throughout the Group to ensure the integrity of the Group's financial statements.

The Group operates a comprehensive budgeting and forecasting system. Risks are identified and appraised throughout the annual process of preparing budgets. The annual budget and quarterly forecasts are approved by the Board.

A formal quarterly review of each business's year-end forecast, business performance, risk and internal control matters is carried out by the directors of each business unit with the Chief Executive Officer and Chief Financial Officer in attendance.

4. Cash and working capital management

Cash flow forecasts are regularly prepared to ensure that the Group has adequate funds and resources for the foreseeable future and is in compliance with banking covenants. Each business reports its cash position daily. Actual cash performance is compared to forecast on a weekly basis.

How we manage risk continued

5. Group oversight

The first line of defence is supported by certain Group policies, functions and committees, which, in combination, form the second line of defence.

6. Group policies

Internal controls across financial, operational and compliance systems are provided principally through the requirement to adhere to the Group finance manual, divisional procedures and a number of Group-wide policies (such as the Group authorisation policy, the contract sign-off process, the purchase guidelines, the anti-bribery and corruption policy, the competition law compliance policy, the quality manual, the health and safety policy and the environmental policy). During the year, we were audited successfully on our ISO 27001 accreditation for our information security management system, and a separate committee reviews any information security issues impacting the Group. This continues to give further assurance as to the Group's resilience to cyber risk, which is a subject that is also discussed regularly at main Board level.

These policies are supported by statements of compliance from all directors and letters of assurance ('LoA') from the Group's managing directors. LoAs are required twice yearly in line with external reporting dates at the half year and full year, supported by an internal control questionnaire ('ICQ'), which is completed by each business unit and provides a detailed basis for management to satisfy themselves that they are complying with all key control requirements. The responses in these ICQs are subject to ongoing independent review by EY, the Group's internal auditor.

The following main committees provide oversight of management activities:

- **The executive committee, risk committee, sustainability committee and the information security management committee**

  These committees are responsible for the identification, reporting and ongoing management of risks and for the stewardship of the Group's risk management approach.

- **The audit committee**

  The Board has delegated responsibility to this committee for overseeing the effectiveness of the Group's internal control function and risk management systems.

- **The nominations committee**

  This committee ensures that the Board has the appropriate balance of skills and knowledge required to assess and address risk, and that appropriate succession plans are in place.

- **The remuneration committee**

  This committee ensures that the Board complies with regulations and best practice regarding remuneration and that the remuneration policy remains appropriate for attracting and retaining management of the right calibre.

Principal and emerging risks

The Board has carried out a robust assessment of the principal and emerging risks and uncertainties, which have the potential to impact the Group's profitability and ability to achieve its strategic objectives. These are set out in the following table. In reviewing our risk registers, we consider our principal and emerging risks, and in assessing those risks, we take into account the correlation between different risks and ensure they are weighted appropriately.

This exercise informs our scenario analysis used in the viability statement. This list is not intended to be exhaustive. Additional risks and uncertainties not presently known to management, or deemed to be less significant at the date of this report, may also have the potential to have an adverse effect on the Group.

Principal risks and uncertainties

Principal risk	Transformation pillars	Link to KPIs	Movement	Scoring
1 Health and safety	B C D	1 2 3 5 6 7	No change	H
2 Supply chain	A B D	1 2 3 4 5 6	Upward trend	H
3 People	A B C D	1 2 3 6	No change	M
4 Commercial and market environment	A	1 2 3 4 5 6	No change	H
5 Mispricing a contract	A	1 2 3 4 5	No change	M
6 Cyber security	A B C D	1 2 4 5	No change	H
7 Failure to mitigate onerous contract terms	A B C D	1 2 4 5	No change	M
8 Product risk	C	1 2 3 4 5 6	No change	M

Scoring

The scoring of each risk as high or medium is determined based on the scoring of the risk within the Group's risk register. This scoring takes into account the potential impact and likelihood associated with the crystallisation of each risk (the assessment of impact takes into account both financial and reputational issues). Only high and medium risks are considered sufficiently significant for disclosure in the annual report.

Transformation pillar key

- A **Clients & markets focus**
- B **Manufacture 360**
- C **Engineering Excellence**
- D **Performance & productivity**

Movement

- Upward trend
- Downward trend
- No change

Scoring

- H High
- M Medium

Key performance indicator reference number

1. Underlying operating profit and margin
2. Underlying basic earnings per share ('EPS')
3. Revenue
4. Operating cash conversion
5. Underlying return on capital employed ('ROCE')
6. UK and Europe order book
7. India order book
8. Injury frequency rate ('IFR')

Principal risks and uncertainties continued

1 HEALTH AND SAFETY

Description	Impact	Mitigation	
The Group works on significant, complex and potentially hazardous projects, which require continuous monitoring and management of health and safety risks so as to avoid serious injury, death and damage to property or equipment.	A serious health and safety incident could lead to the potential for legal proceedings, regulatory intervention, project delays, potential loss of reputation and ultimately exclusion from future business.	• Embedded health and safety systems, audits and training, supported by clear policies and procedures. • CEO-led weekly safety leadership team meetings across the Group ensuring rapid issue resolution and Group wide visibility. • Robust incident reporting and root cause analysis, driving preventative actions. • Behavioural safety and wellbeing programmes, including mental health and safety-critical medicals. • Performance targets linked to management remuneration. • Director site tours and active supply chain engagement to embed safety standards. • Externally audited management systems.	**Trend** No change **Link to transformation** B C D **Link to KPIs** 1 2 3 4 5 6 7 **Scoring** H

Transformation pillar key

- A Clients & markets focus
- B Manufacture 360
- C Engineering Excellence
- D Performance & productivity

Movement

- Upward trend
- Downward trend
- No change

Scoring

- H High
- M Medium

Key performance indicator reference number

1. Underlying operating profit and margin
2. Underlying basic earnings per share ('EPS')
3. Revenue
4. Operating cash conversion
5. Underlying return on capital employed ('ROCE')
6. UK and Europe order book
7. India order book
8. Injury frequency rate ('IFR')

2 SUPPLY CHAIN

Description	Impact	Mitigation	
The Group is reliant on certain key supply chain partners for the successful operational delivery of contracts to meet client expectations. The failure of a key supplier, a breakdown in relationships with a key supplier or the failure of a key supplier to meet its contractual obligations could potentially result in some short- to medium-term price increases and other short-term delays and disruption to the Group's projects and operations.	Interruption of supply or poor performance by a supply chain partner or unplanned price increases could impact the Group's execution of existing contracts (including the costs of finding replacement supply), its ability to bid for future contracts and its reputation, thereby adversely impacting financial performance	• Structured supplier selection and quality control, aligned to Group standards. • Strengthened direct relationships with key steel mills this year. • Ongoing review of supply chain strategy, including alternative sourcing options. • Contingency planning in place for supplier or subcontractor disruption. • Active management of key supplier relationships, supported by regular review and targeted audits. • Continuous improvement initiatives, including automated accreditation processes. • Key framework agreements renewed this year (paint and transport).	**Trend** ↑ **Link to transformation** A B D **Link to KPIs** 1 2 3 4 5 6 **Scoring** H

3 PEOPLE

Description	Impact	Mitigation	
The ability to identify, attract, develop and retain talent is crucial to satisfy the current and future needs of the business. Skills shortages in the construction industry are likely to remain an issue for the foreseeable future. This has been exacerbated in recent years due to macroeconomic factors such as the impact of inflation and shortages of labour.	Loss of key people could adversely impact the Group's existing market position and reputation. Insufficient growth and development of its people and skill sets could adversely affect its ability to deliver its strategic objectives. A high level of staff turnover or low employee engagement could result in a decrease of confidence in the business within the market, client relationships being lost and an inability to focus on business improvements.	• Training and development schemes to build skills and experience, such as our successful graduate, trainee and apprenticeship programmes. • Detailed talent identification and succession planning for future leaders across the business. • Attractive working environments, remuneration packages, technology tools and wellbeing initiatives to help improve employees' working lives. • Annual appraisal process providing two-way feedback on performance. • Robust people strategy focused on culture, and continually enhancing all aspects of our approach to performance, development, careers, recruitment and reward. • Maintained our approach to flexible working practices and hybrid working. • Widening the geographical outreach of our recruitment programme.	**Trend** → **Link to transformation** A B C D **Link to KPIs** 1 2 3 6 **Scoring** M

Principal risks and uncertainties continued

4 COMMERCIAL AND MARKET ENVIRONMENT

Description	Impact	Mitigation	
Changes in government and client spending or other external factors could lead to programme and contract delays or cancellations, or changes in market growth. External factors include national or market trends, political or regulatory changes and the impact of geopolitical events (such as the recent Middle East crisis).	A significant fall in construction activity and higher costs could adversely impact revenues, profits, ability to recover overheads and cash generation.	• Regular reviews of market trends performed to ensure actual and anticipated impacts from macroeconomic risks are minimised and managed effectively. e.g. impact of the Middle East crisis on our operating footprint. • Regular monitoring and reporting of financial performance, orders secured, prospects and the conversion rate of the pipeline of opportunities and marshalling of market opportunities is undertaken on a co-ordinated Group-wide basis. • Selection of opportunities providing sustainable margins and repeat business. • Strategic planning is undertaken to identify and focus on the addressable market (including new overseas and domestic opportunities). This year, we have initiated a full strategic review and disclosed details elsewhere in this report. • Monitoring our pipeline of opportunities in continental Europe and in the Republic of Ireland, supported by our European operations. • Maintenance and establishment of supply chain in mainland Europe. • Continuing use of credit insurance to minimise impact of client failure.	**Trend** No change **Link to transformation** A **Link to KPIs** 1 2 3 4 5 6 **Scoring** H

Transformation pillar key

- A **Clients & markets focus**
- B **Manufacture 360**
- C **Engineering Excellence**
- D **Performance & productivity**

Movement

- Upward trend
- Downward trend
- No change

Scoring

- H High
- M Medium

Key performance indicator reference number

1. Underlying operating profit and margin
2. Underlying basic earnings per share ('EPS')
3. Revenue
4. Operating cash conversion
5. Underlying return on capital employed ('ROCE')
6. UK and Europe order book
7. India order book
8. Injury frequency rate ('IFR')

5 MISPRICING A CONTRACT

Description	Impact	Mitigation	
Failure to accurately estimate and evaluate the contract risks, costs to complete, contract duration and the impact of price increases could result in a contract being mispriced. Execution failure on a high-profile contract could result in reputational damage.	If a contract is incorrectly priced, particularly on complex contracts, this could lead to loss of profitability, adverse business performance and missed performance targets. This could also damage relationships with clients and the supply chain.	• Estimating processes and appropriate management approval levels remained in place and were applied consistently during the year. • Tender processes provided management visibility of major tenders and helped mitigate rising supply chain costs. • Contracts continued to be undertaken, where possible, under minimum standard terms to reduce exposure to onerous conditions. • The Group authorisation policy was applied to ensure appropriate oversight of tendering and contract acceptance. • The Group-wide Project Risk Management Framework (PRMF) continued to be embedded during the year, enhancing consistency in identifying and managing contract risk.	**Trend** **Link to transformation** A **Link to KPIs** 1 2 3 4 5 **Scoring** M

6 CYBER SECURITY

Description	Impact	Mitigation	
A cyber attack could lead to IT disruption with resultant loss of data, loss of system functionality and business interruption. The Group's core IT systems must be managed effectively, to keep pace with new technologies and respond to threats to data and security.	Prolonged or major failure of IT systems could result in business interruption, financial losses, loss of confidential data, negative reputational impact and breaches of regulations.	• IT is centrally managed across the Group, with certain local systems supported by experienced on-site personnel. • During the year, the Group continued to invest (subject to Board approval) in core IT infrastructure, including cyber security tools, backup solutions, and virtualised environments, with additional software deployed to mitigate ransomware risk. • Business continuity and disaster recovery arrangements remain robust, with regular testing, including a Group-wide cyber attack simulation undertaken this year. • Group-wide data protection and information security policies are in place, supported by ISO 27001 and Cyber Essentials accreditations and ongoing employee engagement. • Insurance cover for cyber and IT-related risks is reviewed annually; overall coverage was increased during the year.	**Trend** **Link to transformation** A B C D **Link to KPIs** 1 2 4 5 **Scoring** H

Principal risks and uncertainties continued

7 FAILURE TO MITIGATE ONEROUS CONTRACT TERMS

Description	Impact	Mitigation	
Given the highly competitive environment in which we operate, contract terms need to reflect the risks arising from the nature of the work to be performed. Failure to appropriately assess those contractual terms or the acceptance of a contract with unfavourable terms could, unless properly mitigated, result in poor contract delivery, poor understanding of contract risks and legal disputes.	Loss of profitability on contracts as costs incurred may not be recovered, and there could be potential reputational damage for the Group.	• The Group has identified minimum standard terms, which mitigate contract risk. • Robust tendering process with detailed legal and commercial review and approval of proposed contractual terms at a senior level (including the risk committee) are required before contract acceptance so that onerous terms are challenged, removed or mitigated as appropriate. • Regular contract audits are performed to ensure contract acceptance. • Through regular project reviews and lessons learned reviews we capture early those occasions where onerous terms could have an adverse impact and are able to implement appropriate mitigating action at the earliest stage.	**Trend** No change **Link to transformation** A B C D **Link to KPIs** 1 2 4 5 **Scoring** M

Transformation pillar key

- A **Clients & markets focus**
- B **Manufacture 360**
- C **Engineering Excellence**
- D **Performance & productivity**

Movement

- Upward trend
- Downward trend
- No change

Scoring

- H High
- M Medium

Key performance indicator reference number

1. Underlying operating profit and margin
2. Underlying basic earnings per share ('EPS')
3. Revenue
4. Operating cash conversion
5. Underlying return on capital employed ('ROCE')
6. UK and Europe order book
7. India order book
8. Injury frequency rate ('IFR')

8 PRODUCT RISK

Description	Impact	Mitigation	
The Group operates in infrastructure markets where it is critical that its products meet client and legislative requirements and where the consequences of failure in manufactured steel parts are potentially significant.	Defects or warranty issues may require remediation including replacement or repair, resulting in direct financial costs to the Group and/or wider reputational risk.	• Audited quality management systems operate across all manufacturing facilities. • Contract terms and liabilities are tightly controlled, with insurance in place to cover certain risks. • Improvement plans, including those addressing the bridge welding issue, were implemented during the year, supported by the appointment of a Group Quality Director. • Independent quality assurance, expert input, and strengthened supplier and subcontractor controls enhance oversight and drive continuous improvement.	**Trend** **Link to transformation** C **Link to KPIs** 1 2 3 4 5 6 **Scoring** M

Overview

Strategic report

Our governance

Financial statements

Viability statement

In accordance with the UK Corporate Governance Code (the 'Code'), the directors have assessed the viability of the Group over an appropriate time period, taking into account the current position, future prospects and a robust assessment of the potential impact of the principal risks and uncertainties on our business model.

Based on this assessment, the directors have concluded that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 March 2029.

Assessment period

The directors have determined that a three-year period, ending on 31 March 2029, is an appropriate period over which to make the assessment and provide their viability statement. The three-year period aligns with that used for the Group's annual strategic planning process and gives good visibility of contracted future work and our pipeline. The majority of the Group's workload falls within three years as the most significant construction contracts follow an execution period, which is normally less than this timeframe, which, in turn, enables more accurate forecasting. In making their assessment, the directors took account of the Group's strategy, current financial position, forward order book of £507m, pipeline of opportunities, recent and planned investments and the availability and covenants associated with our committed bank facilities, which are committed to June 2029.

Risk assessment

The directors have assessed the Group's viability in conjunction with their evaluation of going concern. For the going concern assessment, which covers a period of at least 12 months from the date of signing the financial statements, we have modelled a base case scenario, based on the Group's budgeted position, and a 'severe but plausible' downside scenario, being the combined impact on the 'base case' of securing a reduced proportion of uncontracted work for the next 12 months, incurring one-off contract losses, and assuming a further deterioration of market conditions and other downside factors.

This 'severe but plausible' scenario is modelled to stress test our financial position and demonstrate the headroom that the Group has in its covenants and borrowing facilities.

The directors have also assessed the potential financial and operational impact throughout the viability assessment period of other downside scenarios resulting from the crystallisation of one or more of the principal risks described in the annual report (see page 83), which are relevant to the industry sector in which the Group operates.

The assessed risks, for which the impacts were applied, include supply chain risks (and the reliance on key suppliers), changes in the commercial and market environment, mispricing a contract at tender, the failure to mitigate onerous contract terms, business disruption caused by a cyber attack, a prolonged period of industrial action, product risk (failure in manufactured steel parts) and the impact of a serious health and safety incident.

The impact of these were modelled through a reduction in revenue and operating margins, a deterioration in working capital (the extension of client payment terms/retraction of supplier payments terms), a period of business interruption (two months with no factory production or site activity) and a significant one-off event resulting in a cost to the Group of £30m.

Our assessment also included consideration of the financial impact of a 'severe but plausible' scenario (consistent with the going concern assessment), where the impact of certain risks and uncertainties were applied in combination. Whilst it is unlikely, though not impossible, that a single risk event could threaten the Group's future viability, it is possible to construct scenarios where either multiple occurrences of the same principal risk, or individual occurrences of different principal risks, could place pressure on the Group's ability to meet its financial covenants.

The range of scenarios tested was reviewed in detail by the directors, who considered both the likelihood of each occurring and the effectiveness of potential mitigation measures. These measures include adjustments to our strategic plan, as well as reductions in non-essential or committed capital expenditure, operating costs, bonuses and dividend payments.

The directors have carefully assessed the strength and availability of the mitigations available and are confident that these are sufficient to minimise the risk of a significant impact on the Group's viability.

Following a comprehensive assessment, including stress-testing the Group's viability against 'severe but plausible' scenarios and considering the effectiveness of mitigations readily available, the directors have concluded that there is a reasonable expectation the Group will continue to operate and meet its liabilities as they fall due over the three-year viability assessment period.

Section 172 statement

The Board recognises the importance of effective stakeholder engagement and the need to consider stakeholders' views in making important decisions. During the year, the directors believe they have acted to promote the long-term success of the Group as required by section 172 (1) (a) to (f) of the Companies Act 2006.

Matters considered by the Board

Below are details of considerations and decisions of the Board during the year and how stakeholder views and inputs and other section 172 (1) factors were taken into account.

Consequences of decisions in the long term	Interests of the Group's employees	Foster the Group's business relationships with suppliers, clients and others	Impact of operations on communities and the environment	High standards of business conduct	Acting fairly between members
Pages 34 to 35 How we deliver sustainable value	**Pages 34 to 35** How we deliver sustainable value	**Pages 34 to 35** How we deliver sustainable value	**Pages 34 to 35** How we deliver sustainable value	**Pages 34 to 35** How we deliver sustainable value	**Pages 28 to 33** Engaging with our stakeholders
Pages 22 to 27 The markets we serve, our market sectors	**Pages 52 to 83** Building a sustainable and responsible business	**Pages 22 to 27** The markets we serve, our market sectors	**Pages 52 to 83** Building a sustainable and responsible business	**Pages 52 to 83** Building a sustainable and responsible business	**Pages 118 to 121** Directors' report
Pages 06 to 11 Our refreshed strategy	**Pages 28 to 33** Engaging with our stakeholders	**Pages 52 to 83** Building a sustainable and responsible business	**Pages 28 to 33** Engaging with our stakeholders	**Pages 83 to 93** Effective risk management	
Pages 28 to 33 Building a sustainable and responsible business	**Pages 83 to 93** Effective risk management	**Pages 28 to 33** Engaging with our stakeholders		**Pages 108 to 111** Corporate governance report	
Pages 28 to 33 Engaging with our stakeholders	**Pages 122 to 136** Directors' remuneration report	**Pages 83 to 93** Effective risk management			
Pages 83 to 93 Effective risk management					
Pages 122 to 136 Directors' remuneration report					

Section 172 statement continued

Non-financial and sustainability information statement

The information below summarises how we comply with non-financial performance and sustainability reporting requirements and is produced to comply with sections 414CA and 414CB of the Companies Act 2006.

Reporting requirement	Severfield policy/standard	Read more
Environmental matters	Sustainability policy	Pages 52 to 82 – Building a responsible and sustainable business
Employees	Code of conduct, ethics policy, equal opportunities and diversity policy, health and safety policy, whistleblowing policy	Pages 77 to 82 – People
Social matters	Sustainability policy	Pages 77 to 82 – People
Human rights	Code of conduct, modern slavery policy, data protection policy, CCTV policy	Page 97 – S172 statement
Anti-corruption and anti-bribery	Anti-bribery policy and ethics policy	Page 97 – S172 statement
Business model	Description of the Group's business model	Pages 34 to 35 – How we deliver value
Non-financial KPIs	Description of the non-financial key performance indicators relevant to the Group's business	Page 76 – Goals
Principal risks	Description of the principal risks relating to the matters set out in section 414CB(1) of the Companies Act 2006 arising in relation to the Group's operations, and how those principal risks are managed	Pages 83 to 93 – Effective risk management Pages 68 to 69 – Climate-related risks

Code of conduct and ethics

Business ethics and compliance with the Group's policies and procedures, which establish the rules of conduct within Severfield, are all extremely important. We ensure compliance by ensuring all our colleagues are fully trained on the content of our key corporate policies, including fraud prevention, modern slavery, human rights, anti-bribery, competition law and whistleblowing (see below for further details). These policies are reviewed and updated every year.

These policies require all colleagues to not only operate in compliance with applicable laws and regulations, but also to do so in accordance with internal controls and reporting requirements. They are regularly reviewed and updated and frequent training via our eLearning platform, Cognexo, is provided to all relevant colleagues. The Group's suite of policies is available on our website.

In the year ended 28 March 2026, the Group, again, had no incidents of bribery or corruption confirmed during the year (either relating to 2025 or previous years) and there were no incidents of discrimination reported during the year (either through HR or whistleblowing disclosures).

In addition, the Group received no fines or sanctions imposed for legal or regulatory breaches (including health, safety and environmental) or relating to non-compliance with laws and regulations during the year.

During the year, over 90% of our colleagues, including all office and senior factory and site personnel, completed regular ethics training (using Cognexo) based on the Group's following policies:

- Health and safety policy
- Equal opportunities and diversity policy
- Information security policy
- Sustainability policy
- Modern slavery
- Human rights policy

In addition, our senior managers were given specific training via our online learning management system on fraud awareness, corporate criminal offences including tax evasion, a refresher course on anti-bribery and corruption, and competition law compliance.

Modern slavery

The Board annually reviews and approves the Group's modern slavery statement. The 2026 statement is available on our website and explains the actions taken to ensure that we provide the appropriate level of training to members of our workforce, raise awareness of modern slavery amongst all members of staff, and do not undertake activities or engage suppliers or subcontractors who undertake activities that may be in breach of the Modern Slavery Act 2015.

Human rights

We remain firmly committed to upholding and respecting the human rights of our employees and all those working across our supply chain. Operating within the UK and Europe, our principal human rights focus is on promoting equality, which we support through targeted training and a culture of inclusivity. Our human rights policy is available on our website and is subject to regular review to ensure it remains current and effective.

Anti-bribery and corruption

Bribery and corruption are criminal offences in the countries in which the Group operates. We have a responsibility to our stakeholders to conduct our business in an honest and ethical manner. Our Group anti-bribery policy and our ethics policy (both of which were updated this year) prohibit all forms of bribery, both in giving and receiving, wherever the Group operates. This includes our colleagues and any agent, contractor, consultant or business partner acting on our behalf or under our control whether in the UK or abroad. No concerns have arisen in relation to such matters during the year and the Group does not regard corruption or bribery as a principal risk. Part of our policy is to undertake due diligence on the risks associated with operating in any high-risk locations.

Whistleblowing

We encourage effective and honest communication, and we respond immediately to any malpractice brought to our attention. Our whistleblowing policy enables anyone to raise genuine concerns about malpractice in the knowledge that their concerns will be taken seriously and that they will be protected from possible reprisals by colleagues and management. To encourage speaking up, we have, this year, partnered with NAVEX, an independent and confidential reporting service. This is to provide a safe way for colleagues and contractors to raise concerns about serious issues, particularly if they don't feel comfortable using normal internal routes. This serves as a whistleblowing helpline and is regularly monitored and reported. Any whistleblowing report is immediately reported to the Group's legal Director, Group HR Director or Group SHE Director, as appropriate, and is investigated quickly with appropriate feedback provided to the whistleblower.

Tax transparency

The Group is committed to compliance with all applicable tax laws and regulations across all the countries in which we operate. We focus on ensuring that, across the wide remit of taxes, the Group has comprehensive governance and risk management processes in place to allow us to meet our obligations.

We maintain a good, open and honest working relationship with HMRC and other relevant tax authorities, seeking to clarify any areas of potential uncertainty in relation to new or existing tax legislation at an early stage, and we have regular meetings with HMRC to update on the Group's performance and structure. We do not engage in any aggressive tax planning of tax avoidance schemes. To comply with the Corporate Criminal Offences ('CCO') rules, we have rigorous procedures in place for preventing the facilitation of tax evasion and ensure that all relevant colleagues are trained in the key aspects of the relevant legislation, including the IR35 rules.

Since 2024, we have voluntarily published and maintained a tax strategy on our website. Whilst the Group is not currently legally required to publish a tax strategy, we have elected to do so as part of best practice and in accordance with our policy of transparent tax reporting. The Group recognises the importance of corporate social responsibility and understands the importance of paying taxes in the jurisdictions in which it operates. The strategy is reviewed periodically and approved by the Board on an annual basis.

Fraud

Following the introduction of the Economic Crime and Corporate Transparency Act 2023, we developed a comprehensive fraud prevention policy and a fraud risk assessment and give training to all our senior managers on the key issues they need to be aware of and the actions they need to address in their respective roles. This takes account of current Government guidance.

Implementation of policies

Online training on key policies is carried out across the Group. The training modules include scenarios and tests to enhance the understanding of, and compliance with, the policies by all employees.

All employees, contractors and third parties are encouraged to report any circumstances where there is a suspected or actual breach of any of the policies, applicable laws or any other wrongdoing under our whistleblowing policy. Further information on whistleblowing can be found on page 91 (principles of governance). Severfield regards infringements of the policies, procedures and related guidance seriously and reserves the right to take disciplinary action in the event of non-compliance. All reported incidences of actual or suspected breach of any of the policies are promptly and thoroughly investigated. The executive committee receives assurance via twice-yearly letters of assurance from divisional managing directors of compliance with the policies.

The Board and the audit committee receive regular compliance updates from the Group legal Director.

Climate-related financial disclosures

For information on climate-related financial disclosures, please see the TCFD table on page 57. The Board monitors the Group's performance in relation to safety and the reduction of greenhouse gas emissions and waste on a monthly basis.

Approval of the strategic report

The strategic report is approved by the Board and signed on its behalf by:

MARK SANDERSON
COMPANY SECRETARY

23 June 2026

Our Governance

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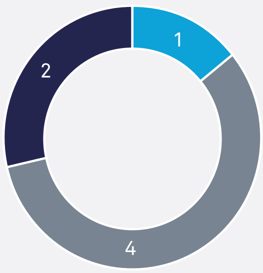
Governance at a glance

OUR BOARD

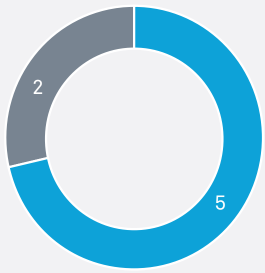
The Board currently comprises seven Directors, with a diverse and complementary range of industry experience, technical knowledge, perspectives and personal strengths.

Independence



- Chair
- Independent
- Non-independent

Gender diversity



- Male
- Female

Length of tenure

- 1–5 years
- 6–10 years
- 10+ years

Board and committee attendance

	Board	Audit committee	Remuneration committee	Nominations committee
Total number of meetings	12	5	6	4
Executive Directors				
Paul McNerney[1]	5			
Andrew Page[2]	2			
Jan Bramall[3]	4			
Alan Dunsmore[4]	1			
Adam Semple[5]	7			
Non-Executive Directors				
Mark Pegler[6]	11	5	6	4
Charlie Cornish[7]	12	0	6	4
Cynthia Gordon[8]	11	4	6	4
Ian McAulay[9]	9	5	6	4
Janice Crawford	12	5	6	4

1 Paul McNerney was appointed on 3 November 2025 and has attended all Board meetings during his tenure as well as attending all committee meetings as a guest. In addition, he attended two Board meetings as a guest after his appointment was announced, but prior to his formal start date, to familiarise himself with the business.

2 Andrew Page was appointed on 16 February 2026 and has attended all Board meetings during his tenure as well as attending audit committee meetings as a guest.

3 Jan Bramall was appointed on 1 November 2025 and left on 16 March 2026 having completed her interim tenure. She attended all Board meetings during her interim tenure as well as attending audit committee meetings as a guest. In addition, she attended two Board meetings as a guest after her interim appointment was announced, but prior to her formal start date, to familiarise herself with the business.

4 Alan Dunsmore attended one Board meeting but was not asked to attend the other two taking place between his resignation on 26 March 2025 and his departure on 30 June 2025.

5 Adam Semple attended one Board meeting but was not asked to attend the other one taking place between his resignation on 11 September 2025 and his departure on 31 October 2025.

6 Mark Pegler was unable to attend one Board meeting due to a holiday.

7 Charlie Cornish, as Chair, is not a member of the audit committee but he attended all audit committee meetings as a guest.

8 Cynthia Gordon was unable to attend one Board meeting and one audit committee meeting, both of which had been rescheduled at short notice.

9 Ian McAulay was unable to attend one Board meeting due to attendance at a funeral, one due to a holiday and one due to a prior Board commitment disclosed on appointment.

SKILL AND DIVERSITY MATRIX

We truly value diversity and a culture of inclusion at all levels within the Group.

Skill/area of expertise/experience	No. of directors with skill/experience	No. of directors without skill/experience
Business development and strategy	7	
Mergers and acquisitions	6	1
Banking and finance	3	4
Legal and regulatory	6	1
Innovation and technology	7	
Client relationship management	7	
Construction/engineering industry experience	5	2
Sustainability	6	1
Workforce engagement	7	
Procurement and large capital programmes experience	6	1
International experience	7	
Risk management	7	
Governance	5	2

● No. of directors with skill/experience
● No. of directors without skill/experience

Board of Directors
EXECUTIVES AND NON-EXECUTIVES

The quality of our workforce, senior leadership team and Board leaves us well placed to deliver on our strategic expectations and for long-term growth.

Paul McNerney

Chief Executive Officer and Executive Director

- Independent: No
- Appointed: 2025

Paul McNerney is a business leader with wide-ranging experience across the UK and Australia. He's spent much of his working life in the construction, infrastructure and manufacturing sectors, leading teams and businesses to deliver long-term value.

Before joining Severfield, Paul held multiple senior executive roles at Laing O'Rourke and is currently a member of the CBI's UK Competitiveness Committee and serves on the Liverpool to Manchester Railway Partnership Board.

Paul is driven by the transformative impact the built environment has on society. He has a proven track record in leading complex direct delivery businesses and working with clients to shape and deliver some of the UK's most challenging infrastructure projects.

At Severfield, Paul works with the Board to set our strategic vision and is focused on creating growth, strengthening our market leadership, and executing for our clients. Paul is a champion of our people and is known as an engaged, visible leader with high standards.

Andrew Page

Chief Financial Officer and Executive Director

- Independent: No
- Appointed: 2026

Andrew brings extensive financial leadership experience from roles across a range of sectors and organisations. Most recently, he served as interim chief financial officer at privately-owned construction and engineering group, ISG. Prior to this, he held senior finance positions at British Energy Group plc, Centrica plc, FirstGroup plc and Ocado Group plc. With extensive experience in the UK listed market, he brings strong strategic finance and capital markets capabilities.

Andrew qualified with the Institute of Chartered Accountants of Scotland ('ICAS') in 1998.

Andrew focuses on providing strong financial leadership, to continue to build Severfield's long-term growth and success, and to help deliver its strategic ambitions.

N R

Charlie Cornish

Chair

- Independent: Yes
- Appointed: 2024

Charlie spent 13 years as CEO of Manchester Airports Group ('MAG') and managing director of United Utilities Group plc's ('UU') Utilities Solutions business, and brings a wealth of experience to Severfield.

During his time as CEO of MAG, he was responsible to the board for developing corporate strategies, delivering financial returns, securing stretching growth targets, leading M&A opportunities, developing relationships with key governmental officials and leadership of the Group.

He has substantial experience of developing strategy and leading and managing change in large complex businesses in a variety of different sectors in the UK and internationally.

A N R

Mark Pegler

Senior Independent Director

- Independent: Yes
- Appointed: 2022

Mark is an experienced FTSE 250 board director, having spent over a decade as Chief Financial Officer at Hill & Smith PLC, overseeing significant growth through international expansion and acquisitions.

He was formerly a non-executive director at ELE Advanced Technologies Ltd and IWS Group.

He is a Fellow of the Institute of Chartered Accountants in England and Wales ('ICAEW').

A N R

Cynthia Gordon

Non-Executive Director

- Independent: Yes
- Appointed: 2024

Cynthia is Chair of the Company's Remuneration Committee. She is also a non-executive director of Cellnex Telecom SA, Airtel Africa plc and Global Fashion Group, and serves as a senior advisor to Tillman Global Holdings. She will step down as a non-executive director and remuneration committee chair of Bodycote plc in September 2026.

Previously, Cynthia held senior executive roles with Millicom, Ooredoo and Orange, including CEO of Millicom Africa and Group Commercial Director at Ooredoo. She brings extensive international strategic, commercial and operational leadership experience, together with significant non-executive and remuneration committee expertise.

A N R

Ian McAulay

Non-Executive Director and Workforce Engagement Director

- Independent: Yes
- Appointed: 2024

Ian has over 30 years of global experience in the water and waste sectors, having held leadership roles in the UK, Belgium, India and the USA. His career includes managing major utility, construction and consulting businesses, with expertise in strategy, transformation and operational excellence. Ian's civil engineering background supports his strengths in programme delivery, and he has a proven track record of driving business results in both FTSE 100/250 and privately held companies.

He has held senior roles, including MD at United Utilities, where he led a £3.2bn capital programme turnaround, and CEO of Viridor, where he led a major transformation and expanded the business into renewable energy. As CEO of Southern Water, he managed a £900 million turnover business and oversaw substantial capital investment. Since retiring from Southern Water in 2022, Ian has taken on Chair and NED roles, including positions at Papilo and Scottish Water. He brings valuable commercial and operational leadership experience, focusing on infrastructure development and sustainable technologies.

A N R

Janice Crawford

Non-Executive Director

- Independent: Yes
- Appointed: 2024

Janice is a chartered engineer, who began her career as the first female apprentice at a Glasgow shipyard and advanced through engineering and project management roles.

Over 23 years at Foster Wheeler, Janice led large-scale projects across the oil and gas, LNG, mining and petrochemical sectors in UK, India and South Africa. She later headed Project Management at BG Group and, after its acquisition by Shell, joined Network Rail to manage projects within a £2.5bn investment programme. From 2017 until April 2022, she served as Director of Global Capital Projects at Johnson Matthey.

Janice also served five years as a non-executive director at the Health and Safety Executive ('HSE') and two years at National Energy System Operator Limited.

Key to committee membership:

- N Nominations
- A Audit
- R Remuneration
- Committee chair

Our executive committee

Paul McNerney

See page 102

Andrew Page

See page 102

Rob Evans

Interim Managing Director UK Operations

Rob joined the Group 25 years ago and, during that time, has taken on a range of positions throughout the Severfield business, including numerous roles across quantity surveying and commercial areas of the Group. Most recently, he was Divisional Managing Director for the Company's Commercial and Industrial Division and acting COO before being appointed as Managing Director of the UK business, his current role.

Graeme Buchanan

Managing Director European Operations

Graeme joined Severfield in August 2021 as Finance Director of Severfield NI and was promoted to Business Unit Director in April 2022. He most recently served as Interim Managing Director of Severfield's Commercial & Industrial Division before being appointed as Managing Director of the Europe business.

Prior to joining Severfield, Graeme held several Senior Leadership roles across manufacturing, aviation and financial services. These included CFO of Flybe, CEO of Stobart Air and Managing Director of Quinn Plastics. Through these roles, he developed broad commercial and operational experience, with a strong focus on driving business performance and operational excellence.

Graeme is a Fellow of the Institute of Chartered Accountants of Ireland.

Abida Lalani

Group Strategy & Transformation Director

Abida took up this newly created role in 2025 and is focused on driving strategic initiatives and enterprise-wide transformation across the business, enhancing strategic capability, driving operational excellence, and supporting the delivery of long-term growth objectives. She brings extensive experience from senior roles at Costain, KPMG, HSBC and the Lloyds Banking Group, leading complex, multi-year programmes, including integrations, carve-outs and large-scale organisational change across regulated and infrastructure intensive sectors. Most recently, she played a key role in delivering Costain Group plc's strategic agenda and transformation initiatives.

Outside of work, Abida is a passionate advocate for inclusion and diversity, having supported employee networks and initiatives in her previous roles. She also volunteers in community and mentoring programmes, and enjoys escape rooms, travel, and exploring cultural and culinary experiences.

Mark Sanderson

Group Legal Director and Company Secretary

Mark joined Severfield in 2013 and his previous role was as group legal director for the utility specialist Enterprise plc until its acquisition by Ferrovial in April 2013. He also worked in private practice as a projects partner, most recently at Walker Morris and, prior to that, Pinsent Masons.

Mark has over 20 years of experience in the construction and engineering sector and was a non-executive director and trustee at Fitzroy Support, a learning disabilities charity, from 2019 to 2025 and is chair of the Severfield Foundation.

Key to committee membership:

- (N) Nominations
- (A) Audit
- (R) Remuneration
- ● Committee chair

Our Chair's view on governance

CHARLIE CORNISH
NON-EXECUTIVE CHAIR

Dear shareholder

I am pleased to introduce the Group's corporate governance report (on pages 108 to 111) on behalf of our Board of directors (the 'Board'). The Group is committed to business integrity, high ethical values and professionalism in all of its activities, and this report explains how we manage the Group and comply with the provisions of the UK Corporate Governance Code (the 'Code').

Leadership and Board composition

We have successfully managed a series of succession challenges during the year, following the departure of our CEO and CFO. Through the appointment of two new high-calibre successors, I am confident that we now have the executive team needed to help Severfield recover from the trading difficulties of the last two years and focus on delivering our strategy for growth and increased profitability.

Board evaluation

Since there was so much change in Board composition during 2025, we were unable to undertake a Board evaluation, but, now we have a settled group of Non-Executive Directors and new executive leadership, we did so in March 2026 and the results have been discussed with the Board and reflected in our programme for the financial year ending in March 2027.

Audit, risk and internal control

The Board has confirmed that this annual report is fair, balanced and understandable. The audit committee, supported by management, has adopted a process to enable the Board to take this view. You can find an explanation of the process we have used to make this determination in the audit committee report on page 114. We are undertaking the necessary work to enhance our processes to allow us to comply with the changes to paragraph 29 of the Code on the effectiveness of our material internal controls, to enable us to make the requisite declaration next year.

The Board delegates certain of its responsibilities to the Board committees to enable it to carry out its functions effectively. A diagram of the Board governance structure is set out on page 109.

Remuneration

Our Executive Director remuneration arrangements are intended to support the achievement of the Group's objectives and strategy. These were reviewed and enhanced with overwhelming shareholder support at our AGM in September 2025 and a summary of our current remuneration policy, together with a review of the remuneration committee's activities, and with the bonus and PSP performance in 2026, can be found in the remuneration report on pages 122 to 136.

Talent and diversity

The Board is mindful of diversity and we are committed to building a supportive, diverse and inclusive working environment in which all colleagues feel they belong. The Board is represented by a range of industry experience and personal strengths and consists of two female and five male directors. Further details of their skills and experience can be found on pages 102 to 103.

The Board is committed to ensuring that it, and our wide employee base, remains diverse and the Group has an equal opportunities and diversity policy to support this. As an equal opportunities employer, we are committed to encouraging diversity and eliminating discrimination in both our role as an employer and as a provider of services, and to achieving and maintaining a workforce that broadly reflects the communities in which we operate.

During the year, we continued to monitor the gender pay gap and our gender balance across all tiers of management. We are confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. We are mindful though, that the sector in which we operate is male dominated. We are now monitoring diversity in our recruitment and seek to attract a more diverse workforce over time.

Relations with stakeholders

The Board and I recognise the responsibility we have to a range of stakeholders, including clients, employees, subcontractors and suppliers, and the environment and communities in which we operate.

We have an open and effective dialogue with shareholders, with regular meetings being held with institutional shareholders. The AGM will be held on 29 July 2026 and I encourage all shareholders to submit any questions in advance and to vote via proxy for the resolutions.

CHARLIE CORNISH
NON-EXECUTIVE CHAIR

23 JUNE 2026

UK Corporate Governance Code

Throughout the accounting period, the Company has fully complied with the requirements of the 2024 Code.

Corporate governance report

Board leadership and Company purpose

The Group is controlled through the Board of directors of Severfield plc. We believe that, consistent with Principle A of the Code, the Board is effective and entrepreneurial. We have described, in the strategic report, how opportunities and risks to the future success of the business have been considered and addressed, together with the sustainability of the Group's business model. In this section, we describe how our governance contributes to the delivery of our strategy and how the Board monitors and drives culture and purpose.

Structure of the Board

The membership of the Board is stated on pages102 to 103 The Board currently consists of the chair, four other Non-Executive Directors and two Executive Directors.

The CEO has Board-level responsibility for health and safety matters, sustainability matters and employment matters.

Independence

All the Non-Executive Directors are considered by the Board to be independent in character and judgement and no cross-directorships exist between any of the directors.

At no time during the year ended 28 March 2026 did any Director hold a material interest, directly or indirectly, in any contract of significance with the Company or any subsidiary undertaking other than the Executive Directors in relation to their service agreements.

The directors have put in place procedures to ensure the Board collectively, and the Directors individually, comply with the disclosure requirements on conflicts of interest set out in the Companies Act 2006. The interests of the directors in the share capital of the Company and its subsidiary undertakings and their interests under the performance share plan and other share schemes are set out in the remuneration report commencing on page 122. Save as disclosed in the directors' remuneration report, none of the directors, or any person connected with them, has any interest in the share or loan capital of the Company or any of its subsidiaries.

Directors to stand for election

The Company's articles of association require the directors to offer themselves for re-election at least once every three years. Notwithstanding this, and in accordance with the recommendations of the Code, the Group's policy is that all the directors retire at each AGM and may offer themselves for re-election by shareholders. Accordingly, all of the existing directors whose biographies are set out on pages 102 to 103 will be standing for re-election at the 2026 AGM.

The Board is satisfied that the performance of all of the Non-Executive Directors continues to be effective and that they continue to show commitment to their respective roles. Non-Executive Directors are not appointed for a fixed term. The terms and conditions of appointment of Non-Executive Directors are available for inspection on request.

Role of the Chair, Chief Executive Officer and Senior Independent Director

The Board has agreed a clear division of responsibility between the chair and Chief Executive Officer and their roles and responsibilities are clearly established and set out in writing.

Severfield Board

The Board is responsible for providing effective leadership to the Group to create and deliver long-term shareholder value. This includes setting the strategic direction of the Group, reviewing all significant aspects of the Group's activities, overseeing the executive management and reviewing the overall system of internal control and risk management. The Board has a formal schedule of matters reserved for it. It is responsible for overall Group strategy, acquisition and divestment policy, approval of major capital expenditure projects and consideration of significant financing matters. It reviews the Group's strategic direction, codes of conduct, annual budgets, progress towards achievement of those budgets, significant capital expenditure programmes and the annual and half-year results.

The Board also considers people issues and key appointments. It also ensures that all directors receive appropriate training on appointment and then subsequently as appropriate. Other specific responsibilities are delegated to the Board's committees, described as follows.

Member(s)/Committee	Responsibilities
Non-Executive Chair Charlie Cornish	The Chair is mainly responsible for managing the business of the Board, evaluating its performance and setting the agenda for Board meetings. The chair acts as an ambassador for the Company and provides effective communication between the Board and its shareholders. The chair, together with the Company secretary, ensures that the directors receive clear information on all relevant matters in a timely manner and that Board papers are circulated sufficiently in advance of meetings for them to be thoroughly digested to ensure clarity of informed debate.
Chief Executive Officer Paul McNerney	The Chief Executive Officer is responsible to the chair and the Board for directing and prioritising the profitable operation and development of the Group. The Chief Executive Officer is responsible for the day-to-day management of the operational activities of the Group, assessing and implementing strategy and implementing the Board's decisions. The Chief Executive Officer chairs an executive committee consisting of the members indicated on pages 104 to 105. This committee assists the main Board by focusing on strategic and operational performance matters relating to the business and meets formally on a monthly basis. He also, together with the Chief Financial Officer, holds quarterly meetings with each of the business unit boards to review all operational issues and meets with an executive risk committee comprising himself, the Chief Financial Officer, UK Managing Director, Europe Managing Director, and the Group Legal Director on a weekly basis to discuss any key issues affecting the business. In addition, he chairs a weekly operational safety team meeting and meets regularly with the Group HR Director and Group Strategy and Transformation Director who chairs the sustainability committee.
Senior independent Director Mark Pegler	The role of the senior independent Non-Executive Director is to provide a sounding Board for the chair and to serve as an alternative source of advice to the chair for the other Non-Executive Directors. The senior independent Director is available to shareholders if they request a meeting or have concerns, which contact through the normal channels has failed to resolve, or where such contact is inappropriate. He also leads the performance review of the chair and the Board, taking into account the views of the Executive Directors.
Board committees	The Board has established three standing committees, all of which operate within defined terms of reference, which are available from the Company secretary by request and published on the website. The committees established are the audit committee, the remuneration committee and the nominations committee. Trading companies are managed by separate boards of directors. Any matters of a material nature concerning the trading companies are reported to the Board on a monthly basis. Details of the work of the audit, nominations and remuneration committees are set out on pages 112 to 136 .

Board meetings

The directors' attendance record at the scheduled Board meetings and Board committee meetings for the year ended 28 March 2026 is shown on page 100.

Meetings were held at the Group's offices in London, Dalton and York and at the offices of the Group's other operating subsidiaries to provide Non-Executive Directors the opportunity to increase their knowledge and understanding of the Group's operations. During the year, some of these meetings were held remotely by video conference, in the interests of sustainability and efficiency.

Board strategy review

In addition to regular scheduled Board and Board committee meetings, the Board undertakes an annual strategy away day each year in December or January. The agenda for the strategy away day is agreed in advance, including specific strategic issues that have been raised at previous Board meetings or requested by the Board.

Corporate governance report continued

Board principal activities

During the financial year, the Board discussed and implemented the following key actions:

Strategy

- Review of the design and implementation of a series of strategic transformation projects, including work undertaken by external consultants
- Off-site strategy day
- Regular updates of progress in delivering the Group's strategic objectives from the Executive Directors
- Received updates from brokers Panmure Liberum and Jefferies on capital markets issues
- Received update on the strategy for growth and delivering shareholder value in India
- Received a presentation on the data centres market

Business and operational

- Review of the design and implementation of a series of operational transformation projects
- Reviewed proposed organisational changes
- Regular updates and discussion of the bridge welding issues
- Regular updates on progress of our key contracts and projects and on the markets we serve, our order book and pipeline
- Regular updates on health and safety, sustainability and people matters
- Business updates on the performance of joint venture businesses (CMF and JSSL)

Financial

- Reviewed and approved annual report and accounts and results announcement for the year ended 29 March 2025
- Assessed going concern and longer-term viability of the Group and reviewed the effectiveness of internal controls
- Reviewed quarterly financial forecasts
- Reviewed and approved proposed auditor fees for the year ended 28 March 2026
- Reviewed and approved the final budget for the year ended 27 March 2027
- Reviewed and approved half-year results for the year ended 28 March 2026
- Reviewed and approved India option agreement and refinancing with senior lenders
- Approved the Group's tax strategy

Leadership and people

- Regular updates on health and safety, sustainability and people matters, including updates from the MyVoice forum
- Management briefing from the Group HR Director, including approval of the gender pay gap report
- Management briefing from the Group SHE Director, including an update on the implementation of the new Group SHE strategy
- Annual update on succession plan and talent review
- Search process for new CEO to succeed Alan Dunsmore and CFO to succeed Adam Semple

Risk management and controls

- Assessed the effectiveness of our internal control and risk management systems
- Reviewed and approved an update to the Company's conflicts of interest policy, received annual statements of compliance from directors, and approved related parties list and conflicts of interest disclosed
- Received an update on cyber risk from the Group IT Director and on cyber insurance from the Company Secretary
- Reviewed the Group's risk register
- Received PDMR briefing

Governance and stakeholders

- Reviewed and approved AGM notice
- Reviewed investor feedback on year-end results for the year ended 29 March 2025 and interim results for the year ended 28 March 2026
- Reviewed a paper summarising investor representatives' comments ahead of the AGM
- Received an update on the Atlas Ward pension scheme valuation
- Reviewed the register of directors' interests in shares
- Reviewed the statement of compliance in accordance with the Modern Slavery Act
- Approved the Board evaluation proposal

S172 statement

Details as to how the Board took account of stakeholder views and the matters set out in section 172 of the Companies Act 2006 in Board discussions and decision making are set out on page 95.

Engagement with stakeholders

The Board considers the needs and priorities of each of the Group's stakeholders during its discussions and as part of its decision-making process. Further details of stakeholder engagement are set out on page 95 (s. 172 statement) and on pages 28 to 33 (Engaging with our stakeholders).

Board's monitoring of culture

The Group's purpose and culture are closely aligned with our values, which are focused on driving the right behaviours for the Group to succeed. The Severfield Way gives each and every colleague clarity on our collective ways of working and expected behaviours so that we can continue to deliver effectively and focus on what's best for each other, our business, our clients and our communities.

Our Executive Directors promote our values throughout the Group. The Board, as a whole, is responsible for ensuring that our culture is maintained.

In undertaking the principal activities set out at page 110, the Board monitors our culture to ensure that behaviours remain aligned with our values.

Board evaluation process

The Board considers that the balance of relevant experience amongst the various Board members enables the Board to exercise effective leadership and control of the Group. It also ensures that the decision-making process cannot be dominated by any individual or small group of individuals.

In March 2026, we undertook a Board evaluation to ensure that the views of all directors on the operation of the Board were heard. The evaluation was led by the senior independent Director and included a review of the chair's performance. The results of this evaluation were positive and were discussed at the Board meeting on 27 March 2026 and have been reflected in the Board programme for 2027, which aims to make the Board more visible and create a more diverse Board agenda.

Professional development

Appropriate training and briefing is provided to all directors on appointment to the Board, taking into account their individual qualifications and experience. This is supplemented with visits to the Group's operations and meetings with senior business unit management to develop each Director's understanding of the business.

Training and updates in relation to the business of the Group and the legal and regulatory responsibilities of directors was provided throughout the year by a variety of means to Board members, including presentations by executives, visits to business operations and the circulation of briefing materials. Individual directors are also expected to take responsibility for identifying their training needs and to ensure they are adequately informed about the Group and their responsibilities as a Director.

Non-Executive Directors are continually updated on the Group's business, its markets, social responsibility matters, changes to the legal and governance environment, and other changes impacting the Group. During the year, the directors received updates on various best practice and regulatory and legislative developments.

All directors have access to the advice and services of the Group legal Director and Company secretary, who ensures that Board processes are followed and good corporate governance standards are maintained. Any Director who considers it necessary or appropriate, may take independent professional advice in furtherance of their duties at the Company's expense. No directors sought such advice in the year.

The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of a Director of a listed Company.

Audit, risk and internal control

Financial and business reporting

The financial statements contain an explanation of the directors' responsibilities in preparing the annual report and the financial statements (page 137) and a statement by the auditor concerning their responsibilities (pages 140 to 149). The directors also report that the business is a going concern (page 156) and detail how the Group generates and preserves value over the longer term (the business model) and the Group's strategy for delivering its objectives in the strategic report (pages 16 to 97). The directors have also made a statement about the long-term viability of the Group, as required under the Code (page 94).

Annual report

The Board is responsible for the preparation of the annual report and the financial statements to ensure that the annual report, taken as a whole, is fair, balanced and understandable.

The annual report is drafted by executive management with reviews undertaken by third-party advisers as required. Additional steps have been built into the reporting timetable to ensure that directors are given sufficient time to review, consider and comment on the annual report. Our external auditor reviews the narrative sections of the annual report to identify any material inconsistencies between their knowledge acquired during the audit and the Directors' 'fair, balanced and understandable' statement, and whether the annual report appropriately discloses those matters that they have communicated to the audit committee. A substantially final draft is reviewed by the audit committee prior to approval by the Board.

Remuneration

The Directors' remuneration report is on pages 122 to 136. It sets out the activities of the committee, the levels and components of remuneration, and refers to the development of the remuneration policy.

Audit committee report

Number of meetings

5

Members

Mark Pegler (Chair)
Cynthia Gordon
Ian McAulay
Janice Crawford

2026 key achievements

- Oversaw the continued development of the Group's systems of risk management and internal control
- Reviewed and recommended to the main Board the 2026 interim accounts and report and those for the year ended 28 March 2026

2027 areas of focus

- Oversee the work being undertaken this year on material internal controls to ensure compliance with new paragraph 29 of the Code
- Review of interim and final accounts for year ending 27 March 2027

Membership

All committee members during the year were independent Non-Executive Directors in accordance with the Code.

The members have been selected to provide the wide range of financial and commercial expertise necessary to fulfil the committee's duties. Mark Pegler is a chartered accountant.

By invitation, there were a number of other regular attendees, including internal and external auditors. Our Chair, our CEO, our CFO, our Company Secretary and our Group Financial Controller also attended each meeting by invitation.

Meetings are held at least three times per annum and additional meetings may be requested by the external auditor.

There were five meetings in the year.

Role and key responsibilities

The primary function of the committee is to assist the Board in fulfilling its oversight responsibilities. This includes reviewing the financial reports and other financial information before publication. The committee assists the Board in achieving its obligations under the Code in areas of risk management and internal control, focusing particularly on areas of compliance with legal requirements, accounting standards and the UK Listing Rules (Listing Authority Rules for companies listed on the London Stock Exchange), and ensuring that an effective system of internal financial and non-financial controls is maintained.

The committee also reviews the accounting and financial reporting processes, along with reviewing the roles, and effectiveness, of the external auditor. The ultimate responsibility for reviewing and approving the annual report remains with the Board.

The responsibility of the committee principally falls into the following areas:

- To monitor the integrity of the financial statements and formal announcements and to review significant financial reporting judgements
- To review the Group's material controls and risk management
- To make recommendations to the Board in relation to the appointment and removal of the external auditor and to approve its remuneration and its terms of engagement

- To review the nature of non-audit services supplied and non-audit fees relative to the audit fee
- To provide independent oversight over the external audit process through agreeing the suitability of the scope and approach of the external auditor's work, assessing its objectivity in undertaking its work and monitoring its independence, taking into account relevant UK professional regulatory requirements and the auditor's period in office and compensation
- To oversee the effectiveness of the internal audit process
- To oversee the effectiveness of the external audit process, particularly with regard to the quality and cost-effectiveness of the auditor's work
- To report to the Board how it has discharged its responsibilities

Activities of the committee

The committee addressed the following key agenda items in relation to the 2026 financial year:

- It reviewed the interim results for the period ended 27 September 2025 and the year-end results for the year ended 28 March 2026
- It reviewed the significant management judgements reflected in the Group's results, including significant contract judgements, the presentation of the Modular result as non-underlying and other material non-underlying items, including bridge testing and remedial costs
- It discussed the report received from the external auditor regarding the audit of the results for the year ended 28 March 2026. This report included the key accounting considerations and judgements reflected in the Group's year-end results, comments on findings on internal control and a statement on independence and objectivity
- It reviewed and agreed significant accounting risks and principal business risks for the year ended 28 March 2026
- It reviewed the Group's risk register.
- It reviewed and agreed the external auditor's audit planning report in advance of the audit for the year ended 28 March 2026
- It reviewed the measures taken by management to monitor and review the effectiveness of the Group's internal control and risk management processes, to enable the Board to make its annual review of effectiveness
- It reviewed the long-term viability and going concern statements and the process undertaken by executive management to enable the Board to make these statements, including the agreement of the refinancing and India option agreement in July 2025
- It considered the effectiveness of the external auditor, KPMG LLP ('KPMG'), their independence and reappointment for the year ending 28 March 2026
- It reviewed EY's internal audit reports covering various aspects of the Group's operations, controls and processes and approved the internal audit plan

Audit committee report continued

Fair, balanced and understandable

The committee was provided with, and commented on, a draft copy of the annual report for the year ended 28 March 2026. At the request of the Board, the committee also considered whether the annual report was fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the Group's performance, business model and strategy. To enable the Board to make this declaration, the committee received a paper from management detailing the approach taken in preparing the annual report. The committee is satisfied that, taken as a whole, the annual report and accounts is fair, balanced and understandable.

In carrying out the above processes, key considerations included ensuring: that there was consistency between the financial statements and the narrative provided in the front half of the annual report (and that the use of alternative performance measures was appropriate and clearly articulated); that there is a clear and well-communicated link between all areas of disclosure; and that the strategic report focused on the balance between the reporting of weaknesses, difficulties and challenges, as well as successes, in an open and honest manner. In addition, the external auditor considered the consistency between the narrative reporting in the annual report and the financial statements.

Risk management and internal control

The Board as a whole, including the audit committee members, considers the nature and extent of the Group's risk management and internal control framework, and the risk profile, is acceptable in order to achieve the Group's strategic objectives.

Details of the Group risk management and internal control processes, and its principal and emerging risks, are set out in the risk management section of the strategic report on pages 83 to 93. As a result, it is considered that the Board has fulfilled its obligations under the Code to carry out a robust assessment of the Company's emerging and principal risks.

The committee will oversee the work being undertaken this year on material internal controls to allow the Board to make the requisite statement next year as to the effectiveness of those controls.

Whistleblowing

The Group operates a comprehensive whistleblowing policy. Accordingly, staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. This year, the committee oversaw the implementation of a new online whistleblowing reporting tool provided by NAVEX. The committee reviews adherence with this policy on an ongoing basis. With the adoption of this new tool, which facilitates anonymous reporting the Group, has seen an increase in the number of disclosures made. All were investigated thoroughly and relevant improvement actions were taken, but none were shown to disclose any material wrongdoing.

Viability statement

The committee has undertaken a detailed assessment of the viability statement and recommended to the Board that the directors could have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment. The viability statement can be found on page 94 of the strategic report.

Financial reporting and significant accounting judgements

The committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements. The committee reviews accounting papers prepared by management, which provide details on the main financial reporting judgements.

Consistent with last year, 'Contract valuation, revenue and profit recognition', is classified as a significant accounting risk. The current year also includes goodwill impairment as a significant accounting risk.

Contract valuation, revenue and profit recognition

The committee reviewed and challenged the report of the Chief Financial Officer that set out the main contract judgements associated with the Group's significant contracts. The significant areas of judgement include the timing of revenue and profit recognition, the estimation of the recoverability of contract variations and claims, the estimation of future costs to complete and the estimation of claims received by the Group.

The external auditor performed detailed audit procedures on this accounting risk and reported their findings to the committee. The committee was satisfied that this matter had been fully and adequately addressed by management, appropriately challenged by the external auditor and that the disclosures made in the annual report were appropriate.

Goodwill impairment

The committee reviewed the Group's annual goodwill impairment assessment, with particular focus on the key assumptions underpinning the value-in-use models. The carrying value of goodwill is dependent on forecasts of future financial performance, which inherently involve a degree of estimation uncertainty. The committee discussed with management the significant areas of judgement, including the sales growth rates, discount rates applied to future cash flows, and the assessment of long-term market conditions.

These assumptions are sensitive to changes in trading performance and macroeconomic outlook.

The committee noted that management had made the decision to fully impair the goodwill of one of the CGUs. This was following management's evolved strategy for the CGU, which would support a more sustainable and resilient business model but hamper its future growth and profitability potential. The committee considered management's impairment analysis and reviewed the accompanying sensitivity disclosures, particularly for the CGU where the impairment was made. Following this review, the committee was satisfied that the impairment testing had been conducted appropriately, that the judgements made were reasonable, and that the disclosures within the financial statements provide users with a transparent view of the sensitivities and assumptions involved.

Other judgements

The committee reviewed management's assessment of the Group's going concern status, including financial forecasts, cash flow projections and available financing facilities. Based on this review, the committee agreed that the going concern basis of preparation remains appropriate.

In addition, the committee considered a number of other judgements, which have been made by management. These include viability, the carrying value of Parent Company investments, the presentation of Modular Solutions results, the estimate for the onerous lease provision and the valuation of pension scheme liabilities.

External auditor independence and effectiveness

KPMG has acted as the Group's external auditor for a period of 11 years. The committee considers the reappointment of the external auditor, including the rotation of the senior statutory auditor, annually. This also includes an assessment of the external auditor's independence and an assessment of the performance in the previous year, taking into account detailed feedback from directors and senior management across the Group.

The committee also assesses the effectiveness, independence and objectivity of the external auditor by, amongst other things:

- considering all key external auditor plans and reports;
- having regular engagement with the external auditor during committee meetings and ad hoc meetings (when required), including meetings without any member of management being present;
- the Chair of the committee having discussions with Craig Parkin, the senior statutory auditor, ahead of each committee meeting; and
- considering the external audit scope, the materiality threshold, and the level of audit and non-audit fees.

Following this assessment of the external audit process, the committee agreed that the audit process, independence and quality of the external audit were satisfactory. The committee will continue to assess the performance of the external auditor to ensure that they are satisfied with the quality of services provided.

Internal audit

The Group's internal audit function was outsourced to EY during the year. The committee is responsible for reviewing the role and effectiveness of the internal audit function by monitoring the results of its work and the responses of management to its recommendations. The scope of EY's work focused on key financial controls and non-financial reviews covering areas of perceived higher business risk. Results and management actions, arising from reviews undertaken by EY in the current year, were also discussed in detail at each of the committee's meetings.

Non-audit services

The Group's policy on the engagement of the external auditor for non-audit-related services is designed to ensure that the provision of such services does not impair the external auditor's independence or objectivity. Under no circumstances will any assignment be given to the external auditor when the result would be that:

- as part of the statutory audit, it is required to report directly on its own non-audit work;
- it makes management decisions on behalf of the Group; or
- it acts as an advocate for the Group.

This policy is compliant with the Code and with the FRC's guidance on audit committees. It includes restrictions on the scope of permissible non-audit work and a cap on fees for permissible non-audit work (which may not exceed 70% of the average audit fees paid in the last three consecutive years). The policy requires a competitive tender for all work with a fee over £30,000.

For work that is permitted under the policy, authority is delegated to the Chief Financial Officer to approve up to a limit of £50,000 for each assignment and there is a cumulative annual total of less than 50% of that year's audit fee. Prior approval is required by the committee for any non-audit assignments over £50,000 or where the 50% audit fee threshold is exceeded. There were no other non-audit fees in 2026 with just the fees for the half-year review in 2025.

Details of the auditor's fees, including non-audit fees (which comply with the Group's policy on the provision of non-audit services), are shown in note 4 to the consolidated financial statements.

MARK PEGLER
CHAIR OF THE AUDIT COMMITTEE

23 JUNE 2026

Nominations committee report

CHARLIE CORNISH
CHAIR OF THE NOMINATIONS COMMITTEE

Number of meetings

4

Members

Charlie Cornish (Chair)
Mark Pegler
Cynthia Gordon
Ian McAulay
Janice Crawford

2026 key achievements

- Ran a recruitment process and recommended the appointment of Paul McNerney as CEO, Andrew Page as CFO and Jan Bramall as interim CFO
- Reviewed the Group's succession plans for Board and executive committee appointments and approved the appointment of key executive committee members
- Undertook a Board evaluation

2027 areas of focus

- Review the Group's progress on diversity and inclusion
- Review and approve any new appointments to the executive committee

Role

The primary function of the committee is to deal with key appointments to the Board, and related employment matters. The responsibility and the objectives of the committee principally fall into the following areas:

- To review the structure, size and composition of the Board
- To make recommendations to the Board for any changes considered necessary
- To approve the description of the role and capabilities required for a particular appointment
- To ensure, having due regard for the benefits of diversity on the Board, including gender, and the skills matrix of the Board, that suitable candidates are identified and are recommended for appointment to the Board

The committee's terms of reference are available on the Group's website (www.severfield.com) and on request from the Company secretary.

Board effectiveness

We consider each of our Non-Executive Directors on the Board to be independent. Korn Ferry supported the Board in the selection process for new Executive Directors but have no other connection with the Company.

Diversity

We truly value diversity and a culture of inclusion at all levels within the Group. Our equal opportunities and diversity policy sets out the key actions that will be taken to ensure we have a more diverse workforce throughout the Group. We consider diversity to include diversity of background, race, disability, gender, sexual orientation, beliefs and age, and encompasses culture, personality and work style.

Disclosure under UK Listing Rules 9.8.6R(9) and 14.3.33R(1) (for the year ended 28 March 2026)

	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	71	4	7	78
Women	29	–	2	22
Not specified/prefer not to say	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	6	86	4	5	83
Mixed/Multiple Ethnic Groups	1	14		–	–
Asian/Asian British	–	–	–	1	17
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

We support the principle of seeking to increase the number of women and people from minority ethnic backgrounds on FTSE boards, and to improve representation in leadership positions. We are committed to continuing to broaden the diversity of our own Board in terms of both gender and ethnicity, consistent with appointing candidates based on talent and capability. During the year, the Group improved its diversity profile at executive committee level, with progress in both female representation and ethnic diversity. This reflects the appointment of Abida Lalani, who identifies as being of part Asian heritage.

The Board has two female directors (29%). Female representation on our executive committee is one (17%). At the career level below the executive committee, female representation is higher at 21% with many senior finance and HR roles being held by women.

As can be seen from the data in the tables, none of the four senior Board positions are held by a woman and one of the directors is from a minority ethnic background.

Of the six most recent Board appointments, three have been women, one of whom is from an ethnic background.

Succession planning

The committee ensures the continued effectiveness of the Board through appropriate succession planning and ensures that the Company has in place a succession planning programme designed to identify and develop future senior leaders and to achieve diversity.

Each year, the committee meets specifically to review succession plans for the Board and for senior management and takes into account the issues arising out of the evaluation of the Board's effectiveness and its commitment to diversity.

Evaluation

In March 2026, we undertook a Board evaluation to ensure that the views of all directors on the operation of the Board were heard. The evaluation was led by the senior independent Director and included a review of the Chair's performance. The results of this evaluation were positive and were discussed at the Board meeting on 27 March 2026 and have been reflected in the Board programme for 2027 which aims to make the Board more visible and create a more diverse Board agenda.

CHARLIE CORNISH
CHAIR OF THE NOMINATIONS COMMITTEE

23 JUNE 2026

Directors' report

This directors' report and the strategic report on pages 16 to 121 together comprise the 'management report' for the purposes of Disclosure Guidance and Transparency Rule 4.1.5R.

Information incorporated by reference

The information shown in the table below is provided in other appropriate sections of this annual report and financial statements and is incorporated into this directors' report by reference.

Information	Reported in	Pages
Corporate governance	Corporate governance report	108-111
	Statement of directors' responsibilities	137
Directors	Our Board of directors	102-103
	Directors' remuneration report – directors' shareholdings and share interests	132
Employee engagement	The Severfield Way	77
	Engaging with our stakeholders – Colleagues	28-30
	Building a responsible and sustainable business – People	77-82
Employment of disabled persons	Building a responsible and sustainable business – People, creating a culture of inclusivity	80
Engaging with suppliers, clients and others	Engaging with our stakeholders	28-33
Financial instruments	Consolidated financial statements – note 22	186-191
Going concern	Note 1 to the consolidated financial statements	156
Environmental matters	Building a responsible and sustainable business – Planet	56-61
TCFD disclosures	Building a responsible and sustainable business – TCFD	62-76
Greenhouse gas emissions	Building a responsible and sustainable business – Planet	59-61

Information	Reported in	Pages
Important events since the end of the financial year	Our operational performance	42-47
	Subsequent events	202
Likely future developments	Our operational performance	42-47
Results and dividends	Our financial performance	58-51
Research and development	Building a responsible and sustainable business – Governance	64-65
	Building a responsible and sustainable business – Strategy	67-75
	Building a responsible and sustainable business – Planet	56-61
	Notes to the consolidated financial statements	155-204
Respect for human rights	Building a responsible and sustainable business – Principles of governance	97
Social matters	Building a responsible and sustainable business – People	77-82

The only relevant item required to be disclosed under UK Listing Rule 9.8.4R relates to the waiver of dividends, details of which are set out on the following page (Rights under employee share schemes).

Political donations

No donations were made to any political parties during the current or preceding year.

Share capital

The Company has a single class of share capital, which is divided into ordinary shares of 2.5p each. No other securities have been issued by the Company. At 28 March 2026, there were 296,181,987 ordinary shares in issue and fully paid (2025: 296,181,987). No shares were issued during the year. Further details relating to share capital are set out in note 24 to the financial statements.

Voting rights and restrictions on transfer of shares

All of the issued and outstanding ordinary shares of the Company have equal voting rights, with one vote per share. There are no special control rights attaching to them.

The Company is not aware of any agreements or control rights between existing shareholders that may result in restrictions on the transfer of securities or on voting rights. The rights, including full details relating to voting of shareholders and any restrictions on transfer relating to the Company's ordinary shares, are set out in the articles and in the explanatory notes that accompany the notice of the 2026 AGM.

Securities carrying special rights

No person holds shares in the Company, which carry special rights with regard to control of the Company.

Substantial holdings

As at 1 June 2026, the Group had been notified under requests made to shareholders under section 793 of the UK Companies Act 2006 of the following voting rights to the Company's shares and, accordingly, this information is provided in accordance with the Disclosure Rules and Transparency Rules of the UK Listing Authority.

Name	Ordinary 2.5p share	Holding
JO Hambro Capital Management Ltd	39,767,398	13.43
M&G Investment Management Ltd	28,233,497	9.53
Artemis Investment Management LLP	23,107,972	7.80
Aberforth Partners LLP	20,170,004	6.81
Unicorn Asset Management Ltd	18,400,000	6.21

Rights under employee share schemes

As at 28 March 2026, Fiduchi Trustees Limited ('Fiduchi) as the trustee of the Severfield Employee Benefit Trust, owned 281,497 ordinary shares (0.10% of the Company's issued share capital at that date). These shares are made available to satisfy share-based awards granted to senior management under the Group's remuneration arrangements. Fiduchi does not exercise any voting rights in respect of these shares and waives any dividends receivable.

In addition, as at 28 March 2026, Fiduchi held 1,519,039 ordinary shares (0.51% of the Company's issued share capital at that date) in a nominee capacity on behalf of senior management in connection with the Company's PSP and DSBP. Fiduchi votes to the extent instructed by the holders of the beneficial interests in these shares (the 'Beneficial Holders') and distributes any dividends received to the Beneficial Holders.

As at 28 March 2026, Howells Trustees Ltd ('Howells') held 28,285 ordinary shares (0.01% of the Company's issued share capital at that date) on trust for the benefit of members of the Severfield Share Incentive Plan. Howells does not exercise any voting rights in respect of the shares held by the trust (although beneficiaries may authorise Howells to vote in accordance with their instructions). Howells distributes dividends received to beneficiaries under the trust.

In addition, as of 28 March 2026, Fiduchi held 116,979 ordinary shares (0.04% of the Company's issued share capital at that date) in a nominee capacity on behalf of members in connection with the Company's Share Incentive Plan. Fiduchi votes to the extent instructed by the holders of the beneficial interests in these shares (the 'Beneficial Holders') and distributes any dividends received to the Beneficial Holders.

Powers for the Company to buy back its shares and to issue its shares

The Directors were granted authority to make market purchases of ordinary shares representing up to 10% of its issued share capital and to allot shares in the Company: (i) up to one-third of the Company's issued share capital; and (ii) up to two-thirds of the Company's issued share capital in connection with a rights issue. These authorities apply until the end of the 2026 AGM (or, if earlier, until the close of business on 29 September 2026). During the period, the directors did not use their power to market purchase or to issue shares under the authorities.

The directors were also granted authority at the AGM, under two separate resolutions, to disapply pre-emption rights. These resolutions, which followed the Pre-emption Group's Statement of Principles (March 2015) on disapplying pre-emption rights applicable at that time, sought the authority to disapply pre-emption rights over 20% of the Company's issued ordinary share capital. These authorities apply until the end of the 2026 AGM (or, if earlier, until the close of business on 29 September 2026). During the period, the directors did not use these powers.

Change of control

There are no agreements between the Group and its directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

The Group's banking arrangements expire in June 2029 and can be terminated upon a change of control of the Group.

The Company's share plans contain provisions that take effect in such an event but do not entitle participants to a greater interest in the shares of the Company than created by the initial grant or award under the relevant plan.

Amendment of articles of association

Any amendments to the articles may be made in accordance with the provisions of the Act by way of special resolution.

Appointment and replacement of directors

In accordance with the Company's articles, directors shall be no fewer than two and no more than 12 in number. Subject to applicable law, a Director may be appointed by an ordinary resolution of shareholders in a general meeting following nomination by the Board or a member (or members) entitled to vote at such a meeting, or following retirement by rotation if the Director chooses to seek re-election at a general meeting. In addition, the directors may appoint a Director to fill a vacancy or as an additional Director, provided that the individual retires at the next AGM. A Director may be removed by the Company as provided for by applicable law, in certain circumstances set out in the Company's articles of association (for example bankruptcy or resignation), or by a special resolution of the Company. We have decided, this year, to continue to adopt, voluntarily, the practice that all directors stand for re-election on an annual basis, in line with the recommendations of the Code.

Powers of the directors

The business of the Company is managed by the Board, who may exercise all the powers of the Company subject to the provisions of the Company's articles of association, the Companies Act 2006 (the 'Act') and any ordinary resolution of the Company.

Directors' indemnities

The articles entitle the directors of the Company to be indemnified, to the extent permitted by the Act and any other applicable legislation, out of the assets of the Company in the event that they suffer any loss or incur any liability in connection with the execution of their duties as directors.

In addition, and in common with many other companies, the Company had, during the year, and continues to have in place, directors' and officers' insurance in favour of its directors and other officers in respect of certain losses or liabilities to which they may be exposed due to their office.

Subsidiaries and branches

A list of the Group's subsidiaries and the branches through which the Group operates are listed in note 4 to the Company financial statements.

Disclosure of information to the external auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Act.

External auditor

KPMG LLP acted as the auditor for the Company for the year ended 28 March 2026. KPMG LLP has expressed its willingness to continue in office as external auditor, having successfully tendered for re-appointment, and a resolution to appoint it will be proposed at the forthcoming AGM.

Annual General Meeting

The notice concerning the AGM on Wednesday 29 July 2026, together with explanatory notes on the resolutions to be proposed and full details of the deadlines for exercising voting rights, is contained in a circular to be sent to shareholders with this report.

The directors' report from pages 118 to 121 (inclusive) was approved by the Board and signed on its behalf by:

MARK SANDERSON
COMPANY SECRETARY

23 JUNE 2026

Directors' remuneration report

Number of meetings

6

Members

Cynthia Gordon (chair)
Mark Pegler
Charlie Cornish
Janice Crawford
Ian McAulay

2026 key achievements

- Revised the remuneration policy and incentive framework after consultation with major shareholders and achieved strong shareholder support at the AGM
- Agreed new Chief Executive Officer and Chief Financial Officer compensation packages consistent with the revised remuneration policy
- Assessed performance against the bonus targets and RSP underpins for the year ended 28 March 2026
- Continued to keep wider workforce remuneration arrangements under review, taking these into account when considering the remuneration arrangements for the Executive Directors and executive committee members

2027 areas of focus

- Embed revised remuneration policy and incentive structure
- Set metrics for annual bonus and PSP awards ensuring linkage to clear and measurable objectives

Dear shareholder

As Chair of the remuneration committee, I present our directors' remuneration report (the 'report') for the year ended 28 March 2026.

This has been another challenging year for the business and all its stakeholders. The Board continues to recognise the need for transformation in several key areas of the business and acknowledges the pivotal role that remuneration plays in re-enforcing the execution of the necessary changes.

The report is split into the following two sections:

- This letter, which provides an overview of the key decisions made on directors' remuneration during the year
- The annual report on remuneration, which discloses how the remuneration policy was implemented for the year ended 28 March 2026 and how it will be implemented for the year ending 27 March 2027; the annual report on remuneration will be subject to an advisory shareholder vote at the forthcoming AGM

Directors' remuneration policy

The committee carried out a comprehensive review of the directors' remuneration policy during 2025 with a new policy being brought to shareholders at our 2025 AGM. I would like to thank shareholders for their support, with the remuneration policy receiving a vote for of 98.7%.

A copy of the remuneration policy is available in the 2025 annual report, which can be accessed at www.severfield.com.

Executive Director changes

Adam Semple stepped down as Chief Financial Officer and left the Group on 31 October 2025. The treatment of Adam Semple's remuneration arrangements are set out on page 129 and these were consistent with our remuneration policy.

Paul McNerney was appointed as Chief Executive Officer on 3 November 2025. The committee agreed the following remuneration arrangements for Paul McNerney consistent with our remuneration policy:

- An annual salary of £520,000. The committee is mindful that Paul McNerney's salary is positioned above his predecessor (£460,000), but strongly considers it necessary taking into account the following factors:
  - Business context. Severfield is in a critical period of transition, and the salary level reflects the scale and complexity of the leadership challenge.
  - Recruitment market dynamics. The salary level was considered reasonable and market-aligned to recruit a Chief Executive Officer with the required calibre and experience in the current environment. When considered alongside his pension, annual bonus and PSP opportunity (see below), his maximum total compensation opportunity of £1.7m is positioned around the median compared to FTSE-listed companies (excluding financial services) with a market capitalisation of £50m to £150m.
- A pension opportunity of 7% of salary in line with the contribution available to the wider workforce.
- A maximum bonus opportunity of 125% of salary (pro-rated for 2026 to reflect the period of his service as Chief Executive Officer during the year).
- A maximum PSP opportunity of 100% of salary.

In the interests of transparency, the committee wrote to major shareholders to confirm the remuneration arrangements for Paul McNerney, following his appointment as Chief Executive Officer.

Jan Bramall was appointed as interim Chief Financial Officer for the period 1 November 2025 to 17 March 2026. Her interim salary was set at £400,000. She did not receive a bonus or PSP award during her tenure as interim Chief Financial Officer.

Andrew Page was appointed as permanent Chief Financial Officer on 16 February 2026. The committee agreed the following remuneration arrangements for Andrew Page consistent with the remuneration policy:

- An annual salary of £375,000. Again, the committee is mindful that Andrew Page's salary is positioned above his predecessor (£315,000), but strongly considers it necessary taking into account the above factors. Similar to Paul McNerney, when Andrew Page's salary is considered alongside his pension, annual bonus and PSP opportunity (see below), his maximum total compensation opportunity of £1.2m is positioned around the median compared to FTSE-listed companies (excluding financial services) with a market capitalisation of £50m to £150m.
- A pension opportunity of 7% of salary in line with the contribution available to the wider workforce.
- A maximum bonus opportunity of 125% of salary (he was not eligible for a bonus award in 2026).
- A maximum PSP opportunity of 100% of salary (he was not eligible for a PSP award in 2026).

Performance and reward 2026

Annual bonus outcome

Paul McNerney was granted a maximum bonus opportunity of 125% of salary, pro-rated to reflect the period of his service as Chief Executive Officer during the year and earned a bonus equal to 35% of maximum (equivalent to £95,000). Details are provided on page 130 In accordance with the remuneration policy, 40% of the amount earned will be deferred into shares for three years.

Alan Dunsmore, Adam Semple, Jan Bramall and Andrew Page did not receive a bonus in respect of 2026.

RSP award outcome

In September 2023, RSP awards with a face value of 50% of salary were granted to the then Executive Directors. The awards were subject to performance underpins measured over the vesting period.

The committee determined that the underpins were not met, taking into account the Group's underlying financial and operational performance during the vesting period, so that the RSP awards should lapse in full. See page 130 for details.

Implementation of policy for 2027

Base salaries

Salaries for the Executive Directors were reviewed in June 2026 and were not increased, albeit overall salary increases for the wider workforce were at least 2.5%.

Annual bonus

The proposed maximum bonus opportunity for the Chief Executive Officer and Chief Financial Officer is 125% of salary. The award will be subject to an underlying profit before tax ('PBT') measure (60%), cash performance measure (30%) and a sustainability measure (10%). These performance measures maintain a strong focus on financial performance, whilst also recognising the importance of cash discipline given the current market conditions and the Group's net debt position. The inclusion of a sustainability measure seeks to ensure that sustainability is embedded in core strategy and governance. Each measure has a specific target, but the targets themselves are currently considered commercially sensitive. Full details of the targets and performance against them will be disclosed in the 2027 directors' remuneration report.

PSP award

The proposed maximum PSP award opportunity for the Chief Executive Officer and Chief Financial Officer is 100% of salary. The awards will be granted in June 2026 and vest in June 2029 subject to an EPS target (50%) each measured over a three year performance period and a relative TSR target (50%) each measured over a three year performance period. Vested awards will be subject to a two-year holding period. The EPS target is 7.3p (25% vests) to 8.9p (100% vests) which is equivalent to underlying PBT of £26m and £32m respectively. The relative TSR target is "ranked median" (25% vests) and "ranked upper quartile" (100% vests) compared to the FTSE Small Cap (excluding investment trusts).

Non-Executive Director fees

Fees for the Chair and the Non-Executive Directors were reviewed in June 2026 and were increased by 2.5% at the bottom end of the range of outcomes for the wider workforce.

Conclusion

We remain committed to a responsible approach to Executive pay. We believe that the policy operated as intended in respect of the financial year ended 28 March 2026 and consider that the remuneration received by the executive directors was appropriate, taking into account Group and personal performance, and the experience of shareholders and employees.

I look forward to answering any questions shareholders might have and your continued support.

CYNTHIA GORDON
CHAIR OF THE REMUNERATION COMMITTEE

23 June 2026[1]

1 This report complies with the provisions of the Companies Act 2006, the Large and Medium-sized Companies and Groups Regulations 2008 as amended in 2013, the UK Corporate Governance Code 2024 and the UKLA Listing Rules and the Disclosure and Transparency Rules. The remuneration committee has also taken into consideration guidelines published by institutional investor advisory bodies such as the Investment Association and ISS.

2 A reconciliation of APMs is provided in note 32.

Annual remuneration report

In this section, we report on the implementation of our policy in the year ended 28 March 2026, as well as how the policy will be implemented for 2027. The regulations require the auditor to report to the Group's shareholders on the auditable part of the directors' remuneration report and to state whether, in its opinion, that part of the report has been properly prepared in accordance with the Companies Act 2006. The relevant sections subject to audit have been highlighted in the annual report on remuneration.

Implementation of policy for 2027

Executive Directors

Set out below is a summary of how the policy is intended to be implemented for Executive Directors for the year ending 27 March 2027.

	Implementation for the year ending 27 March 2027
Base salary	Salaries for the Executive Directors were reviewed in 2026 and were not increased. Therefore, salaries with effect from 1 April 2026 are as follows: Paul McNerney: £520,000 Andrew Page: £375,000 The overall salary increases for the wider workforce were 2.5% to 3%.
Benefits	In line with benefits provided in the year ended 28 March 2026. The Chief Executive Officer and Chief Financial Officer will be entitled to a car allowance of £18,000 and £15,000, respectively. Executive Directors will also be entitled to life insurance cover and medical insurance.
Pension	Pension contribution for Executive Directors is 7% of salary. This is aligned with the contribution available to the wider workforce.
Bonus	The proposed maximum bonus opportunity for both Executive Directors is 125% of salary. The award will be subject to profit before tax ('PBT') targets (60%), cash performance targets (30%) and a sustainability target (10%). The targets are currently considered commercially sensitive. Full details of the targets and performance against them will be disclosed in the 2027 directors' remuneration report.
PSP	The proposed maximum PSP award opportunity for the Chief Executive Officer and Chief Financial Officer is 100% of salary. The awards will be granted in June 2026 and vest in June 2029 subject to an EPS target (50%) each measured over a three year performance period and a relative TSR target (50%) each measured over a three year performance period. Vested awards will be subject to a two-year holding period. The EPS target is 7.3p (25% vests) to 8.9p (100% vests) which is equivalent to underlying PBT of £26m and £32m respectively. The relative TSR target is "ranked median" (25% vests) and "ranked upper quartile" (100% vests) compared to the FTSE Small Cap (excluding investment trusts). The committee will have discretion to adjust the formulaic vesting outcome if it is not considered to be appropriate, taking into account wider Group performance during the performance period. This includes consideration of any 'windfall gains' at the point of vesting. In assessing whether there is any 'windfall gain', the committee will take into account a number of factors, including share price performance over the vesting period, financial performance of the business, and any significant events that have impacted the Company's share price or market as a whole.

Non-Executive Directors

Set out below is a summary of the key elements of how the policy is intended to be implemented for Non-Executive Directors for the year ending 27 March 2027.

	Implementation for the year ending 27 March 2027
Fees and benefits	Fees for the Non-Executive Directors were reviewed in May 2026 and the base fee was increased by 2.5% in line with the wider workforce pay review: • Non-Executive Chair: £166,500 • Basic fee for other Non-Executive Directors: £53,000 • Additional fee for SID role: £7,500 (unchanged) • Additional fee for Chair of audit and remuneration committees: £7,500 (unchanged) • Additional fee for workforce engagement Director role: £7,500 (unchanged) This is the first increase since 2024.

Remuneration committee

Membership, meetings and attendance

The Group has an established remuneration committee, which is constituted in accordance with the recommendations of the UK Corporate Governance Code.

The members of the remuneration committee who served during the year are shown below, together with their attendance at remuneration committee meetings (all committee members attended all meetings held during their tenure).

Name	Number of meetings attended
Cynthia Gordon (chair)	6/6
Mark Pegler	6/6
Charlie Cornish	6/6
Ian McAulay	6/6
Janice Crawford	6/6

The Group considers all members of the committee to be independent. Executive directors and the Group HR Director may attend remuneration committee meetings at the invitation of the committee chair, but do not take part in any discussion about their own remuneration. The Company secretary acts as the secretary to the remuneration committee.

The terms of reference for the remuneration committee are available on the Company's website.

Advisers to the committee

Wholly independent and objective advice on executive remuneration is received from the committee's external advisers.

Deloitte were appointed in December 2020 following a tender organised by the committee. Deloitte is one of the founding members of the Remuneration Consultants Group and is a signatory to its Code of Conduct. Fees charged by Deloitte provided to the committee for the year ended 28 March 2026 amounted to £15,300 (excluding VAT).

Executive directors' service agreements and Non-Executive Directors' letters of appointment

The Chief Executive Officer's and Chief Financial Officer's service agreements operate on a rolling basis, and are terminable by either the Company or Executive Director providing 12 months' notice.

Name	Date of service agreement
Paul McNerney	4 August 2025
Andrew Page	6 February 2026

Malus and clawback

Malus and clawback provisions apply to annual bonus, deferred bonus awards and restricted share awards over the following time periods:

	Malus	Clawback
Annual bonus	To such time as payment is made.	Up to three years following payment.
Deferred bonus awards	Up to three years following the first day of the financial year in which the grant date falls.	Up to three years following the first day of the financial year in which the grant date falls.
Restricted share awards	To such time as the award vests.	Up to three years following vesting.

Malus and clawback may apply in the following circumstances:

- Material misstatement of financial results.
- The bonus outcome or the number of shares granted or vesting under deferred bonus awards or performance share awards was based on error, inaccurate or misleading information.
- Substantial failure of risk control.
- Serious misconduct by the participant.
- Corporate failure.
- The Group suffers a material downturn in its financial or operational performance, which is at least partly due to a material failure in the management of the Group to which the individual made a material contribution.
- The Group suffers reputational damage, which is at least partly due to a material failure in the management of the Group to which the individual made a material contribution.
- Other exceptional circumstances as determined by the committee.

A clawback period of up to three years is considered appropriate on the basis that:

- it is reasonable to assume that the circumstances in which clawback may be applied would be discovered within a three-year period;
- it is considered a reasonable period to support the enforceability of clawback; and
- it is aligned with market practice across the FTSE SmallCap and FTSE 250. The chair and Non-Executive Directors are subject to re-election at each AGM.

Name	Date of letter of appointment	Letter of appointment expiry date (subject to annual re-election at each AGM)
Charlie Cornish	1 May 2024	30 April 2033
Mark Pegler	3 October 2022	4 October 2031
Cynthia Gordon	21 October 2024	20 October 2033
Ian McAulay	25 November 2024	24 November 2033
Janice Crawford	25 November 2024	24 November 2033

Engaging with our shareholders

The committee engages directly with major shareholders where it considers there to be material changes to the remuneration policy or Executive remuneration framework. In the interests of transparency, the committee wrote to major shareholders to confirm the remuneration arrangements for Paul McNerney, following his appointment as Chief Executive Officer.

Considerations of conditions and pay levels for workforce and workforce engagement on Executive pay

In determining remuneration for Executive Directors, the committee takes account of general market conditions and pay levels for the workforce as a whole. This includes reviewing wage growth generally and the proportion of earnings paid as bonus to groups of staff at each level – Executive Directors, senior staff and all other employees (some of whom receive a profit share bonus.

The Group recognises a number of trade unions who are consulted regarding wage settlements on a site-by-site basis and seeks employee participation on a range of matters. This includes giving employees the opportunity through the MyVoice forum to challenge how Executive remuneration is aligned with the wider Company pay policy.

Directors' remuneration report continued

Directors' earnings for the 2026 financial year (audited)

£000	Year ended 28 March 2026 Salary	Fees	Benefits[7]	Pension	Total fixed pay	Bonus	LTIPs[8]	Total variable pay	Total
Executives									
Paul McNerney[1]	**217**	**–**	**8**	**15**	**240**	**95**	**–**	**95**	**335**
Andrew Page[2]	**46**	**–**	**2**	**3**	**51**	**–**	**–**	**–**	**51**
Jan Bramall[3]	**152**	**–**	**6**	**–**	**158**	**–**	**–**	**–**	**158**
Alan Dunsmore[4]	**115**	**–**	**5**	**8**	**128**	**–**	**–**	**–**	**128**
Derek Randall[5]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Adam Semple[6]	**192**	**–**	**11**	**13**	**216**	**–**	**–**	**–**	**216**
Non-Executives									
Charlie Cornish	**–**	**163**	**–**	**–**	**163**	**–**	**–**	**–**	**163**
Mark Pegler	**–**	**67**	**–**	**–**	**67**	**–**	**–**	**–**	**67**
Cynthia Gordon	**–**	**52**	**–**	**–**	**52**	**–**	**–**	**–**	**52**
Janice Crawford	**–**	**52**	**–**	**–**	**52**	**–**	**–**	**–**	**52**
Ian McAulay	**–**	**59**	**–**	**–**	**59**	**–**	**–**	**–**	**59**
	722	**393**	**32**	**39**	**1,186**	**95**	**–**	**95**	**1,281**

1 Appointed to the Board on 3 November 2025.

2 Appointed to the Board on 16 February 2026.

3 Interim appointment to the Board (1 November 2025 to 17 March 2026).

4 Stepped down from the Board on 30 June 2025.

5 Stepped down from the Board on 31 March 2025.

6 Stepped down from the Board on 31 October 2025. Salary includes an additional acting up allowance from 1 May 2025 until 31 October 2025, as disclosed in last year's directors' remuneration report.

7 Taxable benefits include the provision of company cars, fuel for company cars, car allowances, accommodation and living allowances and private medical insurance.

8 RSP award granted to Alan Dunsmore, Adam Semple and Derek Randall in 2023 lapsed in full in 2026 (see page130).

Directors' earnings for the 2025 financial year (audited)

£000	Year ended 29 March 2025 Salary	Fees	Benefits[5]	Pension	Total fixed pay	Bonus	LTIPs[6]	Total variable pay	Total
Executives									
Alan Dunsmore	446	–	19	31	496	–	–	–	496
Derek Randall	305	–	16	21	342	–	–	–	342
Adam Semple	305	–	16	21	342	–	–	–	342
Non-Executives									
Mark Pegler	–	64	–	–	64	–	–	–	64
Charlie Cornish[2]	–	122	–	–	122	–	–	–	122
Cynthia Gordon[3]	–	23	–	–	23	–	–	–	23
Janice Crawford[4]	–	18	–	–	18	–	–	–	18
Ian McAulay[4]	–	21	–	–	21	–	–	–	21
Alun Griffiths[1]	–	19	–	–	19	–	–	–	19
Louise Hardy[5]	–	39	–	–	39	–	–	–	39
Kevin Whiteman[1]	–	50	–	–	50	–	–	–	50
Total	**1,056**	**356**	**51**	**73**	**1,536**	**–**	**–**	**–**	**1,536**

1 Stepped down from the Board on 30 July 2024.

2 Appointed to the Board on 1 May 2024 and took over as chair on 30 July 2024.

3 Appointed to the Board on 21 October 2024 and as remuneration committee Chair on 31 October 2024.

4 Appointed to the Board on 25 November 2024.

5 Stepped down from the Board on 31 October 2024.

6 Taxable benefits include the provision of company cars, fuel for company cars, car allowances, accommodation and living allowances and private medical insurance.

7 PSP awards granted in 2022 lapsed in full in 2025.

Past directors/loss of office payments (audited)

Alan Dunsmore stepped down as CEO and left the Group on 30 June 2025. The treatment of Alan Dunsmore's remuneration arrangements at the time are set out in the table below.

Element	Agreed treatment
Base salary, pension and benefits	Received his salary, pension and benefits up to 30 June 2025.
Payment in lieu of notice	Received pay in lieu of notice for 12 months from 30 June 2025 equal to £460,000 (based on the value of salary that would have accrued over the notice period).
Annual bonus	Not eligible to receive a bonus in respect of the year ending 28 March 2026.
DSBP	Unvested deferred share bonus plan awards granted in June 2022, July 2023 and July 2024 will continue to vest in full on the normal vesting dates in June 2025 (now vested), July 2026 and July 2027, respectively subject to the rules of the DSBP.
RSP	RSP awards granted in September 2023 and June 2024 will remain capable of vesting on the normal vesting dates in June 2026 (now lapsed) and June 2027, respectively, subject to the assessment of performance underpins and to the rules of the PSP. To the extent that the awards vest, the awards will be pro-rated for time to reflect the proportion of the vesting periods served and will be subject to a two-year post vesting holding period.
Other	Received a contribution of £2,500 in respect of legal costs incurred in relation to him stepping down as CEO and leaving the Group.

Derek Randall stepped down as an executive Director on 31 March 2025. He remains Non-Executive Chair of JSSL. His unvested deferred share bonus plan awards granted in June 2022, July 2023 and July 2024 will continue to vest in full on the normal vesting dates in June 2025 (now vested), July 2026 and July 2027, respectively. His RSP awards granted in September 2023 and June 2024 will remain capable of vesting on the normal vesting dates in June 2026 (now lapsed) and June 2027, respectively, subject to the assessment of performance underpins. To the extent that the awards vest, the awards will be pro-rated for time to reflect the proportion of the vesting periods served as an executive Director and will be subject to a two-year post vesting holding period. He received no payment for loss of office.

Alan Dunsmore and Derek Randall are required to comply with the post-employment shareholding requirement as set out in the directors' remuneration policy.

Adam Semple stepped down as Chief Financial Officer and left the Group on 31 October 2025. The treatment of Adam Semple's remuneration arrangements are set out in the table below.

Element	Agreed treatment
Base salary, pension and benefits	Received his salary, acting up allowance, pension and benefits up to 31 October 2025.
Payment in lieu of notice	Receiving pay in lieu of notice for 12 months from 31 October 2025 equal to £315,000 (based on the value salary that would have accrued over the notice period) less all necessary deductions in monthly instalments. Such payments will cease if he commences employment in an Executive position with another employer during this 12-month period.
Annual bonus	Not eligible to receive a bonus in respect of the year ending 28 March 2026.
DSBP	Unvested deferred share bonus plan awards granted in July 2023 and July 2024 will continue to vest in full on the normal vesting dates in July 2026 and July 2027, respectively, subject to the rules of the DSBP.
RSP	RSP award granted in September 2023 will lapse in full (see page 130). RSP award granted in June 2024 will remain capable of vesting on the normal vesting date in June 2027, subject to the assessment of performance underpins and to the rules of the PSP. To the extent that the award vest, the awards will be pro-rated for time to reflect the proportion of the vesting period served and will be subject to a two-year post vesting holding period.
Other	Received a contribution of £1,500 in respect of legal costs incurred in relation to him stepping down as Chief Financial Officer and leaving the Group.

Adam Semple is required to comply with the post-employment shareholding requirement as set out in the directors' remuneration policy.

Jan Bramall stepped down as interim Chief Financial Officer and left the Group on 17 March 2026. Jan Bramall received no loss of office payments.

There have been no payments to past directors during the year.

How pay linked to performance in 2026 (audited)

Bonus

Paul McNerney was granted a maximum bonus opportunity of 125% of salary, pro-rated to reflect the period of his service as Chief Executive Officer during the year. Details of the metrics and performance against these measures are set out below:

Metric	Target	Performance	Outcome
Underlying PBT (60%)	Threshold to maximum target range of £15.5m to £17.1m	£10.2m	Threshold not met (0%)
Net debt (20%)	Maximum target of £48.0m	£21m	Maximum met (20%)
Personal objectives (20%)	Take steps to protect profitability, introduce strong cash management, improve core performance and initiate a strategy review.	Since his appointment as CEO, Paul McNerney has taken significant and measurable steps to protect the profitability and strengthen the cash position of the Group and lay the foundations for sustainable growth over the medium to longer term. Specific achievements include initiation a transformation strategy, delivering strong leadership, financial focus and review of business areas and improved productivity.	The Committee determined that an award of 15% out of a possible 20% for personal performance was appropriate, reflecting the quality of his leadership and the tangible progress achieved since his appointment in stabilising the business and executing the turnaround plan.

Paul McNerney earned a bonus of £95,000 equal to 35% of maximum (equivalent to 43.75% of salary). In accordance with the remuneration policy, 40% of the amount earned will be deferred into shares for three years.

Alan Dunsmore, Adam Semple, Jan Bramall and Andrew Page did not receive a bonus in respect of 2026.

RSP awards vesting in respect of 2026

In September 2023, RSP awards with a face value of 50% of salary were granted to the then Executive Directors, Alan Dunsmore, Adam Semple and Derek Randall.

The scheme rules determine that the remuneration committee should consider each of the performance underpins for the scheme as well as whether the Group's underlying financial and operational performance had been satisfactory, both on an absolute basis and relative to peers.

The committee determined that the underpins were not met and that the Group's underlying financial and operational performance during the vesting period was not satisfactory, both on an absolute basis and relative to peers. As a result of this decision, the RSP awards will lapse in full.

The underpins were:

- **Financial stability of the business.** There is no breach of financial covenants in the Group's principal banking activities.
- **Sustainability of the Group's underlying performance.** There is not a material deterioration in the Group's underlying performance that significantly departs from any deterioration across the industrial building and construction sector.
- **Risk management.** There is no material failure in risk management resulting in significant reputational damage and/or material financial loss to the Group.
- **Health and safety performance.** There is not a material deterioration in health and safety performance and there are no material health and safety failures.
- **ESG performance.** Sufficient progress is made against the Group's ESG strategy.

PSP award granted in 2025 (audited)

An award was granted on 7 January 2026 equal to 100% of salary to Paul McNerney, following his appointment as Chief Executive Officer on 3 November 2025. The committee considered this level of award to be modest and appropriately positioned relative to PSP award levels amongst companies of a similar size and structure.

In last year's directors' remuneration report, prior to the announcement of Adam Semple (the Group's then Chief Financial Officer) stepping down from the Board, the committee disclosed its intention to grant a PSP award equal to 100% of salary to the Executive Directors, with a potential adjustment of up to 25% to avoid potential windfall gains.

After careful consideration, the committee did not consider a reduction in Paul McNerney's award opportunity to be appropriate on the following basis:

- Paul McNerney was not part of the leadership team during the period of significant share price decline. His award opportunity has been granted taking into account practice amongst companies of a similar size and structure, and to ensure he is appropriately incentivised during a critical period of transformation for the business.
- The committee retains full discretion to adjust PSP vesting outcomes if results do not fairly reflect underlying performance, shareholder experience or market conditions.

No PSP award was granted to Adam Semple, Jan Bramall or Andrew Page during the year.

Paul McNerney's PSP award is subject to performance conditions weighted as follows:

- 50% is based on an EPS target for the year ending 31 March 2028 of 5.8 pence (threshold performance – 25% vests) to 7.9 pence (maximum performance – 100% vests) with linear interpolation in between. This represents a PBT range of £22m to £30m.
- 20% is based on a ROCE target for the year ending 31 March 2028 of 10% (threshold performance – 25% vests) to 13% (maximum performance – 100% vests) with linear interpolation in between.
- 30% is based on five key transformational objectives relating to improved market prioritisation, manufacturing and project delivery. Details of the transformation programme metrics are commercially sensitive and will, therefore, be disclosed retrospectively at the point of vesting.

Details of the award made to Paul McNerney are summarised below.

Name	Type	Number of shares	% of salary	Face value (£)[1]
Paul McNerney	Nil-cost option	1,843,972	100%	£520,000

1 Face value calculated based on the pre-grant date share price of 28.2p.

The committee retains the discretion to adjust the formulaic vesting outcome if it is not considered to be appropriate, taking into account wider Group performance during the performance period. This includes consideration of any 'windfall gains' at the point of vesting.

Outstanding share awards at the year end (audited)

Details of share awards under the PSP to the Executive Directors, which were outstanding at the year end are shown in the following table. Currently, Andrew Page has no outstanding share awards.

Director	Year of award	Vesting date[1]	Market price at the date of grant[2]	Awards held at 29 March 2025	Awards granted in year[3]	Awards lapsed in year	Awards vested in year	Awards held at 28 March 2026
Paul McNerney	2025	2028	28.2p	–	1,843,972	–	–	1,843,972
Total					1,843,972			1,843,972

1 Vesting date is June/July in the relevant year.

2 The pre-grant date share price.

3 The performance targets attached to these awards are detailed on page 130.

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Directors' remuneration report continued

Statement of directors' shareholding (audited)

Paul McNerney and Andrew Page were appointed to the Board on 3 November 2025 and 16 February 2026, respectively, and will work towards meeting their shareholding requirements.

Name	Shareholding requirement	Actual share ownership as a percentage of shareholding requirement as at 28 March 2026
Paul McNerney	200%	0%
Andrew Page	200%	0%

Directors' current shareholdings (audited):

The following table provides details on the directors' beneficial interests in the Company's share capital as at 28 March 2026 (or, if earlier, the date the Director stepped down from the Board).

Name	Owned shares[1]	Share incentive plan ('SIP')[2]	Sharesave scheme	DSBP[3]	PSP[4]	RSP[5]	Total[6]
Executives							
Paul McNerney	–	–	–	–	1,843,972	–	1,843,972
Andrew Page	–	–	–	–	–	–	–
Jan Bramall[7]	–	–	–	–	–	–	–
Alan Dunsmore[8]	1,731,830	3,371	31,747	371,532	634,076	604,133	3,376,689
Adam Semple[9]	549,543	–	–	219,657	–	412,861	1,181,861
Derek Randall[10]	1,149,852	–	–	340,625	348,144	442,432	2,281,053
Non-Executives							
Mark Pegler	53,600	–	–	–	–	–	53,600
Charlie Cornish	103,125	–	–	–	–	–	103,125
Janice Crawford	–	–	–	–	–	–	–
Cynthia Gordon	–	–	–	–	–	–	–
Ian McAulay	–	–	–	–	–	–	–

1 Includes shares owned by connected persons and excludes DSBP shares that have been granted but are either still within the three-year deferral period or which consist of unexercised options.

2 SIP shares are unvested and held in trust.

3 DSBP awards are granted in the form of nil cost share options.

4 PSP awards are granted in the form of conditional awards and vesting is based on the achievement of certain performance conditions.

5 RSP awards are granted in the form of conditional awards and vesting is based on the achievement of certain underpins. The total includes 2023 awards. As noted on page 130, the committee has determined that the 2023 awards will lapse in full.

6 There have been no changes in the current directors' interests in the shares issued or options granted by the Company between the end of the period and the date of this annual report. There have been no changes in the directors' beneficial interests in trusts holding ordinary shares of the Company.

7 Interim appointment to the Board (1 November 2025 to 17 March 2026).

8 Stepped down from the Board on 30 June 2025 and no longer holds share options under the relevant Sharesave schemes.

9 Stepped down from the Board on 31 October 2025 and no longer holds share options under the relevant Sharesave schemes.

10 Stepped down from the Board on 31 March 2025.

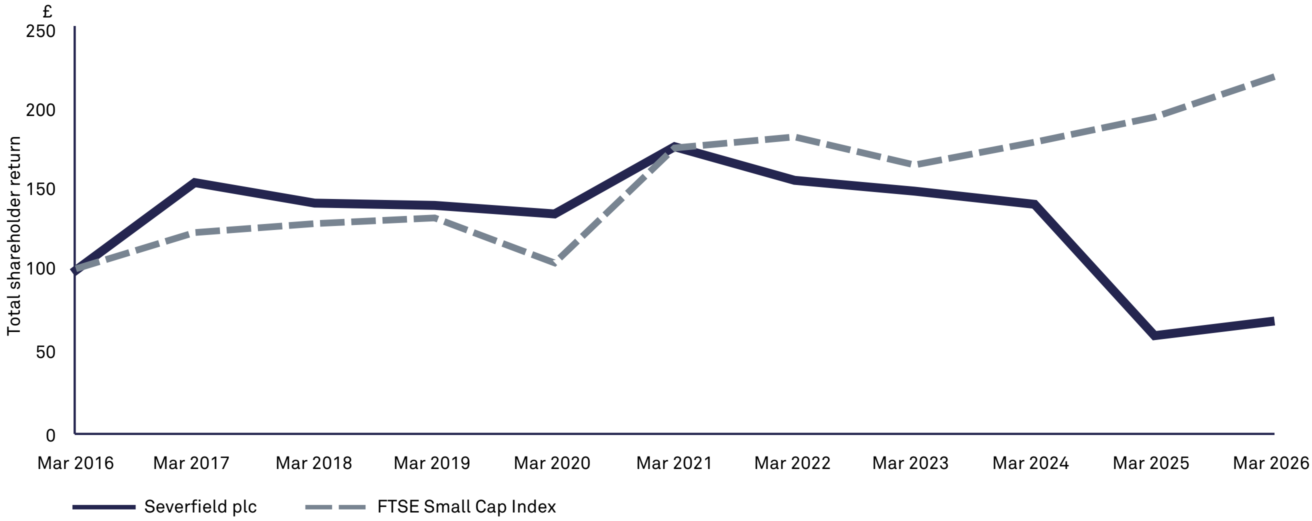
Position against dilution limits

Severfield plc complies with the Investment Association's principles of Executive remuneration. These principles require that commitments under all of the Group's share ownership schemes (including the share incentive plan ('SIP'), Sharesave scheme and the PSP) must not exceed 10% of the issued share capital in any rolling ten-year period. Within this 10% limit, the Group can only issue 5% of its issued share capital to satisfy awards under executive discretionary schemes. The Group was operating within these limits as at 28 March 2026.

Performance graph

The following graph shows the Group's performance, measured by total shareholder return, compared with the performance of the FTSE SmallCap Index. It is based on the change in the value of £100 investment made on 1 April 2016 over the ten-year period ended 28 March 2026.

The index was selected as it represents a broad equity market index and is considered to be the most appropriate comparator group of companies over a ten-year period commencing April 2016.



Chief Executive Officer remuneration change

The table below shows the total remuneration figure for the Chief Executive Officer role over the same ten-year period. Total remuneration includes bonuses and the value of LTIP awards, which vested based on performance in those years (at the share price at which they vested).

Name	2017 Lawson	2018 Lawson[1]	2018 Dunsmore[2]
Total remuneration (£000)	1,228	738	819
Annual bonus (%)	95.0%	–	62.6%
LTIP vesting (%)	74.0%	95.4%	95.4%

Name	2019 Dunsmore	2020 Dunsmore	2021 Dunsmore	2022 Dunsmore	2023 Dunsmore	2024 Dunsmore	2025 Dunsmore
Total remuneration (£000)	890	880	747	521	1,125	933	496
Annual bonus (%)	20.0%	61.0%	80.0%	17.0%	80.0%	44.0%	0.0%
LTIP vesting (%)	100.0%	85.0%	–	–	100.0%	74.0%	0.0%

Name	2026 Dunsmore[3]	2026 McNerney[4]
Total remuneration (£000)	128	335
Annual bonus (%)	–	35.0%
LTIP vesting (%)	–	–

1 Ian Lawson received compensation of £408,000 for loss of office in accordance with his contract.

2 Alan Dunsmore operated as interim Chief Executive Officer from 1 April 2017 to 31 January 2018, during Ian Lawson's absence due to physical ill health. Alan's appointment to this role was made permanent from 1 February 2018. The figures in the table above represent Ian Lawson's remuneration for this period and Alan Dunsmore's remuneration for the period in which he was both interim and permanent Chief Executive Officer.

3 Alan Dunsmore was Chief Executive Officer until 30 June 2025.

4 Paul McNerney became Chief Executive Officer on 3 November 2025.

Directors' remuneration report continued

How the change in directors' pay for the year compares to that of the Group's employees

The table below shows the percentage change in salary, benefits and annual bonus earned for the directors compared to the percentage change of each of those components of pay of the employees of the Group (calculated by reference to the mean employee pay on a full-time equivalent basis).

Comparison between 2025 and 2026	Base salary/ fees	Benefits	Annual bonus
Alan Dunsmore[1]	**(74%)**	**(74%)**	**–**
Derek Randall[2]	**n/a**	**n/a**	**n/a**
Adam Semple[3]	**(40%)**	**(34%)**	**–**
Charlie Cornish[4]	**34%**	**n/a**	**n/a**
Mark Pegler[5]	**5%**	**n/a**	**n/a**
Cynthia Gordon[6]	**126%**	**n/a**	**n/a**
Janice Crawford[7]	**189%**	**n/a**	**n/a**
Ian McAulay[8]	**181%**	**n/a**	**n/a**
All UK employees	**0%**	**0%**	**0%**

No figures are included for Paul McNerney, Andrew Page or Jan Bramall since they were only appointed in 2026.

Neither Executive Directors nor Non-Executive Directors received any salary/fee increase (consistent with the wider workforce). The differences between 2025 and 2026 are due to:

- Executive Directors leaving part way through 2026 (so earning less than in 2025);
- Non-Executive Directors joining part way through 2025 (so earning more in 2026 as employed for the full year); and
- Adam Semple receiving an acting up allowance whilst the Group operated without a Chief Executive Officer.

Comparison between 2024 and 2025	Base salary/ fees	Benefits	Annual bonus
Alan Dunsmore[1]	12%	0%	(100%)
Derek Randall[2]	4%	(64%)	(100%)
Adam Semple[3]	12%	0%	(100%)
Mark Pegler[5]	21%	0%	0%
All UK employees	4%	0%	(1%)

No figures are included for Ian McAulay, Charlie Cornish, Cynthia Gordon or Janice Crawford since they were only appointed in 2025.

The main differences between 2025 and 2024 are the salary increases awarded to Alan Dunsmore and Adam Semple, the fee increases awarded to Non-Executive Directors, lower bonus pay outs in 2025 and the departure of directors during the year.

Employees that are not included in the senior management and Director bonus scheme received a discretionary £750 festive gift in both financial years.

Comparison between 2023 and 2024	Base salary/ fees	Benefits	Annual bonus
Alan Dunsmore[1]	5%	5%	(27%)
Derek Randall[2]	5%	5%	(16%)
Adam Semple[3]	5%	–	(29%)
Mark Pegler[5]	140%	–	–
All UK employees	6%	164%	(41%)

The main differences between 2024 and 2023 are lower bonus pay outs in 2024 and the departure of directors during the year.

The large increase in employee benefits reflects the cost-of-living payment made in 2024.

Employees that are not included in the senior management and Director bonus scheme received a discretionary £750 festive gift in both financial years.

Comparison between 2023 and 2022	Base salary/ fees	Benefits	Annual bonus
Alan Dunsmore[1]	3%	–	387%
Derek Randall[2]	3%	5%	105%
Adam Semple[3]	3%	–	388%
Mark Pegler[5]	n/a	–	–
All UK employees	5%	7%	107%

The significant increase in bonus in 2023 is driven by the achievement of the PBT element of the bonus scheme, leading to a pay-out of 80% compared to 17% in 2022.

Comparison between 2022 and 2021	Base salary/ fees	Benefits	Annual bonus
Alan Dunsmore[1]	1%	–	(78%)
Derek Randall[2]	1%	(49%)	(41%)
Adam Semple[3]	2%	–	(78%)
All UK employees	4%	16%	(67%)

1 Alan Dunsmore stepped down from the Board on 30 June 2025.
2 Adam Semple stepped down from the Board on 31 October 2025.
3 Derek Randall stepped down from the Board on 31 March 2025. Derek Randall's 2021 benefit included £40,000 of cost-of-living allowance relating to 2020 but wholly paid in 2021.
4 Charlie Cornish was appointed to the Board on 1 May 2024 and took over as chair on 30 July 2024.
5 Mark Pegler was appointed to the Board on 5 October 2022.
6 Cynthia Gordon was appointed to the Board on 21 October 2024.
7 Janice Crawford was appointed to the Board on 25 November 2024.
8 Ian McAulay was appointed to the Board on 25 November 2024.

Chief Executive Officer pay ratio disclosure

Year	Method of calculation adopted	25th percentile pay ratio (CEO: UK employees)	Median pay ratio (CEO: UK employees)	75th percentile pay ratio (CEO: UK employees)
2026	Option A[1]	11:1	9:1	6:1
2025	Option A[1]	13:1	11:1	8:1
2024	Option A[1]	27:1	19:1	15:1
2023	Option A[1]	35:1	26:1	19:1
2022	Option A[1]	19:1	13:1	10:1
2021	Option A[1]	25:1	18:1	14:1
2020	Option A[1]	30:1	22:1	17:1

1 Option A methodology was selected on the basis that it is a robust approach and is preferred by shareholders and proxy voting agencies. The calculations for the representative employees were performed at the final day of the relevant financial year.

A substantial proportion of the Chief Executive Officer's total remuneration is performance related and delivered in shares. The ratios will, therefore, depend significantly on the Chief Executive Officer's annual bonus and PSP outcomes and may fluctuate from year to year.

The CEO pay ratio constitutes Alan Dunsmore's remuneration from 30 March to 30 June 2025 and Paul McNerney's remuneration from 3 November 2025 to 28 March 2026. There was no CEO in place during 1 July 2025 to 2 November 2025.

The median ratio of 9:1 is 18% lower than the median ratio of 11:1 in 2025. This decrease in the Chief Executive Officer pay ratio is due to there being several months with no CEO in place.

The committee has confirmed that the ratio is consistent with the Company's wider policies on employee pay, reward and progression.

Total pay and benefits used to calculate the ratios

Pay details for the Chief Executive Officer and individuals whose remuneration is at the median, 25th percentile and 75th percentile amongst full-time equivalent UK-based employees are as follows:

Directors’ remuneration report continued

	Chief Executive Officer £000	25th percentile £000	Median £000	75th percentile £000
Year 2026				
Salary	**332**	**39**	**51**	**67**
Total pay and benefits	**463**	**42**	**54**	**72**

The UK employee percentile total pay and benefits has been calculated based on the amount paid or receivable for the relevant financial year for the full-time equivalent annualised remuneration (comprising salary, benefits, pension, annual bonus and LTIPs) for all UK-based employees of the Group as at the last day of the relevant financial year. The calculations are on the same basis as required for the Chief Executive Officer’s remuneration for single figure purposes. The committee selected this methodology as it was felt to produce the most statistically accurate result.

Relative importance of spend on pay

The following table shows the actual spend on pay for all employees relative to revenue and underlying operating profit before the results of JVs and associates:

	2026 £000	2025 £000	% change
Staff costs	**130,473**	127,590	2.3%
Revenue	**454,254**	450,913	0.7%
Underlying operating profit	**12,697**	21,653	(41.4%)
Dividends	**–**	11,164	(100%)

[1] There were 13,356,334 share buybacks during 2025 but none in 2026.

Shareholder voting

The results below show the response to the 2025 AGM shareholder voting for the Directors’ 2025 remuneration report:

	Total number of votes	% of votes cast
For	191,412,046	98.92
Against	2,092,157	1.08
Total votes cast (for and against)	193,504,203	100
Withheld votes	79,916	n/a

The results below show the response to the 2025 AGM shareholder voting for the Directors’ 2025 remuneration policy:

	Total number of votes	% of votes cast
For	190,980,497	98.7
Against	2,506,011	1.3
Total votes cast (for and against)	193,486,508	100
Withheld votes	97,611	n/a

Approval

This report was approved by the Board and signed on its behalf.

CYNTHIA GORDON
CHAIR OF THE REMUNERATION COMMITTEE

23 June 2026

Statement of Directors' responsibilities

in respect of the annual report and financial statements

The directors are responsible for preparing the annual report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Parent Company financial statements for each financial year. Under that law, they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law, and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable and, in respect of the Parent Company financial statements only, prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK, governing the preparation and dissemination of financial statements, may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ('DTR') 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Responsibility statement of the directors in respect of the annual report and accounts

We confirm that, to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

PAUL MCNERNEY
CHIEF EXECUTIVE OFFICER

ANDREW PAGE
CHIEF FINANCIAL OFFICER

23 June 2026

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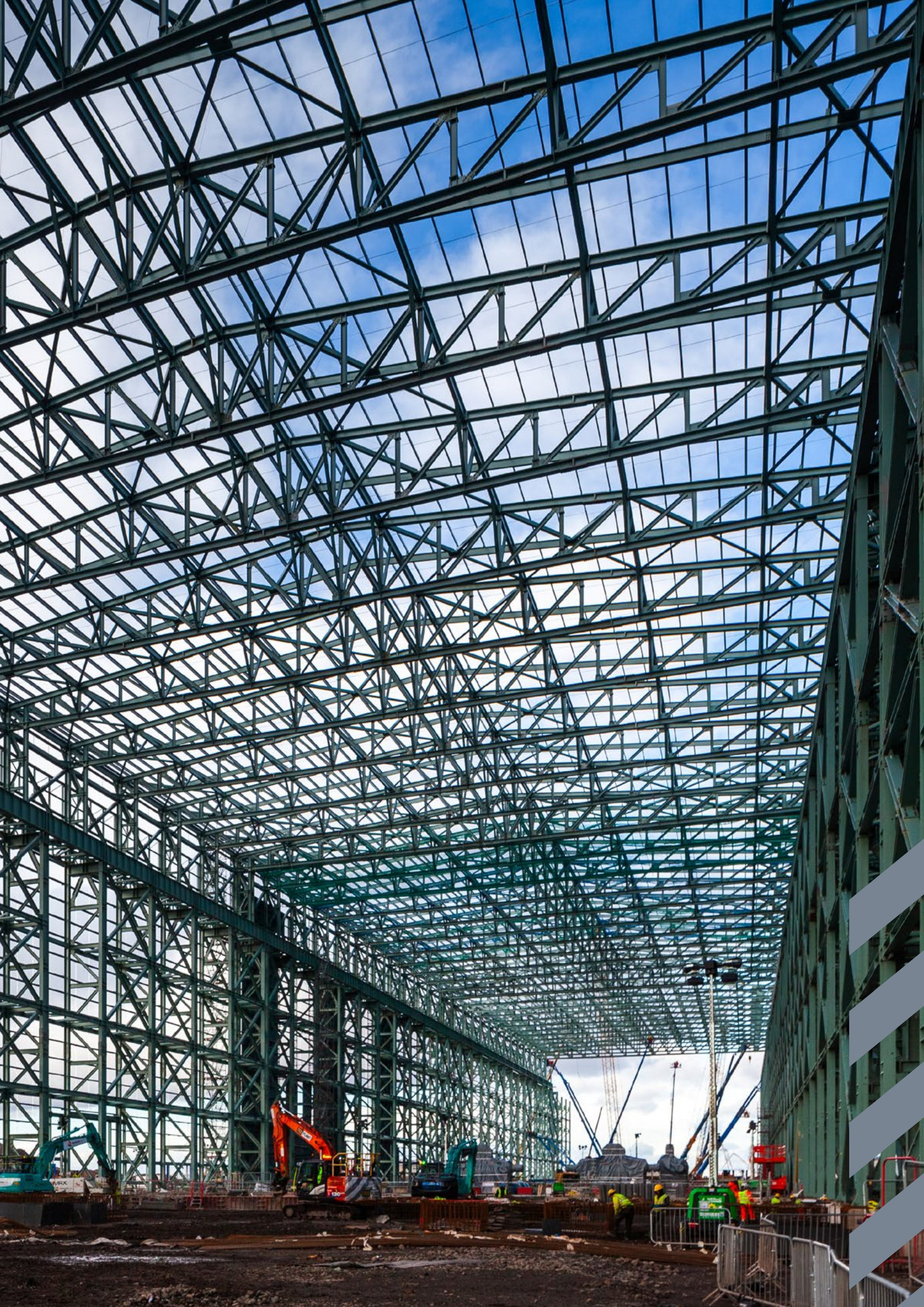


Independent auditor's report

to the members of Severfield plc

1. Our opinion is unmodified

We have audited the financial statements of Severfield plc ("the Company") for the year ended 28 March 2026 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Balance Sheet and Company Statement of Changes in Equity, and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 28 March 2026 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the shareholders on 2 September 2015. The period of total uninterrupted engagement is for the eleven financial years ended 28 March 2026. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: Group financial statements as a whole		£2.2m (2025:£1.5m) 0.5% (2025: 0.3%) of revenue
Key audit matters		**vs 2025**
Recurring risks	Carrying value of construction contract assets and onerous contract provisions, and revenue and profit recognition in relation to construction contracts	◄►
	Recoverability of Severfield Infrastructure ("Infrastructure") goodwill and interest in Construction Metal Forming ("CMF") joint venture	▲
	Parent Company Key audit matter: Recoverability of parent Company's investments	▲

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Carrying value of construction contract assets and onerous contract provisions, and revenue and profit recognition in relation to construction contracts Revenue: £454.3m (2025: £450.9m) Contract Asset: £50.7m (2025:£47.7m) Onerous contract provisions: £12.6m (2025: £8.8m) *Refer to page 114 (Audit Committee Report), page 158 (accounting policy) and page 182 (financial disclosures).*	**Subjective estimate:** The Group's activities are undertaken via long-term construction contracts. The carrying value of the construction contract assets and onerous contract provisions, as well as the revenue and profit recognised, are based on an input measure (being costs incurred to date as a proportion of estimated total contract costs) and estimates of total contract consideration (being agreed contract consideration plus elements of variable consideration such as instances where the value of contract modifications is currently unagreed). Estimated total contract costs, and as a result revenues, can be affected by a variety of uncertainties that depend on the outcome of future events resulting in revisions throughout the contract period. In addition the Group has identified a number of loss-making contracts, and therefore has recognised a contract loss provision. The effect of these matters is that, as part of our risk assessment for audit planning purposes, we determined that the carrying value of contract assets and onerous contract provisions, revenue and profit recognised on construction contracts has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. Therefore, auditor judgement is required to assess whether the directors' estimates for total forecast costs and variable consideration falls within an acceptable range. The financial statements (note 2) disclose the nature and extent of the estimates and judgements made by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: – **Our sector experience:** Identifying high risk contracts with risk indicators including: large carrying value of contract assets, low margin or loss making contracts with significant costs to complete estimates, uncertainty over variable consideration, and large contracts with significant costs to complete; – **Tests of detail:** For the high risk contracts identified, assessing the judgement that revenue recognised is highly probable to not be reversed by agreeing to post period-end revenue certification, customer variation agreement or cash where available. Where these sources of evidence were not available, assessing the evidence relied upon by the directors; – **Our sector experience:** Assessing forecast costs to complete in the sample of high risk contracts by understanding contract performance and costs incurred post period-end, along with discussion and challenge of the forecast costs to complete estimates through comparison with original budgets, current run rates and known risks; – **Tests of detail:** Assessing the accuracy of costs incurred to date through statistical sample testing, including an assessment of whether the cost sampled was allocated to the appropriate contract; – **Historical comparisons:** Assessing the extent to which the directors are able to accurately forecast contract revenue and costs by comparing initial forecasted margins against the actual margins achieved for all contracts open at both the current and prior period end. – **Site visits:** For certain higher risk or larger value contracts, attending in person site visits, with the involvement of our own industry specialists, inspecting the physical progress on site for individual projects and identifying areas of complexity through observation and discussion with site personnel; – **Our major projects expertise:** For certain higher risk or larger contracts, using specialists from our major projects specialists to identify the risks and opportunities associated with the contract and develop a range of possible contract out-turns and challenge the appropriateness of revenue recognised and provisions held in relation to these contracts; – **Assessing transparency:** Assessing the adequacy of the Group's disclosures on revenue recognition and the degree of estimation involved in arriving at the construction contract assets and onerous contract provisions and associated revenue and profit recognition. **Our results** We found the carrying value of construction contract assets and onerous contract provisions, and revenue and profit recognition in relation to construction contracts, to be acceptable (2025: acceptable).

	The risk	Our response
Recoverability of Severfield Infrastructure ("Infrastructure") goodwill and interest in Construction Metal Forming ("CMF") joint venture Goodwill: SIL: £0.0m; 2025: £11.5m Interest in JVs and associates: CMF: £2.9m; 2025: £13.3m *Refer to page 114-115 (Audit Committee Report), page 158 (accounting policy) and page 175-176 (financial disclosures).*	**Forecast based assessment** Goodwill related to the Infrastructure and Construction Metal Forming cash generating units ("CGUs") is significant (prior to any impairment recognised) and at risk of irrecoverability due to challenging market conditions. The recoverable amount of goodwill is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. In the current period, this risk has increased due to the financial performance for the Infrastructure and CMF CGUs. The key assumptions in determining the recoverable amount are the forecast future revenues, operating margins and the discount rate applied to future cash flows. There is a risk that the business may not meet expected growth projections to support the carrying value of goodwill held relating to the Infrastructure and CMF CGUs. The effect of these matters is that, as part of our risk assessment, we determined that the recoverable amount of Infrastructure and CMF CGUs have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality, and possibly many times that amount, for the financial statements as a whole. The financial statements disclose the sensitivity in the Infrastructure CGU (note 11) and CMF CGU (note 15) estimated by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: – **Historical comparisons:** Compared the forecasts for each CGU against the actual outcomes to assess the historical reliability of forecasting; – **Methodology implementation:** Assessing the application of the relevant methodology in the Group's impairment models; – **Benchmarking assumptions:** Comparing each CGU's trading forecasts against current trading performance and anticipated changes in the business model, comparing to industry reports and external analyst reports, and applied our knowledge of the business and sector in investigating any significant deviations in order to challenge assumptions included in the forecasts; – **Sensitivity analysis:** Performing sensitivity analysis on individual key assumptions to understand the sensitivity of the value in use; – **Our sector expertise:** Assessing and challenging the discount rate by obtaining the inputs used in the discount rate calculations, benchmarking against our own expectations, and comparing the overall rate to an expected range based on our own benchmarks; – **Comparing valuations:** Comparing the sum of the recoverable amounts of all CGUs to the total market capitalisation to assess the valuation of the individual CGUs; – **Assessing transparency:** Assessing whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the recoverable amount of goodwill. **Our results** We found the Group's carrying value and impairment charge of the Infrastructure and CMF CGUs are acceptable (2025: acceptable).

	The risk	Our response
Recoverability of parent Company's investments Investments: £154.7m; (2025:£181.6m) *Refer to page 115 (Audit Committee Report), page 208 (accounting policy) and page 210-211 (financial disclosures).*	**Forecast based assessment** The parent company holds on its balance sheet investments in subsidiaries of £151.8m, and investments in joint ventures of £2.9m. The carrying value of investments and presence of impairment depends on assumptions of future financial performance which inherently contain an element of estimation uncertainty. Areas of judgement in the underlying cash flow forecasts include forecast future revenues, operating margins, and the discount rate applied to future cash flows. In the current year, this risk has increased due to the business's financial performance. Due to their materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: – **Tests of detail:** Comparing the carrying amount of 100% of the investments balance with the relevant subsidiaries' and joint ventures' draft balance sheets to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries and joint ventures have historically been profit making; – **Assessing subsidiary audits:** Assessing the audit work performed on the subsidiary/joint ventures, and considering the results of that work, on their net assets and profits and the likely risk of the investment not being recoverable; – **Comparing valuations:** For the investments where the carrying amount exceeded the net asset value, comparing that carrying amount with its recoverable amount based on a value in use calculated using discounted cashflow forecasts. We performed the same procedures set out in the Recoverability of goodwill in respect of the Infrastructure ("Infrastructure") and Construction Metal Forming ("CMF") cash generating units KAM at an investment level. **Our results** We found the Company's investment and related impairment charge in subsidiaries and joint ventures are acceptable (2025: acceptable).

We continue to perform procedures over the appropriateness of the bridges remedial provision and going concern. However, due to progress made by the business in remediating affected bridge structures, agreement of plans for further remediation with third parties, addressing consequential loss claims received to date, and the improved cash position we have not assessed these as some of the most significant risks in our current year audit and, therefore, they are not separately identified in our report this year.

3. Our application of materiality and an overview of the scope of our audit

Our application of materiality

Materiality for the Group financial statements as a whole was set at £2.2m (2025: £1.5m), determined with reference to a benchmark of Group revenue, of which it represents 0.5% (2025: 0.3%).

Materiality for the parent Company financial statements as a whole was set at £1.6m (2025: £1.0m), determined with reference to a benchmark of Company total assets, of which it represents 0.8% (2025: 0.5%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% (2025: 75%) of materiality for the financial statements as a whole, which equates to £1.4m (2025: £1.1m) for the Group and £1.0m (2025: £0.8m) for the parent Company. We applied this percentage in our determination of performance materiality based on the level of identified misstatements in the prior period and changes in senior management during the period.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £120,000 (2025: £75,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Independent auditor's report

to the members of Severfield plc **continued**

Overview of the scope of our audit

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 24 (2025: 23) components, having considered our evaluation of the Group's operation and legal structures, the existence of common information systems, geographic location and centralised management teams or services and our ability to perform audit procedures centrally.

Of those, we identified 7 (2025: 4) quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

In 2026 we brought the joint venture JSSL into our audit scope due to its increasing contribution to Group profit, representing 29% of total profit.

Additionally, we selected 1 (2025: 5) components with accounts contributing to the specific risks to the Group financial statements.

Performance materiality was set at 65% (2025: 75%) of materiality for the financial statements as a whole, which equates to £1.4m (2025: £1.1m) for the Group and £1.0m (2025: £0.8m) for the parent Company. We applied this percentage in our determination of performance materiality based on the level of identified misstatements in the prior period and changes in senior management during the period.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £120,000 (2025: £75,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

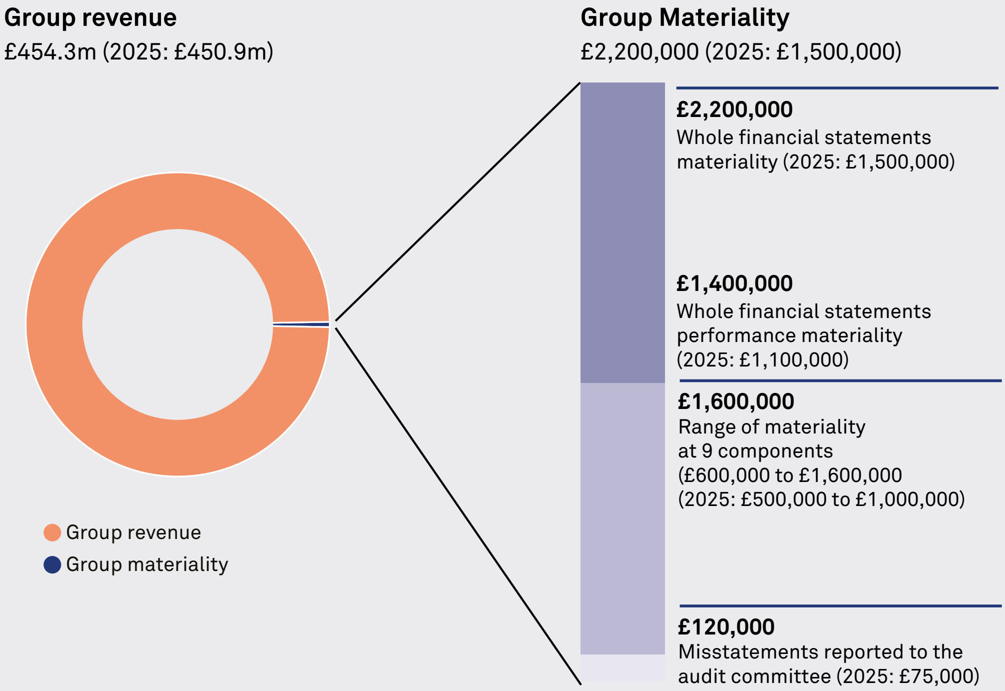
Accordingly, we performed audit procedures on 9 (2025: 9) components. We involved component auditors on 1 (2025: none) component.

We set the component materialities, ranging from £0.6m to £1.6m (2025: £0.5m to £1.0m), having regard to size and risk profile.

Our audit procedures covered 96% (2025: 97%) of Group revenue.

We performed audit procedures in relation to components that accounted for 96% (2025: 94%) of Group profit before tax and 90% (2025: 97%) of Group total assets.

The Group auditor performed the audit of the parent Company.



Impact of controls on our group audit

The majority of components use the same IT systems and applications, with one in-scope component using a differing IT system. With the assistance of our IT auditors, we obtained an understanding of the IT environment at components where we performed audit procedures and at the group level.

For the in-scope component with the differing IT system, we identified IT control deficiencies in previous audits. In the prior period, as part of obtaining an understanding of the IT systems, we identified that these deficiencies were addressed.

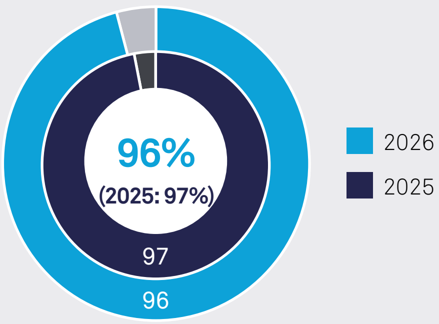
As a result, there were no new risks that impacted our planned audit approach.

In all areas of our audit, our audit approach focused on substantive procedures, instead of relying on IT systems and manual controls. This approach was considered the most efficient and effective for gaining the appropriate audit evidence.

Given that we did not rely upon controls, we performed additional substantive testing to respond to the audit risks identified. This included direct manual testing over the completeness and reliability of data used in our approach to testing journals and timesheet data.

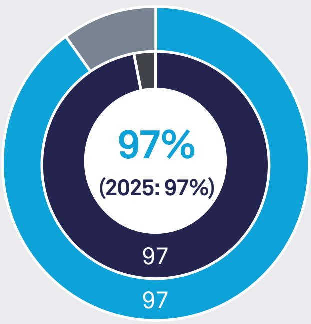
Our audit procedures covered the following percentage of Group revenue:

Group revenue

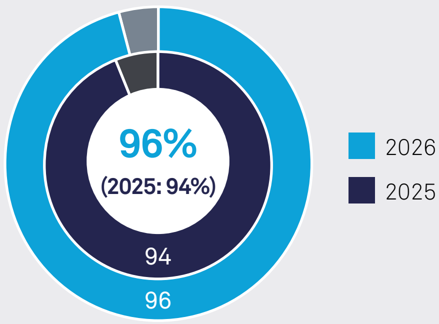


We performed audit procedures in relation to components that accounted for the following percentages of Group profit before tax and Group total assets:

Group total assets (absolute)



Group profit before tax (absolute)



Group auditor oversight

In working with component auditors, we:

- Held planning discussions with the component auditors' engagement partners and managers to facilitate inputs from component auditors in the identification of matters relevant to the Group audit.
- We issued audit instructions to the component auditor on the scope of their work, including specifying the minimum procedures to perform in their audit of the carrying value of construction contract assets and onerous contract provisions, and revenue and profit recognition in relation to those construction contracts.
- Held risk assessment alignment meetings with the component auditor before the commencement of each phase of the audit.
- Held video conferences with the component auditor to understand and evaluate their work. At these video conferences, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail and any further work required by us was then performed by the component auditor.
- We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed, with a particular focus on work performed over the carrying value of construction contract assets and onerous contract provisions, and revenue and profit recognition in relation to those construction contracts.

4. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources and metrics relevant to debt covenants over this period were:

- The potential for contract assets to increase as a result of contractual disputes or operational difficulties, leading to an increased working capital requirement;
- Additional bridge remediation costs.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively.

Our procedures also included:

- Funding assessment: Obtaining banking agreements and correspondence to ascertain the committed level of funding, and related covenant requirements;
- Key dependency assessment: obtaining supporting evidence for critical factors within forecasts, such as order book;
- Historical comparisons: performing retrospective reviews to assess the directors' track record of forecasts vs actual cashflows;
- Sensitivity analysis: considering sensitivities over the level of available financial resources indicated by the Group's and Company's financial forecasts taking account of plausible (but not unrealistic) adverse effects that could arise from these risks individually and collectively;
- Assessing transparency: considering whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks and dependencies, and related sensitivities.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- the related statement under the UK Listing Rules set out on page 156 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included :

- Enquiring of directors, the audit committee, internal legal counsel and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management including underlying profit before tax target for management remuneration.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, both in the current period and future periods, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that contract revenue is recognised in an overly optimistic or cautious manner given the subjective nature and risk of bias in the related accounting estimates, and the risk that Group and component management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

Further detail in respect of contract revenue is set out in the key audit matter disclosure in section 2 of this report.

We performed procedures including:

- Identifying journal entries to test at the Group level and for in-scope components based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries with unusual characteristics compared to the total population.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias .
- Procedures over contract revenue performed for all in-scope components are detailed in section 2 of this report.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and pensions legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly , the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery and employment law, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent auditor's report

to the members of Severfield plc **continued**

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement on page 94 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Emerging and Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on page 94 under the UK Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review. We have nothing to report in this respect.

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 137, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

9. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

CRAIG PARKIN (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF KPMG LLP, STATUTORY AUDITOR

Chartered Accountants
1 Sovereign Street
Sovereign Square
Leeds
LS1 4DA

23 June 2026

Consolidated income statement

Year ended 28 March 2026

	Note	Underlying year ended 28 March 2026 £000	Non-underlying year ended 28 March 2026 £000	Total year ended 28 March 2026 £000	Underlying year ended 29 March 2025 £000	Non-underlying year ended 29 March 2025 £000	Total year ended 29 March 2025 £000
Revenue	3	**454,254**	**–**	**454,254**	450,913	–	450,913
Operating costs	4	**(441,557)**	**(50,319)**	**(491,876)**	(429,260)	(35,475)	(464,735)
Operating profit/(loss) before share of results of JVs and associates		**12,697**	**(50,319)**	**(37,622)**	21,653	(35,475)	(13,822)
Share of results of JVs and associates	15	**2,477**	**–**	**2,477**	101	–	101
Operating profit/(loss)		**15,174**	**(50,319)**	**(35,145)**	21,754	(35,475)	(13,721)
Net finance expense	7	**(4,716)**	**(12)**	**(4,728)**	(3,621)	(170)	(3,791)
Profit/(loss) before tax		**10,458**	**(50,331)**	**(39,873)**	18,133	(35,645)	(17,512)
Taxation	8	**(2,353)**	**6,616**	**4,263**	(5,195)	8,620	3,425
Profit/(loss) for the year attributable to the equity holders of the Parent		**8,105**	**(43,715)**	**(35,610)**	12,938	(27,025)	(14,087)
Earnings/(loss) per share:							
Basic	10	**2.74p**	**(14.77)p**	**(12.03)p**	4.28p	(8.92)p	(4.66)p
Diluted	10	**2.74p**	**(14.77)p**	**(12.03)p**	4.28p	(8.92)p	(4.66)p

Further details of non-underlying items are disclosed in note 5 to the consolidated financial statements.

Consolidated statement of comprehensive income

Year ended 28 March 2026

	Note	Year ended 28 March 2026 £000	Year ended 29 March 2025 £000
Items that will not be reclassified to profit and loss:			
Actuarial gain on defined benefit pension scheme	29	**1,432**	2,313
Tax relating to components that will not be reclassified	21	**(358)**	(578)
		1,074	1,735
Items that may be reclassified to profit and loss:			
(Losses)/gains taken to equity on cash flow hedges	25	**(840)**	808
Reclassification adjustments on cash flow hedges	25	**201**	(1,529)
Exchange difference on foreign operations	25	**(1,719)**	(5,663)
Tax relating to components that may be reclassified	21	**145**	175
		(2,213)	(6,208)
Other comprehensive expense for the year		**(1,139)**	(4,473)
Loss for the year from continuing operations		**(35,610)**	(14,087)
Total comprehensive expense for the year attributable to equity holders of the Parent		**(36,749)**	(18,560)

Consolidated balance sheet

at 28 March 2026

	Note	As at 28 March 2026 £000	As at 29 March 2025 £000
Assets			
Non-current assets			
Goodwill	11	**86,780**	97,587
Other intangible assets	12	**136**	2,809
Property, plant and equipment	13	**88,728**	96,699
Right-of-use assets	14	**17,945**	20,051
Interests in JVs and associates	15	**23,027**	32,936
Deferred tax assets	21	**1,398**	1,584
Contract assets, trade and other receivables	18	**658**	2,618
		218,672	254,284
Current assets			
Inventories	16	**7,419**	11,809
Contract assets, trade and other receivables	18	**110,471**	116,393
Derivative financial instruments	22	**–**	103
Current tax assets		**2,238**	2,793
Cash and cash equivalents	22	**24,361**	15,520
		144,489	146,618
Total assets		**363,161**	400,902
Liabilities			
Current liabilities			
Bank overdraft	22	**–**	–
Contract liabilities, trade and other payables	19	**(98,239)**	(82,092)
Provisions	20	**(31,711)**	(30,508)
Derivative financial instruments	22	**(507)**	–
Financial liabilities – borrowings	22	**(3,800)**	(6,200)
Financial liabilities – leases	22	**(3,550)**	(4,097)
		(137,807)	(122,897)
Non-current liabilities			
Contract liabilities, trade and other payables	19	**–**	(130)
Provisions	20	**(6,529)**	(7,581)
Retirement benefit obligations	29	**(2,873)**	(6,855)
Financial liabilities – borrowings	22	**(48,800)**	(52,600)
Financial liabilities – leases	22	**(14,896)**	(16,364)
Deferred tax liabilities	21	**(5,615)**	(11,515)
		(78,713)	(95,045)
Total liabilities		**(216,520)**	(217,942)
Net assets		**146,641**	182,960
Equity			
Share capital	24	**7,405**	7,405
Share premium		**88,522**	88,522
Other reserves	25	**(3,925)**	(924)
Retained earnings		**54,639**	87,957
Total equity		**146,641**	182,960

The consolidated financial statements were approved by the Board of Directors on 23 June 2026 and signed on its behalf by:

PAUL MCNERNEY
CHIEF EXECUTIVE OFFICER

ANDREW PAGE
CHIEF FINANCIAL OFFICER

Consolidated statement of changes in equity

Year ended 28 March 2026

	Note	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
At 30 March 2025		**7,405**	**88,522**	**(924)**	**87,957**	**182,960**
Total comprehensive expense for the year		**–**	**–**	**(2,358)**	**(34,391)**	**(36,749)**
Equity-settled share-based payments	25	**–**	**–**	**(643)**	**1,073**	**430**
At 28 March 2026		**7,405**	**88,522**	**(3,925)**	**54,639**	**146,641**

	Note	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
At 31 March 2024		7,739	88,522	4,728	119,762	220,751
Total comprehensive expense for the year		–	–	(6,383)	(12,177)	(18,560)
Equity-settled share-based payments	25	–	–	(920)	2,115	1,195
Purchase of own shares	25	–	–	(9,262)	–	(9,262)
Cancellation of own shares	25	(334)	–	9,596	(9,262)	–
Allocation of owned shares	25	–	–	1,317	(1,317)	–
Dividends paid		–	–	–	(11,164)	(11,164)
At 29 March 2025		7,405	88,522	(924)	87,957	182,960

Consolidated cash flow statement

Year ended 28 March 2026

	Note	Year ended 28 March 2026 £000	Year ended 29 March 2025 £000
Net cash flow from/(used in) operating activities	26	**22,875**	(522)
Cash flows from investing activities			
Proceeds on disposal of other property, plant and equipment		**825**	909
Proceeds on disposal of land and buildings		**3,004**	–
Purchases of land and buildings	13	**–**	(32)
Purchases of other property, plant and equipment	13	**(2,875)**	(7,796)
Payment of deferred and contingent consideration		**–**	(120)
Net cash from/(used in) investing activities		**954**	(7,039)
Cash flows from financing activities			
Interest paid		**(4,832)**	(3,185)
Dividends paid	9	**–**	(11,164)
Purchase of own shares (net of SAYE cash received)	24	**–**	(8,556)
Proceeds from borrowings	22	**–**	45,000
Repayment of borrowings	22	**(6,200)**	(6,200)
Repayment of lease liabilities	22	**(4,136)**	(3,208)
Net cash (used in)/from financing activities		**(15,168)**	12,687
Effect of exchange rate		**180**	–
Net increase in cash and cash equivalents		**8,841**	5,126
Cash and cash equivalents at beginning of year		**15,520**	10,394
Cash and cash equivalents at end of year	27	**24,361**	15,520

Notes to the consolidated financial statements

Year ended 28 March 2026

1. Significant accounting policies

General information

Severfield plc ('the Company') is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is provided on page 215. The registered number of the Company is 1721262. The nature of the Group's operations and its principal activities are set out on pages 18-35. These financial statements are presented in sterling, which is the currency of the primary economic environment in which the Group operates.

Audit exemption

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of a Parent Company guarantee:

Severfield Modular Solutions Limited (registered in United Kingdom, company number 11180471)

Severfield (Design and Build) Limited (registered in United Kingdom, company number 04107553)

Under section 479A–479C of the Companies Act 2006, the Company has guaranteed all outstanding liabilities to which the subsidiary is subject at the end of the financial year until they are satisfied in full. The consolidated financial statements include the results and financial position of the subsidiaries. The subsidiaries' individual financial statements have not been audited.

Basis of preparation

The consolidated financial statements are prepared in accordance with UK-adopted international accounting standards and in conformity with the Companies Act 2006.

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of some financial instruments. The principal accounting policies adopted are set out below.

Climate change

The Group recognises the systematic risk posed by climate change and the need for urgent mitigating action and is committed to addressing climate-related risks and reducing the Group's environmental impact and carbon emissions.

The impact of climate change has been considered in the preparation of these financial statements across a number of areas, including: the measurement of financial instruments, the carrying value and remaining useful lives of property, plant and equipment, the carrying value of goodwill and the Group's going concern and long-term viability assessments. None of these had a material impact on the consolidated financial statements. The Group will continue to develop its assessment of the financial impacts of climate change.

Financial period

The Group's annual report and accounts are made up to an appropriate Saturday around 31 March each year. For 2026, trading is shown for the 52-week period ended on 28 March 2026 (2025: 52-week period ended 29 March 2025). All references to 'the year ended 28 March 2026', throughout the annual report, relate to the 52-week period ended 28 March 2026.

The financial statements of the Group's joint venture, JSSL, are made up to the year ended 31 March 2026 (2025: year ended 31 March 2025).

Adoption of new and revised standards

The following new and amended standard, adopted in the current financial year, had no significant impact on the financial statements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Accounting standards not yet adopted by the Group

The following new or revised standards and interpretations issued by the International Accounting Standards Board have not been applied in preparing these financial statements as their effective dates fall in periods beginning on, or after, 1 April 2026.

- IFRS 18 presentation and disclosure in financial statements
- Amendments to IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures' (Amendments to the Classification and Measurement of Financial Instruments)
- Amendments to IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures' (Nature-dependent Electricity Contracts)
- Amendments to annual improvements to IFRS accounting standards to IFRS 7, 9 and 10 and IAS 7.

1. Significant accounting policies continued

The Group is assessing the impact of these new standards and the Group's financial reporting will be presented in accordance with these standards from the relevant accounting period.

Going concern

In assessing whether it is appropriate to prepare the consolidated financial statements on a going concern basis, the Directors have considered the Group's current financial position, projected performance and cash flows, available liquidity, borrowing facilities and associated covenant requirements, together with the principal risks and uncertainties facing the business and the wider economic environment. In reaching their conclusion, the Directors considered, amongst other matters:

- the Group's secured order book in the UK and Europe and pipeline of potential future orders;
- the Group's cash position and committed borrowing facilities, which, following the successful refinancing completed after the year end, are available until June 2029. The refinancing also provides increased covenant headroom and greater financial flexibility throughout the assessment period (see note 31); and
- current trading conditions and the potential impact of downside risks linked to the Group's principal risks.

During the year, the Group's profitability and cash generation were adversely impacted by challenging market conditions, the discontinuation of the Modular Solutions business and the costs associated with the ongoing programme of bridge remedial works. Whilst certain cash outflows associated with these matters are expected to continue into FY27, the financial impact has now been recognised. Notwithstanding these challenges, the Group delivered an underlying profit before tax of £10.5 million and maintained a strong order book of £507 million as at 1 June 2026, providing a significant level of revenue visibility and underpinning future cash generation.

The Directors have assessed the Group's ability to continue as a going concern for at least 12 months from the date of approval of the financial statements. This assessment included consideration of forecasts under both a base case and a severe but plausible downside scenario.

The base case forecast, which reflects the Directors' current expectations of future trading and cash performance, indicates that the Group will maintain adequate liquidity and covenant headroom throughout the assessment period.

The severe but plausible downside scenario was designed to assess the resilience of the Group to adverse trading conditions and incorporated the following principal assumptions:

- lower conversion of identified opportunities into secured orders over the next 12 months;
- additional one-off contract losses and associated cash outflows; and
- the implementation of mitigating actions within management's control, including reductions in discretionary operating expenditure, non-essential capital expenditure and bonus payments.

Under the severe but plausible downside scenario, the Group is forecast to retain sufficient liquidity throughout the assessment period and remain in compliance with its covenant requirements. The Directors also considered the additional covenant headroom created through the refinancing completed after the reporting date, which further enhances the Group's resilience under stressed trading conditions.

Having considered the results of this assessment, and after making appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company made up to the reporting date each year. Control is achieved where the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns.

Where relevant, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Unrealised gains (and losses) from transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in the investee.

1. Significant accounting policies continued

Non-underlying items

Non-underlying items have been separately identified by virtue of their magnitude or nature to enable a full understanding of the Group's financial performance and to make year-on-year comparisons. They are excluded by management for planning, budgeting and reporting purposes and for the internal assessment of operating performance across the Group and are normally excluded by investors, analysts and brokers when making investment and other decisions. For an item to be considered as non-underlying, it must satisfy at least one of the following criteria:

- A significant item, which may span more than one accounting period
- An item directly incurred as a result of either a business combination or disposal, or related to a major business change or restructuring programme
- An item that is unusual in nature (outside the normal course of business)

Non-underlying items have included the non-cash amortisation of acquired intangible assets, acquisition and similar transaction costs, and fair value adjustments for contingent consideration, all of which arise from business combinations and are classified as non-underlying because of the nature and expected infrequency of the events giving rise to them. Other non-underlying items have included, but are not limited to, significant rectification and remedial costs for contracts, business closure costs, certain one-off legal and consultancy costs, and impairments.

Non-underlying items are presented as a separate column within their related consolidated income statement category on a consistent basis for each half-year and full-year results. The exclusion of non-underlying items may result in underlying earnings being materially higher or lower than total earnings. In particular, when items associated with purchase price allocations on business combinations are excluded, underlying earnings will be higher than total earnings.

Further details of non-underlying items are disclosed in note 5 to the consolidated financial statements.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities, which meet the conditions for recognition under IFRS 3, are recognised at their fair value at the acquisition date.

Investments in joint ventures and associates

An associated company is an entity over which the Group is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not have control over those policies.

A joint venture is an entity over which the Group is in a position to exercise joint control. The Group has adopted the equity method of accounting (as discussed below) for joint ventures and associated companies (together 'JVs and associates'), in accordance with IFRS 11.

The results and assets and liabilities of JVs and associates are incorporated in these financial statements using the equity method of accounting unless it meets the exceptions described in IAS 28. Investments in JVs and associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of their net assets, less any impairment in the value of individual investments assessed in accordance with IAS 36 (impairment of assets). Losses in excess of the Group's interest in those JVs and associates are not recognised unless, and only to the extent that, the Group has incurred legal or constructive obligations on their behalf.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the JVs and associates at the date of acquisition is recognised as goodwill. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable net assets of the JVs and associates at the date of acquisition (i.e. discount on acquisition) is credited in the consolidated income statement in the period of acquisition.

The consolidated income statement includes the Group's share of the JVs and associates' profit less losses, whilst the Group's share of the net assets of the JVs and associates is shown in the consolidated balance sheet.

Notes to the consolidated financial statements

Year ended 28 March 2026 **continued**

1. Significant accounting policies continued

Goodwill

The Group recognises goodwill at cost less accumulated impairment losses. Goodwill that is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately as a loss and is not subsequently reversed.

Any contingent consideration is recognised at the date of acquisition. For acquisitions, subsequent changes to the fair value of the contingent consideration are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The measurement period is the period from the date of acquisition to the date that the Group obtains complete information about facts and circumstances that existed as at the date of acquisition and is subject to a maximum of one year. If the change does not qualify as a measurement period adjustment, it is reflected in the consolidated income statement.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro-rata, on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

If the Group's interest in the fair value of the net assets acquired exceeds the cost of the business combination, the excess (a bargain purchase gain) is recognised immediately in the consolidated income statement, after reassessing whether all assets acquired and liabilities assumed have been correctly identified and measured.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided, net of sales taxes, rebates and discounts, after eliminating revenue within the Group.

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts (see below).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Construction contracts

Revenue arises mainly from contracts for the design, fabrication and construction of structural steelwork. To determine whether to recognise revenue, the Group applies this five-step process:

- Identify the contract(s) with the customer
- Identify the performance obligations in the contract(s)
- Determine the transaction price of the contract(s)
- Allocate the transaction price to each of the separate performance obligations
- Recognise the revenue as each performance obligation is satisfied

The Group enters into contracts for the design, fabrication and construction of structural steel projects in exchange for the agreed consideration, and recognises the related revenue over time. Due to the high degree of interdependence between the various elements of these projects, they are accounted for as a single performance obligation. The transaction price is measured based on the consideration specified in a contract with a customer and, where applicable, the best estimate of any consideration related to modifications to the contract. Revenue recognised includes retentions and is net of rebates, discounts and value added tax. To depict the progress by which the Group transfers control of the construction to the customer, and to establish when and to what extent revenue can be recognised, the Group measures its progress towards complete satisfaction of the performance obligation by use of the input method (costs to complete). Where a modification to an existing contract occurs, the Group assesses the nature of the modification and whether it represents a separate performance obligation required to be satisfied or whether it is a modification to the existing performance obligation. This method is considered to most faithfully depict the transfer of goods and services to the customer over the life of the performance obligation.

1. Significant accounting policies continued

The majority of construction contracts have payment terms based on contractual milestones, which are not necessarily aligned to when revenue is recognised, particularly for those contracts where revenue is recognised over time using the input method to determine the percentage of completion. This generally leads to recognition of revenue in advance of customer billings, for which a contract asset is recognised. Where cash is received from the customer in advance of recognising revenue under a contract, a contract liability is recorded (advance payments from customers). The practical expedient available under IFRS 15 has been taken, thus the Group does not adjust the promised amount of consideration for the effects of financing if the timing difference between the satisfaction of the performance obligations under the contract and the receipt of payment due under the contract are expected to be one year or less.

The general principles for revenue recognition are as follows:

- Revenues on contracts are recognised over time, using the input method, when progress towards complete satisfaction of the performance obligation can be reasonably measured.
- Provision is made for total losses incurred or foreseen in bringing the contract to completion as soon as they become apparent.
- Variations are included in the transaction price when the customer has agreed the revised scope of work, or a new legally enforceable right has arisen. Where a new legally enforceable right has arisen or a contract modification agreed, but the corresponding change in price has not yet been agreed by the customer, only the amount that is considered highly probable not to reverse in the future, and that can be measured reliably, is included in the transaction price and, therefore, revenue when the associated performance obligations are met.
- Incentive payments are included in forecast contract revenues when the contract is sufficiently advanced that it is highly probable that the specified performance standards will be met or exceeded and the amount of the incentive payment can be reliably measured.
- Claims receivable are recognised as income when negotiations have reached an advanced stage such that it is highly probable that the customer will accept the claim, and the amount that it is probable will be accepted by the customer can be measured reliably.
- Rectification work that is reasonably foreseeable is provided for as a cost of the contract and taken into account when assessing its overall profitability. Claims for rectification arising after the end of a contract, and which have not been provided for, are recognised as losses as they arise.

When determining whether a contract's outcome can be estimated reliably, management considers a number of indicators, including the stage of completion of the contract to provide assurance over: the reliability of costs to complete; cumulative cash received and agreed certifications; the inherent risk in certain industry sectors; and whether certain contract milestones have been satisfied.

All costs relating to contracts are recognised as expenses in the period in which they are incurred. Where the outcome of a contract cannot be reliably estimated, contract revenue is recognised only to the extent that contract costs incurred are expected to be recovered.

The input method is used to determine the percentage of completion by reference to the contract costs incurred to date (the proportion that estimated total contract costs are accounted for by contract costs incurred for work performed to date). Only those contract costs that reflect work performed are included in costs incurred to date.

Total expected contract costs are initially determined by the estimating function during the contract tender process. At launch, responsibility for the contract is handed over to the commercial function (consisting of qualified quantity surveyors), which, on an ongoing basis, reassesses the expected contract costs as the contract progresses, taking into account the risks identified in contract risk registers.

The assessment of the final outcome of each contract is determined by regular review of the revenues and costs to complete that contract. Regular monthly contract reviews form an integral part of the contract forecasting procedures.

Revenue recognition – Bridge remedial costs

During the prior year, certain bridge weld issues were identified on a number of ongoing bridge contracts. These costs have continued to be identified in the year as programmes have progressed, resulting in additional costs associated with a remedial and testing programme. These costs have been recognised in accordance with IAS 37 'Provisions, contingent liabilities and contingent assets', reflecting management's best estimate of the associated obligations.

The Group has not revised the measure of progress on affected contracts, as the previously recognised revenue continues to fairly reflect the transfer of control of goods and services to the customer in line with contractual milestones and client certifications.

1. Significant accounting policies continued

The additional remedial costs do not reflect incremental performance towards the satisfaction of performance obligations under IFRS 15 and, therefore, have been excluded from the measure of progress in accordance with paragraph B19 of IFRS 15.

The Group considers that including such costs in the percentage of completion calculation would distort revenue recognition, as the remedial works do not represent productive inputs that contribute to contract fulfilment. These costs are, instead, recognised directly in the income statement as a non-underlying cost.

The Group has revised the measure of progress on certain ongoing contracts where revenue has been reversed relating to variation orders or consequential claims, as these items represent forms of variable consideration under IFRS 15 and, therefore, affect the estimated transaction price.

Contract assets

Contract assets primarily relate to the Group's enforceable rights to consideration for work completed on construction contracts that has not yet been billed at the reporting date. Contract assets are transferred to receivables when the right to consideration becomes unconditional. This usually occurs when the Group issues an invoice to the customer.

Pre-contract tender costs are not considered material costs to the Group.

Contract liabilities

Contract liabilities primarily relate to the advance payments from customers for construction contracts, for which revenue is recognised over time.

Retirement benefit obligations

The Group operates two defined contribution pension schemes and costs of these schemes are charged to the income statement in the period in which they are incurred.

The Group has a defined benefit pension scheme, which is now closed to new members. The liability recognised in the balance sheet comprises the present value of the defined benefit pension obligation, determined by discounting the estimated future cash flows using the market yield on a high-quality corporate bond, less the fair value of the scheme assets.

The cost of providing benefits recognised within operating costs in the income statement and the defined benefit obligations is determined at the reporting date by independent actuaries, using the projected unit credit method.

Actuarial gains and losses are recognised in the period in which they occur in the statement of comprehensive income.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted, or substantively enacted, by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all, or part of, the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. These are determined based on future changes in tax rates that have been enacted rather than simply future changes that have been proposed but not enacted. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case, the deferred tax is also dealt with in equity.

1. Significant accounting policies continued

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Dividends

Dividends are recorded in the consolidated financial statements in the period in which they are declared, appropriately authorised and no longer at the discretion of the Company.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, and plant and machinery, are stated at cost in the balance sheet. Depreciation on buildings is included within operating costs.

Depreciation is provided on other property, plant and equipment to write off the cost of each asset over its estimated useful life at the following rates:

Freehold buildings	1 per cent straight-line
Long leasehold buildings	Shorter of 1 per cent straight-line or lease term
Plant and machinery	10 per cent straight-line
Fixtures, fittings and office equipment	10 per cent written down value
Computer equipment	20 per cent straight-line
Motor vehicles	25 per cent written down value
Site safety equipment	20 per cent straight-line

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is included within operating costs.

Right-of-use assets and lease liabilities

The Group adopted IFRS 16 'Leases' on 1 April 2019 using the modified retrospective approach. The standard has resulted in operating leases being recognised as right-of-use assets and lease liabilities on the consolidated balance sheet, as the classification, as either operating leases or finance leases, has been eliminated.

Under IFRS 16 'Leases', at the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether it has both the right to obtain, substantially, all of the economic benefits from the use of the identified asset and the right to direct the use of the identified asset throughout the period of use.

Leases in which the Group is a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is measured equal to the lease liability and adjusted for the amount of any prepaid or accrued lease payments relating to the lease before the commencement date, any lease incentives received, initial direct costs associated with the lease and an initial estimate of restoration costs. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee
- The exercise price under a purchase option that the Group is reasonably certain to exercise
- Penalties for the early termination of a lease unless the Group is reasonably certain not to terminate early

Notes to the consolidated financial statements
Year ended 28 March 2026 **continued**

1. Significant accounting policies continued

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, in accordance with the exemption available under IFRS 16. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Intangible assets

The Group recognises intangible assets at cost less accumulated amortisation and impairment losses. Intangible assets acquired through acquisitions arise as a result of applying IFRS 3, which requires the separate recognition of intangible assets from goodwill.

Other acquired intangible assets include software costs.

Intangible assets are amortised on a straight-line basis over their useful economic lives as follows:

	Amortisation period
Customer relationships	3–5 years
Brands	5 years
Order book	18 months

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case, the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case, the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories (raw materials and consumables and work in progress) are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest method, with an appropriate allowance for estimated irrecoverable amounts recognised in the income statement in line with the requirements of IFRS 9. No expected credit losses ('ECLs') have been provided for in respect of trade receivables, contract assets and intercompany receivables as these are not material.

1. Significant accounting policies continued

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank overdrafts. Bank overdrafts are shown in current liabilities on the balance sheet unless a legally enforceable right of offset exists, in accordance with IFRS 7, to allow net presentation of a financial asset and a financial liability.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest over the relevant period.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share-based payment transactions

The Group issues equity-settled share-based payments. These share-based payments are measured at fair value at the date of grant based on the Group's estimate of shares that will eventually vest. The fair value determined is then expensed in the consolidated income statement on a straight-line basis over the vesting period, with a corresponding increase in equity. Further details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 23.

Provisions

Provisions are recognised when: (i) the Group has a present legal or constructive obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount of the obligation can be estimated reliably. Provisions are recognised for items such as legal claims, disputes and onerous contracts.

When the Group expects some or all of a provision to be reimbursed, for example under and insurance contract or a back-to-back contractual agreement, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement where the virtually certain recognition criteria is met.

Provisions are discounted where appropriate to do so and the impact is material.

Derivative financial instruments and hedge accounting

The Group enters into certain foreign exchange forward contracts to manage its exposure to currency movements. Further details of derivative financial instruments are disclosed in note 22.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss, except where hedge accounting is used, provided the conditions specified by IFRS 9 are met. Hedge accounting is applied in respect of hedge relationships where it is both permissible under IFRS 9 and practical to do so. When hedge accounting is used, the relevant hedging relationships are classified as cash flow hedges.

Where the hedging relationship is classified as a cash flow hedge, to the extent that the hedge is effective, changes in the fair value of the hedging instrument will be recognised directly in other comprehensive income rather than in the income statement. When the hedged item is recognised in the financial statements, the accumulated gains and losses recognised in other comprehensive income will be recycled to the income statement (operating costs).

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in other comprehensive income is kept in other comprehensive income until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to net profit or loss for the period.

Notes to the consolidated financial statements

Year ended 28 March 2026 **continued**

2. Use of judgements and key sources of estimation uncertainty

The preparation of financial statements under IFRS requires management to make judgements, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Assumptions and estimates are reviewed on an ongoing basis and any revisions to them are recognised in the period in which they are revised.

The significant accounting estimates and judgements with a significant risk of material change to the carrying value of the Group's assets and liabilities within the next financial year are discussed below.

Revenue and profit recognition (estimate)

Revenue recognition under long-term construction contracts involves significant estimation uncertainty. In accordance with IFRS 15, the Group recognises revenue and profit over time based on the proportion of work completed. This requires management to estimate both total contract consideration and total contract costs, which are then used to determine the stage of completion, assess the recoverability of contract assets and evaluate whether a contract loss provision is required.

These estimates are based on management's assessment of the recovery of pre-contract costs, surveys of progress against the construction programme, changes in design and work scope, the contractual terms and site conditions under which the work is being performed, delays, costs incurred, claims received by the Group, external certification of the work performed and the recoverability of any unagreed income from claims and variations.

Where the total estimated costs exceed total contract revenue, a contract loss provision is recognised. This is measured at the present value of the lower of expected costs of terminating the contract and the expected net costs to complete, based on both the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract.

Management continually reviews the estimated final outturn on contracts and makes adjustments where necessary. The Group has considered the nature of the estimates involved in determining these contract outcomes and concluded that it is reasonably possible, on the basis of existing knowledge, that actual results within the next financial year may differ from the assumptions applied at the balance sheet date and could result in a material adjustment to the carrying amounts of related assets and liabilities.

For a limited number of long-term contracts, revenue and profit has been recognised based on estimates that are sensitive to future events and assumptions. These include estimates relating to the recoverability of claims, future cost escalation, and entitlement to variations. However, due to the level of uncertainty, combination of cost and income variables, and timing across a large portfolio of contracts at different stages of their contract life, it is impracticable to provide a quantitative analysis of the estimates that are made at a portfolio level.

Within this portfolio, there are a limited number of long-term contracts where the Group has recognised revenue and profit only to the extent that it is considered highly probable that a significant reversal will not occur. However, there are a host of factors affecting potential outcomes in respect of these entitlements, including claim recoverability, entitlement to variations and cost forecasts, which could result in a range of reasonably possible outcomes on these contracts in the following financial year, ranging from a gain of £19,000,000 (2025: £9,000,000) to a loss of £10,000,000 (2025: £4,000,000), excluding the impact of bridge testing and remedial costs.

Management has assessed the range of reasonably possible outcomes on this limited number of contracts based on facts and circumstances that were present and known at the balance sheet date. As with any contract applying long-term contract accounting, these estimates are affected by a variety of uncertainties that depend on future events and are, therefore, subject to change as the contracts progress.

At the balance sheet date, amounts due from construction contract customers, included in contract assets, trade and other receivables, was £50,737000 (2025: £47,685,000). See note 18 for further details.

Bridge remedial provisions (estimate)

The estimation of provisions requires management to assess expected future costs based on the best information available at the reporting date. A significant source of estimation uncertainty in the current year relates to the provisions related to the bridge weld issue.

The provision includes management's best estimate of the total expected costs associated with the affected bridge projects, including direct testing and remedial activities and certain third-party consequential costs and claims. These estimates have been informed by forecasts provided by internal technical experts and, where appropriate, external advisers. Judgement has been applied in determining the likely scale and timing of the required works. The amounts provided represent management's best estimate based on the information available at this time; however, these liabilities are subject to potential material change based on new information, future developments or changes in circumstances. The provision is expected to be substantially utilised over the next financial years, although actual timing may vary depending on project progression. See note 20 for further details.

2. Use of judgements and key sources of estimation uncertainty continued

Contingent liability – Bridge remedial costs (judgement)

Management exercises judgement in determining whether a provision should be recognised or whether a disclosure as a contingent liability is more appropriate.

Whilst management is able to reliably estimate the direct costs and some third-party exposures, other potential consequential claims remain uncertain. In the absence of notification of further claims and considering contractual liability caps in place, these potential exposures are disclosed as contingent liabilities rather than included within the provision. Whilst the amounts provided represent management's best estimate based on the information available at this time, the financial impact of any future claims or adjustments to cost estimates is currently uncertain and these potential liabilities are subject to potentially material change based on new information, future developments or changes in circumstances. See note 28 for further details.

Non-underlying items (judgement)

In presenting the Group's financial performance, management has elected to separately disclose certain items as 'non-underlying' to provide users of the financial statements with a clearer understanding of the underlying operating results and trends. This presentation is consistent with how results and forecasts are prepared internally by management and how performance is reviewed internally by the Board and key decision makers and generally how results are analysed by investors, analysts and brokers when making investment and other decisions.

The classification of items as non-underlying requires significant judgement. In making this assessment, management considers the nature, frequency and materiality of the item. Non-underlying items are those which, in management's view, are not indicative of the Group's core trading performance. The distinction between underlying and non-underlying items is reassessed at each reporting period to ensure consistency and relevance. This classification impacts the presentation of certain subtotals within the income statement, although all items are included in the statutory results in accordance with IFRS.

Further details on non-underlying items, including the rationale for their classification, are provided in note 5.

Goodwill impairment testing (estimate)

The Group carries significant goodwill balances arising from historical acquisitions. Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. The impairment assessments require the use of significant estimates and assumptions, which represent a key source of estimation uncertainty.

The recoverable amounts of cash-generating units ('CGUs') to which goodwill is allocated are determined based on value-in-use calculations, which rely on management to estimate future cash flows, discount rates, long-term growth rates and expected margins. These assumptions reflect management's best estimates of market conditions, performance expectations and strategic plans at the reporting date.

During the year, the goodwill relating to the Infrastructure CGU was fully impaired (see note 11). The impairment was calculated using judgements for discount rate, revenue and profit growth, and long-term growth rates. Any changes in the key judgements would result in a movement in the impairment charge, specifically: a 1.5 percentage point reduction in the forecast operating margin would result in an increases impairment of £4,500,000. A 1.0 percentage point increase in the discount rate would result in an increase to the impairment of £1,000,000. Movements in these assumptions in the opposite direction would result in a corresponding decrease in the impairment charge. Additionally there was an impairment in our joint venture CMF during the year. See note 15 for more details. The impairment was calculated using the same key judgements as described above . Any changes in the key judgements would result in a movement in the impairment charge, specifically: a 1.5 percentage point reduction in the forecast operating margin would result in an increases impairment of £2,500,000. A 1.0 percentage point increase in the discount rate would result in an impairment of £700,000. Movements in these assumptions in the opposite direction would result in a corresponding decrease in the impairment charge.

Management reviews and challenges these assumptions annually with reference to internal forecasts, market outlooks and external benchmarking. However, due to the inherent uncertainty involved in long-term projections and the sensitivity of the valuation to key assumptions, the estimation of recoverable amounts remains an area of potential variability.

Other areas of judgement and accounting estimates

The consolidated financial statements also include other areas where judgement and estimation are applied. Whilst these do not meet the definition of significant accounting estimates or critical accounting judgements under IAS 1, the recognition and measurement of certain material assets and liabilities are nonetheless based on assumptions and may be subject to longer-term uncertainties. These other areas of judgement and estimation are discussed below.

Notes to the consolidated financial statements
Year ended 28 March 2026 continued

2. Use of judgements and key sources of estimation uncertainty continued

Other contingent liabilities (judgement)

On an ongoing basis, the Group is a party to uncertain contract positions, various actions, disputes and circumstances that could give rise to actions and disputes, the outcomes of which cannot be assessed with a high degree of certainty. A liability is recognised only where, based on the Directors' best estimate and taking into account legal and expert advice, it is considered probable that an outflow of resources will be required to settle a present obligation that can be measured reliably. Disclosure of contingent liabilities is made in note 28, unless the possibility of a loss arising is considered remote. These potential liabilities are subject to uncertain future events, may extend over several years and their timing may differ from current assumptions. Management applies its judgement in determining whether or not a liability on the balance sheet should be recognised or a contingent liability should be disclosed.

Retirement benefit obligations (estimate)

The Group's defined benefit pension scheme has been accounted for in accordance with IAS 19 'Employee Benefits'. The valuation of the defined benefit obligation involves significant estimation, particularly in determining actuarial assumptions, such as the discount rate, mortality rates and future salary increases (as disclosed in note 29). These assumptions are based on market data and management's expectations at the balance sheet date. The present value of the obligation is calculated by discounting future benefits using market yields on high-quality AA-rated corporate bonds.

In addition, judgement is required in selecting the appropriate valuation methodology and in assessing the suitability of actuarial assumptions. Changes in these assumptions, as well as differences between expected and actual outcomes, may result in actuarial gains or losses recognised in other comprehensive income. These sensitivities are disclosed in note 29.

The defined benefit obligation recognised at the balance sheet date was £2,873,000 (2025: £6,855,000).

Onerous leases provisions (judgement)

The Group has recognised provisions for onerous lease contracts in respect of certain leasehold properties where the unavoidable costs of meeting lease obligations exceed the economic benefits expected to be received. In determining the provision, management has exercised significant judgement in estimating both the unavoidable lease costs and the expected economic benefits, including forecast income from subleasing arrangements. As a result of the above judgements, the amount of the onerous lease provision recognised is sensitive to changes in key assumptions, particularly those relating to future sublease income and market conditions.

3. Revenue and segmental analysis

Revenue

An analysis of the Group's revenue is as follows:

	2026 £000	2025 £000
Revenue from construction contracts	**454,254**	450,913
Other operating income (note 4)	**2,110**	2,901
Interest received (note 7)	**393**	369
Total income	**456,757**	454,183

Segmental results

In line with the requirements of IFRS 8, operating segments are identified on the basis of the information that is regularly reported and reviewed by the chief operating decision maker ('CODM'). The Group's CODM is deemed to be the executive committee, who are primarily responsible for the allocation of resources and the assessment of performance of the segments. Consistent with previous periods, management continues to identify multiple operating segments, primarily at an individual statutory entity level, which are reported and reviewed by the CODM.

For the purpose of presentation under IFRS 8, the individual operating segments meet the aggregation criteria that allows them to be aggregated and presented as one reportable segment for the Group. However, management consider it appropriate to disclose two operating segments as described below.

- Core Construction Operations – comprising the combined results of the Commercial and Industrial ('C&I') and Nuclear and Infrastructure ('N&I') divisions, including the results of the European operations.
- Modular Solutions – Comprising Severfield Modular Solutions ('SMS') and the Group's share of profit (50 per cent) from the joint venture company, Construction Metal Forming Limited ('CMF').

3. Revenue and segmental analysis continued

The separate presentation of the modular businesses, as 'Modular Solutions', aligns with the maturity of the SMS business, which was established in 2018.

The constituent operating segments that make up 'Core Construction Operations' have been aggregated because the nature of the products across the businesses, whilst serving different market sectors, are consistent in that they relate to the design, fabrication and erection of steel products. They have similar production processes and facilities, types of customers, methods of distribution, regulatory environments and economic characteristics. This is reinforced through the use of shared production facilities across the Group.

The C&I and N&I divisions were established in April 2022 to provide better client service and increased organisational clarity, both internally and externally. These still meet the aggregation criteria to be presented as one reportable segment under IFRS 8 and are, therefore, presented as such within Core Construction Operations.

Segment assets and liabilities are not presented as these are not reported to the CODM.

Year ended 28 March 2026:	**Core Construction Operations £000**	**Modular Solutions £000**	**JSSL £000**	**Central costs/ eliminations £000**	**Total £000**
Revenue	**442,472**	**16,323**	**–**	**(4,541)**	**454,254**
Underlying operating profit	**12,697**	**–**	**–**	**–**	**12,697**
Underlying operating profit margin	**2.9%**	**0.0%**			**2.8%**
Results from joint ventures (note 15)					
– Bouwcombinatie Van Wijnen	**–**	**–**	**–**	**–**	**–**
– Construction Metal Forming Limited	**–**	**(489)**	**–**	**–**	**(489)**
– JSSL	**–**	**–**	**2,966**	**–**	**2,966**
Finance expense (note 7)	**–**	**–**	**–**	**(4,716)**	**(4,716)**
Underlying profit/(loss) before tax	**12,697**	**(489)**	**2,966**	**(4,716)**	**10,458**
Non-underlying items (note 5)	**(25,004)**	**(22,720)**	**–**	**(2,607)**	**(50,331)**
(Loss)/profit before tax	**(12,307)**	**(23,209)**	**2,966**	**(7,323)**	**(39,873)**
Other material items of income and expense					
– Depreciation of owned property, plant and equipment (note 13)	**(6,809)**	**(189)**	**–**	**–**	**(6,998)**
– Depreciation of right-of-use assets (note 14)	**(3,770)**	**(42)**	**–**	**–**	**(3,812)**
– Other operating income (note 4)	**2,070**	**40**	**–**	**–**	**2,110**

Year ended 29 March 2025:	Core Construction Operations £000	Modular Solutions £000	JSSL £000	Central costs/ eliminations £000	Total £000
Revenue	435,448	24,152	–	(8,687)	450,913
Underlying operating profit	21,285	368	–	–	21,653
Underlying operating profit margin	4.9%	1.5%			4.8%
Results from joint ventures (note 15)					
– Bouwcombinatie Van Wijnen	6	–	–	–	6
– Construction Metal Forming Limited	–	8	–	–	8
– JSSL	–	–	87	–	87
Finance expense (note 7)	–	–	–	(3,621)	(3,621)
Underlying profit before tax	21,291	376	87	(3,621)	18,133
Non-underlying items (note 5)	(36,610)	–	–	965	(35,645)
Profit/(loss) before tax	(15,319)	376	87	(2,656)	(17,512)
Other material items of income and expense					
– Depreciation of owned property, plant and equipment (note 13)	(7,028)	(189)	–	–	(7,217)
– Depreciation of right-of-use assets (note 14)	(2,687)	(42)	–	–	(2,729)
– Other operating income (note 4)	2,557	344	–	–	2,901

Notes to the consolidated financial statements

Year ended 28 March 2026 **continued**

3. Revenue and segmental analysis continued

Revenue

All revenue is derived from construction contracts and related assets. Additional disclosures are made under IFRS 15 to enable users to understand the relative size of the divisions. An analysis of the Group's revenue is as follows:

	2026 £000	2025 £000
– Commercial and Industrial	**318,232**	349,588
– Nuclear and Infrastructure	**124,240**	85,860
Total revenue from Core Construction Operations	**442,472**	435,448
Modular Solutions	**16,323**	24,152
Elimination of inter-segment revenue (Modular Solutions)	**(4,541)**	(8,687)
Total Group revenue	**454,254**	450,913

Geographical information

The following table presents revenue according to the primary geographical markets in which the Group operates. This disaggregation of revenue is presented for the Group's two operating segment described above.

Core Construction Operations – revenue by destination	2026 £000	2025 £000
United Kingdom	**274,086**	265,300
Republic of Ireland and continental Europe	**168,386**	170,148
	442,472	435,448

Modular Solutions – revenue by destination	2026 £000	2025 £000
United Kingdom	**16,323**	23,007
Rest of world	**–**	1,145
	16,323	24,152
Elimination of intercompany revenue (UK)	**(4,541)**	(8,687)
	11,782	15,465

Non-current asset geography

The following table provides information about the geography of non-current assets, excluding goodwill, as this asset is not attributable to a geographical location.

Non-current assets by destination	2026 £000	2025 £000
United Kingdom	**123,832**	148,394
Europe	**8,060**	8,305
	131,892	156,699

3. Revenue and segmental analysis continued

Contract balances

The following table provides information about the receivables, contract assets and contract liabilities from contracts with customers:

	2026 £000	2025 £000
Trade and other receivables (note 18)	**38,017**	29,528
Contract assets (note 18)	**50,737**	47,685
Contract liabilities (note 19)	**(2,797)**	–

Contract assets primarily relate to the Group's right to consideration for work completed but not billed at the reporting date on construction contracts. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to advance payments from customers for construction contracts, for which revenue is recognised over time.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as at 28 March 2026 and have an original expected contract duration of more than one year are £118,221,000 (2025: £112,785,000), of which £36,000,000 (2025: £13,941,000) is expected to have a duration of more than two years.

The total transaction price allocated to the remaining performance obligations represents the contracted revenue to be earned by the Group for goods and services that the Group has promised to deliver to its customers, where the original contract duration is more than one year. This includes performance obligations that are partially satisfied at the year end or those which are unsatisfied but which the Group has committed to providing. The transaction price does not contain variable consideration for items such as discounts or rebates. The practical expedient available under IFRS 15 has been taken and, therefore, no information is provided for the transaction price allocated to the remaining performance obligations where the original expected contract duration is one year or less.

Information about major customers

Group revenue includes revenue of £108,503,000 (2025: £50,262,000), relating to two major clients (2025: one major client), who individually contributed more than 10 per cent of Group revenue in the year ended 28 March 2026.

Notes to the consolidated financial statements

Year ended 28 March 2026 **continued**

4. Operating costs

	2026 £000	2025 £000
Raw materials and consumables (including subcontractor costs)	**234,240**	231,379
Staff costs (note 6)	**130,473**	127,590
Other operating charges	**67,549**	62,653
Amortisation of other intangible assets (note 12)	**67**	90
Lease expense:		
– plant and machinery	**226**	103
– land and buildings	**164**	262
– motor vehicles	**138**	138
Depreciation:		
– owned property, plant and equipment (note 13)	**6,998**	7,217
– right-of-use assets (note 14)	**3,812**	2,729
Other operating income	**(2,110)**	(2,901)
Operating costs before non-underlying items	**441,557**	429,260
Non-underlying items (note 5)	**50,319**	35,475
	491,876	464,735
Other operating charges include:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**60**	60
Fees payable to the Company's auditor for other services:		
– the audit of the Company's subsidiaries pursuant to legislation	**775**	776
– audit-related assurance services	**–**	89
– other assurance services	**–**	–

Other operating income mainly represents research and development tax credits.

Fees payable to KPMG LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

Details of the Group's policy on the use of the auditor for non-audit services, the reason the auditor was used, and how the auditor's independence and objectivity were safeguarded, are set out in the audit committee report on pages 112 and 115. No services were performed pursuant to contingent fee arrangements.

5. Non-underlying items

	2026 £000	2025 £000
Operating costs	**50,319**	35,475
Finance expense	**12**	170
Non-underlying items before tax	**50,331**	35,645
Tax on non-underlying items	**(6,616)**	(8,620)
Non-underlying items after tax	**43,715**	27,025

5. Non-underlying items continued

Non-underlying items before tax consist of:	2026 £000	2025 £000
Amortisation of acquired intangible assets (note 12)	2,606	2,609
Legacy employment tax credit	–	(1,373)
Impairment charges	22,186	–
Unwinding of discount on contingent consideration – DAM Structures	12	170
Fair value adjustment to contingent consideration – DAM Structures	–	(1,135)
Modular Solutions closure costs	12,640	–
Other non-underlying costs	4,608	2,848
Bridge testing and remedial costs	13,208	43,367
Insurance recoveries	(7,500)	(20,000)
Other bridge-related costs	2,571	9,159
Non-underlying items before tax	50,331	35,645

The amortisation of acquired intangible assets of £2,606,000 (2025: £2,609,000) represents the amortisation of customer relationships that were identified on the acquisitions of DAM Structures and VSCH in 2021 and 2023, respectively.

The impairment charges of £22,186,000 include the non-cash impairments of the Infrastructure CGU goodwill of £11,474,000 and our joint venture investment in CMF of £9,872,000. Further information on both impairments can be found in notes 11 and 15, respectively.

The Modular Solutions closure costs of £12,640,000 include all costs associated with the Group's strategic decision to discontinue the business. Following the Board's decision to exit the business during the second half of FY26, management implemented a controlled withdrawal from new sales and tendering activity whilst continuing to fulfil the remaining customer order book and undertake an orderly wind-down of operations. As a result, the business experienced a significant reduction in future workload and overhead recovery during the period, whilst the underlying fixed cost base could not be removed immediately due to operational requirements, employee consultation processes and the consideration of potential sale opportunities. Losses recognised of £3,843,000 (including £1,143,000 recognised in H1), therefore, reflect the direct financial consequences of implementing the exit decision, including reduced operational leverage, under the recovery of fixed costs. Other closure and restructuring-related costs from the discontinuation process of £8,797,000 were also recognised, including £4,075,000 in relation to an onerous lease provision for the new Modular Solutions factory, which is now surplus to requirements.

The bridge testing and remedial programme continued to progress throughout the year. Following further testing activities and the continued development of project-specific remedial solutions, the Group has updated its estimate of the total cost to complete the programme and recognised an additional £13,208,000 provision in the year. This reflects both costs incurred during the period and the Group's current estimate of the remaining testing and remedial costs across all affected bridge projects. During the year, the Group recognised additional insurance recoveries of £7,500,000 in respect of bridge testing and remedial costs. These recoveries were received in full during the year and increase the total insurance recoveries recognised to £27,500,000.

Other bridge-related costs of £2,571,000 include provisions for third-party claims, along with other incremental costs associated with the bridge remedial programme. These have been presented as a non-underlying expense as the Directors believe presenting an underlying result that excludes the effect of bridge remedial works to be meaningful and useful information, and facilitates the analysis of the impact of the remedial programme. In the absence of notification of any further consequential claims and noting that, in certain cases, such claims may be limited by contractual liability caps, the Group's current assumption is that any further costs will remain with the respective parties. See note 28 for further details.

Other non-underlying costs of £4,608,000 comprise £1,513,000 of transformation-related expenditure incurred in support of the Group's strategic transformation programme and the delivery of the Board's refreshed strategy. The charge also includes £1,163,000 relating to changes within the executive management team during the year, including severance costs associated with the departure of the former Chief Financial Officer, as further detailed in the Directors' remuneration report, and recruitment costs of the new Executive Directors.

The balance includes £1,405,000 of exceptional refinancing costs incurred in connection with the one-year extension of the Group's banking facilities agreed in July 2025. Given the uncertainty arising from the bridge testing and remedial programme and its impact on the Group's financial position, the refinancing was limited to a one-year extension and required extensive engagement with lenders and advisers. The refinancing arrangements incorporated specific amendments and additional requirements reflecting the bridge testing and remedial programme, resulting in advisory and transaction fees that were significantly higher than would typically be incurred as part of a routine refinancing. Accordingly, these costs are considered non-recurring in nature and are not reflective of the Group's underlying financing activities.

Notes to the consolidated financial statements

Year ended 28 March 2026 **continued**

5. Non-underlying items continued

Costs related to the bridge weld issue, along with the associated insurance recovery income, and redundancies have been separately identified and presented as non-underlying items, reflecting their one-off and material nature.

A corporation tax credit of £6,616,000 has been recognised in the year, comprising a £6,959,000 credit on non-underlying items, partially offset by a £343,000 charge for prior-year adjustments. All non-underlying items attracted a corresponding tax effect, except for amortisation (which gives rise to a deferred tax credit) and non-deductible goodwill and joint venture impairments.

The basis for stating results on an underlying basis is set out on page 165. The Board believes that non-underlying items should be separately identified on the face of the income statement to assist in understanding the underlying performance of the Group. Their separate identification results in the calculation of an underlying profit measure, which is the same as that presented and reviewed by management, and are normally excluded by investors, analysts and brokers when making investment and other decisions. Accordingly, certain alternative performance measures ('APMs') have been used throughout this annual report to supplement rather than replace the measures provided under IFRS. See note 32.

6. Staff costs

Details of Directors' remuneration for the year are provided in the audited part of the Directors' remuneration report on page 128.

The average number of persons employed by the Group (including Executive Directors) during the year was:

	2026 Number	2025 Number
Production and site	**1,590**	1,608
Sales and administration	**362**	356
	1,952	1,964

The aggregate payroll costs of these persons were as follows:

	2026 £000	2025 £000
Wages and salaries	**110,343**	108,828
Social security costs	**13,802**	12,620
Other pension costs	**6,328**	6,142
	130,473	127,590

In addition, in 2026, there were share-based payment charges of £434,000 (2025: £1,194,000), as detailed in note 23.

7. Net finance expense

	2026 £000	2025 £000
Finance income	**(393)**	(369)
Finance expense	**5,109**	3,990
	4,716	3,621
Unwinding of discount on contingent consideration (note 5)	**12**	170
	4,728	3,791

8. Taxation

a) The taxation credit/(charge) comprises:

	2026 £000	2025 £000
Current tax		
Corporation tax charge	**(2,059)**	3,945
Foreign tax relief/other relief	**1,550**	445
Foreign tax suffered	**(1,550)**	(445)
Adjustments to prior years' provisions	**390**	(1,088)
	(1,669)	2,857
Deferred tax (note 21)		
Current year charge	**6,665**	73
Adjustments to prior years' provisions	**(733)**	495
	5,932	568
	4,263	3,425

b) Tax reconciliation

The credit/(charge) for the year can be reconciled to the profit per the income statement as follows:

	2026 £000	2025 £000
Loss before tax	**(39,873)**	(17,512)
Tax on loss at standard UK corporation tax rate	**9,968**	4,378
Expenses not deductible for tax purposes	**(645)**	(824)
Income not taxable	**99**	425
Effect of overseas tax rate	**(23)**	14
Tax effect of share of results of JVs and associates	**543**	25
Adjustments to prior years' provisions	**(343)**	(593)
Goodwill and JV impairments	**(5,336)**	–
	4,263	3,425

The UK corporation and deferred tax is calculated at 25 per cent. The overseas tax is calculated at the rates prevailing in the respective jurisdictions.

9. Dividends

	2026 £000	2025 £000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 29 March 2025 of nil per share (2025: 2.3p)	**–**	7,013
Interim dividend for the year ended 28 March 2026 of nil per share (2025: 1.4p)	**–**	4,151
	–	11,164

The Directors have made the decision to continue to suspend the final dividend (2025: £nil).

Notes to the consolidated financial statements

Year ended 28 March 2026 **continued**

10. Earnings per share

Earnings per share is calculated as follows:

	2026 £000	2025 £000
Earnings/(loss) for the purposes of basic earnings per share being net profit/(loss) attributable to equity holders of the Parent Company	**(35,610)**	(14,087)
Earnings for the purposes of underlying basic earnings per share being underlying net profit attributable to equity holders of the Parent Company	**8,105**	12,938

	2026 Number	2025 Number
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**295,900,490**	302,512,024
Effect of dilutive potential ordinary shares	**–**	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**295,900,490**	302,512,024

	2026	2025
Basic (loss)/earnings per share	**(12.03)p**	(4.66)p
Underlying basic earnings per share	**2.74p**	4.28p
Diluted (loss)/earnings per share	**(12.03)p**	(4.66)p
Underlying diluted earnings per share	**2.74p**	4.28p

Reconciliation of earnings	2026 £000	2025 £000
Net profit/(loss) attributable to equity holders of the Parent Company	**(35,610)**	(14,087)
Non-underlying items (note 5)	**43,715**	27,025
Underlying net profit attributable to equity holders of the Parent Company	**8,105**	12,938

Basic earnings per share is calculated by dividing the profit after tax attributable to the equity holders of the Parent by the weighted average number of ordinary shares in issue during the year, excluding shares held in employee benefit trusts. These shares are treated as cancelled for the purpose of the calculation, as dividend rights have been waived other than for a nominal amount.

For the purposes of diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to reflect the potential dilutive effect of outstanding share awards. However, as the Group incurred a loss in the current and prior year, no such adjustment has been made, in accordance with IAS 33, since the inclusion of potentially dilutive shares would be anti-dilutive. Underlying earnings per share are also presented to provide a more representative measure of the Group's underlying financial performance, excluding the impact of non-underlying items.

11. Goodwill

The goodwill movements in the year were as follows:

	Goodwill £000
At 31 March 2024	98,469
Exchange adjustments	(882)
At 29 March 2025	97,587
Impairments	(11,474)
Exchange adjustments	667
At 28 March 2026	**86,780**

During the year, the goodwill associated with the DAM Structures CGU was fully impaired, reducing the carrying value of goodwill to £86,780,000 at the reporting date. The impairment arose following a reassessment of the CGU's future cash flow forecasts, reflecting lower anticipated activity levels, changes in the expected timing and mix of future projects and an increase in the discount rate applied to those cash flows to reflect current market conditions and risk factors. These assumptions resulted in a reduction in the recoverable amount of the CGU below its carrying value and consequently the goodwill attributable to the CGU was fully impaired. Management has implemented a revised operating strategy for the business, including a renewed focus on core markets and operational improvements designed to support future performance.

The goodwill balance was created on the following acquisitions:

	£000
On the Voortman Steel Construction Holdings acquisition in 2023	15,399
On the DAM Structures acquisition in 2022	11,474
On the Harry Peers acquisition in 2019	16,002
On the Fisher Engineering acquisition in 2007	47,980
On the Atlas Ward acquisition in 2005	6,571
On the Watson Steel Structures acquisition in 2001	161
	97,587

Goodwill arising from business combinations is allocated to the cash-generating units ('CGUs') that are expected to benefit from the synergies of the acquisition. All acquired businesses and the associated goodwill are included within the Group's single reported segment: Core Construction Operations.

Goodwill is monitored by management at the level of individual CGUs. CGUs are defined as the lowest level within the Group at which goodwill is monitored for internal management purposes, and at which independent cash flows can be reasonably identified. As at 28 March 2026, the Group carried goodwill with a total net book value of £86,780,000 (2025: £97,587,000), allocated across the following three CGUs:

11. Goodwill continued

CGU	Historical acquisition(s)	Goodwill £000
Commercial and Industrial	Fisher Engineering Atlas Ward Watson Steel Structures Harry Peers	70,714
Severfield Europe Holdings	Voortman Steel Construction Holdings	16,066
Infrastructure	Dam Structures	–
		86,780

These CGUs broadly align with the entities originally acquired, with the exception of the Commercial and Industrial CGU, which includes goodwill arising from a number of historical acquisitions, including Harry Peers. In March 2026, management transitioned to a new operating model under which the Group's former Nuclear activities will be managed and reported within the Commercial & Industrial business from FY27 onwards.

As part of the year-end impairment assessment, management first assessed goodwill under the CGU structure that existed throughout the majority of the financial year. Following this assessment, and prior to finalising the year-end impairment review, the Nuclear goodwill was combined with the Commercial and Industrial CGU to reflect the new operating model and the manner in which future cash flows will be monitored and managed. An impairment assessment was performed both before and after this combination and no impairment was identified in respect of these CGUs.

Whilst the revised operating model will be reflected in the Group's segmental reporting from FY27, it has been considered in the current year impairment assessment as the cash flow forecasts used in the value-in-use calculations have been prepared on this basis.

The Group tests goodwill for impairment annually, or more frequently if indicators of impairment arise. The recoverable amounts of each CGU are determined using value-in-use calculations. This method reflects the present value of future cash flows expected to be derived from each CGU. Key assumptions used in these calculations include:

- pre-tax discount rates – reflecting current market assessments of the time value of money and risks specific to each CGU;
- long-term growth rates – aligned with external forecasts and industry outlooks; and
- forecast changes in selling prices and direct costs – based on historical performance and expected market conditions.

Cash flow forecasts for the next financial year reflect management's latest and most realistic projections, followed by two years of internal strategic projections. A terminal growth rate of 2.0 per cent (2025: 2.0 per cent) is applied thereafter, which does not exceed the expected long-term growth rates of the respective markets. The forecasts have been discounted using a pre-tax discount rate of 16.7 per cent (2025: 15.5 per cent).

As a result of the Group's impairment testing, an impairment charge of £11,474,000 was recognised in the year ended 28 March 2026, wholly allocated against the Infrastructure goodwill balance.

Sensitivity analysis

Management has considered reasonably possible changes in key assumptions. For the Infrastructure CGU, a 1.5 percentage point reduction in forecast operating margin would reduce the recoverable amount by £4.5 million and a 1.0 percentage point increase in the discount rate would reduce the recoverable amount by £1.0 million. Movements in these assumptions in the opposite direction would result in a corresponding decrease in the impairment charge. As goodwill has been fully impaired, any further reduction in recoverable amount would be allocated against other assets within the CGU in accordance with IAS 36.

Climate change

In performing the Group's impairment assessments, management considered the potential impact of climate change and the associated transition and physical risks. Based on current regulatory developments, customer expectations and the nature of the Group's operations, management does not believe that climate-related factors give rise to any indication of impairment or materially affect the key assumptions used in the value-in-use calculations. The Group will continue to monitor climate-related risks as part of its ongoing strategic planning and impairment review process. However, based on information available at the reporting date, no adjustments to cash flow forecasts or discount rates were considered necessary, and climate change is not expected to have a material impact on the Group's CGUs in the foreseeable future.

12. Other intangible assets

	Intangible assets acquired on acquisition £000	Other intangible assets £000	Total £000
Cost			
At 31 March 2024	23,406	1,676	25,082
Additions	–	–	–
At 29 March 2025	23,406	1,676	25,082
Additions	–	–	–
At 28 March 2026	**23,406**	**1,676**	**25,082**
Amortisation			
At 31 March 2024	18,191	1,383	19,574
Charge for the year	2,609	90	2,699
At 29 March 2025	20,800	1,473	22,273
Charge for the year	2,606	67	2,673
At 28 March 2026	**23,406**	**1,540**	**24,946**
Carrying amount			
At 28 March 2026	**–**	**136**	**136**
At 29 March 2025	2,606	203	2,809

The intangible assets acquired on acquisition arise as a result of applying IFRS 3, which requires the separate recognition of acquired intangibles from goodwill. The Group's acquired intangible assets are as follows:

	Customer relationships £000	Brands £000	Order book £000	Total £000
Cost				
At 31 March 2024	17,435	813	5,158	23,406
Additions	–	–	–	–
At 29 March 2025	17,435	813	5,158	23,406
Additions	–	–	–	–
At 28 March 2026	**17,435**	**813**	**5,158**	**23,406**
Amortisation				
At 31 March 2024	12,220	813	5,158	18,191
Charge for the year	2,609	–	–	2,609
At 29 March 2025	14,829	813	5,158	20,800
Charge for the year	2,606	–	–	2,606
At 28 March 2026	**17,435**	**813**	**5,158**	**23,406**
Carrying amount				
At 28 March 2026	**–**	**–**	**–**	**–**
At 29 March 2025	2,606	–	–	2,606

Amortisation of acquired intangible assets is included in the consolidated income statement as part of operating costs and is classified as a non-underlying item (see note 5).

13. Property, plant and equipment

	Land and buildings £000	Plant and machinery £000	Fixtures, fittings and office equipment £000	Motor vehicles £000	Total £000
Cost					
At 31 March 2024	74,468	63,418	14,279	1,276	153,441
Additions	32	7,095	879	74	8,080
Disposals	–	(1,133)	(56)	(262)	(1,451)
Exchange adjustments	–	(89)	(5)	(27)	(121)
At 29 March 2025	74,500	69,291	15,097	1,061	159,949
Additions	–	2,595	232	48	2,875
Disposals	(2,089)	(2,064)	(458)	(71)	(4,682)
Exchange adjustments	–	96	6	25	127
At 28 March 2026	**72,411**	**69,918**	**14,877**	**1,063**	**158,269**
Accumulated depreciation					
At 31 March 2024	13,985	35,998	6,777	247	57,007
Charge for the year	750	4,668	1,498	301	7,217
Disposals	–	(765)	(49)	(139)	(953)
Exchange adjustments	–	(14)	(1)	(6)	(21)
At 29 March 2025	14,735	39,887	8,225	403	63,250
Charge for the year	710	4,639	1,376	273	6,998
Disposals	(161)	(1,498)	(288)	(39)	(1,986)
Impairments	94	746	399	–	1,239
Exchange adjustments	–	28	2	10	40
At 28 March 2026	**15,378**	**43,802**	**9,714**	**647**	**69,541**
Carrying amount					
At 28 March 2026	**57,033**	**26,116**	**5,163**	**416**	**88,728**
At 29 March 2025	59,765	29,404	6,872	658	96,699

The impairment charges were included in the consolidated income statement as part of operating costs and were classified as a non-underlying item.

14. Right-of-use assets

The Group leases land and buildings, plant and equipment and motor vehicles and these are presented as non-current assets. Information about leases for which the Group is a lessee is presented below:

	Land and buildings £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost				
At 31 March 2024	17,004	5,757	3,038	25,799
Additions	2,192	1,321	769	4,282
Disposals	(1,582)	(130)	(309)	(2,021)
Exchange adjustments	(123)	(10)	(6)	(139)
At 29 March 2025	17,491	6,938	3,492	27,921
Additions	1,670	658	651	2,979
Disposals	(1,028)	(190)	(500)	(1,718)
Exchange adjustments	186	25	7	218
At 28 March 2026	**18,319**	**7,431**	**3,650**	**29,400**
Accumulated depreciation				
At 31 March 2024	4,586	1,322	1,240	7,148
Charge for the year	1,204	815	710	2,729
Disposals	(1,562)	(130)	(299)	(1,991)
Exchange adjustments	(13)	(3)	–	(16)
At 29 March 2025	4,215	2,004	1,651	7,870
Charge for the year	2,001	996	815	3,812
Disposals	(69)	(101)	(494)	(664)
Impairments	390	–	–	390
Exchange adjustments	36	6	5	47
At 28 March 2026	**6,573**	**2,905**	**1,977**	**11,455**
Carrying amount				
At 28 March 2026	**11,746**	**4,526**	**1,673**	**17,945**
At 29 March 2025	13,276	4,934	1,841	20,051

The impairment charges were included in the consolidated income statement as part of operating costs and were classified as a non-underlying item.

15. Interests in JVs and associates

The Group has an interest in an associated company and three joint ventures as follows:

	Holding %	Class of capital
Associated companies:		
Fabsec Limited – Development of fire beam	33.0	Ordinary
Joint ventures:		
JSW Severfield Structures Limited – Structural steelwork serving the Indian market	50.0	Ordinary
Construction Metal Forming Limited* – Manufacturer of cold rolled metal products	50.0	Ordinary
Bouwcombinatie Van Wijnen – Construction activities	50.0	Ordinary

* Construction Metal Forming Limited also includes the results of Red Dot One Limited, a 50 per cent owned entity established to facilitate a factory expansion.

In 2008, a formal agreement was signed in India with JSW Building Systems Limited (a subsidiary of JSW Steel Limited of India) to form a 50/50 joint venture, JSW Severfield Structures Limited, to create a structural steelwork business in Bellary and Mumbai, India, primarily serving the Indian market.

No investments were made in any joint ventures or associated companies during the period.

Included in the prior year exchange adjustments line below is an amount of £4.5m related to the cumulative retranslation of the investment in JSW Severfield Structures Limited since the Group's initial investment. The investment had not been correctly retranslated into the Group's presentational currency in previous periods. As the Directors did not consider the effect on the prior period financial statements to be material, this was corrected in the period.

The Group tests investments for impairment annually, or more frequently if indicators of impairment arise. The recoverable amounts of each investment are determined using value-in-use calculations. This method reflects the present value of future cash flows expected to be derived from each investment. Key assumptions used in these calculations include:

- Pre-tax discount rates – reflecting current market assessments of the time value of money and risks specific to each CGU;
- Long-term growth rates – aligned with external forecasts and industry outlooks; and
- Forecast changes in selling prices and direct costs – based on historical performance and expected market conditions.

Cash flow forecasts for the next financial year reflect management's latest and most realistic projections, followed by four years of internal strategic projections. A terminal growth rate of 2.0% (2025: 2.0%) is applied thereafter, which does not exceed the expected long-term growth rates of the respective markets. The forecasts have been discounted using a pre-tax discount rate of 16.7% (2025: 15.5%).

During the year, the Group recognised an impairment charge in respect of its investment in a CMF. The impairment arose principally as a result of a deterioration in market conditions within the Company's operating environment, leading to reductions in forecast revenues and future cash flows. In addition, an increase in the discount rate applied to the valuation further reduced the recoverable amount of the investment. As a result, the carrying value of the investment exceeded its recoverable amount, and an impairment loss of £9,872,000 has been recognised. The charge has been presented as a non-underlying item within the Consolidated Income Statement.

	Goodwill £000	Share of net assets/ (liabilities) £000	Total £000
At 31 March 2024	5,326	32,038	37,364
Profit retained	–	101	101
Exchange adjustments	–	(4,529)	(4,529)
At 29 March 2025	5,326	27,610	32,936
Profit retained	–	2,477	**2,477**
Impairments	(5,326)	(4,546)	**(9,872)**
Exchange adjustments	–	(2,514)	**(2,514)**
At 28 March 2026	**–**	**23,027**	**23,027**

15. Interests in JVs and associates continued

The Group's share of the retained profit for the year of JVs and associates is made up as follows:

Share of results	Fabsec Limited £000	JSW Severfield Structures Limited £000	CMF Limited £000	Bouwcombinatie Van Wijnen £000	Total £000
2026	**–**	**2,966**	**(489)**	**–**	**2,477**
2025	–	87	8	6	101

Summarised financial information in respect of the Group's JVs and associates is as follows:

	Fabsec Limited £000	JSW Severfield Structures Limited £000	CMF Limited £000	Bouwcombinatie Van Wijnen £000	2026 £000	2025 £000
Current assets	184	146,640	11,989	243	**159,056**	111,133
Non-current assets	–	29,085	25,396	–	**54,481**	52,471
Current liabilities	(11)	(128,450)	(20,510)	(43)	**(149,014)**	(101,749)
Non-current liabilities	–	(7,739)	(7,050)	–	**(14,789)**	(12,052)
Net assets	173	39,536	9,825	200	**49,734**	49,804
Group's share of net (liabilities)/assets	86	19,768	4,913	100	**24,867**	24,902
Goodwill	–	–	–	–	**-**	5,326
Investment	–	–	2,444	–	**2,444**	2,444
Impairment	–	–	(4,546)	–	**(4,546)**	–
Accounting policy alignment	(86)	227	115	6	**261**	266
Carrying amount of interest in JVs and associates	–	19,995	2,926	106	**23,027**	32,936
Revenue	147	139,527	21,355	–	**161,029**	122,010
Depreciation and amortisation	(1)	(2,191)	(172)	–	**(2,364)**	(2,391)
Net finance expense	–	(3,094)	(1,071)	–	**(4,165)**	(4,435)
Taxation	–	(1,724)	728	–	**(996)**	255
Profit/(loss) after tax	–	5,932	(978)	–	**4,954**	202
Group's share of profit/(loss) after tax	–	2,966	(489)	–	**2,477**	101

There were no contingent liabilities or capital commitments (2025: none) associated with the Group's JVs and associates.

Sensitivity analysis

Management has considered a range of downside sensitivity scenarios to assess the impact of a reasonably possible change in key assumption, which could lead to an impairment in the investment. Three of the four investments were not sensitive to changes in key assumptions, however as there is already an impairment for CMF, it is sensitive to any changes in key assumptions.

A 1.5 percentage point reduction in the forecast operating margin would increase the impairment by £2.5m. A 1.0 percentage point increase in the discount rate would increase the impairment by £0.7m.

Management considers the assumptions used to be reasonable and reflective of current economic conditions. However, given the sensitivity of the valuation, a reasonably possible adverse change in these assumptions could result in a material adustment to the impairment in future periods.

Notes to the consolidated financial statements

Year ended 28 March 2026 **continued**

16. Inventories

	2026 £000	2025 £000
Raw materials and consumables	**7,379**	11,524
Work-in-progress	**40**	285
	7,419	11,809

17. Construction contracts

	2026 £000	2025 £000
Contracts in progress at balance sheet date:		
Amounts due from construction contract customers included in contract assets, trade and other receivables	**88,096**	77,213
Amounts due to construction contract customers included in trade and other payables (note 19)	**(2,797)**	–
	85,299	77,213
Contract costs incurred plus recognised profits less recognised losses to date	**488,945**	319,838
Less: progress billings received	**(403,646)**	(242,625)
	85,299	77,213

18. Contract assets, trade and other receivables

Current assets	2026 £000	2025 £000
Amounts due from construction contract customers (note 17):		
Trade and other receivables	**37,359**	26,910
Contract assets	**50,737**	47,685
Total	**88,096**	74,595
Other receivables	**3,930**	25,384
Prepayments and accrued income	**16,551**	15,717
Amounts due from JVs and associates	**1,894**	697
	110,471	116,393

Non-current assets	2026 £000	2025 £000
Trade and other receivables (note 17)	**658**	2,618
	658	2,618

Contract assets of £50,737,000 (2025: £47,685,000) mainly reflect the Group's right to consideration for work completed but not yet invoiced at the year end. These are transferred to trade receivables when there is an unconditional right to payment.

The average credit period taken on revenue, calculated on a count-back basis to make appropriate allowance for monthly revenue phasing, is 59 days (2025: 63 days). No interest is charged on receivables.

In the prior year, other receivables contained a £20,000,000 insurance receivable in respect of the bridge testing and remedial costs. The receivable was recognised as the recovery was considered virtually certain and the amount can be reliably measured.

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Before accepting any new customer, the Group uses an external credit rating agency to assess the potential customer's credit quality and defines credit limits by customer. It is Group policy that adequate credit insurance is taken out on all customers where possible to manage the exposure that may arise as the contractual work proceeds. The Group's executive risk committee reviews situations where adequate credit insurance on the Group's customers cannot be purchased as required. The Group has rigorous procedures in place for monitoring and obtaining the settlement of retentions in a prompt manner. Overdue retentions at 28 March 2026 were £nil (2025: £nil).

19. Contract liabilities, trade and other payables

	2026 £000	2025 £000
Trade creditors	50,697	41,610
Other taxation and social security	6,484	3,964
Other creditors and accruals	37,413	36,374
Contract liabilities (note 17)	2,797	–
Amounts owed to JVs and associates	848	144
	98,239	82,092

Contract liabilities of £2,797,000 (2025: £nil) represents advance payments received from customers on construction contracts where the associated revenue had not been recognised as at 28 March 2026.

Non-current liabilities	2026 £000	2025 £000
Other creditors and accruals	–	130
	–	130

Non-current other creditors and accruals in the current and prior year reflects the outstanding contingent purchase consideration for DAM Structures of £nil (2025: £130,000), which is payable in the next two years, subject to certain conditions beyond the Group's control.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

The average credit period taken for trade purchases, calculated on a count-back basis to make appropriate allowance for monthly revenue phasing, is 44 days (2025: 34 days).

20. Provisions

	Legacy employment tax £000	Loss provisions £000	Bridge remedial provisions £000	Onerous leases £000	Total £000
Balance at 31 March 2024	3,373	8,446	–	–	11,819
Provisions made	–	4,445	43,367	–	47,812
Provisions released	(1,373)	–	–	–	(1,373)
Provisions used	–	(4,133)	(16,036)	–	(20,169)
Balance at 29 March 2025	2,000	8,758	27,331	–	38,089
Provisions made	**–**	**8,460**	**13,208**	**4,075**	**25,743**
Provisions released	**–**	**–**	**–**	**–**	**–**
Provisions used	**(2,000)**	**(3,792)**	**(19,800)**	**–**	**(25,592)**
Balance at 28 March 2026	**–**	**13,426**	**20,739**	**4,075**	**38,240**
Non-current	**–**	**3,090**	**–**	**3,439**	**6,529**
Current	**–**	**10,336**	**20,739**	**636**	**31,711**

Legacy employment tax charge

During the prior year the Group reached a final settlement with HMRC, for an assessment on historical income tax and national insurance ('NIC') liabilities. During the current year, full payment was made in line with the agreement.

Notes to the consolidated financial statements

Year ended 28 March 2026 **continued**

20. Provisions continued

Loss provisions

The Group has provided for certain losses where the costs of fulfilling our obligations under construction contracts exceed the current forecast revenue. These are assessed in line with the details set out in our critical accounting judgement, in note 2, and the criteria stipulated in IFRS 15.

Bridge remedial provisions

The provision for bridge remedial costs relates to the Group's ongoing bridge testing and remedial programme and reflects management's best estimate of the total expected costs associated with all the affected bridge projects together with an assessment of third-party consequential costs and claims. The provision is expected to be substantially utilised over the next year, depending on project timelines and the extent to which the Group is able to recover or challenge the items provided. Our costs have been partly mitigated by a £27,500,000 insurance recovery, which was fully received in the year.

The Group is able to reliably estimate the direct costs associated with the testing and remedial programme and certain third-party costs and claims. In the absence of the notification of any further consequential costs from third parties, and noting that, in some instances, such claims may be subject to contractual liability caps, we are not able to reliably quantify any other costs. See note 28 on contingent liabilities for further details.

Onerous leases

The provision relates to a property contract for which practical completion had not been achieved at the reporting date. As the property was not available for use by the Group as at 28 March 2026, a right-of-use asset and corresponding lease liability had not been recognised under IFRS 16. Accordingly, the contract has been assessed under IAS 37 and a provision recognised where the unavoidable costs associated with the contract exceed the expected economic benefits to be derived from it.

The provision is measured at the present value of the estimated net unavoidable costs arising under the contract, taking account of expected sublease income and other anticipated economic benefits. The provision therefore represents management's best estimate of the expenditure required to settle the obligation at the reporting date and is reassessed as facts and circumstances evolve.

The valuation of the provision is sensitive to assumptions relating to future sublease income, discount rates and the period over which the contract is expected to remain onerous. A reasonably possible reduction of 10% in forecast sublease income would increase the provision by approximately £400,000. A 1.0 percentage point increase or decrease in the discount rate would decrease or increase the provision by approximately £100,000 respectively. A change of one year in the estimated onerous period would increase or decrease the provision by approximately £600,000.

21. Deferred tax assets and liabilities

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period:

	2026 £000	2025 £000
Deferred tax liabilities	**(11,295)**	(12,786)
Deferred tax assets	**7,078**	2,855
	(4,217)	(9,931)

Deferred tax assets and liabilities are offset against each other in the balance sheet where this is permitted and/or required by IAS 12. Where they are not offset, this is shown as a non-current asset in the balance sheet. At the year end, £1,398,000 (2025: £1,584,000) related to foreign deferred tax assets/(liabilities) and deferred tax assets/(liabilities) on right-of-use assets and, hence, have been classified as non-current assets/(liabilities).

	Excess capital allowances £000	Acquired intangible assets £000	Retirement benefit £000	Trading losses £000	Other £000	Total £000
At 30 March 2024	(12,211)	(1,319)	2,865	–	628	(10,037)
Prior year adjustment	480	–	–	–	15	495
(Charge)/credit to income statement	(395)	659	(572)	702	(321)	73
Exchange adjustments	–	–	–	–	(59)	(59)
(Charge)/credit to other comprehensive income	–	–	(578)	–	175	(403)
At 29 March 2025	**(12,126)**	**(660)**	**1,715**	**702**	**438**	**(9,931)**
Prior year adjustment	**(734)**	**–**	**–**	**–**	**–**	**(734)**
(Charge)/credit to income statement	**1,569**	**660**	**(638)**	**3,212**	**1,862**	**6,665**
Exchange adjustments	**(4)**	**–**	**–**	**–**	**–**	**(4)**
(Charge)/credit to other comprehensive income	**–**	**–**	**(358)**	**–**	**145**	**(213)**
At 28 March 2026	**(11,295)**	**-**	**719**	**3,914**	**2,445**	**(4,217)**

Notes to the consolidated financial statements

Year ended 28 March 2026 **continued**

22. Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern whilst optimising the return to stakeholders. The capital structure of the Group consists of debt, which includes borrowings, cash and cash equivalents and equity attributable to equity holders of the Parent, comprising issued capital, reserves and retained earnings.

The Group monitors capital using the following indicators:

i) Gearing ratio

	2026 £000	2025 £000
Borrowings	**(52,600)**	(58,800)
Cash and cash equivalents (net of overdraft)	**24,361**	15,520
Unamortised debt arrangement fees	**64**	150
Net debt	**(28,175)**	(43,130)
Equity	**146,641**	182,960
Net-debt-to-equity ratio	**19.2%**	23.6%

Equity includes all capital and reserves of the Group attributable to equity holders of the Parent. There are no externally imposed capital requirements.

The Group excludes IFRS 16 lease liabilities from its measure of net (debt)/funds as they are excluded from the definition of net (debt)/funds as set out in the Group's borrowing facilities.

ii) Underlying return on capital employed

Underlying operating profit divided by the average of opening and closing capital employed. Capital employed is defined as shareholders' equity after adding back retirement benefit obligations (net of tax), acquired intangible assets and net (debt)/funds.

	2026 £000	2025 £000
Underlying operating profit		
Underlying operating profit (before JVs and associates)	**12,697**	21,653
Share of results of JVs and associates	**2,477**	101
	15,174	21,754
Capital employed:		
Shareholders' equity	**146,641**	182,960
Cash and cash equivalents (net of overdrafts)	**(24,361)**	(15,520)
Borrowings	**52,600**	58,800
Net debt (for ROCE purposes)	**28,239**	43,280
Acquired intangible assets (note 12)	**–**	(2,606)
Retirement benefit obligations (net of deferred tax) (note 29)	**2,155**	5,140
	177,035	228,774
Average capital employed	**202,904**	233,505
Underlying return on capital employed	**7.5%**	9.3%

22. Financial instruments continued

Categories of financial instruments

	Carrying value	
	2026 £000	2025 £000
Financial assets		
Cash and cash equivalents	**24,361**	15,520
Trade and other receivables (note 18)	**38,017**	29,528
Derivative financial instruments	**–**	103
Financial liabilities		
Derivative financial instruments	**(507)**	–
Trade creditors (note 19)	**(50,697)**	(41,610)
Other creditors and accruals (note 19)	**(38,213)**	(36,638)
Borrowings	**(52,600)**	(58,800)
Lease liabilities	**(18,446)**	(20,461)

The Group's financial instruments consist of borrowings, cash, unamortised debt arrangement fees, items that arise directly from its operations and derivative financial instruments. Cash and cash equivalents, trade and other receivables and trade and other payables generally have short terms to maturity. For this reason, their carrying values approximate to fair value. The Group's borrowings relate principally to amounts drawn down against its revolving credit facility, the carrying amounts of which approximate to their fair values by virtue of being floating rate instruments.

The Group is required to analyse financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the consolidated financial statements

Year ended 28 March 2026 **continued**

22. Financial instruments continued

Derivative financial instruments and contingent consideration are valued at fair value through profit or loss, and are valued as such on initial recognition. These relate to foreign currency forward contracts measured using quoted forward exchange rates and yield curves matching the maturities of the contracts. These derivative financial instruments are categorised as level 2 financial instruments. Except for derivative financial instruments, the carrying amounts of financial assets and financial liabilities are recorded at amortised cost in the consolidated financial statements.

General risk management principles

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. A formal risk assessment and management framework for assessing, monitoring and managing the strategic, operational and financial risks of the Group is in place to ensure appropriate risk management of its operations. Internal control and risk management systems are embedded in the operations of the divisions.

Financial risks and management

The Group has exposure to a variety of financial risks through the conduct of its operations. Risk management is governed by the Group's operational policies, which are subject to periodic review by the Board of Directors.

Credit risk

The Group's primary exposure to credit risk arises from the potential for non-payment or default from construction contract customers, encompassing both trade receivables and contract assets. The degree to which the Group is exposed to this credit risk depends on the individual characteristics of the contract counterparty and the nature of the project. The Group's credit risk is also influenced by the general macroeconomic conditions. The Group does not have significant concentration of risk in respect of amounts due from construction contract customers at the reporting date due to the amount being spread across a wide range of customers. Due to the nature of the Group's operations, it is normal practice for customers to hold retentions in respect of contracts completed. Retentions held by customers at 28 March 2026 were £3,242,000 (2025: £5,644,000).

The Group manages its exposure to credit risk through the application of its credit risk management policies, which specify the minimum requirements in respect of the creditworthiness of potential customers, assessed through reports from credit agencies, and the timing and extent of progress payments in respect of contracts. In addition, before accepting any new customer, adequate credit insurance is taken out as reported in note 18. Where credit insurance is difficult to acquire, the executive risk committee determines the appropriate exposure for the Group to take with a customer by, typically, structuring contracts to require payments on account or limit the amounts that the Group is outstanding at any one time.

Consideration of potential future events is taken into account when deciding when, and how much, to impair the Group's contract assets and trade receivables. The Group does not expect to report credit losses, which would materially impact the income statement. In recent reporting periods, credit losses in the income statement have been immaterial.

The Group manages the collection of retentions through its post-completion project monitoring procedures and ongoing contact with customers so as to ensure that potential issues that could lead to the non-payment of retentions are addressed as soon as they are identified.

Amounts outstanding from construction contract customers are due with reference to the payment terms for each particular contract but the majority would be receivable within four months from the end of the reporting period. Amounts due for settlement after 12 months are disclosed in note 18.

22. Financial instruments continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The ultimate responsibility for liquidity risk rests with the Board.

The Group generates cash through its operations and aims to manage liquidity by ensuring that it will always have sufficient financing facilities to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Forecast and actual cash flow is continuously monitored.

The Group maintains a £60 million revolving credit facility ('RCF') with HSBC Bank PLC and Virgin Money, which now matures in June 2029 following a three-year extension with two one-year extension options subject to lender consent. The facility provides liquidity to support the Group's working capital needs and ongoing growth strategy.

The RCF is subject to two financial covenants tested on a quarterly basis: net debt to EBITDA and interest cover.

At the reporting dates, June 2025 and March 2026, the Group was subject to three covenants: net debt to EBITDA; interest cover; and debt service (cash flow) cover. Between July 2025 and February 2026 (inclusive), the Group was subject to a minimum liquidity cover. The Group remained comfortably within all covenant thresholds throughout the period and, facilitated by the extended facility agreement, is not forecast to breach any covenant requirements over the next 12 months.

As at 28 March 2026, £15,000,000 (2025: £15,000,000) of this facility was not drawn but available, providing £39,361,000 of headroom. Up to £15,000,000 of this facility is available by way of an overdraft (2025: £15,000,000).

In accordance with IFRS 7, the following tables detail the Group's remaining contractual maturity for its financial liabilities at the reporting date. The amounts are gross, undiscounted and include contractual interest payments.

		Maturity analysis					
	Carrying value £000	Less than 3 months £000	3 months to 1 year £000	1–2 years £000	2–5 years £000	5+ years £000	Total £000
Liabilities – 2026							
Trade and other payables	**88,112**	**84,112**	**3,839**	**161**	**–**	**–**	**88,112**
Financial liabilities – leases	**18,446**	**1,337**	**3,369**	**3,520**	**6,759**	**9,298**	**24,283**
Borrowings	**52,600**	**1,683**	**2,549**	**3,966**	**45,000**	**–**	**53,198**
	159,158	**87,132**	**9,757**	**7,647**	**51,759**	**9,298**	**165,593**
Liabilities – 2025							
Trade and other payables	78,314	72,927	5,257	130	–	–	78,314
Financial liabilities – leases	20,461	1,040	3,028	4,641	6,570	10,202	25,481
Borrowings	58,800	1,792	5,212	49,232	3,966	–	60,202
	157,575	75,759	13,497	54,003	10,536	10,202	163,997

The Group's debt facility consists of the revolving credit facility of which £45,000,000 is drawn and the overdraft facility of which £nil is drawn. This agreement expires in June 2029. In addition, £7,600,000 is outstanding on the acquisition term loans, which is repayable in instalments until December 2027. Interest on both agreements is charged at a floating rate based on SONIA plus a variable margin.

The Group's RCF is classified as a non-current liability as the facility is committed through to June 2029, and the Group has a right to defer settlement of any outstanding amounts for at least 12 months from the reporting date, in accordance with the criteria set out in IAS 1. The details of the associated covenants and compliance are disclosed in the section above the table.

22. Financial instruments continued

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loans £000	Lease liabilities £000	Revolving credit facility £000
Balance at 29 March 2025	13,800	20,461	45,000
Changes from financing cash flows			
Payments of borrowings	(6,200)	–	–
Interest paid	(764)	(693)	(2,703)
Payments of lease liabilities	–	(4,136)	–
Total changes arising from financing cash flows	**(6,964)**	**(4,829)**	**(2,703)**
Other changes			
Interest expense	764	693	2,703
New leases	–	2,426	–
Lease disposals	–	(456)	–
Exchange adjustments	–	151	–
Total other changes	**764**	**2,814**	**2,703**
Balance at 28 March 2026	**7,600**	**18,446**	**45,000**
Current	**3,800**	**3,550**	**–**
Non-current	**3,800**	**14,896**	**45,000**

Market risk

The Group's activities expose it primarily to the market risks of foreign currency exchange rates and interest rates. The Group has entered into certain derivative financial instruments to manage its exposure to foreign currency risk.

Market risk exposures are monitored and are supplemented by sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Group seeks to minimise the effects of currency risks by using derivative financial instruments when appropriate to hedge these risk exposures against contracted sales. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors. The Group does not enter into, or trade, financial instruments, including derivative financial instruments for speculative purposes.

The carrying value of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2026 £000	2025 £000	**2026 £000**	2025 £000
Euro	**(18,642)**	(14,847)	**25,282**	17,336
US dollar	**(30)**	(31)	**12**	15
	(18,672)	(14,878)	**25,294**	17,351

22. Financial instruments continued

Foreign currency sensitivity analysis

The Group only has material exposure to euro- and USD-denominated financial assets and liabilities.

The following table details the Group's sensitivity to a 10 per cent increase and decrease in sterling against the relevant foreign currencies. Ten per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and derivative financial instruments and adjusts their translation at the year end for a 10 per cent change in foreign currency rates. A positive number below indicates an increase in profit and other equity where sterling strengthens 10 per cent against the relevant currency. For a 10 per cent weakening of sterling against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	US dollar currency impact		Euro currency impact	
	2026 £000	2025 £000	**2026 £000**	2025 £000
Profit or loss and equity	**2**	2	**223**	2,741

At present, the Group's translation exposure to the Indian rupee via its Indian joint venture is not significant. As the business grows, this exposure is expected to become more significant.

Forward foreign exchange contracts

It is the Group's policy to enter into forward foreign exchange contracts to cover future euro and US dollar currency receipts on relevant contracts.

The Group uses forward foreign currency contracts to hedge currency risk associated with expected future sales or purchases for which the Group has firm commitments. The terms of the forward foreign currency contracts are negotiated to match the terms of the commitments. During the year, the Group has applied cash flow hedge accounting to these forward foreign currency transactions. As at 28 March 2026, derivatives designated as cash flow hedges were a liability of £507,000 (2025: asset of £103,000) and recognised total losses of £639,000 (2025: losses of £721,000) in equity and gains of £29,000 (2025: £149,000) in profit and loss in the year.

At 28 March 2026, the Group had forward exchange contracts of 92.3m euros (2025: 29.9m) at an average exchange rate of €1.17/£ (2025: €1.18/£), which mature within 12 months of the year end. In addition, the Group had forward exchange contracts of 105m DKK (2025: nil) at an average exchange rate of 8.50 (2025: n/a), which mature within 12 months of the year end.

Interest rate risk management

The Group is exposed to interest rate risk as described under the market risk paragraph earlier in this note. The Group does not currently hedge any of its interest rate exposure.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the gross amount of liability outstanding at balance sheet date was outstanding for the whole period. A 0.5 per cent increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.5 percentage points higher and all other variables were held constant, the Group's profit for the year ended 28 March 2026 and the Group's equity at that date would decrease by £302,000 (2025: £214,000). If the £60,000,000 facility is fully utilised, the exposure increases by £75,000. This is attributable to the Group's exposure to interest rates on its variable rate borrowings.

23. Share-based payments

The Group operates a share-based incentive scheme for the Company's Executive Directors (being both Board Directors and certain members of the executive committee) and selected senior management. These awards will, under normal circumstances, vest subject to continued service and the achievement of performance conditions over a three-year period. Further details are given in the audited section of the Directors' remuneration report on pages 128-132. The Group recognised a total charge of £434,000 (2025: £1,194,000) relating to its performance share plan and Sharesave scheme, a breakdown is shown below:

	2026 £000	2025 £000
Performance share plan	247	(528)
Restricted share plan	(758)	418
Save as your earn	945	1,304
	434	1,194

Performance share plan

The vesting of awards under PSP and RSP is subject to performance conditions set by the remuneration committee. The Group recognised a total credit of £510,000 for the year (2025: £110,000) with a corresponding entry to reserves. The weighted average fair value of share options granted during the year was £0.30 per share. Three outstanding awards had been granted to 28 March 2026:

During the year ended 28 March 2026, the remuneration committee granted 5,713,302 ordinary shares of 2.5p each at £nil value.

The vesting of these awards is dependent on several key KPIs, which are largely driven by the Group's underlying earnings per share performance over the three-year period from 28 March 2026 to 25 March 2028. The following vesting schedule applies:

Underlying EPS performance for year ended 25 March 2028	% of award vesting
Equal to less than 5.80p	0%
Equal to 7.90p or better	100%
Between 5.80p and 7.90p	between 25% and 100%

The assumptions used to measure the fair value of the shares granted are as follows:

Share price on date of grant	**£0.30***
Exercise price	nil
Expected volatility (using historical performance)	137%
Risk-free rate	4.5%
Dividend	nil
Actual life	three years

* Granted on 31 October 2025.

The Black–Scholes pricing model was used, with the above assumptions, to produce a grant date fair value of £1,480,000. Subsequently, in line with IFRS 2, an annual charge is calculated based on the expected number of options to vest when factoring in changes to non-market conditions. For FY26, the charge was £247,000 (FY25: £nil).

23. Share-based payments continued

Restricted share plan

During the year ended 30 March 2024, the remuneration committee granted 1,480,979 shares of 2.5p each at £nil value.

The vesting of these awards will be dependent on the Group achieving the five performance underpins as agreed by the remuneration committee and disclosed on page 130.

The assumptions used to measure the fair value of the shares granted are as follows:

Share price on date of grant	**£0.63***
Exercise price	nil
Expected volatility (using historical performance)	111%
Risk-free rate	4.8%
Dividend	3.4p
Actual life	three years

* Granted on 15 September 2023.

The Black–Scholes pricing model was used, with the above assumptions, to produce a grant date fair value of £1,020,000. Subsequently, in line with IFRS 2, an annual charge/credit is calculated based on the expected number of options to vest when factoring in changes to non-market conditions. For FY26, the credit was £449,000 (FY25: charge of £110,000).

During the year ended 29 March 2025, the remuneration committee granted 1,605,424 ordinary shares of 2.5p each at £nil value.

The vesting of these awards will be dependent on the Group achieving the five performance underpins as agreed by the remuneration committee and disclosed on page 130.

The assumptions used to measure the fair value of the shares granted are as follows:

Share price on date of grant	**£0.76***
Exercise price	nil
Expected volatility (using historical performance)	116%
Risk-free rate	3.8%
Dividend	3.7p
Actual life	three years

* Granted on 20 June 2024.

The Black–Scholes pricing model was used, with the above assumptions, to produce a grant date fair value of £924,000. Subsequently, in line with IFRS 2, an annual charge is calculated based on the expected number of options to vest when factoring in changes to non-market conditions. For FY26, the credit was £308,000 (FY25: charge of £308,000).

Reconciliation of share awards outstanding under the performance/restricted share plans are as follows:

	2026 Number	2025 Number
Outstanding at the beginning of the year	3,086,402	6,005,563
Granted during the year	5,713,302	1,605,424
Vested during the year	–	(1,577,954)
Lapsed during the year	(2,866,364)	(2,946,631)
Outstanding at the end of the year	**5,933,340**	3,086,402

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Year ended 28 March 2026 continued

23. Share-based payments continued

Save As You Earn share option plan ('Sharesave')

The plan, which was established in 2015 and expired in 2025, is open to all employees on the UK payroll. Participants may elect to save up to £500 per month over the life of the plan under three-yearly savings schemes, each with a separate savings contract.

Under the 2023 Sharesave scheme, options were granted by the Company to participating employees to buy shares at a discount of 20 per cent from the then market price. At the end of the 2023 Sharesave scheme in 2026, these options will become exercisable for a period of six months. A charge of £481,000 (2025: £481,000) was recognised in the current period in relation to the 2023 Sharesave scheme.

Under the 2024 Sharesave scheme, options were granted by the Company to participating employees to buy shares at a discount of 20 per cent from the then market price. At the end of the 2024 Sharesave scheme in 2027, these options will become exercisable for a period of six months. A charge of £464,000 (2025: £464,000) was recognised in the current period in relation to the 2024 Sharesave scheme.

Reconciliation of share awards outstanding under the Sharesave plan are as follows:

Save As You Earn option plan ('Sharesave')

	2026 Number	2025 Number
Outstanding at the beginning of the year	**5,164,689**	6,120,063
Granted during the year	**–**	2,628,173
Lapsed during the year	**(3,212,497)**	(2,470,636)
Vested during the year	**–**	(1,112,911)
Outstanding at the end of the year	**1,952,192**	5,164,689

24. Share capital

	2026 £000	2025 £000
Issued and fully paid:		
296,181,987 ordinary shares of 2.5p each (2025: 296,181,987 ordinary shares of 2.5p each)	**7,405**	7,405

The ordinary shares carry no right to fixed income. There are no share options outstanding as at 28 March 2026 (2025: nil).

25. Other reserves

	Share-based payment reserve £000	Shares held in trust £000	Revaluation reserve £000	Capital redemption reserve £000	Hedge accounting reserve £000	Currency translation reserve £000	Total £000
At 31 March 2024	4,617	(1,527)	869	139	924	(294)	4,728
Share-based payments	(920)	–	–	–	–	–	(920)
Treasury shares purchased	–	(9,262)	–	–	–	–	(9,262)
Shares cancelled	–	9,262	–	334	–	–	9,596
Shares utilised	–	1,317	–	–	–	–	1,317
Gains taken to equity on cash flow hedges	–	–	–	–	808	–	808
Reclassification adjustments on cash flow hedges	–	–	–	–	(1,529)	–	(1,529)
Exchange difference on foreign operations	–	–	–	–	–	(5,663)	(5,663)
At 29 March 2025	**3,697**	**(210)**	**869**	**473**	**203**	**(5,957)**	**(924)**
Share-based payments	**(643)**	**–**	**–**	**–**	**–**	**–**	**(643)**
Gains taken to equity on cash flow hedges	**–**	**–**	**–**	**–**	**(840)**	**–**	**(840)**
Reclassification adjustments on cash flow hedges	**–**	**–**	**–**	**–**	**201**	**–**	**201**
Exchange difference on foreign operations	**–**	**–**	**–**	**–**	**–**	**(1,719)**	**(1,719)**
At 28 March 2026	**3,054**	**(210)**	**869**	**473**	**(436)**	**(7,676)**	**(3,925)**

Reconciliation of share-based payment transactions in the statement of changes in equity:

	Year ended 28 March 2026		Year ended 29 March 2025	
	Other reserves £000	**Retained earnings £000**	Other reserves £000	Retained earnings £000
Share-based payment charge[1]	**430**	**–**	1,194	–
Tax paid on vesting of 2020 award[1]	**–**	**–**	(705)	–
SAYE cash received[2]	**–**	**–**	706	–
Awards vested/lapsed in the year	**(1,073)**	**1,073**	(2,115)	2,115
Equity-settled share-based payments	**(643)**	**1,073**	(920)	2,115
Purchase of own shares[2]	**–**	**–**	–	–
Allocation of owned shares on vesting	**–**	**–**	1,317	(1,317)
Total reserves movements	**(643)**	**1,073**	397	798

1 Operating cash flows.
2 Cash flows from financing activities.

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26. Net cash flow from operating activities

	2026 £000	2025 £000
Profit/(loss) before tax	**(39,873)**	(17,512)
Adjustments:		
Net finance expense (note 7)	**4,728**	3,791
Depreciation of property, plant and equipment (note 13)	**6,998**	7,217
Depreciation of right-of-use assets (note 14)	**3,812**	2,729
Gain on disposal of other property, plant and equipment	**(1,133)**	(413)
Fixed asset impairment (notes 5,13)	**22,975**	–
Amortisation of intangible assets (note 12)	**2,673**	2,699
Movements in pension scheme (note 29)	**(2,550)**	(2,296)
Share of results of JVs and associates (note 15)	**(2,477)**	(101)
Share-based payments (note 23)	**434**	489
Exchange adjustments	**(355)**	100
Operating cash flows before movements in working capital	**(4,768)**	(3,297)
(Increase)/decrease in inventories	**4,390**	(161)
(Increase)/decrease in receivables	**7,310**	(30,597)
Increase/(decrease) in payables	**16,295**	27,999
Cash (used in)/generated from operations	**23,227**	(6,056)
Tax received/(paid)	**(352)**	5,534
Net cash flow (used in)/from operating activities	**22,875**	(522)

	2026 £000	2025 £000
Cash (used in)/generated from operations	**23,227**	(6,056)
Non-underlying operating loss	**50,319**	35,475
Non-underlying non-cash items*	**(25,581)**	(2,609)
Non-underlying working capital movements**	**(13,758)**	(5,958)
	34,206	20,852
Underlying EBITDA (before JVs and associates)	**23,574**	31,689
Operating cash conversion	**145%**	66%

* Includes amortisation and impairments that are classified as non-underlying.

** Largely relates to movement on non-underlying provisions (i.e. bridges) and insurance debtors.

27. Analysis of net debt

	2026 £000	2025 £000
Borrowings	**(7,600)**	(13,800)
Cash and cash equivalents (net of overdraft)	**24,361**	15,520
Revolving credit facility	**(45,000)**	(45,000)
Unamortised debt arrangement fees	**64**	150
	(28,175)	(43,130)

The Group excludes IFRS 16 lease liabilities from its measure of net debt/funds as they are excluded from the definition of net debt as set out in the Group's borrowing facilities. See note 32 for APM definitions.

28. Contingent liabilities

Liabilities have been recorded for the Directors' best estimate of uncertain contract positions, known legal claims, legal actions in progress and circumstances that could give rise to claims or actions. In determining the level of provision required, the Group considers all relevant facts and circumstances, including external legal and professional advice where appropriate. No liability is recorded where the Directors consider that a claim or action is unlikely to succeed or where a sufficiently reliable estimate of any obligation cannot be made.

During 2025, the Group identified a number of bridge structures that did not comply with the clients' weld specification requirements. These issues relate primarily to 12 bridge projects, either ongoing or completed within the past four years, and stem from a specific bridge design specification and sub-optimal welding procedure selections. The impact was further exacerbated by limitations in the specified weld testing regimes applied to these projects. Since identification of the issue, the Group has undertaken extensive assessment work across the affected portfolio and the scope of the required testing and remediation activities is now substantially established.

The Group has recognised a non-underlying charge of £13.2 million (2025: £43.4 million), representing the estimated cost of testing and remediation across all affected projects, and a further £2.6 million (2025: £9.2 million) for provisions against other bridge-related costs, including third-party consequential costs and claims. As at 28 March 2026, provisions of £20.7 million remain recognised (see note 20), representing management's current best estimate of the remaining expenditure required to complete the testing and remediation programme and settle associated obligations arising from these matters.

The Group is able to reliably estimate the direct costs associated with the testing and remedial programme and certain third-party costs and claims based on the progress of the assessment and remediation activities undertaken to date. The provisions recognised reflect management's best estimate of the expenditure required to settle the obligations arising from the affected projects at the reporting date. The Group continues to engage constructively with clients and other stakeholders and, based on discussions to date, has not been notified of any significant additional consequential costs beyond those already provided for. Furthermore, in some instances, any potential claims may be subject to contractual liability caps or other contractual limitations. Based on the information currently available, the Directors consider that the provisions recognised appropriately reflect the Group's current obligations and expected future costs associated with these matters.

All estimates and obligations will remain under review until the assessment of all affected structures has been finalised and all related matters have been concluded. In addition to the £27.5m of insurance recoveries already received, the Group continues to pursue other potential avenues of recovery, including further insurance recoveries and contributions from third parties. No amounts have been recognised in respect of such potential recoveries as, at the reporting date, their receipt is not considered virtually certain. Whilst the ultimate outcome remains dependent on the resolution of the remaining matters and any new information that may emerge, the Directors do not presently expect any material change to the overall exposure recognised.

The Group has also given performance bonds in the normal course of trade.

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Year ended 28 March 2026 **continued**

29. Retirement benefit obligations

Defined contribution schemes

The Group operates two defined contribution retirement benefit schemes. The assets of the schemes are held separately from those of the Group in funds under the control of trustees.

The total cost charged to income of £6,301,000 (2025: £6,142,000) represents contributions payable to these schemes by the Group at rates specified in the rules of the plans. As at 28 March 2026, contributions of £1,662,000 (2025: £1,204,000) due in respect of the current reporting period had not been paid over to the schemes.

Defined benefit schemes

The Group has a defined benefit scheme, which is now closed to new members and no defined benefit membership rights will accrue under the scheme.

The scheme exposes the Group to actuarial and other risks, the most significant of which are considered to be:

Investment risk	The present values of the scheme liabilities are calculated using a discount rate determined by reference to corporate bond yields; if the return on scheme assets is below this rate, it will create a plan deficit. The Group holds a significant proportion of growth assets (bonds, gilts and equities) to leverage the return generated by the scheme.
Interest risk	A decrease in the corporate bond interest rate will increase the scheme liabilities, although this will be partially offset by an increase in the return on the scheme's assets.
Longevity risk	The present values of the scheme liabilities are calculated by reference to the best estimate of the mortality of scheme participants, which reflect continuing improvements in life expectancy. An increase in the life expectancy of the scheme participants will increase the scheme's liabilities.

The latest actuarial valuation of the Atlas Ward Pension ('the Scheme'), carried out with an effective date of 5 April 2023, showed a funding deficit. In order to make good the deficit, a Schedule of Contributions was put in place requiring employer contributions of £2,689,186 per annum from 5 April 2023 until 30 November 2028, increasing by 3.2 per cent per annum on 6 April 2024 and each subsequent 6 April. In addition, the employer meets the cost of the Scheme's expenses. The next actuarial valuation of the Scheme is due to have an effective date of 5 April 2026.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation was carried out at 28 March 2026 by Mr Chris Hunter, Fellow of the Institute of Actuaries. The future liabilities are based on liabilities calculated as at the latest triennial valuation of 5 April 2023 and rolled forward using an approximate method allowing for benefit payments out of the scheme. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

	2026 **%**	2025 %
Key assumptions used:		
Discount rate	**6.2**	5.7
Inflation (RPI)	**3.4**	3.3

When considering mortality assumptions, a life expectancy to 85 at age 65 has been used for the year ended 28 March 2026 (2025: 85). For the year ended 28 March 2026, the Group updated the allowance for future mortality improvements from the CMI 2023 model to the CMI 2024 model. The 2024 model has an updated methodology so that mortality experience through and since the COVID-19 pandemic is incorporated within the core model. It treats the pandemic as a 'shock', the impact of which reduces over time, to balance the use of data from the height of the pandemic with emerging data that is likely to be more indicative of longer-term trends in mortality rates.

The discount rate and RPI inflation assumptions for the 2026 disclosures in this note have been calculated using a cash-flow-weighted single-equivalent approach based on the iBoxx Corporate AA index yield curve and the Bank of England's inflation yield curve, respectively, in line with the prior year.

29. Retirement benefit obligations continued

Below shows the impact on scheme liabilities of changes to key assumptions. The sensitivities are applied to the defined benefit obligation at the end of the reporting period.

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Decrease by 0.25%	Increase by 3% (2025: 3%)
Rate of mortality	Reducing by 10%	Increase by 2% (2025: 2%)
Price inflation	Increase by 0.25%	Increase by 2% (2025: 2%)

Amounts recognised in income in respect of these defined benefit schemes are as follows:

	2026 £000	2025 £000
Interest cost	**1,620**	1,570
Interest income	**(1,313)**	(1,091)
	307	479

The charge for the year has been included in operating costs. Actuarial gains and losses have been reported in the statement of comprehensive income. The cumulative actuarial gains and losses recognised amount to a loss of £16,600,000 (2025: £18,032,000).

The actual return on scheme assets was a gain of £1,424,000 (2025: loss of £643,000).

The amount included in the balance sheet arising from the Group's obligations in respect of the defined benefit retirement scheme is as follows:

	2026 £000	2025 £000
Present value of defined benefit obligations	**(28,034)**	(29,610)
Fair value of scheme assets	**25,161**	22,755
	(2,873)	(6,855)

The major categories of scheme assets as a percentage of the total scheme assets are as follows:

	2026 £000	2025 £000	2026 %	2025 %
Equities	**4,021**	3,488	**16.0**	15.3
Bonds and gilts	**12,123**	10,183	**48.2**	44.7
Cash	**863**	1,468	**3.4**	6.5
Property	**2,349**	2,050	**9.3**	9.0
LDI funds	**4,987**	5,176	**19.8**	22.8
Other	**818**	390	**3.3**	1.7
	25,161	22,755	**100.0**	100.0

Bonds and gilts include a mixture of corporate and government bonds and fixed and index-linked gilts.

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Year ended 28 March 2026 **continued**

29. Retirement benefit obligations continued

Movements in the present value of defined benefit obligations were as follows:

	2026 £000	2025 £000
At start of year	**(29,610)**	(34,003)
Interest cost	**(1,620)**	(1,570)
Actuarial gains/(losses)	**1,321**	4,047
Benefits paid	**1,875**	1,916
At end of year	**(28,034)**	(29,610)

Actuarial gains arising from changes in demographic assumptions, changes in financial assumptions and gains or losses arising from experience were losses of £147,000 (2025: gains of £71,000), gains of £1,549,000 (2025: £3,930,000) and losses of £81,000 (2025: gains of £46,000), respectively. The large gains in 2025 and 2026 on 'changes in financial assumptions' are driven by an increase in the discount rate. Movements in the fair value of scheme assets were as follows:

	2026 £000	2025 £000
At start of year	**22,755**	22,539
Interest income	**1,313**	1,091
Return-on-plan assets	**111**	(1,734)
Employer contributions	**2,857**	2,775
Benefits paid	**(1,875)**	(1,916)
At end of year	**25,161**	22,755

During the course of 2026, bond yields increased, which increased the discount rate. Assumed future price inflation based on Bank of England projections is also higher at the year end. The defined benefit obligation, which is measured by the present value ('PV') of the Scheme's liabilities, is explicitly linked to both bond yields and inflation, with the net effect being a decrease to the PV of the Scheme liabilities. The scheme's investment strategy also adopts a liability-driven investing ('LDI') strategy, which invest in bonds/bond-type instruments in order to hedge a proportion of the expected movement in the value of the liabilities. Correspondingly, the value of LDI assets reduced during the period.

The Group expects to contribute £246,000 per month to its defined benefit pension scheme in the year to 27 March 2027.

29. Retirement benefit obligations continued

History of experience of gains/(losses):

	2026	2025	2024	2023	2022
Experience gains/(losses) on Scheme assets (£000)	**111**	(1,734)	(294)	(9,834)	(60)
Percentage of Scheme assets	**0.4%**	(7.6%)	(1.3%)	(46.7%)	(0.2%)
Experience gains/(losses) on Scheme liabilities (£000)	**1,321**	4,047	(451)	1,350	157
Percentage of the present value of Scheme liabilities	**4.7%**	13.7%	(1.3%)	4.0%	0.4%
Total amount recognised in the consolidated statement of comprehensive income (£000)	**1,432**	2,313	(745)	(701)	5,938
Percentage of the present value of Scheme liabilities	**5.1%**	7.8%	(2.2%)	(2.1%)	13.6%

The weighted average period over which benefits are expected to be paid, or the duration of the liabilities, is currently around 12 years (2025: 12 years). Annual increases are provided to pensions in payment at the lower of RPI and 5 per cent for the majority of members.

The Scheme's investments include holdings in the BNY Mellon Real Return Fund (formerly the Newton Real Return Fund), Liability Driven Investment ('LDI') funds managed by Legal & General, and the M&G Alpha Opportunities Fund. The underlying securities within these funds are quoted on recognised stock exchanges and have identifiable market prices. In contrast, the Scheme's investments in Legal & General's LDI Funds and the abrdn Life PLL Pooled Property Fund are not publicly quoted and do not have readily observable market prices.

The Scheme invests in several pooled LDI funds, through unit-linked insurance policies, with Legal & General and Aberdeen Standard, which, themselves, invest in a combination of gilts, gilt repos (synthetic gilts) and swap-based instruments of varying duration and interest rate/inflation characteristics. The composition of the funds is designed so as to hedge a proportion of the Scheme's liabilities and, specifically, the sensitivity of the liabilities to both changes in interest rates and longer-term inflation expectations. Such funds adopt a moderate degree of leverage (on average x2) and, as such, depending on market movements, the funds may call and/or distribute additional capital in order to maintain leverage within a particular range set by the pooled fund manager.

The schemes operate under trust law and are managed and administered by trustees on behalf of the members in accordance with the terms of the trust deed and rules and relevant legislation. Defined benefit contributions are determined in consultation with the trustees, after taking actuarial advice. The trustees are responsible for establishing the investment strategy and ensuring that there are sufficient assets to meet the cost of current and future benefit.

The recognition of a pension scheme surplus is determined by IAS 19 and applying IFRIC 14, which is an interpretation providing further guidance about when a surplus can be recognised. The Group considers that, under the Pension scheme rules, the Group has an unconditional right to a refund of surplus after all pension payments have been made. Hence, if the scheme was ever in a surplus, it would be recognised accordingly.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited vs NTL Pension Trustees II Limited ***and others*** relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 29 April 2026, the Pensions Schemes Bill received royal assent (becoming the Pension Schemes Act 2026), passing into law legislation, which, in relation to validity issues arising from the Virgin Media ruling, gives affected pension schemes the ability to, retrospectively, obtain written actuarial confirmation that historical benefit changes met the necessary standards.

Given the legislative solution provided by the Pension Schemes Act 2026, the Directors do not expect the Virgin Media ruling to give rise to any additional liabilities and so the defined benefit obligation has not been adjusted and continues to reflect the benefits currently being administered.

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30. Related party transactions

	Directors		Key management	
	2026 £000	2025 £000	**2026 £000**	2025 £000
Short-term employee benefits	**849**	1,107	**1,419**	2,128
Contributions into the pension schemes	**39**	73	**83**	110
Share-based payments	**92**	(116)	**(116)**	(40)
Total income statement charge	**980**	1,064	**1,386**	2,198
PSP awards vesting based on respective performance year[1]	**–**	–	**–**	–
Gain on exercise of share options[2]	**–**	596	**–**	320

1 2026 relates to the 2022 PSP awards vesting June 2025, with a 2025 performance period. 2025 relates to the 2021 PSP award vested December 2024, with a 2024 performance period.

2 No share options were exercised in 2026. 2025 relates to the gain on exercise of 2021 share options.

Short-term employee benefits include salary, bonus, national insurance contributions, the provision of company cars, fuel for company cars, car allowances and private medical insurance.

Further detail on Directors' remuneration is provided in the audited part of the Directors' remuneration report on page 128.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associated undertakings are disclosed below.

During the year, the Group purchased services in the ordinary course of business from Fabsec Limited ('Fabsec') at a cost of £44,000 (2025: £40,000). The amount due to Fabsec at 28 March 2026 was £117,000 (2025: £117,000).

During the year, the Group has purchased services from Construction Metal Forming Limited ('CMF') at a cost of £5,858,000 (2025: £8,710,000). The amount due from, and to, CMF at 28 March 2026 was £2,168,000 (2025: £697,000) and £313,000 (2025: £nil), respectively.

During the year, the Group made sales to JSSL of £43,000 (2025: £386,000). The amount due to, and from, JSSL at 28 March 2026 was £143,000 (2025: £27,000) and £155,000 (2025: £nil), respectively.

31. Subsequent events

On 11 June 2026, the Group completed the refinancing of its banking facilities. The new facilities comprise a £60.0 million revolving credit facility, a £7.6 million term loan facility amortising through to December 2027, and an accordion option of up to £30.0 million, subject to lender consent. The facilities have an initial term to June 2029, with two one-year extension options on the revolving credit facility, subject to lender consent.

The facilities remain unsecured and replace the Group's previous banking facilities. The refinancing enhances the Group's liquidity position and financial flexibility and was completed on improved commercial terms, including the removal of the debt service cover covenant. The refinancing has no impact on the Group's financial position at the reporting date.

32. Alternative performance measures

The Group provides alternative performance measures, including underlying operating profit and underlying profit before tax, to enable users to better understand the performance and earnings trends of the Group. The Group's alternative performance measures are not defined by IFRS and are, therefore, considered to be non-GAAP measures. The measures may not be comparable to similar measures used by other companies and they are not intended to be a substitute for, or superior to, measures defined under IFRS.

In order to facilitate understanding of the APMs used by the Group, and their relationship to reported IFRS measures, definitions and numerical reconciliations are set out below.

Alternative performance measure ('APM')	Definition	Rationale
Underlying operating profit/(before JVs and associates)	Operating profit before non-underlying items and the results of JVs and associates.	Profit measure reflecting underlying trading performance of wholly owned subsidiaries.
Underlying profit before tax	Profit before tax before non-underlying items.	Profit measure widely used by investors and analysts.
Underlying basic earnings per share ('EPS')	Underlying profit after tax divided by the weighted average number of shares in issue during the year.	Underlying EPS reflects the Group's operational performance per ordinary share outstanding.
Net debt (pre-IFRS 16)	Balance drawn down on the Group's revolving credit facility, with unamortised debt arrangement costs added back, less cash and cash equivalents (including bank overdrafts) before IFRS 16 lease liabilities.	Measure of the Group's cash indebtedness before IFRS 16 lease liabilities, which are excluded from the definition of net funds/(debt) in the Group's borrowing facilities. This measure supports the assessment of available liquidity and cash flow generation in the reporting period.
Operating cash conversion	Cash generated from operations (before net capital expenditure, interest and tax) expressed as a percentage of underlying EBITDA (before JVs and associates) (see note 26).	Measure of how successful we are in converting profit to cash through management of working capital and capital expenditure. Widely used by investors and analysts.
Underlying return on capital employed	Underlying operating profit divided by the average of opening and closing capital employed. Capital employed is defined as shareholders' equity excluding retirement benefit obligations (net of tax), acquired intangible assets and net funds (see note 22).	This measures the return generated on the capital we have invested in the business and reflects our ability to add shareholder value over the long term. We have an asset-intensive business model and ROCE reflects how productively we deploy those capital resources.
Economic value generated and distributed	Economic value generated reflects Group revenue. Economic value distributed is operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments.	A basic indication of how the Group has created wealth for its stakeholders and an important ESG measure.

Reconciliations to IFRS measures

Underlying operating profit (before JVs and associates)	Note	2026 £000	2025 £000
Underlying operating profit (before JVs and associates)		**12,697**	21,653
Non-underlying operating items	5	**(50,319)**	(35,475)
Share of results of JVs and associates	15	**2,477**	101
Operating loss		**(35,145)**	(13,721)

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32. Alternative performance measures continued

Underlying profit before tax	Note	2026 £000	2025 £000
Underlying profit before tax		**10,458**	18,133
Non-underlying items	5	**(50,331)**	(35,645)
Loss before tax		**(39,873)**	(17,512)

Underlying basic earnings per share	Note	2026 £000	2025 £000
Underlying net profit attributable to equity holders of the Parent Company	10	**8,105**	12,938
Non-underlying items after tax	5	**(43,715)**	(27,025)
Net loss attributable to equity holders of the Parent Company		**(35,610)**	(14,087)
Weighted average number of ordinary shares	10	**295,900,490**	302,512,024
Underlying basic earnings per share		**2.74p**	4.28p
Basic loss per share		**(12.03)p**	(4.66)p

Net debt (pre-IFRS 16)	Note	2026 £000	2025 £000
Borrowings		**(7,600)**	(13,800)
Cash and cash equivalents		**24,361**	15,520
Revolving credit facility		**(45,000)**	(45,000)
Unamortised debt arrangement costs		**64**	150
Net debt (pre-IFRS 16)	27	**(28,175)**	(43,130)
IFRS 16 lease liabilities	22	**(18,446)**	(20,461)
Net debt (post-IFRS 16)		**(46,621)**	(63,591)

Economic value generated and distributed	Note	2026 £000	2025 £000
Revenue	3	**454,254**	450,913
Economic value generated		**454,254**	450,913
Operating costs	4	**491,876**	464,735
Non-underlying operating items	5	**(50,319)**	(35,475)
Underlying operating costs		**441,557**	429,260
Payments to providers of capital		**4,728**	4,160
Non-underlying finance expense	5	**(12)**	(170)
Underlying payments to providers of capital		**4,716**	3,990
Payments to government		**2,353**	5,275
Economic value distributed		**448,626**	438,525

Five year summary

Year ended 28 March 2026

	2026 £000	2025 £000	2024 £000	2023 £000	2022 £000
Results					
Revenue	**454,254**	450,913	463,465	491,753	403,563
Underlying* operating profit (before JVs and associates)	**12,697**	21,653	37,690	33,067	26,881
Underlying* profit before tax	**10,458**	18,133	36,545	32,476	27,098
Non-underlying items before tax	**(50,331)**	(35,645)	(13,525)	(5,369)	(6,098)
Profit/(loss) attributable to equity holders of Severfield plc	**(35,610)**	(14,087)	15,901	21,566	15,601
Assets employed					
Non-current assets	**218,672**	254,284	259,304	228,397	230,054
Net current assets/(liabilities)	**6,682**	23,721	15,813	27,572	17,383
Non-current liabilities	**(78,713)**	(95,045)	(54,366)	(38,251)	(43,477)
Net assets	**146,641**	182,960	220,751	217,718	203,960
Key statistics					
Earnings per share:					
Basic – underlying*	**2.74p**	4.28p	8.94p	8.48p	7.22p
Basic	**(12.03)p**	(4.66)p	5.18p	6.97p	5.05p
Diluted – underlying*	**2.74p**	4.28p	8.85p	8.39p	7.19p
Diluted	**(12.03)p**	(4.66)p	5.13p	6.90p	5.03p
Dividends per share	**nil**	1.4p	3.70p	3.40p	3.10p
Dividend cover (times) – underlying* basis	**N/A**	3.1	2.4	2.4	2.4
Share price – high	**41.13p**	89.80p	76.20p	75.49p	84.84p
– low	**18.30p**	21.60p	48.10p	46.65p	62.60p

* The basis of stating results on an underlying basis is set out on page 203.

Financial calendar

Preliminary announcement of full-year results	23 June 2026
Publication of the annual report	1 July 2026
Annual general meeting	29 July 2026
Announcement of the interim results (provisional)	24 November 2026

Company balance sheet

Year ended 28 March 2026

	Note	Year ended 28 March 2026 £000	Year ended 29 March 2025 £000
Non-current assets			
Tangible assets	2	**53,319**	54,243
Intangible assets		**87**	127
Right-of-use asset	3	**1,590**	1,829
Investments	4	**154,739**	181,607
Debtors	5	**32,098**	34,498
		241,833	272,304
Current assets			
Debtors	5	**4,851**	3,423
Cash at bank		**248**	1,994
		5,099	5,417
Current liabilities			
Bank overdraft		**–**	–
Trade and other payables	6	**(85,295)**	(90,806)
Provisions	7	**(636)**	(2,000)
Financial liabilities – borrowings		**(3,800)**	(6,200)
Financial liabilities – leases		**(636)**	(395)
		(90,367)	(99,401)
Non-current liabilities			
Trade and other payables	6	**–**	(130)
Provisions	7	**(3,439)**	–
Financial liabilities – borrowings		**(48,800)**	(52,600)
Financial Liabilities – leases		**(1,526)**	(1,511)
		(53,765)	(54,241)
Total assets less liabilities		**102,800**	124,079
Capital and reserves			
Share capital		**7,405**	7,405
Share premium		**88,522**	88,522
Other reserves		**3,277**	3,586
Profit and loss account		**3,596**	24,566
Equity and total shareholders' funds		**102,800**	124,079

The Company reported a loss for the financial year ended 28 March 2026 of £19,724,000 (2025: profit of £10,387,000).

The financial statements were approved by the Board of Directors on 23 June 2026 and signed on its behalf by:

PAUL MCNERNEY
CHIEF EXECUTIVE OFFICER

ANDREW PAGE
CHIEF FINANCIAL OFFICER

Severfield plc
Registered in England No.1721262

Company statement of changes in equity

Year ended 28 March 2026

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
At 29 March 2025	**7,405**	**88,522**	**3,586**	**24,566**	**124,079**
Total comprehensive expense for the year	–	–	–	(21,709)	(21,709)
Equity-settled share-based payments	–	–	(643)	1,073	430
Reclassification*	–	–	334	(334)	–
At 28 March 2026	**7,405**	**88,522**	**3,277**	**3,596**	**102,800**

* This is to correct a prior period error. The adjustment increases other reserves by £334,000 and decreases retained earnings by £334,000. The directors do not consider the effect on the prior period financial statements to be material, hence prior period balances are not restated.

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
At 31 March 2024	7,739	88,522	3,189	33,473	132,923
Total comprehensive income for the year	–	–	–	10,387	10,387
Equity-settled share-based payments	–	–	(920)	2,115	1,195
Purchase of own shares	–	–	(9,262)	–	(9,262)
Cancellation of own shares	(334)	–	9,262	(8,928)	–
Allocation of owned shares	–	–	1,317	(1,317)	–
Dividends paid	–	–	–	(11,164)	(11,164)
At 29 March 2025	7,405	88,522	3,586	24,566	124,079

Notes to the company financial statements

Year ended 28 March 2026

1. Significant accounting policies

Basis of accounting

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). In preparing these financial statements, the Company applies the recognition measurement and disclosure requirements of UK-adopted international accounting standards, but makes amendments where necessary in order to comply with the Companies Act 2006 and, as set out below, where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of a cash flow statement and related notes, related party transactions and comparative period reconciliations. In addition, disclosures in relation to share capital (note 24), share premium and dividends (note 9) have not been repeated here as there are no differences to those provided in the consolidated financial statements.

Except as noted below, the Company's accounting policies are consistent with those described in the consolidated financial statements of Severfield plc.

Profit of the Parent Company

The Company has taken advantage of section 408 of the Act and, consequently, the statement of comprehensive income (including the profit and loss account) of the Parent Company is not presented as part of these accounts.

Audit fees

The Company has taken the exemption granted under SI 2008/489 not to disclose non-audit fees paid to its auditor.

Employees

Directors' remuneration and details of their share-based payments are disclosed in the audited part of the Directors' remuneration report on page 128 and in notes 6 and 23 to the consolidated financial statements.

Investments

Investments in subsidiaries, joint ventures and associates are stated at cost less, where appropriate, provisions for impairment.

Amounts owed by subsidiary undertakings

The Company holds intercompany loans with subsidiary undertakings, which are repayable on demand. None of these loans are past due nor impaired. Expected credit losses on these balances are not considered material. The carrying value of these loans approximates to their fair value.

2. Tangible fixed assets

	Land and buildings £000	Fixtures, fittings and office equipment £000	Motor vehicles £000	Total £000
Cost				
At 30 March 2025	66,129	2,039	–	68,168
Additions	–	–	–	–
Disposals	–	–	–	–
At 28 March 2026	**66,129**	**2,039**	**–**	**68,168**
Accumulated depreciation				
At 30 March 2025	13,423	502	–	13,925
Charge for the year	504	172	–	676
Impairment	94	154	–	248
Disposals	–	–	–	–
At 28 March 2026	**14,021**	**828**	**–**	**14,849**
Carrying amount				
At 28 March 2026	**52,108**	**1,211**	**–**	**53,319**
At 30 March 2025	52,706	1,537	–	54,243

The Company's land and buildings include those that are occupied and used by some of the Company's subsidiary undertakings. The rental income from these assets in the current year was £600,000 (2025: £600,000), which is set at a rate only to cover certain of the costs of maintaining the properties.

3. Right-of-use assets

	Long leasehold land and buildings £000	Fixtures, fittings and office equipment £000	Motor vehicles £000	Total £000
Cost				
At 30 March 2025	1,256	1,284	75	2,615
Additions	1,046	–	–	1,046
Disposals	(410)	–	–	(410)
At 28 March 2026	**1,892**	**1,284**	**75**	**3,251**
Accumulated depreciation				
At 30 March 2025	208	556	22	786
Charge for the year	166	257	19	442
Impairment	433	–	–	433
Disposals	–	–	–	–
At 28 March 2026	**807**	**813**	**41**	**1,661**
Carrying amount				
At 28 March 2026	**1,085**	**471**	**34**	**1,590**
At 30 March 2025	1,048	728	53	1,829

Notes to the company financial statements
Year ended 28 March 2026 **continued**

4. Investments
In accordance with Section 409 of the Companies Act 2006, a full list of subsidiaries, joint ventures and associated undertakings, including their country of incorporation, as at 28 March 2026, is disclosed below. All of these had a reporting period ended 28 March 2026, except where indicated.

Name of undertaking	Incorporated in	Class of capital
100% owned by Severfield plc		
Severfield Commercial and Industrial Limited (formerly Severfield (UK) Limited)	England and Wales	Ordinary
Severfield Commercial and Industrial (NI) Limited(i) (formerly Severfield (NI) Limited)	Northern Ireland	Ordinary
Severfield (Design & Build) Limited	England and Wales	Ordinary
Severfield Modular Solutions Limited (formerly Severfield (Products & Processing) Limited)	England and Wales	Ordinary
Severfield Europe Holdings B.V.(vii)	Netherlands	Ordinary
Severfield (Nuclear and Infrastructure) Limited	England and Wales	Ordinary
Severfield International Limited	England and Wales	Ordinary
Severfield Mauritius Limited(iii)	Mauritius	Ordinary
Severfield Infrastructure Limited	England and Wales	Ordinary
Leeds 27 Limited**	England and Wales	Ordinary
100% owned by Severfield Europe Holdings B.V.		
Voortman Design and Build B.V.(vii)	Netherlands	Ordinary
Severfield Steel Construction Netherlands B.V.(vii)	Netherlands	Ordinary
Severfield Europe B.V.(ii)	Netherlands	Ordinary
Severfield Steel Projects B.V.(vii)	Netherlands	Ordinary
Severfield De Haven B.V.(vii)	Netherlands	Ordinary
Severfield Sales & Projects Management B.V.(vii)	Netherlands	Ordinary
Severfield International Steel Projects B.V.(vii)	Netherlands	Ordinary
50% owned by Severfield plc		
Construction Metal Forming Limited*(iv)	England and Wales	Ordinary
50% owned by Severfield Mauritius Limited		
JSW Severfield Structures Limited(v)†	India	Ordinary
50% owned by Severfield Steel Projects B.V.		
Bouwcombinatie Van Wijnen(vii)†	Netherlands	Ordinary
33% owned by Severfield plc		
Fabsec Limited*(vi)	England and Wales	Ordinary

* Companies with a reporting period ended 31 December 2025.

** Dormant company.

‡ Unless otherwise stated, the registered office address for each of the above is Severs House, Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire YO7 3JN.

† Companies with a reporting period ended 31 March 2026.

Registered office classification key:

(i) Fisher House, Main Street, Ballinamallard, Enniskillen, Co Fermanagh BT94 2FY .

(ii) Hoge Mosten 12, 4822 NH Breda, Netherlands.

(iii) Felix House, 24 Dr. Joseph Rivière Street, Port Louis, Mauritius.

(iv) Millennium House, Severn Link Distribution Centre, Newhouse Farm Industrial Estate, Mathern, Chepstow NP16 6UN.

(v) 401 Grande Palladium, 4th Floor, 175 CST Road, Kalina, Santacrus East, Mumbai, India, 400098.

(vi) Unit 561 Avenue E East, Thorp Arch Estate, Wetherby LS23 7DB.

(vii) Plaagslagen 16 7463 PH Rijssen, Netherlands.

4. Investments continued

	2026 £000	2025 £000
Investment in subsidiaries	151,812	172,290
Investment in joint ventures	2,927	9,317
	154,739	181,607

Investment in subsidiaries

	£000
Cost	
At 30 March 2025	172,290
Investment in the year	–
At 28 March 2026	**172,290**
Provision for impairment	
At 30 March 2025	–
Impairment in the year	20,478
At 28 March 2026	**20,478**
Net book value	
At 28 March 2026	**151,812**
At 30 March 2025	172,290

The Group has assessed the risk of impairment in relation to its subsidiaries, taking into account current year trading performance, which has resulted in an impairment of the investment in Severfield Infrastructure. In addition to the £22,923,000 investment in the subsidiary, the has amounts due from the of £11,283,000, these balances have been considered when assessing impairment as their recoverability are dependant on the future cash flows of the Company. A recoverable amount of £13,727,000 was based on a value in used model and gives rise to a £20,478,000 impairment of the investment.

The impairment reflects management's evolved strategy for the business, including a renewed focus on its core markets and the implementation of a new leadership team to drive operational improvements and long-term performance. Whilst these actions are expected to support a more sustainable and resilient business model, they have resulted in a reassessment of the Company's growth prospects and profitability assumptions, particularly in the later years of the forecast period. In addition, changes in the anticipated mix and timing of future project activity have reduced projected cash flows. Combined with an increase in the discount rate applied to those cash flows, reflecting current market conditions and risk factors, this has led to a reduction in the recoverable amount of the investment.

Notes to the company financial statements

Year ended 28 March 2026 **continued**

4. Investments continued

Investment in joint ventures

	£000
Cost	
At 30 March 2025	9,317
Investment in the year	–
At 28 March 2026	**9,317**
Provision for impairment	
At 30 March 2025	–
Impairment in the year	6,390
At 28 March 2026	**6,390**
Net book value	
At 28 March 2026	**2,927**
At 30 March 2025	9,317

The Group has assessed the risk of impairment in relation to its joint ventures, taking into account current year trading performance. Based on this assessment, management has concluded a £6,390,000 impairment was required against its investment in CMF. The recoverable amount of the investment was determined on the value of its discounted future cashflows. The impairment was driven by a deterioration in market conditions affecting the Company's operating environment, which resulted in downward revisions to forecast revenues and cash flows. In addition, a higher discount rate has been applied during the year, further reducing the recoverable amount of the investment.

5. Debtors – amounts falling due within one year

Current assets	2026 £000	2025 £000
Other debtors	**1,455**	2,367
Amounts owed by JVs and associates	**1,997**	1,056
Corporation tax recoverable	**1,399**	–
	4,851	3,423

Non-current assets	2026 £000	2025 £000
Amounts owed by subsidiary undertakings	**32,098**	34,498
	32,098	34,498

Amounts owed by subsidiary undertakings are non-interest bearing and repayable on demand. They are classified as non-current where we don't expect a repayment in the next 12 months. No impairment of the receivable was recorded at 28 March 2026 or 29 March 2025.

6. Creditors – amounts falling due within one year

Current liabilities	2026 £000	2025 £000
Other creditors and accruals	6,196	11,331
Amounts owed to subsidiary undertakings	75,728	71,605
Amounts owed to JVs and associates	113	113
Corporation tax liability	–	1,574
Deferred tax liability (note 8)	3,258	6,183
	85,295	90,806

Non-current liabilities	2026 £000	2025 £000
Other creditors and accruals	–	130
	–	130

7. Provisions

	Legacy employment tax £000	Onerous lease	Total £000
Balance at 31 March 2004	3,373	–	3,373
Provisions made during the year	–	–	–
Provisions released during the year	(1,373)	–	(1,373)
Provisions used during the year	–	–	–
Balance at 29 March 2025	**2,000**	–	**2,000**
Provisions made during the year	–	4,075	4,075
Provisions released during the year	–	–	–
Provisions used during the year	(2,000)	–	(2,000)
Balance at 28 March 2026	**–**	**4,075**	**4,075**

The resulting cash outflows for the onerous lease provision are expected to occur as £636,000 within 12 months and £3,439,000 after 12 months.

Legacy employment tax charge

During the prior year, the Group reached a final settlement, with HMRC, for an assessment on historical income tax and national insurance ('NIC') liabilities. During the current year, full payment was made in line with the agreement.

Onerous leases

The Group assesses whether its lease contracts are onerous at the end of each reporting period, recognising a provision when unavoidable costs (net of sublease income) exceed expected benefits. Before this, any impairment loss on the associated right-of-use asset is recognised. Provisions are measured at the present value of the net costs of exiting or fulfilling the contract, with movements charged to the profit or loss statement.

Notes to the company financial statements

Year ended 28 March 2026 **continued**

8. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	2026 £000	2025 £000
Deferred tax liabilities	**(6,801)**	(6,949)
Deferred tax assets	**3,543**	766
	(3,258)	(6,183)

Deferred tax – movement for the year:

	Excess capital allowances £000	Trading losses £000	Other temporary differences £000	Total £000
At 31 March 2024	(7,027)	–	471	(6,556)
Current year credit	78	–	295	373
At 29 March 2025	(6,949)	–	766	(6,183)
Current year charge	148	2,458	319	2,925
At 28 March 2026	**(6,801)**	**2,458**	**1,085**	**(3,258)**

Addresses and advisers

Registered office and headquarters

Severfield plc

Severs House
Dalton Airfield Industrial Estate
Dalton, Thirsk
North Yorkshire
YO7 3JN

Operational businesses

Severfield Commercial and Industrial Limited

Severs House
Dalton Airfield
Industrial Estate
Dalton, Thirsk
North Yorkshire
YO7 3JN

Severfield (Design & Build) Limited

Ward House
Sherburn
Malton
North Yorkshire
YO17 8PZ

Severfield Commercial and Industrial (NI) Limited

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Enniskillen
Co Fermanagh
BT94 2FY

Severfield Modular Solutions (formerly Severfield (Products & Processing) Limited)

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YO7 3JN

Severfield Europe B.V.

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4822 NH Breda
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Severfield (Nuclear and Infrastructure) Limited

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Severfield Infrastructure Limited

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