MARKET INSIGHT / UK CONSTRUCTION

SEPTEMBER 2026

Round-Up of Financial Reports

Three months of results, read for the margin.

THE 2026 REPORTING SEASON, TO 7 SEPTEMBER

REVENUE · OPERATING PROFIT · MARGIN

FOURTEEN ANNOUNCEMENTS, COMPILED BY ARCAVIA CONSULTING

→ COMPANY BY COMPANY — SWIPE

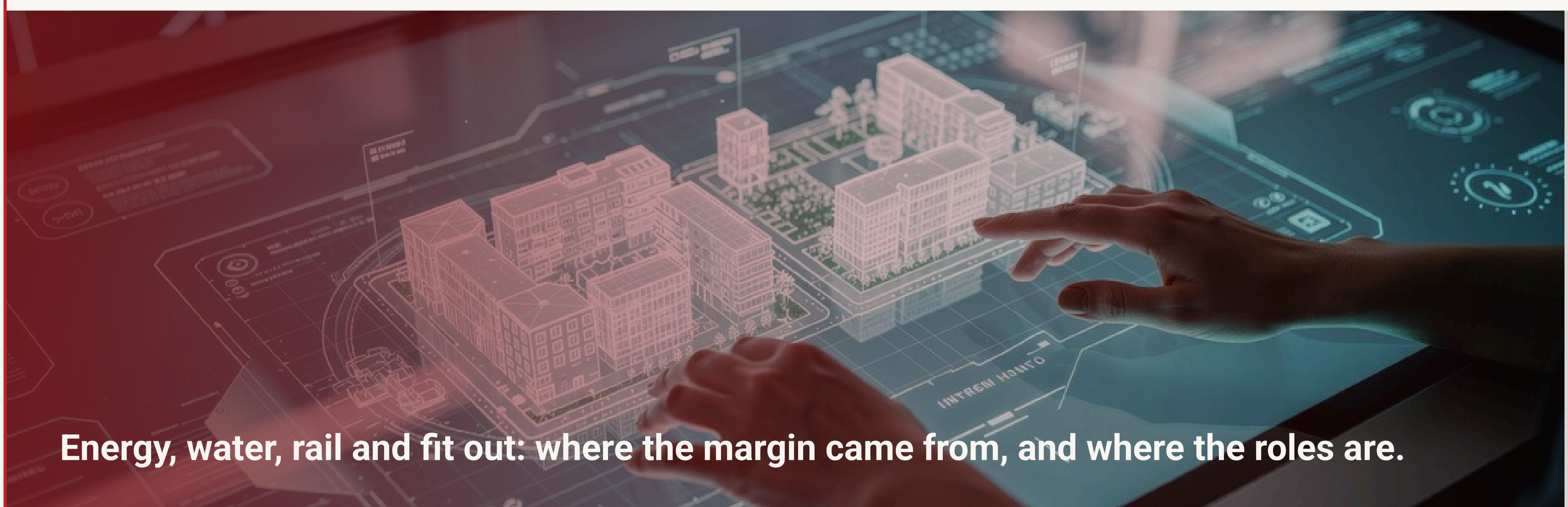
Executive summary

Five firms widened the margin, and one held the line.

FIRMS THAT WIDENED THE MARGIN	WIDEST MARGIN OF THE SEASON	BEST DIVISIONAL MARGIN
5	**7.3%**	**9.1%**
Keller, Morgan Sindall, Kier, Balfour Beatty and Laing O’Rourke	Keller, and its fourth half running above 7%	Balfour Beatty support services, up from 6.9%

UK construction has come through the summer reporting season in noticeably better health. Keller lifted its underlying operating margin to 7.3%, Morgan Sindall reached 4.4% on record interim numbers, Balfour Beatty took its earnings-based businesses to 2.9% and raised full-year guidance, Kier added a further 10 basis points to 3.5% and Laing O’Rourke more than doubled its pre-tax margin to 2.2%. Costain held steady at 3.2% on a record £7.0bn of forward work.

Almost all of that improvement traces back to the same few markets. Power transmission, water, rail and commercial fit out are where the divisional margins now reach 9.1% and 6.9%, and where firms are raising their medium-term targets rather than defending them. Kier and Galliford Try have both pre-announced at the top end of expectations ahead of results in September, while the materials producers and specialist engineers are working to recovery targets of their own. Beyond the UK, ACS Group widened its EBITDA margin at every level in the first quarter, with Dragados out to 6.2%.



Energy, water, rail and fit out: where the margin came from, and where the roles are.

Margins widened

Five firms grew the margin as well as the revenue.

COMPANY	REVENUE	OPERATING PROFIT	MARGIN
Keller Half year to 30 June 2026	**£1,608m**	**£117.9m** Underlying operating	**7.3%** from 7.0%
Morgan Sindall Half year to 30 June 2026	**£2,562m**	**£111.5m** Adjusted operating	**4.4%** from 3.9%
Kier[2] Half year to 31 December 2025	**£2,029m**	**£71.0m** Adjusted operating	**3.5%** from 3.4%
Balfour Beatty[1] Half year to 26 June 2026	**£5,266m**	**£153m** Underlying PFO	**2.9%** from 2.2%
Laing O'Rourke Year to 31 March 2026	**£3,690m**	**£80.1m** Profit before tax[3]	**2.2%** from 1.0%

Margin wider Margin held Margin narrower

Keller and Morgan Sindall are both running roughly twice the margin of a typical main contractor, and both did it while growing revenue by double digits. Balfour Beatty lifted profit from its earnings-based businesses 42% to £153m and raised full-year guidance, helped by a £33m swing in US construction, while Kier took its margin up a further 10 basis points on a record order book.

THE PATTERN

Every one of the five is weighted to energy, water, rail or fit out. **Keller has now held an underlying operating margin above 7% for four consecutive halves**, and Laing O'Rourke more than doubled its margin on turnover 6.6% lower than the year before.

1 Balfour Beatty's 2.9% is the margin on its earnings-based businesses, the basis the company reports it on; group revenue including Infrastructure Investments was £5,563m. 2 Kier's most recent published margin, announced 3 March 2026; its FY26 results follow on 15 September. 3 Laing O'Rourke reports a pre-tax rather than operating margin.

Where the margin came from

Power transmission, water, rail and fit out.

The margin expansion is not spread evenly across these businesses. It is concentrated in the divisions pointed at grid upgrades, AMP8 water, rail and commercial fit out — and in the American market, where Balfour Beatty's buildings business turned a loss into profit inside twelve months.

9.1%

BALFOUR BEATTY SUPPORT SERVICES

From 6.9%, on power transmission growth

6.9%

MORGAN SINDALL FIT OUT

Revenue up 19% to £996m

+£33m

BALFOUR BEATTY US CONSTRUCTION

£22m profit, from an £11m loss

Where the best margins sit

Divisional margins run well ahead of group margins.

DIVISION	REVENUE	OPERATING PROFIT	MARGIN
Balfour Beatty Support services	£727m	£66m Underlying PFO	9.1% from 6.9%
Morgan Sindall Fit out	£996m	£69.1m Adjusted operating	6.9% held at 6.9% c
Kier Infrastructure Services	£1,083m	£48.2m Adjusted operating	4.5% held at 4.5% c
Morgan Sindall Infrastructure	£468m	£18.3m Adjusted operating	3.9% from 3.8% c
Kier Construction	£920m	£36.3m Adjusted operating	3.9% held at 3.9% c
Morgan Sindall Partnership Housing	£347m	£13.2m Adjusted operating	3.8% from 3.3% c
Balfour Beatty UK construction	£1,569m	£54m Underlying PFO	3.4% from 3.6%
Morgan Sindall Construction	£742m	£24.4m Adjusted operating	3.3% from 2.6%
Balfour Beatty Gammon	£495m	£11m Underlying PFO	2.2% from 3.1%
Balfour Beatty US construction	£2,475m	£22m Underlying PFO	0.9% from −0.5%

c Prior-year divisional margins marked c are arithmetic on the reported revenue and profit figures rather than a stated margin. Kier's divisions cover its half year to 31 December 2025; the others are the half years to June 2026. Balfour Beatty's UK construction comparative carried a £10m one-off credit.

Held steady, and guided higher

One firm held the line; two have already pre-announced.

COMPANY	REVENUE	OPERATING PROFIT	MARGIN
Costain Half year to 30 June 2026	**£543.1m**	**£17.3m** Adjusted operating	**3.2%** held at 3.2%

Costain held its margin flat while growing operating profit 3.0% and revenue 3.4%, doubled the interim dividend, and kept forward work at a record £7.0bn covering 91% of both FY26 and FY27 consensus revenue. It is guiding to a sixth consecutive year of profit growth and a step change from FY27 as water, Heathrow and the M60 move into construction phase.

KIER — ORDER BOOK

£11.9bn

Up 8%, covering over 90% of FY27 revenue. Full-year results at the top end of market expectations, published 15 September.

GALLIFORD TRY — ADJUSTED PBT

c.£53m

Towards the top of the analyst range and a sixth straight year of revenue, profit and cash growth. Results 17 September.

Kier and Galliford Try have both pre-announced through trading updates; neither has yet published a full-year margin, so neither appears in the tables above.

Materials and specialists

A different basis, a different point in the cycle.

COMPANY	REVENUE	OPERATING PROFIT	MARGIN
Speedy Hire Year to 31 March 2026	£416.1m	£85.4m EBITDA	20.5% from 23.3%
Ibstock Half year to 30 June 2026	£164.2m	£25.7m Adjusted EBITDA	15.7% from 18.4% [c]
Breedon Half year to 30 June 2026	£857.9m	£115.5m Underlying EBITDA	13.5% from 14.1%
Severfield [3] Year to 29 March 2026	£454.3m	£10.5m Underlying pre-tax	2.8% from 4.8%
Winvic Year to 31 January 2026	£1,003m	£30m Profit before tax	2.5% from 2.8%

OUTLOOK

Every one of these has published a route back. **Severfield is targeting 7–8% operating margins on £500–550m of revenue**, with a record year in India already behind it. Speedy Hire has opened FY27 with EBITDA up 13% and £90m of annualised contract wins. Breedon delivered its first like-for-like first-half revenue growth since 2023, and Winvic expects to clear £1bn again in 2027.

3 Severfield's 2.8% is an operating margin; the profit column shows underlying pre-tax profit, the figure the company reports. c Ibstock's prior-year margin is arithmetic on reported EBITDA and revenue.

Inside the materials businesses

The divisional picture is more varied than the group one.

DIVISION	REVENUE	EBITDA	MARGIN
Ibstock Clay	£120m [c]	£23.4m Adjusted EBITDA	19.5%
Breedon Ireland	£154.3m	£27.9m Underlying EBITDA	18.1% from 19.7% [c]
Breedon Great Britain	£556.3m	£81.1m Underlying EBITDA	14.6% from 14.9%
Breedon United States	£152.2m	£13.8m Underlying EBITDA	9.1% up 20bps like-for-like
Ibstock Concrete	£45m [c]	£3.7m Adjusted EBITDA	8.3%

Breedon grew revenue in all three territories and delivered its first like-for-like first-half revenue growth since 2023, with the United States up 20% on a reported basis and its margin ahead by 20 basis points like-for-like as the business scales. Ireland still returns the best margin of the three at 18.1%, and carried an unscheduled cement mill shutdown worth about £2m of EBITDA in the half.

c Ibstock’s divisional revenue is arithmetic on its reported EBITDA and margin; the company publishes the margin rather than the revenue. Prior-year divisional margins are shown where the company reports enough to calculate them.

ACS Group and Dragados

First quarter 2026, and the margin wider at every level.

BUSINESS	SALES	EBITDA	MARGIN
ACS Group Three months to 31 March 2026	**€12,344m**	**€772m** EBITDA	**6.3%** from 5.9%
Engineering & Construction Three months to 31 March 2026	**€2,630m**	**€173m** EBITDA	**6.6%** from 5.8%
Dragados Three months to 31 March 2026	**€2,261m**	**€141m** EBITDA	**6.2%** from 5.6%

Dragados grew sales 10.8% on an FX-adjusted basis and EBITDA 23.1%, widening its EBITDA margin by 59 basis points to 6.2%. Across Engineering & Construction the margin improved 75 basis points to 6.6%, and at group level ACS lifted operational net profit 25% to €239m, closed the quarter on a record €99.8bn order backlog and raised full-year operational net profit guidance to €1,030–1,070m, growth of 20 to 25%.

CONTEXT

These are first-quarter figures, published on 12 May, so they sit outside the summer window the rest of this carousel covers. **They are also EBITDA margins in euros, which sit above an operating margin on the same business** — so read them alongside the sterling tables rather than against them.

Source: ACS Group Q1 2026 results presentation, 12 May 2026, pages 3, 17 and 27. Sales and EBITDA growth rates quoted in the text are FX-adjusted; the euro figures in the table are as reported.

What it means for hiring

01 **The margin is a people strategy now**

Laing O'Rourke doubled its pre-tax margin on turnover 6.6% lower, and across the season the firms that widened their margins grew profit faster than revenue rather than the other way round. That puts the premium on bid leadership, commercial leadership and planners who can price risk properly.

02 **Energy, water and rail are where the roles are**

Support services at 9.1%, Keller at 7.3% on data centres and infrastructure, Costain's £7.0bn of forward work in grid and reservoirs. These are the divisions with raised targets, and a raised target has to be resourced.

03 **Fit out is quietly the best margin in the market**

Morgan Sindall's fit out business held a 6.9% margin while growing revenue 19% to £996m, and now carries a £100–130m annual profit target. Two and a half times the margin of most main contracting.

04 **Secured workload gives candidates real visibility**

Balfour Beatty is carrying a £22.9bn order book, Laing O'Rourke a record £17.2bn and Kier £11.9bn covering over 90% of next year's revenue. For anyone weighing a move, that is the most secured pipeline the market has offered in years.

About Arcavia Consulting

Strategic hiring and embedded recruiting for design and construction.

Arcavia is a strategic hiring and embedded recruiting company for the design and construction markets, operating throughout the UK, Europe and North America. We work as an extension of a client's own team rather than at arm's length from it, and three things sit at the front of how we deliver.

TECHNOLOGY	We build our own tooling to map a market before anyone is approached, so a search starts from **evidence about who is out there** rather than from whoever happens to be visible or available.
JUDGEMENT	Data narrows a field; it does not choose. What we add is **a considered view on who will succeed in a specific role, in a specific business**, and the confidence to say when someone will not.
MARKET KNOWLEDGE	We track the numbers behind the businesses we recruit for, season by season. Analysis like this carousel is **how we stay current**, and why a conversation with us starts with the market rather than a CV.

Source: company results announcements and trading updates published to 7 September 2026, compiled by Arcavia Consulting. Balfour Beatty, Costain, Kier and ACS figures are taken from the company's own results statement or presentation; the remainder from company releases and reported results. Kier's half year was announced on 3 March and ACS's first quarter on 12 May, both ahead of the summer window; every period is stated on the row. Revenue and profit are as reported on each company's own basis — underlying, adjusted or statutory — over half-year or full-year periods as marked, and are not restated to a common basis. Prior-year margins marked c are arithmetic on two published figures rather than a stated margin. Analysis and interpretations are our own.