REPORT AND ACCOUNTS 2026

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A NEW DELIVERY PARADIGM

Powering the 21st Century's Industrial Revolution

LAING O'ROURKE

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Our success is due to the experience of our people

We invest in mentoring programmes in support of gender parity

The talent we invest in gives us our competitive edge

Our business has been built on a simple, but powerful idea – that there is a better way of doing things – for our people, our clients, our delivery partners, and the planet.

Cathal O'Rourke
Group Chief Executive Officer

Financial performance highlights

Managed revenue[1]
£5.0bn
FY25: £5.2bn

Pre-exceptional gross margin
9.7%
FY25: 6.9%

Pre-exceptional EBIT[2]
£157.7m
FY25: £111.3m

Net cash
£456.8m
FY25: £284.7m

Group revenue
£3.7bn
FY25: £4.0bn

Net assets
£294.8m
FY25: £218.7m

Operational performance highlights

Order book[3]
£17.2bn
FY25: £11.9bn

Emissions intensity (tCO_2e/£m Group revenue)
278
FY25: 310

Client satisfaction
78.0%
FY25: 73.5%

Accident frequency rate
0.10
FY25: 0.13

Powering the 21st Century's Industrial Revolution

1. FY25 data has been restated from £4.7bn to £5.2bn due to certain inter-segment revenue being incorrectly excluded.
2. See notes 4 and 29 to the financial statements.
3. Order book represents the value of work outstanding on secured, anticipated, and preferred bidder contracts, on a managed revenue basis.

AT A GLANCE

Laing O'Rourke is an international engineering and manufacturing-led construction company delivering state-of-the-art infrastructure and buildings projects.

Hinkley Point C, Somerset, UK

OUR PURPOSE

Pushing the boundaries of what's possible, in service of humanity

OUR VALUES

Care

We do what's best for our people to improve their lives and the world around us

Integrity

We do things the right way

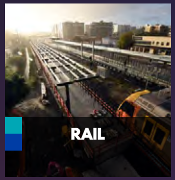
Courage

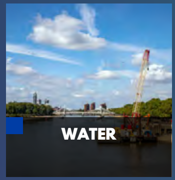
We are willing to confront the unknown and challenge the status quo

Our purpose and values are what make us unique in who we are, and they drive the impact we want to have as a business in the world. At our core is the ambition to be a force of positive change in our industry and to push the boundaries of possibility.

Our strong sense of purpose and underpinning values stem from our family ownership and a passion to deliver projects that improve the lives of the communities they serve.

Our hubs' priority sectors





Europe Hub   Australia Hub

Number of employees[1]

Europe Hub
12,972

Australia Hub
2,519

Group revenue

Europe Hub
£2,564.1m

Australia Hub
$2,239.0m

1. Average number of employees during FY26. The Europe Hub figure also includes those people employed by BYLOR Services Limited.

GROUP CHAIRMAN'S STATEMENT

We will continue to innovate technically, on the foundational principle that it is to liberate the skill and potential of our greatest resource, our people.

Ray O'Rourke KBE
Group Chairman

One of the pleasures and privileges of stepping into the role of Laing O'Rourke Chairman has been the daily experience of inspiration when I see our people applying our values and purpose to every level of operations. To witness their intuitive care, integrity, and courage to push the boundaries of what is possible in service of humanity is also to share an understanding with them that we have a vision for our industry's future that comes from the right place and will be shaped the right way, for the right reasons. If I feel renewed in my new role, the credit goes to the purpose-led culture of Laing O'Rourke and the people who consistently bring it to life.

The trust I have in them is based on a shared understanding of our purpose to push the boundaries of what is possible in service of humanity. The transition has been smooth for me, and for that I owe a debt to my predecessor, Sir John Parker, whose trusted counsel continues to be a source of personal strength and resolve. I first met Sir John in 2008 when, as then Chairman of Anglo American, he invited me to join the Board, affording me a first-hand perspective on how a large PLC can be effectively chaired. When the opportunity arose to bring his talents to Laing O'Rourke, I didn't think twice.

He modelled for me what good looks like: rigour in guiding plans, equal rigour in supporting the delivery of them, and to personify the resilience we try to instil within the company as a whole.

A chairman is only ever as effective as his board, and in the past year we have refreshed the Board with significant additions. Helen Ruelle joined the Board from 1 April 2026 as Group Company Secretary and as a director. We are delighted to retain the experience of our long-serving Company Secretary Jim Edmondson as he moves to a non-executive director position, with our gratitude for his service to date. Jim serves on both the Sustainability and Safety Committees. Mark Foy CBE joined the Board in November 2025 as a non-executive director. Formerly the Chief Executive and Chief Inspector of the Office of Nuclear Regulation, we welcome his expertise in regulatory excellence and nuclear safety and security. Mark chairs our Safety Committee and is a member of the Remuneration Committee. Heather MacCallum, who first joined the Board in 2022, and whose rigour we have appreciated, has taken on the new position of Senior Independent Director. Heather chairs the Audit and Risk Committee and is a member of the Nomination and Remuneration Committees.

I would also like to add my congratulations to Dame Hayaatun Sillem who received the Dame Commander of the Order of the British Empire in the King's Birthday Honours in June 2026. This recognition is a fitting tribute to her exceptional contribution and distinguished service across industry and academia in the UK. Earlier in the year, Dame Hayaatun agreed to assume the role of

We have created blueprints for new paradigms of delivery and work that can set new standards for our industry for years to come.

Stephen A. Schwarzman Centre for the Humanities, Oxford, UK
© Hufton+Crow

Chair of our Sustainability Committee. She is also a member of our Nomination and Audit and Risk Committees.

Our Group Executive Committee (GEC) has been strengthened with the addition of our Chief People Officer Wayne Davies. With an eye on the future of all our people, and our intention to meet the challenges and opportunities of a changing landscape of work, Wayne's appointment in the newly created role is a signal of intent and policy. We will continue to innovate technically on the foundational principle that it is to liberate the skill and potential of our greatest resource, our people.

We have always encouraged our people to innovate and problem-solve. The resilience of operational discipline we have required when the market has been historically tight has always been matched by our team's resolve to do more than survive, but instead to thrive. The betterment of humanity that we work for starts with a commitment to the health and safety of our employees and sustainability commitments for the environments they work in and define. As we turn towards the next strategic cycle, ensuring the attraction, retention, working longevity, and fullest potential of our people is at the heart of our thinking.

Our commitment to these principles is rooted not only in our values, especially 'Care' for all of our people, but also in our reading of the market. We have held a longstanding view that demographic pressures on the industry, historically unprecedented needs for key infrastructure, and traditional methodologies' inability to meet demand, would eventually produce a reckoning for the industry. We wanted to be ready for that moment and considered investment in our people, and a belief in what they could achieve if empowered by the right technology and training, to be the key to that.

We are now operating in a market that has begun to recognise the value we bring and particularly the delivery certainty, and safe and sustainable methodology we offer. At a historical moment where there is greater uncertainty, the relevance of a robust, purpose-led company, designed to flex to meet challenges with curiosity and ingenuity, is all too apparent. The evidence is in our recently announced partnership to deliver the infrastructure programme for the 2032 Brisbane Olympics or to bring our advanced manufacturing-led methodology to the Sizewell C reactor project. Both speak to the market moving towards us with confidence that we will deliver.

The opportunity before us is to bring these clients and other partners with us as we redefine what is possible for our industry. We will always be judged, and will judge ourselves, on the fundamental certainties of delivery that our clients need. In shaping ourselves to meet those needs, we have created blueprints for new paradigms of delivery and work that can set new standards for our industry for years to come. It is inspirational to be surrounded by the talented people driving this forward. So, as I conclude my first year as Group Chairman, it is gratifying to note that my enthusiasm to improve our industry remains as vivid as the day the company started.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

We continue to advocate for the most progressive, resilient model of the construction industry we can imagine and build.

Cathal O'Rourke
Group Chief Executive Officer

As I reflect on the year that has been, I am struck by an enormous sense of pride. I am proud of what we have achieved together with our people across the globe, proud of the goals we have set for ourselves for the future, and I am proud of our commitment to continuing to imagine what's possible for our industry.

For the third consecutive year we have delivered growth in our profit, net cash position, and order book, which sat at year end at a record £17.2bn. We have done what we said we'd do – we have built resilience into our business, which provides us with a foundation to move forward.

We have a plan to shape the industry into one that reduces manual strain, improves productivity, and ensures greater certainty in safety, quality, and commercial outcomes – a journey to a new delivery paradigm.

Our success is due to the talent and commitment of our people, the loyalty and support of our supply chain partners, and the trust our clients place in us to deliver their projects with certainty. I begin my review with sincere thanks to them all.

Resilience and resolve

If 'resilience and certainty' has defined our focus in recent years, then the financial year 2025/26 has been defined by our resolve – how we show up as leaders, make deliberate choices, and act with clarity in a more demanding environment.

In our annual report last year, we committed to 'continue to advocate for the most progressive, resilient model of the construction industry we can imagine and build' and this year has been one where we have stayed true to that commitment and made tangible progress as a result.

Programmes are the catalyst for change

Procurement models play a major role in determining our ability to drive the change our industry is ready for. The scale and certainty that major programmes provide gives us the opportunity to work in partnership with our clients to truly change the way we deliver. We have a moral imperative to revolutionise our industry so that our people do not end up in the hospitals we build. We have pioneered industrialised construction for that very reason – to improve the wellbeing of our people. Our methods have also proven to improve the quality and consistency of our product and certainty of delivery for our clients.

As we entered the financial year, we were excited by the productivity benefits our advanced rebar manufacturing facility in Avonmouth was bringing to Hinkley Point C. Our facility has halved the time our people need to be on site compared to what they would using traditional methods. A programme the scale of Hinkley Point C has given us an opportunity to reimagine the way we work, and the work we are doing there is proof that when we come together with our clients and our delivery partners, we can drive innovation that can truly transform an industry. That learning and ambition will be adopted on Sizewell C to realise the further potential of advanced manufacturing and set up a step change in delivery.

In June 2025, we were delighted to sign the Programme Alliance Agreement for the Sizewell C Civil Works Alliance.

In Australia, we have experienced the possibility that major programmes can bring. In 2020, we successfully completed the Woolgoolga to Ballina Pacific Highway Upgrade, where we were able to bring together the private sector innovation and flexibility with the knowledge and experience of the public sector to achieve a real change in procurement, design, and delivery. It set a benchmark and has provided us with a model that we have advocated for since – across sectors and globally.

It shaped our progressive model of delivery, which can be seen in the large-scale Eastern Freeway Upgrades – Burke Road to Tram Road project and Swan River Crossings road programmes where we're also integrating modern manufacturing techniques and digital innovation to drive productivity.

In December, we brought 2025 to an end with much celebration when, in joint venture with AECOM, we were awarded the delivery partner contract for the Brisbane 2032 Olympic and Paralympic Games Venues Infrastructure Program. This appointment is an illustration of the trust our clients place in us. Our team will bring their expertise, innovation, and commitment to not only deliver world-class venues and infrastructure for one of the world's most iconic events, but also create a programme of engagement that will leave a legacy of social value for generations.

In these examples and through all our projects, we are delighted to have partners who understand the value of what we are modelling.

The projects we deliver improve the experience of life. That's why our purpose of pushing the boundaries of what's possible in service of humanity drives everything we do.

That is why I will continue to advocate strongly for the broad and consistent adoption of procurement models that drive productivity and improve outcomes for the people constructing the infrastructure on which communities depend.

Care for our people

Our new delivery paradigm starts with care for our people. They are our most valued resource. So, in designing a model of delivery that utilises advanced manufacturing techniques combining human, robot, computer, and AI interaction, we have created a safer, healthier, more diverse workforce. Our people – the talent we invest in, look after, empower with technology, and retain – are our competitive edge.

I am particularly proud of how our people continue to respond to the uncertainty created by global events, including in the Middle East. I acknowledge that the impacts of these events have been experienced in different ways – but one thing has remained constant and that is the care, integrity, and courage I continue to see from our people every day. I want to take this opportunity to say thank you to our people for living our values. My message to them remains the same as it has been throughout the year – no matter where you were born, which language you speak at home, who you worship, or who you love – you have a place at Laing O'Rourke.

Retaining discipline to drive value

Our record order book demonstrates the value and trust that our clients continue to place in the quality of our work. While we are meeting the needs of the market, ensuring a sustainable and productive construction industry will require continued partnership with them to develop the conditions that will propel our industry forward. We will continue to retain disciplined focus on our priority sectors, where we believe we can deliver and achieve the most value.

We are excited by the opportunities ahead of us, and we look forward to harnessing our expertise to bring solutions and methodologies that will improve productivity and create an industry that becomes a magnet to the best talent. Driven by our purpose and rooted in our values, we will continue to pioneer the evolution of the construction industry for the benefit of our people, our partners and clients, and the communities in which we work.

GROUP CHIEF FINANCIAL OFFICER'S STATEMENT

An improvement in margins has driven the year-on-year progress through enhanced contract models, leveraging our vertically integrated delivery model and the Group's industry-leading innovation.

Paul Teasdale
Group Chief Financial Officer

Order book

£17.2bn

FY25: £11.9bn

Net assets

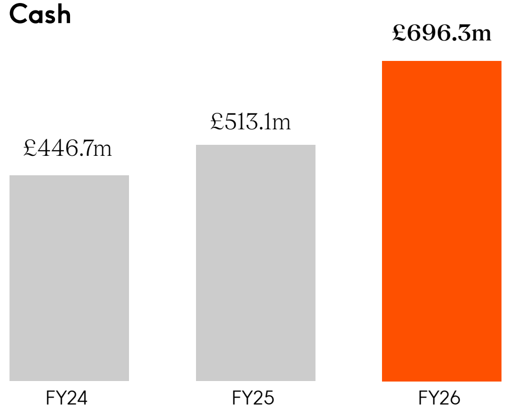
£294.8m

FY25: £218.7m

Our FY26 results have been built on a foundation of discipline. A deliberate strategy to build resilience and certainty into our business provides us with the opportunity to invest in our people and capabilities for the future.

The Group delivered substantial growth in both profit and cash across the year, building on last year's results and consolidating the strength of our financial position. Pre-exceptional EBIT of £157.7m was achieved, up £46.4m or 41.7 per cent (FY25: £111.3m), and year-end cash of £696.3m (FY25: £513.1m). An improvement in margins has driven the year-on-year progress through enhanced contract models, leveraging our vertically integrated delivery model, and the Group's industry-leading innovation. This has led to an increase in our pre-exceptional gross margin from 6.9 per cent to 9.7 per cent.

Cash

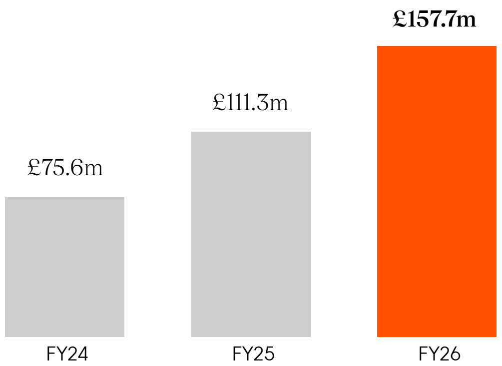


Eastern Freeway Upgrades – Burke Road to Tram Road project, Victoria, Australia

A deliberate strategy to build resilience and certainty into our business provides us with the opportunity to invest in our people and capabilities for the future.

> Find out more in Paul's financial review on page 42.

Pre-exceptional EBIT



This deliberate approach has involved a continued focus on our priority sectors together with maintaining disciplined margin and overhead control. The results of the industry-leading work our people do to innovate is clear through our research and development expenditure credits. This twin track of prudence and focus on key sectors, alongside the ability to innovate in ways that will define the terms for a safe and sustainable construction industry, position us for the unprecedented demands of 21st century infrastructure needs.

Our growth in profit – against a backdrop of significant global headwinds and uncertainty – demonstrates why we remain confident in our strategy.

To achieve such growth requires the underlying confidence that comes from a record order book. Ours has grown to £17.2bn (FY25: £11.9bn), which reflects the confidence that we are delivering safe, good value programmes, underpinned by the resilience to absorb changes, inflation impacts, and regional political shifts. The order book represents approximately five years' revenue.

Along with an increase in our net assets to £294.8m from £218.7m in FY25, we delivered £262.0m (FY25: £128.1m) of cash flow from operations, which converted more cash than profit in the year with a cash conversion ratio of 139 per cent, demonstrating the strength of the financial result in FY26.

We will continue to build resilience and provide certainty by effectively managing risk, taking a disciplined approach to working in our priority sectors where we can deliver the most value, and choosing clients that share our commitment to delivering major projects in true partnership. I am confident that the discipline of our approach and the skill of our people will ensure our continued success.

OUR OPERATING MODEL

We deliver certainty for our clients based on an operating model that harnesses new technologies to maximise the use of pioneering modern methods of construction. Our approach focuses on manufacturing 70 per cent of a project off site and so improving productivity by 60 per cent and achieving a 30 per cent reduction in programme. We deliver the maximum value for our clients from our vertically integrated delivery model by improving coordination across our Specialist Trading Business Group and investing in their internal and external growth opportunities.

OUR PURPOSE

Pushing the boundaries of what's possible, in service of humanity

OUR VALUES

Care

We do what's best for our people to improve their lives and the world around us

Integrity

We do things the right way

Courage

We are willing to confront the unknown and challenge the status quo

OUR UNIQUE OPERATING MODEL

Delivering certainty

Guaranteeing certainty through a manufacturing-led approach to delivery and a vertically integrated supply chain

Technology

Harnessing digital technology in design, manufacturing, and construction

People

Redefining construction and manufacturing as a career of choice that reflects 21st century expectations

COMMITMENT TO SUSTAINABILITY

We understand the role we must play in improving the lives of people while preserving the health of the planet as we deliver the buildings and infrastructure projects society needs. We remain committed to our sustainability targets.

By **2030**

42%

Reduction in Scope 1 and 2

25%

Scope 3 emissions from purchased goods and services

By **2050**

Net zero

Be a net zero company delivering nature-positive solutions

By **2033**

50/50

Gender parity across global staff

SPECIALIST BUSINESSES

Select

expanded

explore MANUFACTURING

Vetter

LAING O'ROURKE RAIL OPERATIONS

MARKET ENVIRONMENT

Our market is defined by short-term volatility and long-term structural pressure, and at Laing O'Rourke we have deliberately built an operating model designed to not only withstand both, but to redefine the environment in which we work.

Labour shortages following Brexit, supply chain disruption from geopolitical instability, and tariff uncertainty, are compounding existing challenges. Productivity across the sector has been declining, and a demographic shift is reducing the availability of skilled tradespeople.

At the same time, demand for complex infrastructure has increased materially. Governments are investing at scale to meet population growth and environmental commitments. This places sustained pressure on the industry to deliver with greater certainty, at pace, and with demonstrable value for money.

We have long anticipated that traditional delivery models would not meet this demand. Our response has been to invest early in advanced manufacturing, integrated delivery, and workforce capability. This positions us to respond proactively to market conditions, rather than react to them.

Three dynamics will shape the next phase of the industry: infrastructure investment, artificial intelligence, and workforce expertise.

Taken together, these dynamics mark a structural inflection point for the industry. Our model is built for this environment, enabling us to respond with the certainty, productivity, and capability that clients increasingly require.

Rebecca Hanley
Group Director, Strategic Programmes

Infrastructure Investment

The opportunity

There are more people with complex infrastructure needs and fewer skilled workers to deliver them. This gap is structural and is unlikely to be resolved without fundamental change in how projects are delivered.

Since the global financial crisis, under-investment in infrastructure and workforce capability has reduced productivity across multiple sectors in our operating regions. Subsequent economic and geopolitical shocks have compounded this position.

Demand is now increasing at pace, driven by population growth and commitments such as net zero. Governments in the UK and

Australia are investing in long-term infrastructure programmes, placing sustained pressure on the industry to deliver.

This gap between demand and delivery capability will not close without fundamental change.

Our response

Our investment in advanced manufacturing techniques has been shaped by the need to improve safety, productivity, and delivery certainty for clients and our people. For decades we have been honing innovations to adapt to – and indeed shape – market dynamics and to drive more certainty and productivity into how major infrastructure is delivered.

We focus our efforts around key sectors that closely align with national infrastructure priorities and apply delivery methodologies that maximise the productivity, flexible deployment, and wellbeing of each worker. We do not innovate in isolation – each advancement we make is tested against where it can deliver the greatest impact across the value chain, having regard to the evolving market context. Our efforts allow us to increase capacity to match the increased demand of infrastructure investment.

Artificial Intelligence

The opportunity

Artificial intelligence (AI) is developing rapidly, with significant potential to reshape decision-making across complex projects. Its pace creates both opportunity and risk, particularly in how it is applied in practice.

It also brings misconceptions: from one view that jobs and decision-making processes will be replaced, to the view that roles will remain unaffected.

Our response

We treat AI as an enabler of better decision-making, not a replacement for it. Its application must retain the empowered worker at the heart of it. Our 'Akordi' platform provides AI-assisted insights for decision-makers across complex infrastructure projects, allowing them to move faster to the critical points of applied knowledge and experience.

AI has the potential to increase the productivity of every worker – from tradespeople to knowledge workers. We back our people, and their experience will always be brought to bear in making informed decisions, whether in the office or on site. AI can improve the quality of what informs them, and help integrate advanced manufacturing techniques with the expertise needed to best apply them.

Workforce Expertise

The opportunity

The demographic challenge facing the workforce is one of the most significant structural constraints in the sector. Traditional working methods are physically and mentally draining on the skilled tradespeople who at this point represent an ageing and diminishing workforce largely recruited for project-based employment (compromising the potential for institutional knowledge to grow). Young people are not attracted to the industry in a sufficient number.

Our response

Laing O'Rourke is rare among construction companies for having a vertically integrated workforce. This allows us to build, retain, and develop capability over time. This creates continuity, strengthens institutional knowledge, and supports safer and more sustainable careers.

It also enables us to design delivery models around the capabilities of our people, rather than treating labour as a variable input. This is fundamental to improving productivity and achieving consistent delivery outcomes.

Our approach is designed not just to withstand these pressures, but to operate effectively within them. It enables us to attract a wider, more diverse cohort of people and, as a result of sustained investment over decades, positions Laing O'Rourke to respond to – and help shape – the opportunities created by current market conditions.

Our early investment in advanced manufacturing, integrated delivery, and workforce capability, has positioned us to respond proactively to market conditions.

OPERATING REVIEW

Through a continued focus on certainty and resilience, the Europe and Australia hubs delivered a strong performance throughout the year. The record Group order book of £17.2bn at 31 March 2026 (FY25: £11.9bn) is proof of the success of our disciplined approach to targeting opportunities in priority sectors with clients whose purpose and values aligns with ours.

We secured and were appointed to 11 projects during the financial year, across our priority sectors.

During the year, we successfully handed over multiple projects, delivering vital social infrastructure to communities across our hubs. Completed projects included:

- Stephen A. Schwarzman Centre for the Humanities for the University of Oxford;
- Oxford North, Phase 1, science and innovation facilities for Stanhope;
- Milton Keynes East, transport infrastructure for Berkeley St James;
- The Whiteley in London for Whiteley Devco;
- Two data centres in the UK and Pure Data Centre's new campus on Yas Island, Abu Dhabi;
- Suburban Rail Loop Initial Works and Early Works in Victoria, Australia ;
- Byford Rail Extension in Western Australia; and
- Queensland Rail Station Accessibility Upgrade Program in Queensland, Australia.

The Europe Hub oversees operations in the UK, Middle East, and Canada. The Australia Hub oversees operations in Australia.

The Ellison Institute of Technology, Oxford, UK

Europe Hub

I am proud of the achievements delivered by our people in FY26. Our business is guided by a clear purpose: to push the boundaries of what's possible in service of humanity, through our values of care, integrity, and courage.

Through their dedication and expertise, we have delivered critical buildings and infrastructure, strengthened our Hub's order book to £15.6bn, and continued to build a resilient business ideally positioned for the future.

Our performance is reflected in strong financial results and a client satisfaction score of 80.1 per cent (FY25: 73.1 per cent).

Hub's group revenue

£2.6bn

FY25: £2.3bn

Hub's pre-exceptional gross profit

£238.6m

FY25: £177.0m

We also made meaningful progress in areas critical to our long-term success. Employee engagement reached 79 per cent, the highest level since 2018. We updated our approach to attracting and developing talent and had record-breaking success in our recent early talent attraction campaigns. We strengthened our focus on safety through our Raising the Bar campaign and our annual Rethinking Safety Day, reinforcing a culture of care, inclusion, and wellbeing. At the same time, we reduced Scope 1 and 2 carbon emissions in the UK by 26 per cent against our FY23 baseline in line with science-based targets, and delivered £265m of social value to the communities in which we operate.

I would like to pay tribute to our team in the United Arab Emirates who have been impacted by regional instability, which began at the end of February 2026. They have been exemplary models of care, integrity, and courage throughout the conflict; we have supported them by prioritising their safety and wellbeing while pausing work temporarily as required to ensure a safe return to operations.

We will continue to monitor the ongoing situation and support our team in the region.

Delivering the plan we set out to achieve with certainty and resilience

In FY26, we focused on delivering projects with certainty while strengthening resilience through disciplined growth in priority sectors.

Our order book reflects the strength of our delivery capability and client relationships, while our disciplined approach ensures we secure work that aligns to our operating model. Alongside this, we have maintained a strong financial position, with group revenue of £2.6bn (FY25: £2.3bn), a pre-exceptional gross margin of 9.3 per cent (FY25: 7.8 per cent), and a net cash position of £265.3m (FY25: £66.8m).

These results ensure we are well positioned to navigate market and geopolitical uncertainty and continue delivering sustainable growth.

What sets us apart

The strength, capability, and commitment of our people differentiate us. Across the Europe Hub, our 12,972 skilled individuals, spanning our staff and trade specialists, worked collaboratively across our delivery and specialist trading businesses.

Our Specialist Trading Business Group continues to provide a clear competitive advantage. Through manufacturing-led construction, early client engagement, and modern methods of construction (MMC), we are enhancing productivity, quality, and carbon performance.

We strengthened off-site manufacturing and modular solutions, including:

- Achieving record volumes through all our UK manufacturing facilities; and
- Continued investment in plant within the Select business to support safety enhancements, including becoming the first UK company to implement anti-entrapment measures on mobile elevating work platforms.

Investment in our people

We invest in the skills needed to industrialise construction and unlock opportunity for our people.

During the year, our first three cohorts of assembly specialists completed their programme. Developed in collaboration with Barnsley College and T3 Training & Development, this new specialism is supported by the UK's first dedicated MMC training facility, which we opened in 2024.

We also strengthened engagement across our front-line directly employed trade specialists through our first trade specialist engagement survey, achieving a 77 per cent score and establishing a baseline for continued improvement.

OPERATING REVIEW – EUROPE HUB (CONTINUED)

We have changed our terminology for our front-line workers, who will now be known as 'trade specialists' instead of 'workforce' to better recognise their skills and expertise. It is a first step that sets us up for longer-term plans to move from trades to technicians.

Delivering critical buildings and infrastructure

Leading the way in green energy

FY26 was a defining year for our work in nuclear and green energy. At Hinkley Point C, our teams continue to deliver one of the UK's most significant infrastructure projects, delivering facilities that will provide zero-carbon electricity for around six million homes.

Advanced manufacturing and digital technologies improved productivity at scale with Reactor Unit 2 taking 20–30 per cent less time to build than Reactor Unit 1.

The investment we made in our advanced rebar manufacturing facility at Avonmouth two years ago has come to bear. Our facility has halved the time our people need to be on site compared to what they would using traditional methods.

This expertise will be carried forward into Sizewell C, where key milestones were achieved, including Final Investment Decision and the signing of a Programme Alliance Agreement to deliver the civil works. Enabling works are now underway marking the next phase of delivery for another nationally significant project.

We also secured further contracts with National Grid to deliver critical high-voltage infrastructure.

An enduring presence in Oxford

We deliver complex, high-quality projects for leading clients across the science and technology sector.

In September 2025, we successfully handed over the Stephen A. Schwarzman Centre for the Humanities at the University of Oxford ahead of schedule.

Using modern methods of construction, we reduced the construction programme to 2.5 years, minimising disruption to the community and enabling earlier fit-out and commissioning.

Our delivery approach also played a significant role in the Centre becoming certified as the largest Passivhaus university building in Europe and the world's first Passivhaus certified concert hall.

We continue to deliver the Ellison Institute of Technology, Oxford, which will be a global centre for science and medicine. With the project due to hand over in 2027, the team achieved major milestones towards completion, including the topping out of two of the main buildings.

We also delivered Oxford North Phase 1 – precision constructed facilities for world-changing science and research.

Beyond Oxford, we signed two contracts in June 2025 with the Department for Environment, Food & Rural Affairs to finalise the detailed design and deliver two main Science Hub buildings at the National Biosecurity Centre in Weybridge.

Healthcare

We strengthened our position in the healthcare sector through our appointment in March 2026 to the Hospital 2.0 Alliance, as part of the New Hospital Programme (NHP). Our deep healthcare expertise, paired with our industrialised approach to construction, has positioned us to deliver the future of healthcare in the UK.

Having completed enabling works in 2025, we signed the main contract to deliver the five-storey Sussex Cancer Centre in Brighton, which is part of the Government's NHP. The team is completing the design phase, with main construction work due to begin in summer 2026.

At Yorkshire's Calderdale Royal Hospital, we are working with the Trust to progress detailed designs for the new emergency departments and inpatient wards with a focus on modern methods of construction, decarbonisation, and operational energy performance. Subject to full business case approval, main construction work will begin in summer 2026.

In Scotland, we continue to work closely with NHS Lanarkshire on the design of the Monklands Replacement Project and we have been progressing well on site with the enabling works as part of our pre-construction services agreement.

Data centres

In the UK and UAE, we strengthened our reputation as a leading delivery partner of data centres. 80 per cent of our recent data centre projects are delivered for repeat clients, and over the past two decades we have delivered 20 data centres. In FY26, we handed over 29MW of white space and were appointed to deliver the UAE's largest data centre (Project Pilot).

Looking ahead

The progress we have made in FY26 provides a strong foundation for the future.

We will maintain our focus on safety, certainty in delivery, disciplined growth in the right sectors, and continued investment in innovation, sustainability, and our people.

By doing so, we continue to strengthen the Europe Hub and play a leading role in shaping a more productive, sustainable, and resilient construction sector.

The Stephen A. Schwarzman Centre for the Humanities, Oxford, UK © Hufton+Crow

AWARD-WINNING TEAMS

Our success is driven by the care, integrity, and courage of our people. During FY26, our teams were recognised across the industry for excellence in sustainability, innovation, digital delivery, safety, and teamwork. Highlights included:

MAY 2025

Triple win at the Women in Construction and Engineering Award – with our people taking prizes for Electrical and Mechanical Engineering, Environment and Sustainability, and Contractor of the Year.

Building Controls Industry Association Awards – CHt Enterprise Solutions awarded Building Controls and BEMS Installer of the Year.

JULY 2025

New Civil Engineer Awards – Laing O'Rourke named Environmental, Social, and Governance (ESG) Leader – Contractor.

Digital Construction Awards – Innovation in Health, Safety, and Wellbeing awarded for a solution developed to assess risk and method statements.

NOVEMBER 2025

Techfest Awards – Best Use of Technology: Site Productivity.

DECEMBER 2025

DCD Global Awards 2025 – in collaboration with Pure Data Centres Group, winner of Middle East and Africa Data Center of the Year Award for Yas Island Hyperscale Campus in Abu Dhabi.

MARCH 2026

Digital Construction Awards – Stephen A. Schwarzman Centre for the Humanities named Digital Project of the Year and Hinkley Point C team awarded Digital Innovation in Productivity.

INDUSTRIALISING CONSTRUCTION FOR SAFETY, QUALITY, AND CERTAINTY

SIZEWELL C

The experience we have gained at Hinkley Point C will power our delivery of the UK's next major nuclear power project in Suffolk - Sizewell C. As a partner within the Sizewell C Civil Works Alliance, we're working with our partners to deliver the project securely with a laser focus on safety, quality, and productivity.

Sizewell C, Suffolk, UK

◀ STRATEGIC REPORT / GOVERNANCE / FINANCIAL STATEMENTS ▶

Sizewell C will provide reliable, low-carbon electricity for around six million homes, strengthening the UK's energy security while providing thousands of jobs across the country.

The 3.2GW power station will replicate the overall design of Hinkley Point C (HPC) enabling us to work with the designers to incorporate our learnings from HPC and to drive further innovation and efficiencies.

Replication and experience have already driven benefits at HPC. For example, HPC's Reactor Unit 2 took 20-30 per cent less time to build than Reactor Unit 1. Our team will use this experience to support further efficiencies at Sizewell C.

At HPC, our advanced reinforcement manufacturing facility at Avonmouth is producing precision-engineered nuclear-grade reinforcement cages off site. The manufacturing solution has resulted in a 53 per cent reduction in on-site hours for the equivalent scope. We have a clear route to 60 per cent reduction for Sizewell C.

The off-site construction practices and manufacturing-level precision being achieved at HPC are only a preview of what we plan to integrate into the workflow at Sizewell C.

By applying construction-specific AI tools, we are helping to optimise the construction sequence with early trials already demonstrating value.

Our vision integrates people, digital technology, AI, and robotics, to push the boundaries of what's possible, grounded in verified proof-of-concept innovation.

DELIVERING WITH PURPOSE

HEALTHCARE

Our purpose-driven approach means that we choose to work on projects that will benefit communities long after our work is finished.

Laing O'Rourke will be delivering the new state-of-the-art Cancer Centre at the Royal Sussex County Hospital, Brighton, UK

◀ STRATEGIC REPORT / GOVERNANCE / FINANCIAL STATEMENTS ▶

The hospitals and cancer centres we are building across the UK provide facilities to save lives and create spaces of dignity for patients and their families when they are at their most vulnerable.

We are proud of our long partnership with the NHS and are bringing the power of our experience in the sector to the work we will do on the New Hospital Programme.

We are applying our pioneering industrialised construction methods to reduce manual strain so that our people constructing these new facilities do not become patients in them. Our application of new technology is allowing us to co-design these spaces with the clinicians and staff who will work in them. This allows us to optimise the functionality and comfort of these healthcare facilities, which in turn ensures they can deliver the best care possible for patients.

Using digital design, off-site manufacturing, and automation, we are ensuring quality and certainty for our clients and delivering world-class healthcare facilities for people across the UK, including the:

- New Sussex Cancer Centre; and
- Expansion of Calderdale Royal Hospital.

And through enabling works at:

- The Monklands Replacement project; and
- New Cambridge Cancer Research Hospital.

Hub's group revenue

£1.1bn

FY25: £1.7bn

Hub's pre-exceptional EBIT

£40.4m

FY25: £44.2m

Australia Hub

Anchored by the completion of some of our flagship projects, the Australia Hub provided certainty for the Group by delivering strong gross margin performance. Despite a reduced revenue profile (FY26 group revenue AUD$2.2bn (FY25: AUD$3.3bn)), the Hub delivered AUD$81.6m in pre-exceptional EBIT (FY25: AUD$90.2m), with an improved pre-exceptional gross margin of 9.4 per cent (FY25: 6.4 per cent).

The result was produced through excellence in delivery, including the completion of the Suburban Rail Loop Initial Works and Early Works in Victoria, the Byford Rail Extension in Western Australia and the QR Stations Accessibility Upgrade project in Queensland, and sustainable overhead management, with the Australian business reshaped as we prepare to launch our next wave of projects in new states.

For the first time since the Federal Infrastructure Review in FY23 (May–November 2023), the infrastructure pipeline was relatively stable, with the procurement of major opportunities in our priority sectors being brought to market and determined within anticipated timeframes. In FY26, the Australia Hub secured or was made preferred proponent on five major opportunities, including the Brisbane 2032 Olympic and Paralympic Games Venues Infrastructure Program and The Wave (Stage 1) Brownfield Package in Queensland (part of the broader The Wave faster rail scheme), the Sydney Metro West Five Stations project (in partnership with Gamuda) and Five Dock Station project in New South Wales, and the revived Great Eastern Highway project in Western Australia.

These project wins, which came in quick succession in the last four months of FY26, contributed more than AUD$1.2bn in sales and provide a strong tailwind leading into FY27. As a result of these wins, the Australia Hub order book remains strong at AUD$3.1bn, with several key opportunities – headlined by AUKUS in South Australia and future stages of The Wave project in Queensland – set to be determined in the first quarter of FY27.

Discipline in opportunity selection

The cornerstone of Laing O'Rourke's sustainable profitability in Australia has long been underpinned by the discipline of our opportunity selection. More than 97 per cent of our order book is made up of contracts that are low-to-medium risk in nature, which has proved particularly prudent in a decade that has been dominated by significant price escalation and supply challenges from COVID-19, the Russia–Ukraine war, the Middle East conflict, and a domestic infrastructure review that resulted in 118 projects being cancelled or deferred.

We have continued to solidify our position in the transport and defence sectors in Australia, while taking strides to diversify into re-emerging sectors, including water, health, and airports. As we approach FY27 and look towards the new paradigm, we are appraising opportunities in these sectors that will allow us to leverage our leadership in modern methods of construction and complex engineering.

Following structured change in December 2024, the Australia Executive Committee (AEC) welcomed two new members in FY26, with Christian Porter (Director, Clients & Markets) and Andrew King (Director, Commercial) appointed to their posts.

Delivering for clients and communities

While the primary focus of the Hub was to secure our next wave of projects, we continued to deliver for our clients and the community across Australia.

The Suburban Rail Loop Initial Works and Early Works was the first contract awarded as part of the Victorian Government's city-shaping Suburban Rail Loop scheme. With work commencing in 2022, our team delivered enabling works across seven sites, including two tunnel access shafts, new tram stops, critical utility relocations, new road alignments, and various other site establishment activities. These works, delivered on time and in line with budget, will enable the main works contractors to construct the 26-kilometre twin tunnels in Melbourne's east.

Following the completion of the Morley-Ellenbrook Line Upgrade project in December 2024, our team in Perth delivered our second METRONET project in less than a year, with the opening of the Byford Rail Extension project in October 2025. The project extended the existing Armadale line by

Our second METRONET project - Byford Rail Extension, Perth, Australia

OPERATING REVIEW – AUSTRALIA HUB (CONTINUED)

approximately eight kilometres in Perth's southeast, providing two new stations for commuters at Armadale and Byford. Our commitment to sustainability shone through in design and delivery, with both stations being awarded 6 Star Green Star Design ratings (the highest sustainability credential available) and more than 11 kilometres of recycled noise walls being installed along the rail corridor.

In Queensland, we successfully achieved practical completion on our Queensland Rail Stations Accessibility Upgrade project in July 2025. Following an 18-month delivery programme, our team delivered four station upgrades with significant accessibility improvements across Brisbane's northern and southern suburbs.

Beyond the completion of these three key projects, our project teams continued to push the boundaries of what's possible with other major milestones across Australia.

In Victoria, our flagship road project, the multi-billion dollar Eastern Freeway Upgrades – Burke Road to Tram Road project, surpassed 50 per cent completion in FY26. Overall project turnover has now exceeded AUD$2bn and the project remains well on track to achieve all project milestones in advance of contractual dates. The project team has exemplified Laing O'Rourke's leadership in modern methods of construction and digital innovation by completing one of the heaviest and most complex lifting operations in Australia's history and safely delivering two new state-of-the-art pedestrian bridges over the Eastern Freeway, which carries up to 180,000 vehicles per day.

In Western Australia, our Swan River Crossings project has taken a major leap towards project completion, with the closure of the existing bridge in February 2026. In yet another exemplar of our excellence in modern methods of construction and innovation, the project team is installing pre-fabricated bridge beams over water and is on track to deliver Australia's first extradosed bridge in FY27.

In New South Wales, we continued to support the Sydney Metro programme across FY26, delivering the new Bankstown Plaza, a new fully accessible footbridge at St Mary's Station, and we are nearing completion of our work on the Western Tunnelling Package.

In the Northern Territory, our RAAF Base Darwin Mid-Term Refresh project has surpassed 60 per cent completion and is on track for completion in FY27.

Investing in our future

While the hallmark of FY26 will be the strength of our financial results, underpinned by excellence in delivery and securing five new opportunities, including the landmark Brisbane 2032 Olympic and Paralympic Games Venues Infrastructure Program, the Australia Hub has continued to invest heavily in its future.

Project Playbook, our new project management system which standardises the Laing O'Rourke project delivery operating model, was launched in November 2025. Playbook is designed to provide clarity and consistency in the way that we go to work, allowing us to deliver with certainty for clients across our operating sectors and geographies. The launch of this tool follows several years of investment and trials, and it has been accessed nearly 2,900 times in the past five months.

We remain relentlessly focused on the safety of our people, our supply chain, and the community. In FY26, we launched our enhanced Fatal and Severe Risk (FSR) Standard, with 232 improvements made to our 17 fatal and severe risks. These improvements provide clearer, stronger, and more specific controls that are easier for our people to verify in the field. We also launched our Delivery Excellence Score, an evaluation tool that was designed to ensure that our projects undertake FSR assessments, identify opportunities, and take action to improve safe delivery on sites.

Driving sustainability

We continued to drive our Global Sustainability Strategy, with our push for a diverse and inclusive workforce and leadership in carbon management and reduction.

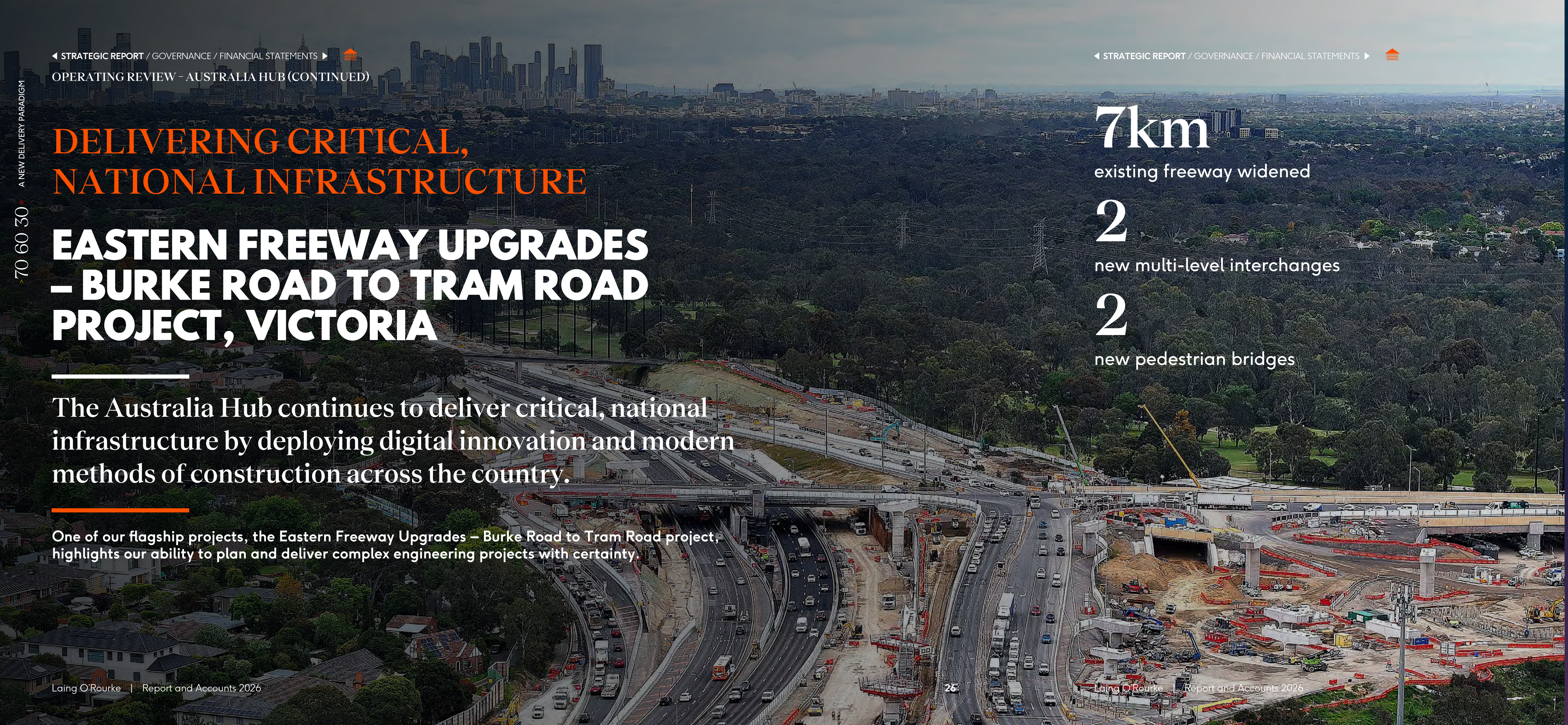
In March 2026, Laing O'Rourke Australia was awarded the Workplace Gender Equality Agency Employer of Choice for Gender Equality for the fourth consecutive period. The citation can only be achieved by meeting a rigorous set of criteria in relation to gender pay equity, inclusive leadership, prevention of discrimination and harassment, and career progression for women.

With our continued push to reduce our carbon emissions, our Sustainability and Environment team launched the carbon forecasting tool, which is now embedded in our bid governance process. This ensures that there is executive deliberation and considered investment in decarbonised solutions as we move towards our targeted reductions in Scope 1, 2, and 3 emissions by 2030.

Our commitment to reconciliation similarly remained a cornerstone of our way of working in FY26, with our projects and offices procuring nearly AUD$92m of goods and services from Aboriginal and Torres Strait Islander businesses. Beyond the numbers, we continued to build new partnerships with Indigenous organisations, headlined by the formalisation of our relationship with Bandu, an organisation that provides Indigenous employment opportunities. This partnership, which will provide scholarship opportunities for Aboriginal and Torres Strait Islander students, was developed in honour of Nathan Mitschuinig, a proud Wiradjuri man and respected Laing O'Rourke leader, who sadly passed away in 2024.

With another profitable year for the Australia Hub now achieved, our focus for FY27 remains on adding strategic opportunities to our order book, substantially delivering our major projects in Victoria and Western Australia, and preparing for the next wave of mega-projects in our order book that will leverage our power of experience and global operations.

The new elevated Armadale Station, part of the Byford Rail Extension Project, Western Australia



DELIVERING CRITICAL, NATIONAL INFRASTRUCTURE

EASTERN FREEWAY UPGRADES – BURKE ROAD TO TRAM ROAD PROJECT, VICTORIA

The Australia Hub continues to deliver critical, national infrastructure by deploying digital innovation and modern methods of construction across the country.

One of our flagship projects, the Eastern Freeway Upgrades – Burke Road to Tram Road project, highlights our ability to plan and deliver complex engineering projects with certainty.

7km
existing freeway widened

2
new multi-level interchanges

2
new pedestrian bridges

The Eastern Freeway Upgrades – Burke Road to Tram Road project is a multi-billion dollar road project in inner-city Melbourne that will widen nearly 7km of the existing Eastern Freeway (which currently carries up to 180,000 vehicles per day) as well as deliver two new multi-level interchanges, two new pedestrian bridges, and other significant public infrastructure.

Given the complex road interface, modern methods of construction, including precast and off-site fabricated materials, have been heavily used on the project. In 2025, two precast pedestrian bridges, each over 100m in length, were installed over the Eastern Freeway during weekend closures. In March 2026, our project team successfully completed one of the heaviest and most complex lifts in Australia, with 12 steel beams, measuring 100m-long and 16m-wide, installed in a single weekend.

Digital tools are heavily featured on the project. More than 1,000 users are accessing the project's 3D model, which incorporates weekly aerial imagery updates and point cloud data, to provide an accurate view of project progress and site conditions, allowing the team to deliver with certainty across the 7km-long project alignment.

Quality is a key focus for the client and the project, with commercial risk and reward regimes attached to performance. The project has developed a new tool, Redbeam, which has collated 17,000 drawings, 1,300 non-conformance reports, and 7,000 Requests for Information over 150 design packages into a single application that will significantly reduce the 'red-line mark-up' process as part of completions activities.

At its peak, the project has had over 1,200 staff members working across multiple packages and more than seven offices – making it a logistical challenge to induct staff, workforce and supply chain. The project has developed a fully interactive immersive room, which has been used to induct the thousands of people who are working on the project, providing an engaging and unique experience. As a fully interactive space with touch screens, the interactive immersive room has also been used for constructability and staging reviews, safety and quality workshops, collective insights, and many more activities that unlock value.

DELIVERING WITH PURPOSE

RAIL

Across Australia, we are delivering rail infrastructure that connects communities, enhances accessibility, and supports economic growth.

Byford Rail Extension, Western Australia

STRATEGIC REPORT / GOVERNANCE / FINANCIAL STATEMENTS

Through close collaboration with stakeholders and communities, we design and deliver rail projects to move people safely and efficiently between work, home, and play, generating enduring benefits for society.

On the Byford Rail Extension in Western Australia, we worked with the State Government to make significant design and amenity changes to respond to community feedback. Harnessing feedback from community working groups, our team undertook extensive redesign work on two new stations and made changes to intermodal infrastructure to reflect stakeholder input and local community expectations.

On the Queensland Rail Station Accessibility Upgrade Program, we have helped make rail infrastructure more accessible across Brisbane. In delivering four station upgrades, we have contributed to a more inclusive public transport system that will support everyone to more easily move around in the lead up to, and during, the Brisbane 2032 Olympic and Paralympic Games.

Our work on the Suburban Rail Loop Initial and Early Works package in Victoria has laid the foundations for the delivery of the state's largest transport investment, one that will create greater connectivity throughout Melbourne's metropolitan rail network. Across seven sites in Melbourne's south-east, we have enabled the next phase of this city-shaping rail project, while providing immediate benefits to local communities through the provision of new amenities and playgrounds.

Collectively, these projects demonstrate how integrated rail solutions strengthen connections between people, places, and opportunities. At Laing O'Rourke, we are proud that our work in the rail sector contributes to these important social outcomes.

SUSTAINABILITY STATEMENT

The financial year was marked by continued geopolitical turmoil and market uncertainty. While this has led many companies to reconsider their net zero strategies and equity, diversity, and inclusion (ED&I) policies, at Laing O'Rourke, as a purpose-led organisation, we remain committed to delivering better outcomes for our people, partners, clients, and for the communities in which we work. Sustainability, equity, diversity, and inclusion are central to the way we go to work – and a core part of our long-term business success.

Construction has a unique role to play in making or breaking the communities it serves. It can transform an area into a thriving, prosperous hub, or risk leaving behind an unfavourable legacy. Navigating this balance is both a significant responsibility and an immense opportunity. We know that sustainability is one of the key drivers to realise this opportunity.

Our business has voluntarily committed to stretching sustainability targets covering carbon, social value, and ED&I. In construction, carbon reduction is not only a moral imperative – it drives efficiency, cost discipline and innovation, as well as reducing risk, and increasing resilience to climate change. It is also what our clients and partners rightly demand and one of the key reasons why they choose to collaborate with us.

Sustainability is more than our environmental footprint. A truly sustainable business has people at its heart, and we remain committed to embracing diversity within our teams, knowing this will encourage fresh perspectives and help bridge industry-wide skills gaps.

Farming solar energy to power an off-grid construction site for METRONET Morley-Ellenbrook Line, Western Australia

Sustainability performance

In line with our transparent disclosure practices, a detailed breakdown of our verified greenhouse gas emissions will be published in a dedicated Sustainability Report. This will also include a full analysis of our sustainability performance, with more detail on the initiatives that underpin achievement of our targets and examples of good practice.

While legacy contracts, coupled with disparity of available carbon reduction solutions between the Europe and Australia markets, are causing carbon spikes in some parts of our business, we are reaping the benefits of low-carbon policies, better quality data, and supply chain engagement. This improved level of control is vital to making progress towards our goals, enabling us to keep the pressure on to maintain high standards.

We continue to make positive progress towards our social sustainability targets across both hubs, and are on track to achieve our commitments. While our gender diversity target remains ambitious, we have continued to make incremental improvements, and have a wide range of initiatives in place to deliver the step change needed to achieve 50/50 gender parity across global staff by 2033.

During FY26, we continued to focus on governance and implement best practices at a Group level. Our science-based carbon-reduction targets continue to anchor our climate strategy. We have completed our first partial disclosure aligned with the Taskforce on Nature-related Financial Disclosures (TNFD), fulfilling the commitment made in our previous reporting cycle.

We also completed a double materiality assessment. This identified climate change mitigation, water scarcity, and natural resource depletion as our key negative impacts, but also climate change mitigation and the transition to renewables as our most significant opportunities.

These findings are now informing our Climate Transition Action Plan, which will be published in FY27, and will provide a single source of truth for our climate, nature, and social commitments, and inform our overall business strategy.

Europe Hub

Our Europe Hub expanded its sustainable on-site offerings in the UK, particularly in battery-storage solutions. It also completed Phase 2 of the two-year Industrial Energy Transformation Fund (IETF) decarbonisation project, which recommended solutions for reducing embodied carbon in manufacturing at scale for the medium- and long-term through innovation, including 3D-printed concrete, carbon efficient design and materials, and simulation.

Our carbon management processes were independently certified to PAS 2080:2023 by the British Standards Institution, the globally recognised standard for managing whole-of-life carbon across the built environment. This enables us to deliver credible emission data to clients and drive our carbon-reduction initiatives. Across the Europe Hub, emissions fell 2.1 per cent year on year, with the UK achieving a 16.2 per cent reduction. The UK reduction was driven by a reduction in Scope 3 emissions with increased adoption of low-carbon concrete, the completion of several major projects, and continued grid de-carbonisation.

We developed tiered sustainability solutions offered to all clients at bid stage, with a framework that offers progressively more ambitious sustainability measures across projects, tailored to client needs and project maturity.

From a social perspective, we continued to deliver successful social value programmes tailored to the individual needs of the communities we serve. We generated £265m of social value in FY26, well on course for our 2030 target of £2bn. We also increased the range of female leadership, mentoring and sponsorship programmes, in support of our gender parity targets. Women now represent 25 per cent of our Europe Hub staff.

Australia Hub

In Australia, we embedded carbon-forecasting governance at bid stage to assess client decarbonisation ambitions alongside our own carbon-reduction targets for each project to help develop the most efficient pathway to achieve both commitments. This new government measure not only strengthens our carbon baselining and forecasting, but has also been expanded to improve broader sustainability governance, ensuring consistent carbon accounting and tracking in line with the Greenhouse Gas Protocol and National Greenhouse and Energy Reporting Scheme.

We also completed a climate scenario analysis to assess climate-related risks and opportunities across the short, medium, and long term, aligned with new Australian Sustainability Reporting Standards guidance.

Finally, we continued to deliver against our Stretch Reconciliation Action Plan, spending AUD$92m with Aboriginal and Torres Strait Islander businesses during FY26.

In terms of social sustainability, we are progressing towards 50/50 gender parity as we reached 35 per cent female representation in Australia and achieved our fourth consecutive Workplace Gender Equality Agency (WGEA) Employer of Choice Gender Equality citation. This is a distinction achieved by only a small number of organisations across Australia, and we are one of the very few within the construction sector. Now awarded on a three-yearly basis, the citation recognises organisations that demonstrate a sustained, genuine, and measurable commitment to gender equality, not only through policy, but through action and impact.

Regarding climate actions, despite the encouraging progress made, we are aware that challenges remain due to Australian market conditions. We know that more work is required. For this reason, we have turned our attention to Scope 3 data efficiency and accuracy. Globally, Scope 3 data accuracy remains constrained (sector agnostic), with calculations typically reflecting spend-based rather than quantity-based data. The Australia Hub has focused on improving our Scope 3 data and now has 36 per cent quantity coverage of Scope 3 emissions (Category 1: Purchased Goods and Services), up from 7 per cent in our baseline FY23 period. We have also implemented several data collection and reporting initiatives to capture and monitor our carbon position more accurately, which supports more timely, targeted, and informed decision-making for decarbonisation opportunities.

The Hub reduced its total emissions by 22.1 per cent in FY26 compared to FY25. This was driven by lower purchased goods and services emissions (Scope 3, Category 1) as several major projects moved beyond their peak construction and material-procurement phase, together with lower direct fuel use.

FOR OUR CLIENTS

Reduce whole-life carbon emissions through the use of calculation tools, design partnerships, and continuous product development

- Carbon forecasting methodology embedded at bid stage in Australia, complemented by full governance process;
- Carbon management processes independently certified to PAS 2080:2023 standards;
- A wider range of on-site carbon-reduction technologies offered by our plant hire business, Select; and
- Tiered sustainability offers provide clients with options covering: Best Practice, Best Practice+, and Industry Leading.

Modern methods of construction enable us to help clients meet their sustainability ambitions

- IETF Phase 2 decarbonisation project was completed, delivering a roadmap for long-term lower-carbon building solutions via our Centre of Excellence for Modern Construction.

FOR OUR PEOPLE

Achieve 50/50 gender parity among our global staff by 2033

- 28 per cent of our global staff are women;
- 35 per cent of our Australia Hub staff are women; and
- 25 per cent of our Europe Hub staff are women, including the UK and Middle East.

Industry-leading parental policy

- Parental policy remains industry leading and is supported by complementary benefits.

Achieved WGEA Employer of Choice Gender Equality citation in Australia

- Achieved for the fourth consecutive year.

FOR SOCIETY

Inspire the next generation: promote STEM and construction careers in schools, colleges, and universities

- Since 2017, the two-year Australian Inspiring STEM+ programme has expanded to nine schools – a total of 17 cohorts, with 250+ female students graduated from the programme;
- Three programme alumni have joined Laing O'Rourke through Early Talents Pathways;
- 1,837 staff hours spent on STEM activities in the UK in FY26 (6,413 cumulative hours); and
- 6,716 students supported in the UK in FY26 (34,552 students cumulatively).

Deliver £2bn social value in the UK by 2030

- £1.36bn generated to date, since target was set; and
- £265m generated in FY26.

Deliver AUD$800m social spend in Australia by 2030

- AUD$328m spent to date, since target was set; and
- Spent AUD$92m with Aboriginal and Torres Strait Islander businesses in FY26.

Become a Disability Confident Employer by FY26 in Australia

- Continued work with Australian Disability Network in the development of Laing O'Rourke Australia's Access and Inclusion plan.

Become a CareerSeekers Employer

- Continued work with CareerSeekers in the development of Laing O'Rourke Australia's social impact. Over the last three years, 19 people joined us following this partnership. We renewed our commitment during 2026 for a further three years.

FOR THE ENVIRONMENT

42 per cent reduction in Scope 1 and 2, and 25 per cent reduction in Scope 3 Category 1 (Purchased Goods and Services) by 2030, based on 2023 baseline

- Targets were approved by Science Based Target initiative in FY25;
- Updated full greenhouse gas numbers and analysis for Scopes 1, 2, and 3 will be published in our dedicated Sustainability Report;
- Carbon-emission intensity across all scopes for FY26: 278 tCO_2e/£m (FY25: 310);
- Programme to improve Scope 3 data integrity continues, shifting from spend-based to quantity-based carbon reporting; and
- The Group's top 100 suppliers are being reassessed to map decarbonisation maturity and identify risks and opportunities, generating heat maps and action plans to drive improvement.

Understand the impact of our sites, offices, and depots on nature

- Double materiality assessment was completed in FY26 at Group level, combining value chain mapping, ESG identification, and structured engagement across our business and those of stakeholder organisations;
- The first TNFD partial disclosure was completed;
- Our Climate Transition Action Plan, which will be published in FY27, will bring together climate, nature, and social commitments; and
- Our Biodiversity Hotspot Analysis was completed, identifying where our activities overlap with national and international conservation sites and where exposure to nature-related risks is highest.

25 Baker Street: Meeting a stretching whole-life carbon target

The 25 Baker Street project is a 27,000m² mixed-use development for our client Derwent London. It is the first in our portfolio to successfully meet an ambitious contractual whole-life carbon target, with a true partnership approach. Through rigorous Stage 3 and 4 assessments and high-fidelity data, the project achieved an upfront embodied carbon intensity of 593kgCO_2e/m², surpassing its original target.

Using as-built data and a robust baseline, the project achieved 95 per cent data completeness and 87 per cent product-specific Environmental Product Declarations. The biggest carbon reductions came from low-carbon concrete, reclaimed access flooring, and strategic value engineering, while minimising on-site emissions.

The development is now targeting BREEAM Outstanding, NABERS UK 4.5 star, LEED Gold, WELL enabled, EPC A, and Net Zero Carbon.

The project achieved the following carbon reductions against the client detailed design:

- 8kgCO_2e/m² saving through material innovation (e.g. low-carbon flooring and bamboo washroom cubicles);
- 22 per cent reduction in steel quantities;
- 72 per cent reduction in carbon by switching to gypsum-based suspended ceiling;
- 27 per cent reduction in emissions through lower-carbon concrete; and
- 444,7kgCO_2e emission savings through flybrid generators.

Eastern Freeway Upgrades - Burke Road to Tram Road, Victoria, Australia

With Melbourne's population expected to grow from 5.4 million to over 9 million by 2050, sustainability matters. Our team on the Eastern Freeway Upgrades – Burke Road to Tram Road project – part of the North East Link Program – has deployed a range of electric equipment including vehicles, crawler cranes, and a tower crane. Carbon emissions are being reduced through low-carbon liquid fuels such as biodiesel and renewable diesel (HVO) and the use of hybrid generators.

Our people are using innovative, low-carbon, and recycled materials, including 75 per cent post-consumer plastic in their RMP noise walls, low-carbon steel piling cages (Sense600), and low-carbon concrete. The project is set to achieve an impressive 57 per cent use rate of recycled materials across the full project.

Beyond recycled materials and carbon reduction, our team has launched Elevate, a capability building programme designed to boost psychological safety, challenge gender norms, and improve inclusion and resilience at all levels.

The project achieved the following targets and reductions against the base case IS rating scheme[1]:

- 31 per cent use of reclaimed asphalt pavement (target 12 per cent);
- 57 per cent use of recycled materials (target 45 per cent);
- 100 per cent of electricity used is now coming from green power;
- 50 per cent reduction in Portland cement (target 40 per cent);
- 27 per cent reduction in materials life cycle impacts (target 15 per cent); and
- 34 per cent reduction in greenhouse gas emissions (target 30 per cent).

1. The Infrastructure Sustainability (IS) Rating Scheme evaluates the sustainability performance across various stages of infrastructure projects and assets.

SUSTAINABILITY GOVERNANCE

SUSTAINABILITY REPORTING

Authenticity, innovation, and targeted action remain central to our sustainability strategy. Alongside mandatory disclosures across our regions, we are deliberate in the voluntary frameworks we adopt – including CDP, the Science Based Targets initiative, and the Taskforce on Nature-related Financial Disclosures (TNFD). These help us build knowledge, support better decision-making, and create value for our business and our clients.

In FY26, we delivered against these commitments. We published our first partial disclosure aligned with the TNFD framework, completed our first double materiality assessment (building on earlier single materiality assessments), and maintained a B score in CDP Climate Change.

We are now developing our Climate Transition Action Plan, which will be published in FY27, that will integrate our climate, nature, and social commitments within a single forward-looking framework. In Australia, for the first time in FY26, our business reported in line with the new Australian Sustainability Reporting Standards (ASRS).

As well as investing in innovation to identify sustainable solutions for the short, medium, and long term, we continue to focus on improving our data, particularly for Scope 3 emissions where access to detailed, high-quality data remains inconsistent. We are investing in data integrity and working closely with supply chain partners to access primary data for our most carbon-intensive products. As data quality improves, future disclosures will clearly communicate any resulting changes to our reporting.

Full disclosures are available within our Laing O'Rourke Plc Annual Report and Financial Statements. A summary is included here, providing continuity from previous reports.

Summary of position and progress

GOVERNANCE

Theme	Summary of status, progress, and next steps
Assessing and managing sustainability-related risks and opportunities	The Audit and Risk Committee, a committee of the Board, is responsible for monitoring risk and obtaining adequate assurance over the design and effective operation of mitigating processes and controls. Along with the Sustainability Committee, which also operates at board level, sustainability-related risks and opportunities are assessed and managed through the corporate centre and hub executive committees. This maintains a top-down and bottom-up approach to risk. Group and hub executive committees are responsible for translating strategic direction into action, ensuring risks and opportunities are acted upon and embedded into functional plans and processes. While hub and Group-level principal risks are reviewed at least annually, projects, business units, and functions also maintain detailed risk registers. The Board has oversight of sustainability matters, including nature-related considerations, through the Group Governance Framework. During FY26, nature-related items were discussed as they became relevant. Board discussions primarily referenced the Group's commitment to TNFD, emerging regulatory expectations, and the outcomes of the double materiality assessment.
Governance arrangements for assessing and managing sustainability-related risks and opportunities	Cross-functional working groups continue to embed mitigation practices in a consistent manner, tightening sustainability risk management across the Group. These arrangements are supported at management level by the Australia Executive Committee (AEC), the Europe Executive Committee (EEC), and the Sustainability Committee, which review sustainability information and provide direction to management. Nature-related considerations are at an early stage of integration within these governance structures and are being progressively incorporated, consistent with the phased approach applied to climate-related disclosures.

GOVERNANCE (CONTINUED)

Theme	Summary of status, progress, and next steps
Identifying, assessing, and managing sustainability-related risks and opportunities	Sustainability-related risk management follows the same process as all principal risks, ensuring a standardised approach and consistency of information presented to our executive committees and the Audit and Risk Committee. We use the risks and opportunities identified through climate scenario analysis, assessing whether they could impact achievement of our short-term and longer-term strategic priorities. Next, we evaluate the processes and controls in place to reduce the likelihood of the risk occurring, as well as actions we would take to mitigate impact if it were to occur. We assess our risk appetite to ensure we are focusing appropriate effort on the risks we consider most material. Risk and opportunity registers on all of our projects are used to identify, assess, and manage sustainability-related risks and opportunities on individual construction sites, with structured peer sessions in place to share examples of on-site issues and mitigations, in order to support best practice. The Cross-Functional Operational Committee, established in FY24, continues to analyse the impacts of climate change at an operational level. By taking a bottom-up and a top-down approach to sustainability risk assessment, we are developing the tools and processes to ensure we respond to our changing environment and identify thresholds for action. The double materiality assessment completed this year has provided additional insight into priority risks, impacts, dependencies, and opportunities. These findings are now informing our business strategy planning and the development of our Climate Transition Action Plan.

STRATEGY

Theme	Summary of status, progress, and next steps
Integrating sustainability-related risks and opportunities into the Group's overall risk management process	Sustainability-related risks and opportunities are assessed and managed using the same framework, criteria, and methodology as all other risks. These are documented within our central risk register and presented at our Audit and Risk Committee, following review and adoption by our executive committees. Detailed sustainability-related risks and opportunities are also identified at a project level, documented within respective risk registers, and then collated at a Group level to ensure comprehensive coverage. We have an established Climate Risk Working Group, responsible for informing assumptions related to climate risks and implementing changes to mitigate against specific risks and opportunities operationally. The Group meets monthly, with additional meetings scheduled as needed based on emerging risks or significant weather events. This dual-level approach ensures both bottom-up operational insights and top-down strategic alignment.
Identifying principal sustainability-related risks and opportunities in relation to the Group's operations and associated time horizons	We have maintained our principal risk rating from last year but continue to monitor the frequency of severe weather conditions and the impact to project programmes, equipment damage, and access to insurance. A substantial piece of climate scenario analysis was completed at Group level in FY23, identifying risks and opportunities using near-, mid-, and long-term horizons, and has been refreshed for our Australia Hub in FY26 as part of ASRS compliance. The double materiality assessment completed in FY26 at Group level also acted as both a refresh of the 2023 work and added depth and focus to our strategy and business planning. The insights gathered through both workstreams provide the basis for our Climate Transition Action Plan, which will be published in FY27.

RISK MANAGEMENT

Theme	Summary of status, progress, and next steps
Assessing the impact of sustainability-related risks and opportunities on the Group's operating model and strategy	The findings from the double materiality assessment provided detailed insights on the most material sustainability impacts, dependencies, and risks affecting our business and its value chain. As we develop our Climate Transition Action Plan, those insights are being analysed against our operating model. Where operational changes are straightforward to incorporate within our operational hubs, they will be managed at hub level. If more significant changes are deemed necessary, they will be raised at Group or Board level, ensuring our sustainability strategy and business strategy remain inextricably linked as their mutual achievement is vital to our business success. Our Industrial Energy Transformation Fund programme, part-funded by the UK's Department for Energy Security and Net Zero, is focused on ensuring our manufacturing facilities are fit for a low-carbon future in the long term, and this investment in innovation and future-thinking will support our business resilience.
Analysing business resilience based on the sustainability-related risks and opportunities identified, based on scenarios	Our Climate Risk working group is using in-depth climate scenario analysis and double materiality assessment insights, along with real data from projects, to assess physical climate risks more rigorously. This is informing the way we go to work for future projects. The remit of this Committee includes analysis of weather trends, identification of project delays, assessment of equipment damage, and analysis of insurance data. We have integrated climate risk into our core business risk management processes, having identified it as a principal risk. This means it is regularly reviewed and monitored, and strategic action is taken to mitigate the impact of our changing physical and market environment. Specific scenarios used include: 1.5°C+ warming scenario (aligned with net-zero commitments); 3°C+ warming scenario (current trajectory without intervention); and transition risk scenario (rapid policy changes). The potential business impacts of these scenarios include: physical risks (site disruptions, supply chain delays, and increased insurance costs); transition risks (carbon pricing impacts, changing client requirements, and technology investments needed); and opportunities (growing demand for sustainable construction and competitive advantage from early action). Our operating model of using off-site manufacture and design for manufacture and assembly (DfMA) helps us mitigate some of that programme risk, shifting a proportion of our work to controlled conditions, and we continue to invest in DfMA to protect business resilience.

METRICS AND TARGETS

Theme	Summary of status, progress, and next steps
Using targets to manage sustainability-related risks and realising sustainability-related opportunities and performance	We originally set targets for carbon reduction and gender parity in 2021, introducing social value targets in 2022 (UK) and 2023 (Australia). Science-based carbon targets have subsequently been set for Scopes 1, 2, and 3 (Category 1) by 2030, as well as a commitment to be a net zero company by 2050. Reducing our emissions lowers our exposure to carbon taxes and related costs, reduces waste, and improves our reputation. Progressing towards our gender parity target helps us demonstrate that we are an employer of choice to a greater talent pool, mitigating the risk of a declining construction workforce. Our social value targets connect to our purpose and values – pushing the boundaries of what's possible in service of humanity, with care, integrity, and courage. Demonstrating our commitment to delivering value to the communities in which we operate is an important aspect of managing our reputation publicly, and of accessing the clients we want to work with, and the kind of projects we want to win. Our carbon emissions are dominated by Scope 3 Category 1, so this is a priority for carbon reductions, aligned with our verified science-based targets. FY26 saw the start of a substantial programme of work in the UK to link supplier data automatically across Laing O'Rourke systems, which will dramatically improve Scope 3 data accuracy. This work will be completed in FY27 with both forecasted and actual sustainability data mapped and cross-checked. A reassessment of the top 100 suppliers at Group level has been completed, representing almost 40 per cent of total Scope 3 Category 1 emissions. Their maturity in ESG has been mapped and this will inform an updated engagement strategy.

TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES (TNFD) STATEMENT

After announcing in FY25 our commitment to being a TNFD adopter, we are pleased to provide our first partial disclosure for FY26, which provides a baseline and direction for future years.

Our upcoming Climate Transition Action Plan will be crucial for delivering on TNFD commitments, bringing together climate change mitigation, nature protection and restoration, and social value activity into a central plan that links directly to Laing O'Rourke's strategy.

Given the complexity of assessing our nature-related impacts, dependencies, risks, and opportunities, we have deliberately structured our approach into stages. First, we will be focusing on the foundational TNFD recommendations, informed by targeted analyses that will support credible decision-making and responsible strategy development.

The construction industry is disruptive and extractive and depends on nature and its ecosystems to supply materials and support efficient operations. As a key constructor, we understand that how we design, procure, and deliver our projects plays a critical role in protecting and restoring nature.

We recognise the value of the systems-thinking approach underpinning the TNFD framework in addressing sustainability challenges while ensuring business resilience. Consistent with this, we have adopted a phased and evidence-led approach, undertaking targeted assessments to understand our impacts and opportunities.

The preparatory work to support our readiness includes a Biodiversity Hotspot Analysis covering direct operations and supply chain activities for our key commodities, and a double materiality assessment incorporating nature-related considerations. Together, they have allowed us to identify and prioritise relevant dependencies, impacts, risks, and opportunities.

We also completed a TNFD gap analysis, supported by a specialist sustainability advisory firm, to map current practices against the TNFD recommendations and identify areas for future development.

While at an early stage, the work completed so far establishes a credible foundation for the progressive enhancement of TNFD integration into our business.

Suburban Rail Loop, Melbourne, Australia

GOVERNANCE

Theme	Summary of status, progress, and next steps
A - Describe the Board's oversight of nature-related dependencies, impacts, risks, and opportunities	The Board has oversight of sustainability matters, including nature-related considerations, through the Group Governance Framework. During FY26, nature-related items were discussed as they became relevant. Board discussions primarily referenced the Group's commitment to TNFD, emerging regulatory expectations, and the outcomes of the double materiality assessment. Oversight is supported by management-level governance through the AEC, the EEC, and the Sustainability Committee, which review sustainability information and provide direction to management. These committees support the flow of nature related information into strategic discussions. Nature-related considerations are at an early stage of integration within the Group's risk management, reporting, and assurance processes. Existing risk and governance frameworks provide the foundation for oversight, but nature-related risks are not yet systematically embedded within formal risk reporting or audit processes at a business enterprise level. Consistent with the phased approach applied to climate-related disclosures, the focus during the reporting period has been on educating our Board and executives on the importance of understanding nature impacts, establishing clear oversight channels, strengthening committee-level engagement, and ensuring nature-related considerations are progressively incorporated within existing governance and decision-making structures. Our Board and executives have been briefed on the importance of TNFD and the outcomes of our double materiality assessment which presented a range of nature-related issues. Capability is supported through management briefings and the use of external advisors, whose assessments and gap analyses inform management analysis and submissions to the Board.
B - Describe management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities	Our Europe Hub and Australia Hub Heads of Sustainability report to the managing directors in each hub, who in turn report to the Group CEO. They are ultimately responsible for the implementation and delivery of the sustainability strategy across both operating hubs. The Board has the authority to approve the sustainability strategy and nature-related policies as recommended and overseen by the Group Executive Committee. Further information on our Group governance approach can be found on pages 57 to 77 of this Report.

STRATEGY

Theme	Summary of status, progress, and next steps
A. Describe the nature-related dependencies, impacts, risks, and opportunities the organisation has identified over the short, medium, and long term	Laing O'Rourke has carried out initial analysis to identify the nature-related dependencies, impacts, risks, and opportunities most relevant to our direct operations and supply chain. This work takes the form of a Biodiversity Hotspot Analysis of our operational sites and commodity-level supply chain processes, as well as an updated double materiality assessment. It is intended to build an initial evidence base, with the understanding that our assessment capability will continue to improve over time. Across our direct operations, nature-related impacts and dependencies are location-specific and most relevant in the short to medium term, reflecting the nature and duration of construction activities. For our direct operations, we completed a Biodiversity Hotspot Analysis to identify where our activities are located in relation to sites of nature conservation importance at a national and international scale, and where exposure to nature-related issues may be higher. As a constructor, our operating locations vary based on our delivery portfolio and market conditions, therefore location-specific impacts and dependencies vary. Key impacts include disturbance associated with our direct construction activities such as vibration, lighting, noise, potential release of water pollutants during major incidents, and terrestrial ecosystem use associated with land clearance and enabling works. Over time, these impact drivers affect the condition and abundance of ecosystem services. This includes: habitat provision, i.e. reduced availability of natural habitats for species, impacting biodiversity resilience, regulation services, i.e. degradation of water quality and oil stability in affected areas, and cultural services, i.e. loss of natural features may reduce aesthetic and recreation value. There are external factors at play that influence the relevance and extent of these identified impact drivers, such as client specifications and design requirements, legislative conditions, and operational practices. Within the upstream value chain, impacts and dependencies are more pronounced over the medium to long term, and relate to the sourcing and production of key construction commodities. We focused on seven of our key commodities, using the ENCORE tool to map the associated impacts and dependencies associated with the supply chain stages and processes to provision them. The impacts to ecosystem services include terrestrial ecosystem use, water use and depletion, pollutants, solid waste and disturbance associated with extractive industries, and agricultural and processing activities, which are shaped by external drivers such as market demand and climate-driven water stress. Material dependencies on nature have been identified across both operations and the value chain. These include reliance on ground and surface water, water flow maintenance, climate regulation, soil stability, and the provision of natural materials. Interconnections between impacts and dependencies are evident where activities that degrade ecosystems also rely on those same systems, amplifying nature-related risks and influencing opportunities over time.

STRATEGY (CONTINUED)

Theme	Summary of status, progress, and next steps
B. Describe the effect nature-related dependencies, impacts, risks, and opportunities have had on the organisation's business model, value chain, strategy, and financial planning, as well as any transition plans or analysis in place	Nature-related dependencies, impacts, risks, and opportunities currently influence our business mainly through how we manage environmental issues at project and facility level, alongside emerging strategic considerations at Group level. We proactively address nature-related matters primarily through our Environmental Management System, which provides a consistent framework for identifying, managing, and mitigating environmental risks, impacts, and dependencies across our operations. This includes measures to minimise disturbance and pollution, applying governance and compliance controls, providing staff training, undertaking audits, and implementing practical mitigation measures including spill response equipment, bunded storage, and project-specific environmental management plans. Across parts of our portfolio, we have also applied approaches aligned with a net-gain ambition on selected projects and fixed facilities. These have included actions to avoid or reduce nature impacts at the design and construction stage, as well as habitat and vegetation restoration activities and biodiversity management plans where appropriate. While these practices are not applied consistently across all activities, they demonstrate how consideration of nature-related issues can influence project delivery and outcomes at a local level. Many of our projects and a number of our fixed facilities have targets and metrics in place to track and reduce impact. At a Group level, insights from our double materiality assessment have begun to inform strategic discussions, helping to identify where nature-related issues may affect long-term resilience and stakeholder expectations. We are currently developing a Climate Transition Action Plan to build on these insights and to bring together climate, nature, and social considerations within a more integrated transition framework. Looking ahead, the development of our strategy will place greater emphasis on sustainability outcomes and will be informed by the nature-related and materiality assessments undertaken to date. In this first year of TNFD-aligned disclosure, the influence of nature-related considerations on our business model and financial planning remains largely indirect. However, current governance arrangements, processes, and analysis provide a foundation for progressively strengthening strategic integration and transition planning over time.

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

The Group delivered substantial growth in both profit and cash across the year building on last year's results. An improvement in margins has driven the year-on-year progress through enhanced contract models, leveraging our vertically integrated delivery model and the Group's industry-leading innovation.

Paul Teasdale
Group Chief Financial Officer

The key financial results are summarised below:

- The Group delivered growth in profit despite continued global turbulence, resulting in a pre-exceptional EBIT of £157.7m, up 41.7 per cent from the prior year (FY25: £111.3m). The post-exceptional EBIT of £110.0m (FY25: £75.0m) includes an increase in defects provisions related to the Building Safety Act 2022 of £32.9m (FY25: £21.7m). It also includes the impact of a movement in the claim provision recognised in the Australia Hub regarding a disputed contract of £14.6m (FY25: £14.3m) and associated legal costs of £0.2m (FY25: £0.2m);
- The Group delivered a strong cash performance, finishing the year with cash of £696.3m (FY25: £513.1m) and net cash (cash less debt – see note 35) of £456.8m (FY25: £284.7m);
- Group revenue decreased compared with the prior year at £3.7bn (FY25: £4.0bn), which reflects the deliberate shift towards prioritising margin improvement. The mix of revenue has changed in the year reflecting an increase of 12.6 per cent in the Europe Hub to £2.6bn and a decrease of 34.0 per cent in the Australia Hub to £1.1bn;
- The pre-exceptional gross margin has increased to 9.7 per cent (FY25: 6.9 per cent) for the year ended 31 March 2026. This was driven by improved project performance in FY26, along with the finalisation of projects which experienced significant change in prior years. We keep the impact of inflation under continuous review and carefully manage and mitigate its effects, wherever possible;
- Net assets have increased to £294.8m (FY25: £218.7m), reflecting the profitability of the Group and the exchange differences on translating foreign operations; and
- At the year end, the Group had a record order book of £17.2bn (FY25: £11.9bn), which represents approximately five years' revenue (order book is defined as the value of work outstanding on secured, anticipated, and preferred bidder contracts). One of our key areas of focus remains converting our pipeline to secured work, which stood at £8.9bn (51.7 per cent of total order book) at the year end (FY25: £6.0bn and 50.4 per cent of total order book). This remains a key priority during FY27.

The Group results comprise those from the two operating hubs and a corporate centre, which includes other smaller operations. A full breakdown of their key metrics can be found in note 4 to the financial statements.

Pre-exceptional EBIT of

£157.7m

up £46.4m or 41.7 per cent

(FY25: £111.3m)

Year-end cash of

£696.3m

up £183.2m or 35.7 per cent

(FY25: £513.1m).

Group financial summary

	FY26 (£m)	FY25 (£m)	FY24 (£m)
Group revenue	**3,694.3**	3,956.5	3,989.6
Pre-exceptional gross profit[1]	**357.6**	273.5	254.2
Pre-exceptional gross profit % (gross margin)[1]	**9.7%**	6.9%	6.4%
Pre-exceptional EBIT[2]	**157.7**	111.3	75.6
Post-exceptional EBIT	**110.0**	75.0	40.0
Profit before tax	**80.1**	41.5	18.1
Profit after tax	**63.3**	29.5	7.6
Net cash (note 35)	**456.8**	284.7	278.5
Cash and cash equivalents (excluding bank overdrafts)	**696.3**	513.1	446.7
Net assets	**294.8**	218.7	201.0

1. Pre-exceptional gross profit and pre-exceptional gross margin are stated before deduction of exceptional items of £47.5m impacting cost of sales (FY25: £35.5m).
2. Pre-exceptional EBIT is stated before deduction of exceptional items of £47.7m (FY25: £36.3m).

Europe Hub financial summary

	FY26 (£m)	FY25 (£m)	FY24 (£m)
Group revenue	**2,564.1**	2,276.7	2,508.2
Pre-exceptional gross profit[1]	**238.6**	177.0	134.1
Pre-exceptional gross profit % (gross margin)[1]	**9.3%**	7.8%	5.3%
Pre-exceptional EBIT[2]	**139.9**	70.7	30.3
Post-exceptional EBIT	**107.0**	49.0	3.9
Profit/(loss) before tax	**76.6**	14.4	(21.0)
Net cash	**265.3**	66.8	15.4
Cash and cash equivalents (excluding bank overdrafts)	**398.4**	230.1	139.6

1. Pre-exceptional gross profit and pre-exceptional gross margin are stated before deduction of exceptional items of £32.9m impacting cost of sales (FY25: £21.7m).
2. Pre-exceptional EBIT is stated before deduction of exceptional items of £32.9m (FY25: £21.7m).

Group revenue increased in FY26 by 12.6 per cent, due to the continued strength of the Europe Hub performance (which includes the Group's operations in the UK, Middle East, and Canada) with pre-exceptional gross profit increasing by 34.8 per cent or £61.6m to £238.6m (FY25: £177.0m). This was driven by improved project performance and the finalisation of certain projects which had experienced significant change in prior years.

The Europe Hub's pre-exceptional EBIT increased to £139.9m (FY25: £70.7m). This was driven by the improvement in gross margin as set out above, together with tight control of overheads, and a continued focus on securing research and development expenditure credits, which increased to £47.6m (FY25: £21.4m). The Europe Hub's performance is underpinned by an improved order book contract risk profile coupled with disciplined focus on priority sectors.

Australia Hub financial summary

	FY26 (£m)	FY25 (£m)	FY24 (£m)
Group revenue	**1,108.4**	1,679.8	1,481.4
Pre-exceptional gross profit[1]	**104.5**	108.1	120.9
Pre-exceptional gross profit % (gross margin)[1]	**9.4%**	6.4%	8.2%
Pre-exceptional EBIT[2]	**40.4**	44.2	51.1
Post-exceptional EBIT	**25.6**	29.6	41.9
Profit before tax	**24.6**	28.4	40.4
Net cash	**195.6**	180.0	233.4
Cash and cash equivalents (excluding bank overdrafts)	**262.0**	245.1	277.3

1. Pre-exceptional gross profit and pre-exceptional gross margin are stated before deduction of exceptional items of £14.6m impacting cost of sales (FY25: £13.8m).
2. Pre-exceptional EBIT is stated before deduction of exceptional items of £14.8m (FY25: £14.6m).

The Australia Hub continues to deliver strong results with pre-exceptional EBIT of £40.4m, £3.8m lower than the prior year. The FY26 result has been driven by strong pre-exceptional gross margin improvement to 9.4 per cent (FY25: 6.4 per cent) and sustainable overhead management. These results reflect the deliberate shift towards margin prioritisation. Performance continued to be underpinned by the favourable order book risk profile, with more than 97 per cent being made up of contracts that are low-to medium-risk in nature, and by a disciplined focus on priority sectors.

Exceptional items

The Board believes exceptional items should be disclosed separately on the face of the income statement to help readers understand the underlying financial performance achieved by the Group. The Group's pre-exceptional EBIT is before incurring exceptional items of £47.7m (FY25: £36.3m). The Europe Hub incurred exceptional costs (before interest and tax) of £32.9m, which relate to an increase in defects provisions due to the Building Safety Act 2022, which is net of associated insurance recoveries (FY25: £21.7m). The Australia Hub incurred exceptional costs (before interest and tax) of £14.8m (FY25: £14.6m). These costs included £14.6m for a claim provision relating to a contract terminated in the 2017 financial year (FY25: £14.3m) and £0.2m of associated legal costs (FY25: £0.2m).

Alternative performance measures

The Group is disclosing as alternative performance measures (APMs) within this report: pre-exceptional managed revenue, pre-exceptional group revenue, pre-exceptional gross margin, pre-exceptional EBIT, and EBITDA pre- and post-exceptional items. The APMs are reconciled to statutory measures in note 4, and their definitions are summarised in note 29 to the financial statements. The directors believe this adds clarity to the presentation of the financial statements and better reflects our internal management reporting. The directors also believe it is appropriate to disclose those items that are one-off, material, or non-recurring in size or nature separately.

Funding

The Group's net cash position (cash less debt but excluding the impact of IFRS 16, Leases) increased versus the prior year to £456.8m (FY25: £284.7m). The Group operates extensive controls over working capital and cash management and proactively engages with its financial stakeholders. The Group complied with all its revolving credit facility (RCF) banking covenants during FY26 and did not require any waivers or relaxation of these covenants. Further details are provided under the UK funding section below. The covenants related to the RCF are also detailed in note 28.4 to the financial statements.

The contracting model and financing environment faced by the Group in each of its territories are distinct. The blend of arrangements adopted therefore differs between territories. As well as debt instruments, such as bank loans and overdrafts, the Group sometimes uses project-related bonding and bank guarantees to support its activities. These instruments are largely issued by insurance companies and banks. The bonds and bank guarantees are issued on behalf of contractors to their clients and provide compensation in certain circumstances, such as defined aspects of contractor under-performance. These are also used to underwrite client advances and relaxations of client retentions.

These instruments are unsecured but can convey significant rights to the issuers, similar to those conveyed to other financial institutions, e.g. fees, covenants, reporting requirements, and ranking in the event of financial distress.

Over recent years, the Group has sought to reduce its use of these instruments, predominantly in the UK. However, it is still common practice in Australia and the Middle East to provide such instruments, which have increased by £38m in total in FY26.

Group bonds and guarantees

	FY26 (£m)	FY25 (£m)	FY24 (£m)
Surety exposure	**193**	261	278
Bank exposure	**152**	46	77

UK funding

UK core debt[1]

	FY26 (£m)	FY25 (£m)	FY24 (£m)
Property loan	**13.0**	13.0	13.0
Asset financing	**113.1**	110.2	98.1

1. The RCF, as detailed below, was drawn down at various points during both FY25 and FY26, but was repaid at both year ends.

The Group maintained an unsecured bilateral RCF with HSBC during FY26, which expired on 1 May 2026 (having been extended from the original expiration date of 3 April 2026). On that date, the Group entered into a new unsecured syndicated RCF of £40m with HSBC and Bank of China for a term of three years, expiring on 1 May 2029. The financial covenants under the new facility comprise interest cover and leverage cover, each tested quarterly, and a liquidity covenant tested monthly, including confirmation of compliance for the month-end and the subsequent three forecast month-end periods.

The Group's property loan of £13m was repaid in full on 2 April 2026.

UK bonds and guarantees

	FY26 (£m)	FY25 (£m)	FY24 (£m)
Surety exposure	**66**	60	54
Bank exposure	**–**	–	–

In the UK, bonding and similar instruments were £66m at 31 March 2026 (FY25: £60m). The UK business seeks to minimise its exposure to such instruments, having reduced its exposure a number of years ago.

Australia funding

The Australian business utilises bank guarantees, surety bonding facilities, and equipment finance facilities to support the acquisition of plant and equipment. As at 31 March 2026, AUD$18.4m was drawn under bank guarantee facilities (FY25: AUD$18.9m) and AUD$191.2m was drawn under surety bonding facilities (FY25: AUD$315.7m). The business has also drawn AUD$127.5m of asset financing (FY25: AUD$130.7m).

Middle East funding

The Middle East business is supported through access to bonding and bank guarantee lines provided by local banks and surety bonding.

At 31 March 2026, the business utilised AED686.8m of bonding and bank guarantees (FY25: AED267.5m).

Corporate centre funding

On 5 July 2024, a loan of £40.0m was advanced from Ebsworth Holding & Finance Limited, a related party, to the Group on commercial terms. The loan was for a term of two years and was repaid on 2 July 2026.

Significant asset acquisitions and disposals

On 31 July 2025, the Group completed the purchase of the trade and assets of the plant hire business of Explore Transport Limited. On completion, the Group also signed a sale agreement for its 50 per cent equity interest in Explore Transport Limited, which included the Group's effective equity interest of 35 per cent in Prigmore Haulage Limited, a subsidiary of Explore Transport Limited. A loss of £1m was recognised on disposal of the equity interest.

In FY25, the disposal of Laing O'Rourke Joinery LLC in the Middle East was completed on 31 May 2024, resulting in a profit of £3.5m. Also in FY25, Laing O'Rourke Construction South Limited entered a creditors' voluntary liquidation on 20 February 2025, resulting in a net credit to the income statement of £14.0m at a Group level. See note 13 to the financial statements for further details.

Order book

The Group order book stood at a record level of £17.2bn at 31 March 2026 (FY25: £11.9bn) reflecting a disciplined focus on priority sectors and continued improvement in risk profile. While this is a strong order book performance, the Group must continue to prioritise conversion of its pipeline to achieve the targets of its business plan. This will remain a key focus for the remainder of FY27.

We continue to target opportunities in priority sectors within each hub and with clients whose purpose and values are aligned with ours.

The Europe Hub order book continued to strengthen, standing at £15.6bn at 31 March 2026, compared with £10.0bn at 31 March 2025. We continue to work closely with the UK Government as a strategic supplier to deliver much-needed hospitals and other infrastructure. We have also secured new work at Sizewell C, as well as the National Biosecurity Centre for the Department for Environment, Food & Rural Affairs, the Midlands Rail Hub for Network Rail, and the North West Reinforcement project for National Grid. Winning further work across all our priority sectors also contributed to the Europe Hub's strong order book performance.

In the Middle East we continue to target opportunities in the United Arab Emirates, where we have a permanent presence and a strong track record. Our current work-winning strategy is mainly focused on data centres with repeat, suitable, and aligned clients. In addition, our Emirates Precast Construction business continues to serve the local market with a solid client base and strong pipeline.

Although lower than the prior year, the Australia Hub order book remains strong at £1.6bn at 31 March 2026 (FY25: £1.9bn), with more than 97 per cent being made up of contracts that are low- to medium-risk in nature. The Hub remained focused on sustainable growth, margin improvement, disciplined bid selection, and appropriate risk allocation in FY26. During the year, the Hub secured or was made preferred bidder on five major opportunities, including the Brisbane 2032 Olympic and Paralympic Games Venues Infrastructure Program and The Wave (Stage 1) Brownfield Package in Queensland (part of the broader The Wave faster rail scheme), the Sydney Metro West Five Stations project (in partnership with Gamuda) and Five Dock Station project in New South Wales, and the revived Great Eastern Highway project in Western Australia.

Tax

The Group takes its social and economic responsibilities seriously and pays the appropriate amount of tax in all countries where it operates.

The Group recorded a corporation tax charge of £16.8m in the year (FY25: charge of £12.0m) with current tax payable at 31 March 2026 of £3.0m (FY25: £0.3m). See note 11 to the financial statements for full analysis of the tax charge.

We regularly re-evaluate our position on tax returns where tax regulations are subject to interpretation and make provisions where appropriate based on what we expect to pay to the tax authorities.

Factors affecting the tax charge in future years are set out in note 11 to the financial statements.

As a worldwide company, Laing O'Rourke is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different jurisdictions, transfer pricing regulations, tax rates imposed, and tax regime reforms. On 11 July 2023, the UK enacted the Finance (No. 2) Act 2023, introducing a global minimum effective tax rate of 15 per cent. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. On 22 October 2024, Jersey adopted similar Pillar 2 legislation to introduce a minimum effective tax rate of 15 per cent, fulfilling Jersey's commitment to enact the OECD's global minimum tax framework for large multinational groups. The Jersey minimum effective tax rate was applicable from the accounting period beginning 1 April 2025 (FY26).

A Pillar 2 effective tax rate (ETR) is calculated for every jurisdiction in which the Group operates and Pillar 2 Income Taxes will arise when the Pillar 2 ETR is less than 15 per cent. Pillar 2 income taxes could be payable in the UK or the local jurisdiction if it has introduced a Qualifying Domestic Minimum Top-up Tax.

We continue to monitor potential impacts as further guidance is published by the OECD and territories implement legislation to enact the rules. Management has assessed the impact of the Pillar 2 rules based on our FY26 data, and no Pillar 2 income taxes are expected to arise in most jurisdictions where the Group operates as the Group believes it qualifies for one of the transitional safe harbours provided.

It is anticipated that Laing O'Rourke may, in some jurisdictions, incur additional tax liabilities, which have been incorporated into the reported tax charge.

Pensions

The Group operates several pension schemes with leading industry providers in Europe and Australia. These are defined contribution schemes and, as such, aside from regular monthly contributions, there are no outstanding pension liabilities.

Insurance

Insurance broking globally is consolidated with Marsh, which has strong technical expertise in arranging insurance for engineering and construction-based projects, as well as international market coverage.

The Group carefully monitors the balance between the Group's captive insurance risk and risk associated with insurance purchased in the external market.

Our combined liability insurance profile is influenced by our safety performance. The number of high potential (PC1) events reduced from 35 in FY25 to 29 in FY26. The Group remains comfortable with the level of insurance risk it is carrying internally.

FINANCIAL REVIEW (CONTINUED)

Intangible assets

The Group has £341.8m (FY25: £343.2m) of intangible assets on its balance sheet, with goodwill accounting for £321.0m (FY25: £318.1m). The movement in goodwill year on year is due to foreign exchange fluctuations and other movements. Goodwill is not amortised under International Financial Reporting Standards but is tested annually for impairment. In accordance with IAS 36, the recoverable amount has been tested with reference to four-year forecasts, discounted at the Group's estimated weighted average cost of capital.

As at 31 March 2026, based on internal value-in-use calculations, the Board concluded that the recoverable value of the cash-generating units related to goodwill exceeded the carrying amount. Details of the tests applied can be found in note 12 to the financial statements.

Finance and treasury policy

The Group's Treasury function has continued to closely and prudently manage the Group's liquidity, funding, and financial risks arising from movements in areas such as interest rates and foreign currency exchange rates. The Group has not entered into foreign currency hedges. The Group continues to review its credit support and prioritise the management of key financial stakeholders, including key banking relationships and surety bonding providers who support our long-term strategic agenda.

UK construction working capital and supply chain payments

The UK business has made significant progress in its supplier payments over the last year. We continue to target further improvements and remain fully engaged with current sector dialogue regarding payment practices.

Tier one cash flow is particularly sensitive to the length of time taken to agree and settle changes and variations. It is also sensitive to the value of cash retentions and how long clients hold on to them. Similarly, some clients are reluctant to pay upfront for the significant cost and risk of mobilising a major project, including the related off-site manufacture of components.

All parties involved in the sector must collaborate to provide a more modern approach to payments and provide adequate working capital to avoid the current hand-to-mouth, trickle-down of liquidity.

Laing O'Rourke Delivery Limited is the main trading entity in the UK, and has reported its latest set of payment practices data (as required under the Reporting on Payment Practices and Performance Regulations 2017) for the six months to 31 March 2026. During this period, the average number of days to pay invoices decreased to 21 days (six-month period ended 30 September 2025: 25 days), the percentage of invoices paid under 60 days increased to 97 per cent (six-month period ended 30 September 2025: 96 per cent), and the percentage of invoices paid to terms was 78 per cent (six-month period ended 30 September 2025: 83 per cent). The change in the percentage of invoices paid to terms is primarily due to the increase in suppliers with payment terms less than 60 days.

The management of suppliers' payment terms improved in FY26, with more consistent and effective oversight of payment processes.

The company remains focussed on further improving its performance in paying all suppliers within terms, particularly given continued inflationary pressure across the supply chain. We constantly review and implement measures that can further strengthen payment practice performance, and we acknowledge that we operate in a sector where supply chains and contractual terms are complex. Prompt payment is often prevented by a lack of debt availability in the sector, as well as the complexity of contractual terms, the resulting delays in resolution of disputes, and the time required to agree change instructions.

Risk and accounting policies

The Group continues to focus on further improving its risk management framework and risk and assurance processes. The Board regularly assesses and monitors risks affecting the Group. Further details of the Group's risk management process, governance, and oversight, are set out on pages 48 to 56 of the risk management section, together with the Group's principal risks.

Laing O'Rourke Corporation Limited reports its company and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the European Union and the Companies (Jersey) Law 1991. The Group's material accounting policies are explained in note 2 to the financial statements.

Macroeconomic environment

Despite the ongoing global economic turbulence, the Group order book increased year on year with significant growth in the Europe Hub. The Australia Hub order book, while remaining strong with five key wins in the last four months of FY26, was affected by continued fiscal constraints in the Australian economy.

Potential impacts and inflationary pressures arising from ongoing and new regional conflicts are continuously monitored. Inflation risk continues to be managed from the bid/tender stage and throughout the contract life, through our governance processes, contract protection mechanisms, and the adoption of a more resilient contracting model across the Group.

Challenges relating to staff recruitment and retention, together with unexpected disruption in areas such as deliveries to site, are largely mitigated through our vertically integrated delivery model, and direct employment.

The Board will continue to monitor the impact of global turbulence on the Group's operating environment, and remains alert to the need to respond to changes in market conditions, such as regional conflict, US tariff implications, freedom of movement, right to work, disruption to supply of plant and equipment and key construction components, exchange rates, and primary commodity prices.

Outlook

The Group has delivered strong profitability in FY26, driven by gross margin growth, increased research and development expenditure tax credits reflecting the Group's industry-leading innovation, and continued control of overheads.

The Group delivered substantial growth in both profit and cash across the year, building on last year's results and consolidating the strength of our financial position. However, we remain alert to global and domestic political instability and continue to monitor the impact of further potential delays to capital investment in both UK and Australia public-sector works.

Management continues to focus on building resilience and providing certainty through effective risk management, prioritisation of sectors where our operating model can deliver the most value, continuing to operate a more resilient contracting model, and embedding new processes and controls on project and client selection.

Our FY27 forecast, and the longer-term delivery of our strategic targets, is underpinned by our strong order book and predicated on continuing to win sufficient opportunities within our pipeline, the continued implementation of our strategic workstreams, and the ability to contain the impact of any potential further inflationary pressures and public-sector capital investment delays.

The Board remains confident that the strategic plan can be delivered but will continue to closely monitor any further impacts of inflation, which is exacerbated by global turbulence, together with any changes to key judgements and estimations. This includes the likely timing of the outcome of the ongoing arbitration in Australia. This is explained in our going concern note on pages 80 to 82. The impact of climate change on our forecasts and future performance is explained in note 2.28b to the financial statements.

The Board remains confident in the resilience of the business and its leadership due to its proven track record against a challenging market backdrop, including the impacts of post-Brexit labour shortages, COVID-19, supply chain volatility, regional conflicts, and rolling tariff disputes.

The UK Government has set out its commitment to a significant level of infrastructure investment through the 10-year Infrastructure Plan, publication and updating of the associated pipeline, and the creation of the National Infrastructure and Service Transformation Authority (NISTA), together with the new Modern Industrial Strategy. Those commitments were reinforced through the Autumn 2025 budget and Spring 2026 statement. However, there remains some uncertainty around timing of investment. In March 2026, Laing O'Rourke was appointed to the Hospital 2.0 Alliance to deliver the revised New Hospital Programme, giving greater certainty within that sector.

Adoption of modern methods of construction remains central to government investment, which the Europe Hub is well placed to respond to. This is especially true given the pioneering investment and development of our own advanced manufacturing facilities, backed by new digital platforms and our continued commitment to technology and innovation.

While the Australian construction industry was impacted by the Federal Infrastructure Review in FY24, the Australian infrastructure pipeline was largely stable in FY26, with major opportunities in our priority sectors being brought to market and determined within anticipated timeframes. The Australia Hub has continued to solidify its position in the transport and defence sectors, while taking strides to diversify into new or re-emerging sectors, such as water, social infrastructure, and airports.

The Group will focus investment across key enablement areas of people, technology and innovation, processes, data, and systems, together with its unique operating model, to drive its strategy forward.

We are well positioned and differentiated from our competitors in order to continue winning high-quality work due to our continued investment in our existing advanced manufacturing footprint in the UK, our vertically integrated delivery model, our focus on working with the right clients in priority sectors, our strong client engagement, and our robust internal control environment.

The Group also continues to work closely with the UK Government as a strategic supplier to deliver much-needed hospitals and infrastructure in support of its investment agenda. The Group has continued to convert its strong pipeline, and this remains one of the Board's main priorities for the remainder of the current financial year.

The Group now has 86 per cent of its expected FY27 revenue either secured or anticipated, and 76 per cent of its expected FY28 revenue secured, anticipated, or at the preferred bidder stage.

The Board has considered the Group's financial requirements based on current commitments, its secured order book, and the factors set out above, as well as the latest projections of future opportunities. It has then evaluated these against its banking and surety bonding arrangements and has concluded that the Group is well placed to manage its business risks and meet its future financial targets successfully.

Going concern

The directors have considered the Group's forecast future cash flows and downside cash flow scenarios. The directors consider it reasonable to assume that the Group has adequate resources to meet its obligations as they fall due for at least 12 months from the date of approving these financial statements. See pages 80 to 82 of the consolidated management report for further detail. For this reason, the going concern basis continues to be adopted in preparing these financial statements.

Paul Teasdale
Group Chief Financial Officer

RISK MANAGEMENT

Managing risk to deliver our strategy

At Laing O'Rourke, we bring our engineering expertise to deliver complex buildings and infrastructure.

Risk management is integral to our industry and to the achievement of our strategic objectives. We operate within a complex and evolving risk environment, shaped by structural, operational, and geopolitical developments. Maintaining a clear articulation of our risk appetite, supported by robust governance, effective controls, and well designed processes, is critical to identifying, assessing, and managing these risks and to the successful delivery of our strategy. We have established a clear governance structure and risk management process to ensure all our decisions are risk-focused, fit within our risk appetite, and drive us towards our strategic priorities.

Governance and oversight

The Board is responsible for managing risk across the Group. It delegates responsibility for monitoring risk, and for obtaining adequate assurance over the design and effective operation of mitigating processes and controls, to the Audit and Risk Committee.

The Audit and Risk Committee, through the Group and hub executive boards, maintains both a top-down and bottom-up approach to risk. While hub- and Group-level principal risks are reviewed at least annually, projects, business units, and functions maintain detailed risk registers to ensure the principal risks remain complete and relevant.

Our risk management process

We have adopted a standardised approach to risk and assurance across both hubs to ensure consistency of information presented to our executive committees and the Audit and Risk Committee.

We assess risk after taking account of the current control environment, providing a true picture of the current levels of risk. If we are outside the limits of our risk appetite, we design and implement further processes and controls.

We separately ensure we have the required level of assurance that our processes and controls are operating effectively.

Firstly, we identify the principal risks and emerging risks that could impact the achievement of our strategic priorities. Our next step is to evaluate and understand the processes and controls currently in place to reduce the likelihood of the risk crystallising, as well as actions we would take to mitigate impact if it were to occur.

We then establish our risk appetite. This ensures we are not taking unacceptable risks, while equally ensuring we are not focusing unnecessary time and effort on reducing the likelihood and impact of risks below levels we are willing to accept.

During FY27, we will continue to enhance our assurance programme to more regularly assess whether our processes and controls are operating effectively to mitigate risk.

Our multidisciplinary data centre teams are currently working across multiple campuses globally, with 80 per cent of our data centre projects being delivered for repeat clients.

Risk

Identifying and bringing principal risks within risk appetite (assumes mitigating activities are operating as designed)

Assurance

Gaining assurance that mitigating activities are adequately designed and operating

1. Identify, evaluate, and assess risks

1. **IDENTIFY** those risks that could materially impact the Group's ability to deliver its strategy
2. **EVALUATE** the current activities that reduce these risks
3. **ASSESS** the residual impact and likelihood of the risk occurring

2. Consider if risk level is acceptable

1. **CONSIDER** if current risk level is within risk appetite
2. **FORMULATE** action plan to further reduce risk level if necessary

3. Assurance gap analysis

1. **IDENTIFY** existing business as usual assurance activity
2. **DETERMINE** required level of assurance (both scope and level of independence)
3. **IDENTIFY** assurance gaps

4. Additional assurance

1. **PERFORM** additional assurance activities as required

Driving a manufacturing-led approach. Components produced for UK-wide projects at our Centre of Excellence for Modern Construction, Nottinghamshire, UK

Principal risks

Our principal risks align with our four key pillars:

- Delivering certainty;
- Innovation;
- Technology; and
- People.

Our principal risks, along with emerging risks, are reviewed at least annually by our Group Executive Committee and hub executive committees, or more frequently if circumstances require.

For each principal risk, we have outlined the causes of the risk, the effect it could have, and the actions we are taking to reduce the likelihood of the risk crystallising, or to mitigate its impact if it were to crystallise.

Our governance framework is underpinned by our project gateway process. Coupled with our project delegation of authority, this sets out 10 project gateways that form the life cycle of our projects, ensuring we achieve our strategic aims within the limits of our risk appetite.

Group Principal Risks

1. Health and safety

GEC sponsor:	Rating trend:
Group Chief Executive Officer	Increase (FY25: no change)

Risk

Failure to maintain a safe working environment and prevent serious injury/fatality.

Significant deviation from agreed safe systems of work could potentially expose employees, subcontractors, suppliers, and/or members of the public to dangers or hazards that could lead to injuries, health implications, financial loss/penalties, or serious damage to our reputation, both internally and externally.

How we manage it

The principal objective of our health and safety governance framework is to eliminate serious injuries and occupational ill health across all operations. The overall risk profile increased during FY26, reflecting elevated safety concerns arising from the escalation of conflict in the Middle East. Throughout this period, the safety and wellbeing of our people remained our highest priority. At the onset of hostilities, we promptly implemented our established health and safety protocols for operations in high-risk environments, to support the protection and security of our workforce.

We continue to address these risks through the ongoing implementation of our 'Rethinking Safety through Inclusion + Wellbeing' programme. During the year, we have focused on:

- Continued innovation and collaboration with our clients and design partners, to design out risk and engineer in health and safety at the earliest stage of our projects;
- Consistent implementation, continuous monitoring and review, and assurance activity of our accredited health and safety management system, our leading delivery excellence standards, health and safety procedures, and competence requirements, to ensure a high level of compliance across all our operations;
- Engaging with our people and supply chain at every level to ensure they play an active part in how we go to work and in building our operational resilience, remaining vigilant to health and safety risks;
- Supporting our people in managing their personal health, wellbeing, energy, and capacity to ensure continued levels of sustainable high performance;
- Continuing to foster an open and honest learning culture based on trust, integrity, and genuine care for our people – maintaining continued rigour surrounding incident investigation and enhanced resilience across all operations;
- Maintaining a high-compliance health surveillance programme for employees who undertake roles that have known health risks, together with enhancing business maturity on the potential occupational health risks associated with our operations;
- Continuing to provide specialist support to the business to better manage health risks at work; and
- Continuous review and monitoring of measures in place to ensure the safety of all personnel based in our Middle East region.

Rating trend legend: increase in risk during period no change in risk during period decrease in risk during period

2. Work-winning

GEC sponsor:	Rating trend:
Group Director, Commercial, Clients & Markets	No change (FY25: decreased)

Risk

Work-winning with unfavourable price, scope, and programme.

Misalignment between price, scope, programme, and terms of contract could result in inadequate contractual protection and potential cost escalation. It could also impact our ability to deliver the financial performance and cash flows underpinning our growth strategy. In our Australia Hub, there has been a shift away from alliances along with new market entrants increasing market competitiveness.

How we manage it

The Clients & Markets function is focused on securing a long-term, sustainable pipeline of work across priority sectors with high-quality clients, ensuring alignment with our strategic objectives and operating model. Our approach to opportunity selection and pursuit is governed using a series of assurance gateways, managed via our integrated Group Management System (iGMS), and includes:

- Requirement for executive gateway authorisation before resources are committed to prepare an offer in pursuit of an opportunity, ensuring alignment with our strategic ambitions and adoption of risk allocation;
- An interdisciplinary bid settlement process, with each project being assigned a bid lawyer, ensuring all aspects of any proposed contract are transparently recorded, debated, and challenged to mitigate the likelihood of excessive risk exposure;
- An automated delegation of authority framework, providing clarity and structure on approvers and approval levels, when committing bid resources or making offers to clients;
- Focus on collaborative clients with long-term pipelines and high likelihood of repeat work, aligned with our culture of client-centric delivery and continuous improvement;
- Enhanced pre-contract due diligence with clear scope definitions and robust risk assessment, backed by digital tools (CEMAR and Unifier);
- Enhanced protective mechanisms on new contracts; and
- Monthly formal executive gateway governance assessment of bidding performance, volume, and resourcing against our strategy and business plan, informing strategic work-winning decisions.

3. Our people

GEC sponsor:	Rating trend:
Chief People Officer	No change (FY25: no change)

Risk

Shortage of skilled individuals within the construction sector hampering ability to deliver strategic objectives.

Challenges for the industry include the number of people due to retire, attraction of early talent to the industry, and retention of existing staff in a climate of competition for roles across the industry. A shortage of talented individuals could impact financial performance and delivery of the strategy.

How we manage it

Attraction

- Promote and deliver early talent career opportunities and industrial placements to school, college, and university leavers, regardless of market conditions;
- Seek diverse new entrants from a range of industries;
- Offer enhanced employee benefits packages that are market-leading in the industry and offer parity with highly skilled professions; and
- Actively position Laing O'Rourke as a leader in diversity and people experience to attract the best talent available in the market.

Retention

- Strive for upper quartile employee engagement for our people to thrive;
- Create an environment where our people can thrive through ambitious diversity and inclusion strategies and actions;
- Continue to invest in our design for manufacture and assembly (DfMA) operating model in pursuit of an enhanced working experience for our people;
- Invest in industry-leading health, safety, and wellbeing programmes to design out risk and engineer in health;
- Create opportunities for stretching and diverse careers across the Group in technology and innovation and in our specialist businesses, and provide opportunities for international transfers; and
- Continue to invest in our relationships with industry partners, universities, and academic institutions to support career development and innovation within the industry.

4. Climate change and sustainability

GEC sponsor:	Rating trend:
Hub managing directors	No change (FY25: no change)

Risk

Failure to manage and respond effectively to climate change.

Failure to respond to climate-related challenges could have a fundamental impact on our business strategy. This could lead to adverse impacts on project planning and delivery, failure to take action to limit exposure to operational vulnerabilities, and negative impacts on work-winning ability, financial planning, access to finance, and our reputation.

How we manage it

Responsible, sustainable decision-making lies at the heart of our business. Modern methods of construction continue to underpin our approach, helping to mitigate some climate-related risks and providing a point of competitive differentiation.

Our sustainability strategy focuses on four key pillars, as described in the Sustainability statement. These are focused on acting for clients, the environment, society, and our people.

In addition, the following actions support the mitigation of climate-related risks:

- Innovation – taking a fresh approach to technical design, material use, building techniques, and nature protection to continually find new solutions to today's sustainability-related challenges;
- Collaboration – taking an active role within our industry to drive change as a collective via our partnerships with trade bodies, our supply chain, governments, and regulators;
- Targeted action – as detailed in our Sustainability governance statement on pages 30 to 32, using climate scenario analysis to drive our activity and priorities, ensuring we take the most impactful actions first; and
- Accountability – ensuring responsibility for sustainability is shared across our organisation and risks, opportunities, and actions are visible at each level, including Board, executive team, management, and staff.

5. Financial resilience

GEC sponsor:	Rating trend:
Group Chief Financial Officer	No change (FY25: decreased)

Risk

Failure to maintain adequate financial resilience and/or liquidity or comply with financial covenants.

Inability to secure funding in the form of refinancing facilities could impact our ability to bid for work, make investments, or meet our ongoing liquidity needs. This could adversely impact profitability, cash flow, and future growth. Failure to meet financial covenants could lead to an event of default if any breach is not remedied within the relevant grace period.

How we manage it

Our experienced Cash Management, Treasury, and Finance teams take a prudent approach to liquidity. They constantly monitor and maintain sufficient cash reserves, as well as available bank facilities, to meet liabilities and financing needs as they fall due. The teams also take a proactive stance on monitoring and complying with covenants and reporting requirements. Procedures are in place to monitor and forecast cash usage and other highly liquid current assets. This, together with committed credit facilities, ensures we have adequate available cash. Additionally:

- We maintain strong relationships with our lenders and other financial stakeholders, ensuring we keep them fully and regularly informed of all developments in relation to liquidity management. We have received full support from our financial stakeholders throughout the year;
- Our Clients & Markets function focuses on securing work with associated cash receipt profiles in line with our cash operating model, including securing mobilisation payments;
- We continue to pursue cash and financing opportunities, such as asset finance secured against plant and machinery, or the disposal of legacy assets, ensuring we meet our liabilities and financing needs as required; and
- We operate standardised reporting, forecasting, and budgeting processes to ensure cash generation and covenant compliance are maintained.

Rating trend legend: increase in risk during period no change in risk during period decrease in risk during period

6. Business integrity

GEC sponsor:	Rating trend:
Group Chief Executive Officer	No change (FY25: no change)

Risk

Fraud, bribery, and corruption activities.

Failure to detect and prevent illicit activities could result in severe reputational damage and loss of licence to operate and therefore our ability to win work.

How we manage it

We are committed to operating at the highest ethical standards and take a zero-tolerance approach to fraud, bribery, and corruption. We expect all employees and partners to act in accordance with our published Global Code of Conduct and established business integrity policies.

There are several focus areas that support this approach:

- Continued awareness programmes regarding our business integrity policies covering bribery and corruption, fraud, money laundering, modern slavery, sanctions compliance, and competition;
- Continued availability of anonymous, independently operated whistleblowing hotline for anyone wishing to raise concerns (Safecall);
- Continuous training of our staff and trade specialists to ensure they understand our commitments regarding fraud, bribery, and corruption and the implications for our business of failing to properly address them;
- Ensuring effective arrangements are in place to allow people to raise concerns about inappropriate behaviour and to ensure such concerns are investigated appropriately;
- Interacting with business units and functions via an annual risk assessment and annual control review to ensure we maintain effective controls to prevent and detect fraud, bribery, and corruption;
- Undertaking effective due diligence on our clients, suppliers, and other business partners; and
- Reviewing our Global Code of Conduct and business integrity policies at least annually to ensure their effectiveness.

7. Project delivery

GEC sponsor:	Rating trend:
Hub managing directors	No change (FY25: no change)

Risk

Failure to deliver projects on time, to budget, and to expected quality.

Inability to deliver our portfolio of projects across all geographic locations on time, to budget, and to the right quality could result in financial loss or reputational damage.

How we manage it

Project Certainty is our operating model for how we deliver projects against a set of key principles to drive consistency across our portfolio, creating a common experience for our clients. This is achieved through:

- The board-approved project delegation of authority framework details the cascade of authorisations required for any substantial changes proposed that would deviate from the key terms and delivery methodology agreed during the bid process;
- In the UK, we implemented CEMAR, a contract management solution, to all new eligible projects. These support our change management processes and provide one source of truth for all contract communications;
- For any special projects sitting outside our standard delivery model, we ensure appropriate length pre-construction services agreement periods to ensure scopes of work are fully understood;
- Contracts are signed at appropriate design stage maturity;
- The direct delivery model effectively mitigates shortages across workforce, skilled trades, materials, and tools;
- Our iGMS details a clear project playbook and must be adhered to across our portfolio, ensuring consistency of approach. We continue to undertake assurance activity to ensure compliance across the portfolio;
- Early engagement initiatives, innovative DfMA methodology, and our integrated end-to-end capabilities serve to mitigate risk and offer greater surety of delivery; and
- Our digital agenda and engineering technologies continue to achieve time and cost efficiency through a full visualisation of the build sequence and design delivery integration in our programme to build.

8. Procurement/supply chain

GEC sponsor: Group Director, Commercial, Clients & Markets	Rating trend: Increased (FY25: decreased)

Risk

Lack of supply chain resilience.

Cascading failure in the supply chain, including subcontractors and material procurement, or inflationary impacts disrupting our ability to deliver to requirement and price, could result in potential project overruns, reduced margins, and adverse impacts on client relationships. This could affect future work-winning.

How we manage it

The Procurement function is responsible for securing services and supplies in support of the Group's operations, as outlined below. The risk rating increased during FY26, reflecting supply chain disruption associated with the escalation of conflict in the Middle East, including impacts on logistics, availability of goods, and cost inflation. The risk is managed through the following measures:

- Exposure to external supply chain failure is reduced due to our internal, vertically integrated capability. A significant proportion of key work packages and manufactured products are delivered in-house. Contractual terms provide us protection in case of insolvency of an external supplier;
- A continued commitment to maintain strong, long-term relationships with key supply chain partners ensures alignment to our needs;
- Regular reviews of our lists of preferred suppliers ensure compliance with legislation and regulations applicable to us and to the businesses of those in the supply chain;
- Robust supplier selection and monitoring processes are in place to ensure we respond appropriately to changes in supplier circumstances;
- Inflation risk is managed by, wherever practical, signing up the main works packages back-to-back with the main contract award; and
- Greater certainty of supply is secured through long-term strategic framework agreements with key supply chain partners.

9. IT security, cyber security, and resilience

GEC sponsor: Group Chief Financial Officer	Rating trend: No change (FY25: increased)

Risk

Business reputation, data, and operations at risk of evolving cyberattacks from cyber criminals, hacktivists, or disgruntled staff.

A successful cyberattack could lead to the unauthorised disclosure of data, disruption to business systems and operations, or a contravention of our regulatory or certification compliance requirements.

How we manage it

Technology is crucial to maintaining a flow of information across our projects and offices. It is therefore important that our systems, controls, and protocols are robust in this area. We continue to look for opportunities to complement or enhance our cyber security position.

In support of this, we have delivered:

- A dedicated, global Cyber Security team focused on monitoring and managing our cyber defence controls across the Group;
- Regular specialist external audits and use of external partners to provide specialist services such as penetration testing and digital forensics;
- Additional cyber controls for the Group to satisfy compliance requirements as per the Australian Cyber Security Centre's Essential 8, and the UK National Cyber Security Centre's Cyber Essentials Plus certifications;
- Defined process to conduct risk assessments as part of onboarding new IT suppliers;
- Regular user education through different channels, including mandatory cyber e-Learning modules, phishing simulations, posters, and in-person workshops; and
- Continued investment in cyber controls, with a forward focus on cyber resilience and application controls.

Rating trend legend: increase in risk during period · no change in risk during period · decrease in risk during period

10. Macroeconomic environment

GEC sponsor:	Rating trend:
Group Director, Commercial, Clients & Markets	No change (FY25: no change)

Risk

Negative impact of changes in macroeconomic conditions on work-winning pipeline, procurement of goods and services, our people, and our clients.

Prolonged market turbulence and disruption from political or economic instability, both domestically and internationally, could result in reduction or delay in work-winning opportunities, shortages of goods and/or services from our supply chain, and delay in client decision-making, adversely impacting our financial resilience and results.

How we manage it

We monitor the continued economic turbulence, inflation instability, and geopolitical developments and use the following to mitigate, where possible, adverse impacts to project delivery and our financial position:

- Regular financial review and monitoring of project performance so timely action can be taken and themes identified;
- Centralised review and monitoring of relevant procurement price and lead time data, allowing timely action;
- Scenario analysis to consider the impact of high inflation with relevant actions identified;
- Engagement with stakeholders by a dedicated team to increase the profile of our industry in political debate; and
- Toward the end of FY26, the escalation of conflict in the Middle East resulted in the activation of our crisis management framework. Executive and operational working groups were mobilised in line with established governance protocols, providing structured support to regional teams, with a focus on safeguarding our people, maintaining operational resilience, and mitigating the broader economic impacts on the Group's portfolio.

11. Portfolio

GEC sponsor:	Rating trend:
Group Director, Commercial, Clients & Markets	Increased (FY25: no change)

Risk

Insufficient or inappropriate diversity of clients, and/or misalignment between our client portfolio and strategic aims.

Our portfolio/pipeline may not be sufficiently diversified across sectors, clients, and project size to ensure our strategic aims are achieved across macroeconomic cycles, including changing public spending priorities.

How we manage it

The Group continues to pursue opportunities aligned to its strategic objectives, while maintaining appropriate diversification across the portfolio. The increase in the risk rating during FY26 reflects heightened geopolitical uncertainty observed in early 2026, with potential implications for global market confidence. This is further compounded by continued competitive pressures in the Australian market, where new entrants are contributing to increased pricing competition. Management of this risk is supported by:

- We regularly review our portfolio and pipeline to ensure appropriate diversification, taking into account the risk and reward profiles of the client or sector;
- Annual market and macroeconomic reviews help us calibrate our portfolio and pipeline against the prevailing economic conditions; and
- All new bids follow our rigorous gateway approval process, during which the bid is considered in the context of the wider portfolio to ensure continued alignment of the business with our strategic aims.

12. Laws, policies, and regulations

GEC sponsor: Hub managing directors	Rating trend: No change (FY25: increased)

Risk

Failure to comply with, and manage effectively, current legislation and regulations and/or implement new legislation and regulations.

Failure to respond to changes in applicable legal, tax, and regulatory requirements in a timely manner, or to fully understand the impact and implications of applicable regulatory changes, could result in unintended non-compliance.

How we manage it

The Group operates in sectors that are subject to increasing and complex oversight from regulators (e.g. the Building Safety Act 2022 in the UK), scrutiny from stakeholders, and complicated contractual arrangements. Measures we have in place include:

- Active monitoring of, and response to, regulatory changes;
- Raising awareness of changes across the Group with mandatory training implemented where required;
- In the UK, a specialised team is in place to provide training and support projects on Building Safety Act 2022 requirements;
- In Australia, an ongoing engagement and training campaign focusing on the requirements of the Security of Payments legislation and Work Health and Safety legislation across the various states and territories;
- An anonymous, independently operated whistleblowing hotline available for anyone to raise concerns; and
- Regular reviews of risk assessment and controls within our compliance programme with necessary improvements made as and when required.

Continued monitoring

The following area continues to be monitored for any potential impact to the Group.

Joint arrangement partners

Non-delivery by our joint arrangement partners through poor performance, financial failure, or reduced capacity or capability could impact our ability to deliver projects on time, to budget, and to the right quality, impacting financial performance and/or reputation. Our in-house delivery capability allows us to work independently whenever possible, reducing our reliance on third parties. Joint arrangements are only established when our interests are complementary to those of our partners.

Our robust process for entering into a joint arrangement relationship works in conjunction with our wider controls, ensuring that a thorough evaluation of the financial and operational integrity of a potential partner takes place before committing to any formal arrangement. Once established, the implementation of our governance procedures throughout the duration of a project seeks to ensure compliance with all contractual terms and practices. Operational cohesiveness is strengthened and maintained with regular supplemental 'Principals' meetings between senior executives, in addition to our weekly business plan review process.

At Laing O'Rourke, people power our purpose - pushing the boundaries of what's possible in service of humanity.

Rating trend legend: increase in risk during period no change in risk during period decrease in risk during period

GOVERNANCE INTRODUCTION

Corporate governance principles

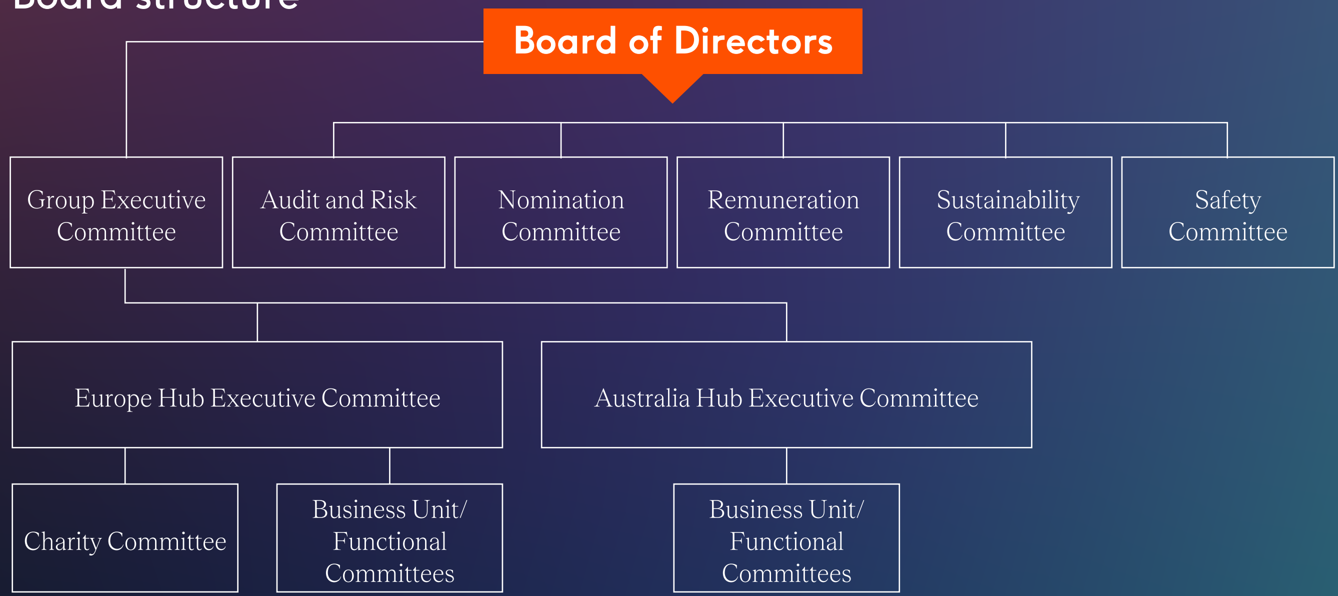
During the year ended 31 March 2026, our relevant UK companies in the Laing O'Rourke Group considered the Companies (Miscellaneous Reporting) Regulations 2018 and elected to continue to apply the Wates Corporate Governance Principles for Large Companies, as published in December 2018 (the 'Wates Principles').

This is our seventh year where we have used the Wates Principles as a framework to report on our corporate governance. The framework assists in assessing what we have done well and where there are opportunities for improvement.

Group corporate governance framework

At Laing O'Rourke we recognise that good corporate governance ensures transparency, accountability, and fairness to ensure long-term, sustainable success and value, while balancing the needs of all stakeholders. Consequently, we apply our corporate governance framework across the whole Group and continually keep it under review to ensure it remains compliant, efficient, and aligned with our strategic goals.

Board structure



Highlights

We refreshed our Board with several new key appointments

We created the position of Chief People Officer and appointed Wayne Davies to the role to ensure effective oversight of Group talent and succession planning

We launched a refreshed Global Code of Conduct, clearly setting out the rules and expectations that apply to everyone working with, and for, Laing O'Rourke

We created a standalone Safety Committee to reflect the key focus of the Board on health, safety, and wellbeing, a role previously incorporated within the Sustainability Committee

Our Risk and Assurance team has been expanded as part of our transformation of risk management as a strategic enabler of growth

DIRECTORS AND COMMITTEES

Directors

RAY O'ROURKE KBE

Group Chairman

Shareholder and founding director of Laing O'Rourke, Ray agreed to take on the role of Group Chairman with effect from 1 April 2025. He also chairs the Nomination and Remuneration Committees and is a member of the Audit and Risk Committee.

Ray founded R O'Rourke & Son in 1977. The business acquired the construction arm of John Laing Plc in 2001, and acquired Barclay Mowlem Australia in 2006, creating today's extended international engineering construction group.

CATHAL O'ROURKE

Group Chief Executive Officer

Cathal was appointed Group Chief Executive Officer in July 2024, having previously served as Group Chief Operating Officer and Managing Director, Australia. He chairs the Group Executive Committee as well as both the Europe and Australia Executive Committees. Cathal is also a member of the Audit and Risk Committee, as well as the Nomination, Remuneration, Sustainability, and Safety Committees.

Cathal is a tireless advocate for driving positive industry change. He champions gender equality and lobbies for collaborative contracting models with a fairer allocation of risk to align the interests of all parties to best-for-project outcomes.

PAUL TEASDALE

Group Chief Financial Officer

Paul joined the Board in October 2024 upon his appointment as Group Chief Financial Officer. Prior to that, he served as Deputy Group Chief Financial Officer. He was previously the Finance Director for the Australian business. Paul is also a member of the Group Executive Committee and the Audit and Risk Committee.

Paul is an experienced finance executive in the construction and engineering sector, having previously worked at several other tier one construction companies in Australia.

HELEN RUELLE

Group Company Secretary

Helen joined the Board as Group Company Secretary and a director from 1 April 2026. Helen is a Jersey advocate and English solicitor, recognised for her expertise as a commercial and business law expert. She is a member of the Group Executive Committee as well as being a member of the Audit and Risk Committee, and the Nomination, Remuneration, Sustainability, and Safety Committees.

Helen is an award-winning director and has been a partner and director at internationally renowned commercial law firms Ogier and Mourant. Helen has also held significant external appointments with major charitable and regulatory bodies.

REBECCA HANLEY

Group Director, Strategic Programmes

Rebecca joined the Board in November 2022. Prior to her current role, she served as Managing Director of the Australia Hub and before that as Group Head of Strategy. She is also a member of the Group Executive Committee. Rebecca temporarily stepped down from the Board in June 2023 for a period of parental leave and was re-appointed in July 2024.

Rebecca previously worked in strategy with Anglo American Plc and in strategic and financial leadership positions with PwC and private equity-owned companies in the UK and Australia. She is a chartered accountant with an MBA from INSEAD in Paris.

JIM EDMONDSON

Non-Executive Director

Jim joined the Group as Group Company Secretary and a director of the Board in January 2018. He stepped down as Group Company Secretary with effect from 1 April 2026 and remains on the Board as a non-executive director. Jim is also a member of the Sustainability and Safety Committees.

Jim is a solicitor of the Supreme Court of England and Wales and a former joint senior partner of a major London law firm with responsibilities for strategy, thought leadership, nurturing of client relationships, and business development. Jim also specialised in advising on corporate structures, succession planning, and the application of proper administration and corporate governance in the context of directorships and trusteeships.

MARK FOY CBE

Independent Non-Executive Director

Mark was appointed to the Board as an independent non-executive director in November 2025. He chairs the Board's newly formed Safety Committee and is also a member of the Remuneration Committee.

Mark was formerly the Chief Executive and Chief Inspector of the Office of Nuclear Regulation. He is an expert in regulatory excellence and nuclear safety and security.

HEATHER MACCALLUM

Senior Independent Director

Heather joined the Board in November 2022, chairs the Audit and Risk Committee, and is a member of the Nomination and Remuneration Committees. She was appointed as Senior Independent Director on 17 September 2025.

Heather was a partner in KPMG Channel Islands Limited's financial services practice from 2001 to 2016, predominantly providing audit and advisory services to the investment management sector. Heather serves as a non-executive director on the boards of several companies and was previously the Chair of Jersey Water.

DAME HAYAATUN SILLEM DBE, CBE

Independent Non-Executive Director

Dame Hayaatun was appointed to the Board as an independent non-executive director in March 2022. In addition to her role on the Board, she chairs the Sustainability Committee and is a member of the Audit and Risk Committee and the Nomination Committee. She was made a CBE in 2019 and was appointed a Dame in June 2026 for services to engineering.

Hayaatun has previously held the roles of co-chair of the UK Government's Business Innovation Forum and Sir Lewis Hamilton's Commission on improving Black representation in UK motorsport, and Chief Executive Officer of both the Royal Academy of Engineering and the Queen Elizabeth Prize for Engineering Foundation.

Former Board members

Mark Cutifani CBE stepped down as a non-executive director (and Senior Independent Director) on 31 August 2025.

Sir John Parker GBE FREng stepped down as an independent non-executive director (formerly Independent Group Chair until 31 March 2025) on 30 September 2025.

Charlotte Valeur stepped down as an independent non-executive director on 31 August 2025.

Group Executive Committee

CATHAL O'ROURKE
Group Chief Executive Officer

WAYNE DAVIES
Chief People Officer (appointed 12 January 2026)

MARK DIMMOCK
Managing Director, Australia

REBECCA HANLEY
Group Director, Strategic Programmes

PETER LYONS
Managing Director, Europe

JOHN O'CONNOR
Group Director, Commercial, Clients & Markets

HELEN RUELLE
Group Company Secretary (appointed 1 April 2026)

PAUL TEASDALE
Group Chief Financial Officer

Former Committee members

Jim Edmondson stepped down as Group Company Secretary and from the Group Executive Committee with effect from 1 April 2026. Jim remains on the Board as a non-executive director.

Madeleina Loughrey-Grant resigned 11 July 2025.

Europe Hub Executive Committee

CATHAL O'ROURKE
Group Chief Executive Officer

PETER LYONS
Managing Director, Europe

DAMIAN CASSIDY
Director, Delivery (appointed 2 December 2025)

SIMON CHATWIN
Director, Commercial

SARAH CONWAY
Director, Office of the CEO, and Group Corporate Affairs

JEAN-PIERRE DE VILLIERS
Director, Specialist Trading Business Group

DECLAN MCGEENEY
Director, Technical, Safety and Digital

RONAN O'ROURKE
Director, Clients & Markets (appointed 1 July 2026)

BEN WORTHINGTON
Director, Legal

VICTORIA POMARNEVSKA
Director, Strategy (appointed 15 September 2025)

AMY TULLIS
Director, People

ALEX WARRINGTON
Director, Delivery

ILZE WILLIAMSON
Director, Finance

Former Committee members

Barry Dye and Allan Gregory have stepped down from the Committee and continue to carry out significant roles in other parts of the business.

John O'Connor stepped down from the Committee to apply enhanced focus on his role as Group Director, Commercial, Clients & Markets.

Madeleina Loughrey-Grant resigned 11 July 2025.

Martin Staehr resigned 7 November 2025.

Australia Hub Executive Committee

CATHAL O'ROURKE
Group Chief Executive Officer

MARK DIMMOCK
Managing Director, Australia

ANNABEL CROOKES
Director, Legal and Risk

DR RALF DICKE
Director, Strategy, Transformation & Innovation

HELEN FRASER
Director, People

ANDREW KING
Director, Commercial

PAUL MILNE
Director, Delivery

TOM MULLENS
Director, Technical and Health & Safety

SARAH PEARCE
Director, Finance

CHRISTIAN PORTER
Director, Clients & Markets

Former Committee members

Andrew Jeffrey stepped down from the Committee as part of a planned return to the Europe Hub where he continues to carry out a significant role within the business.

KEY MATTERS CONSIDERED BY THE BOARD DURING THE YEAR

Activity	Actions	Progress and outcomes
Purpose and values	Embedding purpose and values into systems and processes.	There was good progress in the year in embedding purpose into strategy. Our purpose is to push the boundaries of what's possible in service of humanity. This drives everything we do, with our people as the defining factor to our success. That is why we are creating a workplace where everyone can thrive. We have set a target to achieve gender parity across our staff population by 2033. Additionally, the Board and GEC have been leading the way in 'purposeful change' to build our capacity and readiness to lead cultural change and to connect to our purpose and strategy through a series of 'Leading Change' workshops.
Financial performance	Continuous evaluation of the Group's financial performance against budget and forecast. Approving the Group's FY25 Report and Accounts. Consideration of the Group's capital requirements and financing arrangements.	There have been frequent, detailed reports provided for each Board meeting from the Group CFO and Group Director, Commercial, Clients & Markets. The Group's FY25 Report and Accounts were approved by the Board during the year. There has been a programme of frequent Board and executive committee meetings as well as subsidiary board meetings.
Sustainability	Continuous action to achieve our goals: • Reduce Scope 1 and 2 emissions by 42 per cent and Scope 3 emissions from purchased goods and services by 25 per cent by 2030; • Be a net zero company by 2050; and • Achieve 50/50 gender parity across global staff by 2033. In addition, the Board has endorsed social value goals of enriching the lives of two million people in the UK and creating £2bn of social value by 2030.	A Group-wide Sustainability Progress Report was published in March 2025, which reflects on the progress made in pushing the boundaries for clients, society, the environment, and our people. The Board supported the creation of a respectful, safe, and inclusive environment for everyone with the integration of anti-harassment workshops into our project start up and mobilisation process. This has embedded clear expectations around behaviour directly into project mobilisation, placing ownership firmly with project leaders responsible for safety, standards, and conduct from the outset.
Strategy	Following the success of the its 2025 strategy, the Board has been considering its strategy to 2032.	The Board has had considerable input into the planning and development of our new 2032 strategy, including a retrospective review of the previous 2025 strategy. It attended a two-day CEO Summit where the Board was able to conduct a deep dive into the proposed new strategy and deliberate on the organisation's 'why?', in what direction they want to steer the business, and which levers will make that happen. In addition, the Sustainability Committee considered the role of sustainability in shaping the 2032 strategy. The Board also endorsed a communication strategy to sit alongside the 2032 strategy to ensure global alignment and that all our leaders can speak to a single narrative.

KEY MATTERS CONSIDERED BY THE BOARD DURING THE YEAR (CONTINUED)

Activity	Actions	Progress and outcomes
Leadership and people	Continued review of Board composition, skills, and diversity. Continued consideration of succession planning for senior roles.	A number of leadership changes took place in the reporting period. In September 2025, Sir John Parker stepped down from the Board. During the year, the Board was refreshed to allow for greater focus on driving a new paradigm for the construction industry. Mark Foy CBE was appointed as a non-executive director while non-executive directors Charlotte Valeur and Mark Cutifani stepped down from the Board. Helen Ruelle joined as Group Company Secretary elect and took up her new position and directorship of the Board formally on 1 April 2026 as Jim Edmondson stepped down from the role of Group Company Secretary. He remains a non-executive director. Madeleina Loughrey-Grant, a member of the Group Executive Committee and Group Director of Legal, Compliance and Sustainability, resigned from her role in July 2025. The GEC has been strengthened with the addition of our Chief People Officer Wayne Davies. In addition, during the year, a number of strategic appointments were made to both hub executive committees.
Risk management and internal controls	Further embedding of our operating model for how we deliver projects against a set of key principles and metrics, to ensure consistency across our projects. The Project Support and Integration Office (PSIO) developed various tools and approaches to ensure timely and independent data insights, to enable key stakeholders in the business to make timely, informed decisions. Ongoing work on improving and strengthening internal controls and processes across the business.	The Board has continued to review the implementation of the operating model and assess its success. The Board has endorsed the work of the PSIO team to implement Project Certainty into more projects in the Europe Hub. The team has designed and implemented the Europe Hub virtual control room. In the Australia Hub, 'project metrics' have been developed. The resulting data better supports decision making by the Board and executive, and helps ensure project risks are identified, assessed, and resolved as early as possible. There were a number of compliance control reviews undertaken during the year and a review of all our Group business integrity policies. The Board continued its focus on ensuring the business is equipped to identify and stamp out modern slavery in the construction sector.
'Rethinking Safety through Inclusion + Wellbeing'	Continual focus on the physical and psychological safety of people.	Rethinking Safety continues to be a key priority. We created a standalone Safety Committee to reflect the key focus of the Board on health, safety, and wellbeing, and to continue to provide board-level independent oversight and challenge of group health, safety, and wellbeing strategies, policies, and performance, a role previously performed by the Sustainability Committee. The Board has ensured throughout the year that the business remained focused on engineered safety, which is central to the way in which the Group goes to work. The Board endorsed ongoing training for leaders, site supervisors, and site operatives to ensure that safety is a priority at every level of the business.

GOVERNANCE PRINCIPLES[1]

Principle One – Purpose and Leadership

An effective board develops and promotes the purpose of a company and ensures that its values, strategy, and culture align with that purpose.

The Board of Directors of Laing O'Rourke, guided by its purpose and values, regularly and consistently challenges strategy, performance, and accountability.

It recognises that the Group's strategic success and continued growth depend on making sure that its purpose and values are embedded into its decision making, culture, and ways of working throughout the organisation.

To this end, we have mobilised Leaders' Networks in both hubs as key groups to support connection in the wider business with strategy and purpose. This group translates strategy into their leadership areas and provides feedback to the Board and executive.

In October 2025, a CEO Summit was held in the UK to bring together the Group Executive Committee (GEC), Europe Executive Committee (EEC), and Australia Executive Committee (AEC) to discuss strategy.

Strategy

The Board set the strategy for FY26 to strengthen the business following a return to profitability, focusing on delivering certainty through modern methods of construction, sustainability, and a commitment to digital engineering. Part of that strategy has been the refresh of the Board and the appointment of a number of key leaders including a new Chief People Officer.

Our strategy and business updates are communicated to our people each year through various methods including roadshows at several locations close to our offices and projects.

Conduct and ethics

Laing O'Rourke's Global Code of Conduct sets clear expectations for behaviour and ethical standards, and it empowers our people to choose to do the right thing in any situation. Our code incorporates our shared values of care, integrity, and courage, which guide decision making and shape our culture.

In FY26, we undertook a complete overhaul of our Code of Conduct, which was launched in April 2026. The code has been made shorter, as well as more interactive and engaging through graphics and videos to bring the content to life. It has been translated into 17 languages making it more accessible to those for whom English is not their first language.

We also undertook a refresh of our training modules on modern slavery awareness, anti-fraud, and corruption and introduced a new module on respect and inclusion. These four modules went live alongside the new Code of Conduct. By incorporating scenario-based learning, the new modules are more interactive and engaging.

During the year, we also undertook compliance control audits looking, in particular, at purchase cards, staff expenses, workforce lodging, and mobility. The business has also planned for a major upgrade to our conflicts of interest register and gifts and hospitality register, which will commence in FY27.

The business has set up a modern slavery working group that meets monthly to develop and deliver training for our people and our supply chain on how to identify modern slavery and to improve awareness of the issue. We have also undertaken site audit and management system audits to check that our high-risk suppliers have the right protocols and controls in place to identify instances of modern slavery.

1. We apply the Wates Corporate Governance Principles for Large Companies, as published in December 2018.

Principle Two – Board Composition

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience, and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

The Group Chairman is responsible for leading and managing the effectiveness and governance of the Laing O'Rourke Board. The Group Chairman ensures that Laing O'Rourke Board members are aware of and understand the views of key stakeholders and helps set the tone from the top in terms of culture, purpose, and values.

The Laing O'Rourke Board recognises the importance of diversity in promoting the long-term success of the business and is committed to ensuring the Board is balanced and diverse, and that it contains people with the right mix of skills, knowledge, and experience. It is also committed to nurturing a culture of equal opportunity where everyone can perform at their best.

The Board was refreshed in FY26. Jim Edmondson stepped down as Group Company Secretary and Helen Ruelle was appointed to this role. Helen brings considerable legal and commercial experience to the role. Jim remains on the Board as a non-executive director where his skills continue to be very much in demand. Charlotte Valeur and Mark Cutifani stepped down as non-executive directors, and Mark Foy CBE was appointed as a new non-executive director in November 2025, bringing with him leadership and regulatory experience as former Chief Executive of the Office for Nuclear Regulation. This appointment underscores the Board's commitment to health, safety, and wellbeing.

The Board continuously works to improve its effectiveness by ensuring there is an opportunity for independent challenge and external perspectives through non-executive directors; at present there are four non-executive directors on the Board.

The Board also has opportunities for formal and informal training on directors' duties, personal development, and areas of focus for the business, and site visits to our projects. The Board was also given the opportunity during the year to participate in a cyber-security incident scenario exercise. The Board is well supported by the work of its committees, which enhance efficiency of the work of the Board and effectiveness of decision making as they conduct deep dives into specific complex areas such as sustainability, safety, risk, and audit. The Nomination Committee supported the Board refresh that took place in FY26.

The Board continues to review membership and skillsets of the Board committees to ensure they remain fit for purpose as the business evolves. The Group CEO performs a similar role for the EEC and AEC which report into the GEC. The role of the Board committees, GEC, EEC, and AEC are explained in more detail on the following page. Members of the GEC, EEC, and AEC are profiled on pages 60 to 62.

Group Executive Committee

The Board delegates the day-to-day operation of the Group to the Group Executive Committee, chaired by the Group CEO. The role of the Committee is to recommend the Group strategy to the Board, allocate capital, and monitor execution to maximise shareholder returns.

Hub Executive Committees

Both the Europe and Australia Hub Executive Committees are chaired by the Group CEO. The purpose of the committees is to execute strategy and maximise cash flows from operations.

Audit and Risk Committee

This Committee of the Board is chaired by Senior Independent Director Heather MacCallum.

The purpose of the Committee is to monitor the integrity of the Group's financial statements, to oversee the relationship with the external auditors, including a review of independence and fees, to assess and direct the Group's approach to risk management, and to receive updates on our ethics and compliance programme. In FY26, the Committee met twice to review draft financial statements and the information supplied by management on significant accounting judgements, as well as reviewing the going concern statement. It also received regular updates from management and representatives from our external auditors, as to the progress of the FY25 statutory audit and planning for the FY26 statutory audit.

Safety Committee

This Committee of the Board is chaired by non-executive director Mark Foy CBE, and provides oversight of the Group's approach to health, safety, and wellbeing, encompassing engineered safety, human performance, and delivery excellence under the framework of 'Rethinking Safety through Inclusion & Wellbeing'.

Its purpose is to ensure that the organisation maintains effective systems to protect employees, contractors, and the public, while supporting the development and successful delivery of the Group's safety strategy. The Committee also provides independent assurance to the Board that health and safety risks are being effectively managed and that the Group is operating in compliance with legal requirements.

In fulfilling its role, the Committee focuses on the Group's agreed safety priorities, aligning its oversight to the strategies set by the Company and approved by the Board.

Nomination Committee

This Committee of the Board is chaired by the Group Chairman. The purpose of the Committee is to make recommendations, where required, on appointments to the Board and other senior roles.

Remuneration Committee

This Committee of the Board is chaired by the Group Chairman. Its purpose is to make recommendations to the Board on the Group's remuneration structure and to align remuneration to the long-term sustainable success of the Group.

Sustainability Committee

This Committee of the Board is chaired by non-executive director Dame Hayaatun Sillem.

It is charged by the Board with overseeing the environmental impact and sustainability of operations and monitoring of progress against our targets. Until recently, the Committee also encompassed safety, but the Board decided to create a separate Safety Committee dedicated to considering health, safety, and wellbeing issues.

Part of the work of the Sustainability Committee is achieving our target of 50/50 gender parity in staff roles by 2033. To this end, in FY26, we have:

- **Expanded mentoring and sponsorship** access, with two programmes targeted at helping to build sponsorship, confidence, and career visibility for mid-to-senior grade women;
- **Commenced Cultivate Sponsorship** – established in the Australia Hub five years ago, the programme pairs high-potential women with executive sponsors for a six-month journey of growth, advocacy, and opportunity. The programme was introduced to the Europe Hub in January 2026;
- **Established the Circle Academy in the Europe Hub** – with 14 of our women in the current cohort, the 12-month mentoring programme is now a well-established element of our development options;
- **Driven allyship** through employee networks and forums to address everyday experience. A significant area of focus during FY26 has been addressing the lived experience of women in our mid grades, particularly the cultural behaviours that are regularly cited as reasons people disengage or leave the construction sector; and
- **Attracted future talent** by creating visible role models. Throughout the year we spotlight the variety of roles on offer within Laing O'Rourke and especially in the lead up to International Women's Day and make a concerted effort to challenge stereotypes and highlight careers paths available to everyone including women.

Principle Three – Director Responsibilities

A board and individual directors should have a clear understanding of their accountability and responsibilities. A board's policies and procedures should support effective decision making and independent challenge.

The Laing O'Rourke Board and individual directors have a clear understanding of their accountability and responsibilities, as well as policies and procedures to support effective decision making and independent challenge.

The Board has four non-executive directors whose purpose is to bring independent challenge to the decision making of the Board.

Each Board member understands their statutory and ethical duties, including in respect of potential conflicts of interest, which could compromise objective decision making.

The Laing O'Rourke Board receives regular and up-to-date information on performance of the business and progress against strategy.

The committees that support the Board ensure the necessary systems, people, and processes are in place to gather and report data that is current and accurate. The Board is of the opinion that the Company's key reporting business functions are appropriately staffed, trained, and qualified to ensure the integrity of information.

In respect of financial information being provided to the Laing O'Rourke Board, this is collated from Laing O'Rourke's accounting systems by its Group Finance function. Financial information and financial controls are regularly reviewed internally, and any improvement actions are taken with oversight by the Audit and Risk Committee.

Papers and reports to the Board are circulated to Board members using a secure, cloud-based software database that enables papers to be accessed securely in any location on any company-issued device.

At a subsidiary level, appointments to the boards of operating subsidiary companies are regularly reviewed by the Group Chairman and Group CEO to ensure they remain appropriate and aligned with the executive leadership within the Group and at hub level.

The terms of reference and responsibilities of the Board together with its key officers, committees, and subsidiary boards are contained in the Group Governance Framework. The framework provides clear lines of accountability and responsibility for the Board, executive, and committee members.

In FY25, we conducted a root and branch review of corporate governance in relation to health and safety resulting in updated terms of reference at each level within the Group and a mapping of key accountabilities of Board, senior executive, and management teams to ensure that health and safety leadership is embedded at every level of the business, which has been embedded into processes in FY26. A similar exercise is now underway for sustainability.

In addition, we continue to review our conflicts policy and improve and refine our corporate and project delegation of authority framework to ensure authorisations reflect the leadership and operations of the business.

Principle Four – Opportunity and Risk

A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, establishing oversight for the identification and mitigation of risks.

The Laing O'Rourke Board seeks out opportunities for value creation and long-term business success. The Board also has overall responsibility for risk management. The Board reviews and approves strategy and, as part of this exercise, considers threats and opportunities, including risk appetite, following an annual planning dialogue and regular strategy check-ins throughout the year. Further information on the strategy-setting process is provided under Principle One.

Opportunities

In respect of opportunities and long-term value creation, the executive meets regularly to review the opportunities pipeline, ensuring any opportunities followed up are aligned to the Group's purpose, values, and strategy.

The executive escalates opportunities as appropriate to the Board, to ensure oversight and receive direction.

In FY26, the Europe Hub created a Social Value Project Playbook, which is aligned with the project life cycle stages and is designed to support projects to ensure we deliver on our social value commitments.

The Board also approved the appointment of a new role to the Group Executive Committee, Chief People Officer, to lead the Group people strategy, which is focussing on building capability and accelerating transformation.

In assessing and acting on opportunities, the Board and executive ensure they are leveraging the Group's vertically integrated delivery model, its technology and innovation expertise, and modern methods of construction.

Risks

The Board is responsible for setting and reviewing Laing O'Rourke's risk appetite.

The Group has a controlled risk appetite that is aligned to achieving its strategic objectives. It aims to ensure the Group is not unduly exposed to any event, or combination of events, that could cause a risk outside of the Group's risk appetite to crystallise.

The identification and assessment of risks, and any mitigation measures, lie with the executive and senior managers in each business unit and function. The Audit and Risk Committee is responsible for oversight of risks, both current and emerging, and escalation to board level.

Internal risk and assurance

During FY26, the Europe Hub continued to strengthen its Risk and Assurance team including the appointment of a Europe Hub Risk Manager. This team will be aligned to the established, best-practice Australia Hub model. In FY26, the Risk and Assurance team worked alongside the Quality team in the Europe Hub to undertake audits in different areas of the business, from project audits to functional audits. In FY27, the responsibility for audits will be handed over to the Risk and Assurance team.

Project governance

We continuously review and improve our project gateway process from earliest bid opportunity through to sign off of the main contract and to delivery, completion, and post-completion.

This underpins our holistic approach to managing risk and opportunity in our projects and ensures we can deliver according to our operating model.

Our project audits leverage the expertise of our people by staffing project audits with peers from the same field of expertise.

This expertise introduced via peer review brings greater efficiency in the audit process, improves credibility of the findings, and gives recommendations for action.

The model is also underpinned by a second line of defence, which allows for oversight by our compliance and risk management specialists across finance, security, compliance, and quality.

A third line of defence is in place whereby functions engage external assurance by subject matter experts where appropriate, for example, for cyber security risk.

Externally, the Group also takes the learnings from its external assurance providers and regulators in areas such as health and safety.

STRENGTHENING INTERNAL CONTROLS

Both hubs have continued to evaluate the effectiveness of internal controls, specifically those that are high-risk areas such as fraud and corruption. The aim of these reviews is to proactively identify control deficiencies and fraud risks, and as a result the business has been able to take action to close down gaps and identify areas for improvement.

Transforming project delivery though digital solutions

Principle Five – Remuneration

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

The Nomination Committee and the Remuneration Committee, both chaired by the Group Chairman, are responsible for the structure, appointments, removals, succession, performance, and compensation of the Laing O'Rourke Corporation Board, the Laing O'Rourke executive committees, and directors of subsidiary boards. Subsidiary board members are remunerated at a Group level and are not remunerated for their subsidiary board positions. Total directors' remuneration is disclosed in note 7 of the financial statements.

The remuneration of employees below executive level is overseen by the Executive Committee of each of the hubs and the Group CEO. Salaries of all Group employees are aligned to the performance of the business and market conditions, with bonuses as well as long-term incentives for senior executives driven by a combination of personal and business performance.

In April 2026, the Board published its 2025 UK Gender and Ethnicity Pay Gap reports, based on data as at 5 April 2025 (5 April 2026 data not yet available at date of publishing the Report and Accounts 2026). The reports show progress with a narrowing of the pay gaps in both years, and a slight increase in the number of women employed in the UK over that period.

Our Gender Pay Gap report shows a mean pay gap of 3.3 per cent (as at 5 April 2024: 5.3 per cent) and a median gap of 3.4 per cent (as at 5 April 2024: 4.8 per cent). Women make up 16 per cent of our overall UK employee population (as at 5 April 2024: 15 per cent) – broken down as 25 per cent staff and 2.5 per cent front-line trade specialists.

Our gender pay gap figures can look different to our peers because of our operating model. Our operating model results in a much larger proportion of men being employed in our business as trade specialists. This has an impact on the overall reporting of the average hourly rate reporting. The gender pay gap of our staff, when taken separately from our trade specialists, was a mean of 20.2 per cent as at 5 April 2025, falling from 24.6 per cent as at 5 April 2024.

Our ethnicity pay gap report, published voluntarily to support transparency and accountability in addressing ethnicity balance and fairness, shows a mean pay gap of 22.4 per cent (as at 5 April 2024: 24.6 per cent) and a median gap of 16.5 per cent (as at 5 April 2024: 17.7 per cent). Of those employees who have voluntarily recorded their ethnicity, 20 per cent are 'non white' (a classification term in the methodology guidance provided by the UK Government), compared to 19 per cent as at 5 April 2024. We have seen progress in the area of ethnicity balance with 31 per cent ethnic diversity amongst our graduate cohort and 18 per cent within our apprenticeship programmes. We have also had ongoing success in new appointments at more senior levels. We have also met the reporting requirements of the Parker Review to publish statistics on ethnicity diversity of our Board, which this year was extended to include senior management roles reporting directly into the Board.

In March 2026, the Australia Hub published its latest Australian Gender Pay Gap analysis for FY25. This showed a gender pay gap of 22.7 per cent, which is 5.7 per cent lower than our industry comparison group where the average is 28.4 per cent, and is an improvement on the prior year where the pay gap was 23 per cent. The gender pay gap represents the difference between the average earnings of all women and men across the Australia Hub. The current gender pay gap is primarily driven by the under-representation of women in senior and leadership positions. While women make up 16 per cent of our upper pay quartile – more than double the industry benchmark of 7 per cent – women represent 54 per cent of our lower pay quartile. This distribution reflects the structural challenge we are working to address through targeted initiatives to support career progression, increase female representation in leadership, and build a more gender-balanced workforce across all roles.

The pay gap has reduced year on year, and the Board continues to take active measures to address and reduce this gap. Laing O'Rourke is confident that its recruitment procedures, pay governance, and review processes ensure compliance with equal pay legislation.

Principle Six – Stakeholder Relationships and Engagement

Directors should foster effective stakeholder relationships aligned to the company's purpose.
A board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

The Group has a number of key stakeholders, including clients, employees, suppliers, local communities, and regulators.

The Board is committed to ensuring a workplace that is safe and where people feel they can be themselves, be valued, and know they are respected. Related to this, the Board is committed to supporting greater diversity in all its forms.

The Board is also committed to improving the environmental and social impact of what we do. To demonstrate that commitment, we have set challenging targets around sustainability and social value.

Stakeholder group	How we engage	How this stakeholder group influenced Board and/or committee discussions and decisions
Our clients	Early engagement with clients is key to our understanding of client expectations, challenges, and priorities. This also provides us with an opportunity to showcase innovations we can bring to the table that have real and tangible business value. Our aim is to show clients that we can deliver certainty of cost, programme, and quality. We continue our dialogue with clients throughout the delivery phase and beyond, into the operational phase of a building or structure. We seek continuous feedback from clients informally and formally. This forms part of the key metrics of success for our projects. We also engage independent researchers to conduct interviews with clients.	Throughout the year, we conducted interviews and surveys with our clients as part of client engagement. This has enabled us to identify areas of best practice and areas of opportunity. These results were reported at executive and Board level, where there is regular, ongoing discussion about meeting client expectations, and helped inform strategic decision making. In addition to surveys, we also have regular check-ins with clients at executive level.

Stakeholder group	How we engage	How this stakeholder group influenced Board and/or committee discussions and decisions
Our people	The Board aims to ensure there is a meaningful, two-way dialogue with employees. It keeps employees up to date on strategy and performance through a variety of channels. These include formal leadership events, employee briefings and roadshows, team and town hall meetings, internal communications on the Group intranet, and via digital employee communication tools such as Viva Engage. Each hub has a Diversity and Inclusion Council (D&I Council), which oversees several employee networks. The employee networks' views, findings, and proposals are escalated to the D&I Council for consideration and, as appropriate, to the respective hub executive committee for decision making. The D&I Councils meet on a bimonthly basis and ensure accountability is clear and that engagement with all employees is real and effective.	This year we undertook a wholesale refresh of our Global Code of Conduct and updated accompanying eLearning modules with the aim of making the content more engaging, accessible, and memorable. The key messages are about building a culture of integrity and trust. It also reinforces that safety is our priority so that everyone takes responsibility for protecting the health, safety, and wellbeing of our colleagues, partners, and communities. Our global Rethinking Safety Day was held on 17 June 2025, providing everyone in the business with the opportunity to take time to consider our approach to Rethinking Safety through Inclusion and Wellbeing, with a focus on the three key pillars of the programme - Human Performance, Engineered Safety, and Delivery Excellence. Events were held across our global operations throughout the week with members of the GEC, EEC, and AEC in attendance. We worked to support our directors and executive to face into and understand employee issues, such as workplace harassment and bullying, and to take meaningful and tangible steps to address these issues. The Board is committed to ensuring that our people feel safe, valued, and respected. The Board endorsed the FY26 Diversity & Inclusion plan, which supports cultural accountability and prioritises the role of leadership in encouraging inclusion and psychological safety. In June 2025, a new reward and recognition platform, ceLORbrate was launched in the Europe Hub, aligned to the successful platform in Australia, Feedbucks. This was launched as a direct result of feedback from the employee engagement surveys where people wanted to see more done to recognise hard work and achievement. During the year we also conducted a pulse survey of staff, as well as an Employee Engagement Survey and, for the first time, a UK trade specialist engagement survey. Out of the results of those surveys, we have developed action plans in different areas including visible leadership and enhancing wellbeing. Following the recent conflict in the Middle East, the Board and executive were in daily communications with our local teams and initiated a coordinated, people-centred response, with safety, wellbeing, and business continuity as the primary considerations.

GOVERNANCE PRINCIPLES (CONTINUED)

Stakeholder group	How we engage	How this stakeholder group influenced Board and/or committee discussions and decisions
Our suppliers	Our aim is to strengthen and deepen the engagement we have with our supply chain. This improves outcomes on site, ensures we can comply with our legal, regulatory, and ethical obligations, and enables us to address sustainability challenges. The business continues the work of embedding compliance changes around the requirements of the Building Safety Act 2022 in the UK. This requires Laing O'Rourke to work closely with our supply chain to provide assurance on the necessary competency requirements. They include: • Securing the golden thread of information; • Providing clarity on duty holder obligations; • Meeting timescales for building control sign-off gateways; and • Overseeing product regulation. In the Europe Hub, a considerable amount of cross-functional work has taken place to streamline our supply contracts and subcontracts to ensure they fully align with main contracts and are simpler and fairer. The Europe Hub is also digitally transforming in this area, enabling large portions of our subcontracts and supply agreements to be automated, improving the efficiency of getting into contract in the first place, and reducing risk. This initiative will align to the Australia Hub's current practices. In Australia, we continued with our Key Supplier programme, which ensures we maintain formal, managed relationships with our most critical suppliers. To reinforce this further, we also issued our quarterly 'Connect' newsletter, which outlines project wins, sustainability initiatives, and feedback from our projects and supply chain.	The Board recognises that the Group's supply chain partners are integral to its ability to deliver world-class projects for our clients. The first Supply Chain Quality in Focus forum was held in May 2025 which focused on data. Updates on significant activities and developments within the supply chain are provided to the Board and executive. They are taken into account when setting and approving annual budgets and performance targets and when making long-term strategic decisions. The 'Subcontract Green Principles' handbook was distributed to the business in February 2025 with the purpose of improving the subcontracting process, and making it quicker, clearer, fairer, and more consistent. This has been bedding down successfully over the course of FY26. We are now looking at moving the subcontracting process into an AI-powered contract review software tool. We continuously monitor our supply chain resilience, including conducting detailed diligence checks, and we carefully manage our ongoing relationships with our suppliers. In January 2026, the Legal and Procurement teams piloted a new simplified subcontract for suppliers, which was rolled out to selected supply chain partners in a series of roadshows. The team is now gathering feedback and is looking at embedding the principles of simplification in other supply chain contracts.

Stakeholder group	How we engage	How this stakeholder group influenced Board and/or committee discussions and decisions
Our financiers	The Group operates strict controls over working capital and cash management, engaging proactively on these controls with our financiers. A regular and transparent reporting dialogue is maintained with lenders, including regular update calls and touch points, visits to our project and manufacturing sites, strategy briefings, general business updates, and reporting against agreed financial performance metrics.	All of our financiers have direct access to the Group CFO, who is a member of the Board and Group Executive Committee and also attends meetings of the hub executive committees. This ensures that the directors and executive are kept informed of developments with our financiers and that their views are taken into account when making relevant operational and strategic decisions.
Our community	At a project level, we engage with a wide range of local stakeholders to keep them informed of our initiatives and progress on projects. Our goal is for our projects to deliver significant economic and social value to local communities. We utilise a wide range of communication channels to maximise the effectiveness of how we engage with the local community across our projects.	In the UK, we work in partnership with social value specialists Thrive. The Thrive platform enables us to report the progress we're making at a detailed level across all projects and pinpoint opportunities for us to do more. Thrive enables us to keep on track as we progress towards our strategic goal of enriching the lives of 2 million people and creating £2bn of social value by 2030, challenging us to ensure we're delivering appropriately across all pillars and in partnership with communities. By attributing a financial metric to the social impact we deliver via the Thrive platform, we're better placed to demonstrate its value.

Stakeholder group	How we engage	How this stakeholder group influenced Board and/or committee discussions and decisions
Government and regulatory bodies	In the UK, through the trade bodies Construction Leadership Council and Build UK, we are party to regular dialogue with officials at the Department for Business and Trade and the Department for Energy Security and Net Zero. We also have regular dialogue with the UK Cabinet Office. Recent dialogue focused on economic conditions, including the impacts of unprecedented inflationary pressures on the sector, and the persistent challenge of skills and labour shortages. We also maintained dialogue with HM Treasury and central UK Government departments responsible for delivery of specific infrastructure projects, including the Department of Health and Social Care for hospitals, the Ministry of Justice for prisons, and the Ministry of Defence regarding the modernisation of the UK defence estate. We are committed to developing and maintaining open and effective working relationships with regulatory bodies relevant to our business, to ensure there is an understanding of Laing O'Rourke's operating model and infrastructure delivery capabilities in the UK market. Where appropriate, these relationships are managed by senior leaders in our executive team. In Australia, Laing O'Rourke has continued to drive industry engagement and thought leadership with key government clients and procurement agencies through our involvement in the Australian Constructors Association, the Construction Industry Leadership Forum, and the New South Wales Skills Board. We have ongoing dialogue with governments at both State and Federal level, ensuring the Executive Committee is aware of government policies. Our engagement is geared towards influencing policy practice, particularly in terms of procurement methods and raising awareness of Laing O'Rourke's capabilities within the Australian market. With a large pipeline of major projects at the State Government level, understanding of the political environment in each State is critical to our ability to differentiate our unique offering and value proposition.	Our regular dialogue with government, devolved authorities, and regulatory bodies ensures that the Board and our executive committees are briefed on the potential impact of significant developments on government policy, procurement routes, and changes to laws and regulations.

REPORT OF THE AUDIT AND RISK COMMITTEE

Heather MacCallum
Chair of the Audit and Risk Committee

Key activities in FY26

- Review and challenge of management's judgements on significant accounting issues including key contract judgements;
- Ongoing monitoring of guidance from UK and Australia governments relating to additional financial reporting regulations;
- Regular updates from management and representatives from our external auditors as to the progress of the FY25 statutory audit and planning for the FY26 statutory audit;
- Establishment of a dedicated Europe Hub Risk and Assurance team;
- Regular updates on progress on improvements to internal controls in both hubs; and
- Regular updates on adherence to compliance policies and processes.

Priorities for FY27

Priorities remain ongoing from FY26, with focus on:

- Continuing to review and challenge management's judgements on significant accounting issues including key contract judgements;
- Demonstrating an improvement in our risk maturity;
- Continuing to improve our internal control environment, including embedding global assurance standards;
- Continuing to enhance our AI-based predictive analytic risk reporting; and
- Ensuring alignment of risk and assurance processes across both hubs.

FY26 represented my third full year as Chair of the Audit and Risk Committee. I am pleased to report that good progress continues across both hubs in ensuring that internal controls and processes are appropriate, proportionate, and operating as intended.

The Committee held two meetings during the year. Aside from Committee members, meetings were regularly attended by the Group Chairman, Group Chief Executive Officer, Group Company Secretary, Group Chief Financial Officer (and Finance team leadership from both hubs, when required), Group Director, Commercial, Clients & Markets, and representatives from our external auditors.

The Committee received regular updates from management and our external auditors as to the progress of the FY25 statutory audit, and planning for the FY26 statutory audit, particularly in relation to projects under construction. For certain projects under construction, key contract judgements can materially influence the financial position of the contract. The Committee was updated as to management's judgements on significant accounting issues, including key contract judgements, together with our external auditors' views of these.

During FY26, the Europe Hub finalised recruitment for a dedicated Risk and Assurance team. Assurance work was delivered throughout the year across both project and functional audits, with a deliberate focus on higher-risk, fraud-sensitive areas. This approach strengthened our assessment of fraud risk and supported meeting the requirements of the Economic Crime and Corporate Transparency Act.

Additionally, third-party experts were utilised to assess cyber security controls.

In FY26, the Europe Hub continued to progress internal control improvements during the year at both a functional and project level. Areas of focus included staff expenses, trade specialist lodging and mobility allowances, purchase cards, and vendor bank account changes.

The Australia Hub Risk and Assurance team split focus between project and functional audits, with particular focus on travel, procurement, and accounts payable. The team continued to work independently of management and identify areas for improvement, collaborating with stakeholders across the Hub to ensure these were actioned in a timely manner. The function continued its use of AI-based analytics and data-led reporting by releasing delivery risk trend analysis and internal control dashboards to further enhance risk management.

The Group also renewed its ISO 27001 certification and achieved BS 990001 compliance, demonstrating a robust information security management system across our hubs.

We are looking forward to further improvements in our risk management and internal control environment in FY27.

DIRECTORS, OFFICERS, AND ADVISORS

Directors

R G O'Rourke KBE (appointed Group Chairman on 1 April 2025)
C H O'Rourke (Group CEO)
P A Teasdale (Group CFO)
H Ruelle (appointed 1 April 2026)
R Hanley
J F Edmondson
M Foy CBE (appointed 19 November 2025)
H J MacCallum
Dame H Sillem DBE, CBE
M Cutifani CBE (resigned 31 August 2025)
K C Valeur (resigned 31 August 2025)
Sir J Parker GBE FREng (resigned 30 September 2025)

Company secretary

H Ruelle (appointed 1 April 2026)
J F Edmondson (resigned 31 March 2026)

Company number

130524

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Bankers

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United Kingdom

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CONSOLIDATED MANAGEMENT REPORT

The Board presents its annual management report together with the audited consolidated financial statements of the Laing O'Rourke Corporation Limited Group (the 'Group') for the year ended 31 March 2026.

Principal activities

The Group's principal activities are:

Construction

- Programme management;
- Construction and building;
- Civil engineering; and
- Infrastructure and support services.

Manufacturing

- Building products; and
- Manufacturing construction products.

Plant hire

- Plant hire and operations.

Services

- Design services; and
- Building operations management.

A list of principal subsidiaries, joint arrangements, and associates can be found in note 36 to the financial statements.

A review of the Group's activities and performance for the year is presented on pages 14 to 77.

Changes in Group structure

During the year, the Group completed the dissolutions and disposals as described on page 113 in note 13 to the financial statements.

General information

The Company is directly owned by R G O'Rourke KBE (64.2 per cent) and C O'Rourke (35.8 per cent). Refer to note 33.

Branches outside Jersey

The Group operates through branches in the United Arab Emirates and Hong Kong.

Review of developments, position, and performance

Details of future developments are presented on pages 14 to 77.

Research and development

The Group's expenditure on research and development of £136.3m (FY25: £77.5m) supports the development of construction techniques to deliver quality, certainty, and value for our clients.

Results and dividends

The results for the year are set out in the consolidated income statement and show a profit for the year after tax of £63.3m (FY25: £29.5m).

The Company paid no dividends during the year (FY25: £nil). The directors do not recommend the payment of a final dividend (FY25: £nil).

Post balance sheet events

The Group maintained an unsecured bilateral revolving credit facility (RCF) of £25m with HSBC, which expired on 1 May 2026 (having been extended from the original expiration date of 3 April 2026).

On that date, the Group entered into a new unsecured syndicated RCF of £40m with HSBC and Bank of China for a term of three years, expiring on 1 May 2029. The financial covenants under the new facility comprise interest cover and leverage cover, each tested quarterly, and a liquidity covenant tested monthly, including confirmation of compliance for the month-end and the subsequent three forecast month-end periods.

The Group's property loan of £13m was repaid in full on 2 April 2026.

The Group's £40m loan advanced from Ebsworth Holding & Finance Limited, a related party, on 5 July 2024, was repaid in line with terms on 2 July 2026.

Directors and their interests

The directors who served during the year and up to the date of signing are set out on page 58 to 62 with their appointment/resignation date if after 1 April 2025. R G O'Rourke KBE is a shareholder who owns 64.2 per cent of the shares of the Company. No other directors have an interest in the share capital of the Company. Details of related party transactions can be found in note 32 to the financial statements.

Health, safety, and welfare

The Group is committed to ensuring the health, safety, and welfare of all employees at work. All reasonable measures have been taken to achieve this policy. Arrangements have been made to protect other persons against risks to health and safety arising from the activities of the Group's employees when at work.

Employment policy

The Group continues to provide employees with relevant information and to seek their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of significant matters affecting the Group's trading position and of any significant organisational changes.

The Group treats each application for employment, training, and promotion on merit. Full and fair consideration is given to both disabled and non-disabled applicants and employees. If existing employees become disabled, every effort is made to find them appropriate work and training is provided if necessary.

Principal risks and uncertainties

Details of the Group's policies and procedures for managing risk are set out on pages 48 to 56.

Key judgements and areas of significant estimation uncertainty are detailed in note 2.27 to the financial statements.

Financial risks are detailed in note 28 to the financial statements.

Use of financial instruments by the Group

Details of the Group's financial instruments are set out in note 28 to the financial statements.

Share capital

Details of the Company's share capital are set out in note 26 to the financial statements.

Going concern

The directors applied a consistent approach in assessing going concern across each of the Group's main businesses in the UK, Australia, and the Middle East, in preparing a 'management case' and considering a severe but plausible mitigated downside scenario. The directors also carefully considered the forecast period to be reviewed as part of the going concern assessment and, due to the impact that project start dates can have on forecast cash flows, concluded that a 21-month period to March 2028 was appropriate.

In forming their conclusion as to the appropriateness of continuing to apply the going concern basis of accounting in preparing these financial statements, the directors have reviewed both the Group's management case forecast, representing management's best estimate of the future performance of the Group, including cash flow forecasts to 31 March 2028, and a severe but plausible downside scenario for each hub and as a Group. The directors have also considered the way in which the Group governs and manages its cash reserves and exercises tight control over its working capital as illustrated by its historical liquidity performance during the COVID-19 pandemic, Brexit, regional conflicts, and the inflationary period in FY23. In addition, in assessing the appropriateness of the cash flow forecasts, the directors have considered them in the context of the Group's performance in FY26, its cash position at year end, its funding, and the covenants it must comply with.

The Group's pre-exceptional EBIT increased year on year, despite global turbulence, delivering a pre-exceptional EBIT of £157.7m (FY25: £111.3m). An improvement in margins has driven the year-on-year progress through enhanced contract models, leveraging our vertically integrated delivery model and the Group's industry-leading innovation.

Year end net cash increased versus the prior year to £456.8m (FY25: £284.7m) and the year-end order book continued to grow year on year, increasing to a record level of £17.2bn as at 31 March 2026 (FY25: £11.9bn). A strong order book has continued to be maintained post year end.

The Group maintained an unsecured bilateral RCF with HSBC during FY26 for its UK business, which expired on 1 May 2026 (having been extended from the original expiration date of 3 April 2026). On that date, the Group entered into a new unsecured syndicated RCF of £40m with HSBC and Bank of China for a term of three years, expiring on 1 May 2029. The management-case business plan (its base case) and the severe but plausible downside scenario reflect the new facility, which contains certain covenants, as did the previous RCF, although the precise nature of these covenants differs. Details of the current RCF covenants are provided in note 28.4 of the financial statements.

As a result of its continued careful cash management and strong positive pre-exceptional results, the Group continued to comply with its banking covenants, which are assessed at the level of Laing O'Rourke Plc (an indirect wholly-owned subsidiary of the Company) throughout FY26.

Full covenant compliance continues to be forecast within both the Group's management case and its severe but plausible downside scenario.

The £40m loan from Ebsworth Holding & Finance Limited, a related party, advanced on 5 July 2024, was repaid in line with the terms on 2 July 2026. The Group's property loan of £13m was repaid in full on 2 April 2026.

The RCF, which funds the UK business, permits loans to be made from Australia to the UK and Middle East, and back, subject to certain restrictions, which do not impact management's ability to oversee liquidity across the UK, Australia, and Middle East operations. Laing O'Rourke Australia is required to give advance notice to the counterparty referred to in note 2.27(b) of certain transactions that would amount to financial support of the broader Laing O'Rourke Group. Loans from Australia to the UK were previously made in May 2024 and October 2021, and loans from the Middle East to the UK are reviewed regularly and fluctuate on a regular basis. The directors, therefore, continue to consider that liquidity can be reviewed on a Group basis, subject to directors' duties in each of the regions, but have also prepared individual hub-level severe but plausible downside scenarios to reflect the day-to-day hub level management of liquidity. Therefore, both Group and hub-level views of liquidity and covenant compliance have been reviewed as part of the overall assessment as to whether the going concern basis of accounting should be adopted.

The key assumptions and areas of estimation uncertainty reflected in the Group management-case business plan include the following:

- Construction activity is assumed to continue in line with current levels, with no material deterioration in project gross margins or the working capital position;
- Existing project inflation allowances and general contingencies are appropriate and sufficient. The Group continues to closely review and monitor the inflationary environment together with any potential inflationary impact from global turbulence, and to manage inflation risk from the bid/tender stage and throughout the contract life, through our governance processes and various mitigation strategies. The Group continues to apply its resilient contracting model, improving the Group's inflation risk profile and any potential inflationary impacts on the estimated final cost of its projects;

- The management-case cash assumption, based on the latest arbitral timetable, forecasts the settlement of the claim described in note 2.27(b) and notes 24 and 27 within the going concern period (a final award in the arbitration is not expected to be issued before April 2027), and has considered the impact of the claim on the Group as part of this review. Further clarity on the likely outcome of the arbitration, as well as the timing of any final settlement, is expected during the financial year ending 31 March 2027;
- Other than the Australia claim described above and included within the management-case cash assumptions, there are not expected to be any adverse material cash settlements in the period to 31 March 2028 relating to the contingent liability matters disclosed in note 27 of the financial statements;
- Work-winning continues to reflect current expectations in terms of timing and margin and is in line with average win rates in previous years;
- Continued support of our supply chain in terms of product material, labour supply, and flexibility in payment terms. Based on our detailed assessment of our supply chain management, our direct delivery model, and our experience to date, any disruption to the supply of materials to projects, shortages of labour, and impact of ongoing regional conflicts, if experienced, is expected to be able to be accommodated within existing project programmes or programme contingencies, or mitigated through contract terms; and
- The underlying relevant market drivers continue as expected for construction work in infrastructure, nuclear and green energy, healthcare, science and research, data centres, defence, justice, and rail.

The Board's management-case forecast does not anticipate any breaches of banking covenants relating to the UK RCF in the period to 31 March 2028, and this forecast delivers a comfortable level of Group operating cash liquidity headroom across the same period in each of the UK, Australia, and Middle East businesses.

In addition to the consideration of its management case's most likely outcome, the directors have also considered a number of downside scenarios and mitigating actions in light of the potential uncertainties created by ongoing global and governmental challenges and turbulence, the timing and quantum of provisions described in note 24, supply chain disruption risk, and the impact of any contingent liabilities or claims (see note 27). These scenarios have been prepared using certain key assumptions, and include review of compliance with financial covenants predominantly in the UK and liquidity headroom across the Group as a whole and within all three countries individually. Of these downside scenarios, the severe but plausible scenario described further below is the most severe downside scenario considered, although it does include mitigation that is within management's control.

Key assumptions in the Group's severe but plausible downside scenario include the following items with assumptions tailored to each hub:

- Lower revenue and trading volumes resulting in weaker margins and reduced working capital, notably:
  - All work to find delayed by three months across FY27 and FY28 together with certain specific project risks crystallising in the UK;
  - All work to find reduced by 30 per cent across FY27 and FY28 in the Australia Hub; and
  - All work to find across FY27 and FY28 removed together with certain specific project risks crystallising in the Middle East.
- Certain specific project risks and risks to cash-generation initiatives and working capital crystallising; and
- A severe but plausible downside cash-outflow assumption associated with the provision described in note 24.

Mitigating actions under management's control that would be taken and have been assumed in the severe but plausible downside scenario are:

- Reviewing operating structure requirements as a result of lower volume;
- Reducing discretionary operating spend in FY27 and FY28;
- Delaying any discretionary reward spend; and
- Delaying non-essential capital expenditure.

The overall net impact of the above downside assumptions and mitigating actions results in an approximately £364m cash deterioration during FY27 and FY28 compared with the management case. Group cash headroom is £98m in excess of minimum operating requirements throughout the period in the severe but plausible downside scenario. RCF covenants in the UK, which are assessed on a quarterly basis, continue to have headroom in the downside scenario, and UK cash headroom remains in excess of minimum required covenant levels.

Further actions that could be taken in the event of a severe but plausible downside but have not been assumed in the model are:

- Further reduction in discretionary spend and non-essential capital expenditure;
- Further actions to manage working capital; and
- Reductions in headcount.

Under the severe but plausible downside scenario there is no forecast breach of UK covenants that would result in an event of default under the facilities, and sufficient liquidity is maintained across the Group.

Outside of the mitigations entirely within the Group's control, as summarised above, in the event of a severe deterioration in trading or other threat to the Group's liquidity or covenant headroom, the directors would also seek to:

- Dispose of specific assets; and
- Raise additional external funding, including further refinancing of the Group's plant and machinery assets.

In addition, the directors have also assessed the extent of downside that would be required for liquidity to drop below zero (a reverse stress-test scenario):

- This considers the revenue reduction required versus the management case in order for liquidity to drop below zero as at March 2028. This would require revenue to reduce or be delayed by approximately £3.9bn across FY27 and FY28 (a 46 per cent reduction or delay in revenue compared with the management case), with resultant loss of margin, with no mitigation; and
- A reduction in revenue of approximately £1.7bn would be required for a sustained drop below UK minimum operating liquidity.

The directors have carefully considered the likelihood of the above range of scenarios and remain confident that the Group is well positioned to deliver its management case forecast in light of the following:

- The order book for the Group as at FY26 year end was at a record level of £17.2bn, with a strong order book maintained post year end. The Group now has 86 per cent of its expected FY27 revenue either secured or anticipated and 76 per cent of its expected FY28 revenue is at the secured, anticipated, or preferred bidder stage;
- Laing O'Rourke's investment in developing sector-leading modern methods of construction capability, its proven track record against a challenging market backdrop, strong FY26 financial performance, a lower inflationary environment, an integrated delivery model, strong client relationships, and engagement and resilience to supply chain risk ensure that it is well positioned to continue to win work; and
- Cash flows in the three months ended 30 June 2026 were in line with the management case forecast for the Group.

The Board has carefully considered the factors likely to affect the Group's future development, performance, and financial position as outlined above, in relation to the ability of the Group to operate within its current and foreseeable resources, both financial and operational. The factors considered included, but were not limited to, the timing of settlement and quantum of the provisions described in note 24, potential uncertainties created by ongoing global and governmental challenges and turbulence, and the impact of any contingent liabilities or claims.

Based on this assessment, the directors have a reasonable expectation that the Group has adequate resources to continue in existence and meet its liabilities as they fall due in the period to 31 March 2028 and that there are no material uncertainties that may cast significant doubt on the Group's going concern status.

Refer to note 2.27(e) relating to going concern.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable Jersey law and International Financial Reporting Standards as adopted by the European Union.

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 the Company and of the profit or loss of the Group and the Company for that year. In preparing the financial statements, the directors are responsible for:

- Selecting suitable accounting policies and then applying them consistently;
- Stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Making judgements and accounting estimates that are reasonable and prudent; and
- Preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors confirm that they have complied with all of the above requirements in preparing the financial statements.

The directors are responsible for ensuring that the financial statements comply with the Companies (Jersey) Law 1991 and for safeguarding the assets of the Group and the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors and disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Group's and the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's and the Company's auditors are aware of that information.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office as auditors of the Group.

Approval

This report was approved by the Board on 9 July 2026 and signed on its behalf by:

Paul Teasdale
Director

Cathal O'Rourke
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAING O'ROURKE CORPORATION LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Laing O'Rourke Corporation Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2026 and of the Group's profit, Company's loss and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted in the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Report and Accounts 2026 (the "Annual Report"), which comprise:

- the consolidated statement of financial position as at 31 March 2026;
- the Company statement of financial position as at 31 March 2026;
- the consolidated income statement for the year then ended;
- the Company income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the Company statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the Company statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the Company statement of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Valuation of provision and disclosures in relation to a dispute (applicable to the Group financial statements only)

In forming our opinion on the Group financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2.27(b) to the Group financial statements, and the valuation of the provision of £139.7m (AUD$268.1m) (FY25: £110.9m (AUD$229.6m)) recognised, in relation to the claim for payment received from the counterparty to a contract terminated during the financial year 2017. The resolution of the claim remains subject to private arbitration, which is ongoing and the outcome of which is subject to a high degree of estimation uncertainty.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAING O'ROURKE CORPORATION LIMITED (CONTINUED)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the Group's and the 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 the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of environmental legislation, health and safety legislation, data protection legislation, anti-bribery and corruption legislation, employment laws and construction laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies (Jersey) Law 1991 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management and the Group's internal legal counsel, including consideration of potential instances of non-compliance with laws and regulation and fraud;
- Assessment of matters reported through the Group's whistleblowing helpline and the results of management's investigation of such matters;
- Obtaining legal letters from the Group's external legal advisers in respect of certain litigation and claims, where considered necessary;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Substantive testing of journal entries which met a defined risk criteria, focusing on where and how fraud could arise; and
- Challenging assumptions and judgements made by management in its accounting estimates or judgements, in particular in relation to contract accounting, disputes and latent defects liabilities.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies (Jersey) Law 1991 exception reporting

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the Company or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.
- We have no exceptions to report arising from this responsibility.

Simon Morley
FOR AND ON BEHALF OF

PricewaterhouseCoopers LLP
Chartered accountants

LONDON, 10 July 2026

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2026

	Note	**Pre-exceptional items 2026 £m**	**Exceptional items (note 5) 2026 £m**	**Total 2026 £m**	Pre-exceptional items 2025 £m	Exceptional items (note 5) 2025 £m	Total 2025 £m
Revenue including share of joint ventures and associates	3	**4,047.8**	**–**	**4,047.8**	4,300.3	–	4,300.3
Share of revenue of joint ventures and associates		**(353.5)**	**–**	**(353.5)**	(343.8)	–	(343.8)
Group revenue[1]	3	**3,694.3**	**–**	**3,694.3**	3,956.5	–	3,956.5
Cost of sales		**(3,336.7)**	**(47.5)**	**(3,384.2)**	(3,683.0)	(35.5)	(3,718.5)
Gross profit/(loss)		**357.6**	**(47.5)**	**310.1**	273.5	(35.5)	238.0
Administrative expenses		**(248.6)**	**(0.2)**	**(248.8)**	(198.3)	(0.8)	(199.1)
Other operating income	8	**48.4**	**–**	**48.4**	21.6	–	21.6
Group operating profit/(loss)		**157.4**	**(47.7)**	**109.7**	96.8	(36.3)	60.5
(Loss)/profit on disposal of subsidiaries and joint ventures	13	**(1.0)**	**–**	**(1.0)**	16.7	–	16.7
Share of post-tax profits/(losses) of joint ventures and associates	15	**1.3**	**–**	**1.3**	(2.2)	–	(2.2)
Profit/(loss) from operations	6	**157.7**	**(47.7)**	**110.0**	111.3	(36.3)	75.0
Finance income	9	**14.4**	**–**	**14.4**	9.9	–	9.9
Finance expense	10	**(39.8)**	**(4.5)**	**(44.3)**	(39.2)	(4.2)	(43.4)
Net finance expense		**(25.4)**	**(4.5)**	**(29.9)**	(29.3)	(4.2)	(33.5)
Profit/(loss) before tax		**132.3**	**(52.2)**	**80.1**	82.0	(40.5)	41.5
Tax	5, 11	**(30.8)**	**14.0**	**(16.8)**	(18.9)	6.9	(12.0)
Profit/(loss) for the year		**101.5**	**(38.2)**	**63.3**	63.1	(33.6)	29.5

1. Group revenue represents revenue as defined under IFRS 15, Revenue from Contracts with Customers.

The notes on pages 95 to 135 form an integral part of these consolidated financial statements.

COMPANY INCOME STATEMENT

for the year ended 31 March 2026

	Note	**Pre-exceptional items 2026 £m**	**Exceptional items (note 5) 2026 £m**	**Total 2026 £m**	Pre-exceptional items 2025 £m	Exceptional items (note 5) 2025 £m	Total 2025 £m
Revenue	3	**0.7**	**–**	**0.7**	0.1	–	0.1
Cost of sales		**–**	**–**	**–**	–	–	–
Gross profit		**0.7**	**–**	**0.7**	0.1	–	0.1
Administrative expenses		**(7.6)**	**–**	**(7.6)**	(7.3)	–	(7.3)
Dividend income		**5.0**	**–**	**5.0**	–	–	–
Loss from operations and loss before tax	6	**(1.9)**	**–**	**(1.9)**	(7.2)	–	(7.2)
Tax		**–**	**–**	**–**	–	–	–
Loss for the year		**(1.9)**	**–**	**(1.9)**	(7.2)	–	(7.2)

The notes on pages 95 to 135 form an integral part of the parent company financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2026

	Note	**Pre-exceptional items 2026 £m**	**Exceptional items (note 5) 2026 £m**	**Total 2026 £m**	Pre-exceptional items 2025 £m	Exceptional items (note 5) 2025 £m	Total 2025 £m
Profit/(loss) for the year		**101.5**	**(38.2)**	**63.3**	63.1	(33.6)	29.5
Other comprehensive income/(expense):							
Items that may be subsequently reclassified to profit or loss:							
Exchange differences on translating foreign operations		**12.8**	**–**	**12.8**	(11.8)	–	(11.8)
Other comprehensive income/(expense) for the year, net of tax	11	**12.8**	**–**	**12.8**	(11.8)	–	(11.8)
Total comprehensive income/(expense) for the year		**114.3**	**(38.2)**	**76.1**	51.3	(33.6)	17.7

Items disclosed in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 11.

The notes on pages 95 to 135 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2026

	Pre-exceptional items 2026 £m	**Exceptional items (note 5) 2026 £m**	**Total 2026 £m**	Pre-exceptional items 2025 £m	Exceptional items (note 5) 2025 £m	Total 2025 £m
Loss for the year	**(1.9)**	**–**	**(1.9)**	(7.2)	–	(7.2)
Other comprehensive (expense)/ income:						
Other comprehensive (expense)/ income for the year	**–**	**–**	**–**	–	–	–
Other comprehensive (expense)/ income for the year, net of tax	**–**	**–**	**–**	–	–	–
Total comprehensive expense for the year	**(1.9)**	**–**	**(1.9)**	(7.2)	–	(7.2)

The notes on pages 95 to 135 form an integral part of the parent company financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2026

	Note	2026 £m	2025 £m
Assets			
Non-current assets			
Intangible assets	12	**341.8**	343.2
Investments in joint ventures and associates	15	**5.4**	12.5
Loans to joint ventures	15	**8.0**	8.0
Property, plant, and equipment	16	**192.3**	180.9
Right-of-use assets	17	**253.9**	221.0
Deferred tax assets	25	**117.1**	114.9
Trade and other receivables	19	**129.9**	119.0
Contract assets	18	**37.3**	26.4
Total non-current assets		**1,085.7**	1,025.9
Current assets			
Inventories	20	**27.3**	21.8
Contract assets	18	**303.6**	298.9
Trade and other receivables	19	**212.3**	174.1
Current tax assets		**–**	19.2
Cash and cash equivalents (excluding bank overdrafts)	21	**696.3**	513.1
Total current assets		**1,239.5**	1,027.1
Total assets		**2,325.2**	2,053.0
Liabilities			
Current liabilities			
Borrowings	22	**(145.7)**	(76.2)
Contract liabilities	18	**(454.9)**	(322.8)
Trade and other payables	23	**(744.4)**	(754.8)
Provisions	24	**(246.5)**	(234.6)
Current tax liabilities		**(3.0)**	(0.3)
Total current liabilities		**(1,594.5)**	(1,388.7)

	Note	2026 £m	2025 £m
Non-current liabilities			
Borrowings	22	**(209.1)**	(253.9)
Trade and other payables	23	**(51.3)**	(43.4)
Provisions	24	**(175.5)**	(148.3)
Total non-current liabilities		**(435.9)**	(445.6)
Total liabilities		**(2,030.4)**	(1,834.3)
Net assets		**294.8**	218.7
Equity			
Share capital[1]	26	**0.0**	0.0
Share premium		**344.6**	344.6
Foreign currency translation reserve		**17.9**	5.1
Accumulated losses		**(67.7)**	(131.0)
Total equity		**294.8**	218.7

1. These financial statements are rounded to the nearest £100,000. Share capital of the Company as at 31 March in both years was £6,211.

The financial statements on pages 85 to 135 were approved and authorised for issue by the Board on 9 July 2026 and were signed on its behalf by:

Paul Teasdale
Director

Cathal O'Rourke
Director

The notes on pages 95 to 135 form an integral part of these consolidated financial statements.

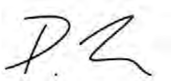
COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 March 2026

	Note	**2026 £m**	2025 £m
Assets			
Non-current assets			
Investments in subsidiaries	14	**478.6**	478.6
Property, plant, and equipment	16	**0.3**	0.3
Trade and other receivables	19	**0.7**	3.5
Total non-current assets		**479.6**	482.4
Current assets			
Cash and cash equivalents (excluding bank overdrafts)	21	**0.1**	–
Total current assets		**0.1**	–
Total assets		**479.7**	482.4
Liabilities			
Current liabilities			
Borrowings	22	**(135.3)**	(139.5)
Trade and other payables	23	**(13.9)**	(10.5)
Total current liabilities		**(149.2)**	(150.0)
Net assets		**330.5**	332.4
Equity			
Share capital[1]	26	**0.0**	0.0
Share premium		**344.6**	344.6
Accumulated losses		**(14.1)**	(12.2)
Total equity		**330.5**	332.4

1. These financial statements are rounded to the nearest £100,000. Share capital of the Company as at 31 March in both years was £6,211.

The financial statements on pages 85 to 135 were approved and authorised for issue by the Board on 9 July 2026 and were signed on its behalf by:



Paul Teasdale
Director

Cathal O'Rourke
Director

The notes on pages 95 to 135 form an integral part of the parent company financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2026

	Note	2026 £m	2025 £m
Cash flows from operating activities			
Profit before tax		**80.1**	41.5
Adjustments for:			
Depreciation and amortisation	6	**78.6**	65.8
Non-cash exceptional items		**52.0**	40.2
Revenue impact significant financing component	3	**(9.0)**	(11.3)
Gain on disposal of subsidiaries	13	**–**	(16.7)
Loss on sale of joint venture	13	**1.0**	–
Loss on disposal of property, plant, and equipment and right-of-use assets	6	**3.0**	0.8
Write-off of intangible assets	12	**3.7**	2.2
Impairment charge for loan interest receivable	6	**1.4**	–
Net finance costs (pre-exceptional)		**25.4**	29.3
Research and development expenditure credit	8	**(47.6)**	(21.4)
Share of post-tax results of joint ventures and associates	15	**(1.3)**	2.2
Increase in trade and other receivables		**(3.4)**	(82.8)
(Increase)/decrease in contract assets		**(9.8)**	80.4
(Increase)/decrease in inventories		**(4.9)**	3.4
Decrease in trade and other payables		**(38.7)**	(26.2)
Decrease in provisions		**(1.8)**	(24.7)
Increase in contract liabilities		**129.3**	49.3
Foreign exchange loss/(gain)	6	**5.8**	(5.1)
Other		**(1.8)**	1.3
Cash generated from operations		**262.0**	128.1
Interest paid		**(30.6)**	(29.5)
Tax received		**7.7**	13.9
Net cash generated from operating activities		**239.1**	112.5

	Note	2026 £m	2025 £m
Cash flows used in investing activities			
Purchase of property, plant, and equipment	16	**(23.2)**	(40.5)
Purchase of intangible assets	12	**(12.5)**	(8.5)
Capital injections in joint ventures	15	**–**	(0.3)
Proceeds from sale of property, plant, and equipment and right-of-use assets		**6.6**	6.7
Proceeds on disposals of subsidiaries		**–**	5.3
Proceeds on sale of joint ventures	13	**7.0**	–
Interest received	9	**12.5**	9.9
Distributions received from joint ventures and associates	15	**0.5**	0.8
Net cash used in investing activities		**(9.1)**	(26.6)
Cash flows used in financing activities			
Proceeds from new bank and other loans		**–**	40.0
Repayments of borrowings		**(36.9)**	(31.7)
Proceeds from financing property, plant, and equipment		**30.3**	50.1
Lease repayments (principal)		**(66.1)**	(56.2)
Net cash (used in)/generated from financing activities		**(72.7)**	2.2
Net increase in cash and cash equivalents		**157.3**	88.1
Cash and cash equivalents at beginning of year		**513.1**	443.3
Effect of exchange rate fluctuations on cash held		**18.9**	(18.3)
Cash and cash equivalents at end of year	21	**689.3**	513.1

The notes on pages 95 to 135 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 March 2026

	Note	**2026 £m**	2025 £m
Cash flows from operating activities			
Loss before tax		**(1.9)**	(7.2)
Adjustments for:			
Dividend income		**(5.0)**	–
Impairment of investments		**–**	0.3
Decrease/(increase) in trade and other receivables	19	**2.8**	(3.5)
Increase in trade and other payables	23	**3.4**	3.4
Cash used in operations		**(0.7)**	(7.0)
Dividends received		**5.0**	–
Net cash generated from/(used in) operating activities		**4.3**	(7.0)
Cash flows (used in)/generated from financing activities			
Adjustments for:			
(Repayments to)/advances from Group undertakings		**(4.2)**	7.0
Net cash (used in)/generated from financing activities		**(4.2)**	7.0
Net change in cash and cash equivalents		**0.1**	–
Cash and cash equivalents at beginning of year		**–**	–
Cash and cash equivalents at end of year	21	**0.1**	–

The notes on pages 95 to 135 form an integral part of the parent company financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2026

	Share capital[1] £m	Share premium £m	Foreign currency translation reserve £m	Accumulated losses £m	**Total shareholders' equity £m**
At 1 April 2024	0.0	344.6	16.9	(160.5)	201.0
Profit for the year	–	–	–	29.5	29.5
Other comprehensive expense after tax	–	–	(11.8)	–	(11.8)
Total comprehensive (expense)/income for the year	–	–	(11.8)	29.5	17.7
At 31 March 2025	**0.0**	**344.6**	**5.1**	**(131.0)**	**218.7**
Profit for the year	**–**	**–**	**–**	**63.3**	**63.3**
Other comprehensive income after tax	**–**	**–**	**12.8**	**–**	**12.8**
Total comprehensive income for the year	**–**	**–**	**12.8**	**63.3**	**76.1**
At 31 March 2026	**0.0**	**344.6**	**17.9**	**(67.7)**	**294.8**

1. These financial statements are rounded to the nearest £100,000. Share capital of the Company as at 31 March in both years was £6,211.

The notes on pages 95 to 135 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2026

	Share capital[1] £m	Share premium £m	Accumulated losses £m	**Total equity £m**
At 1 April 2024	0.0	344.6	(5.0)	339.6
Loss for the year	–	–	(7.2)	(7.2)
Other comprehensive expense after tax	–	–	–	–
Total comprehensive expense for the year	–	–	(7.2)	(7.2)
At 31 March 2025	**0.0**	**344.6**	**(12.2)**	**332.4**
Loss for the year	**–**	**–**	**(1.9)**	**(1.9)**
Other comprehensive expense after tax	**–**	**–**	**–**	**–**
Total comprehensive expense for the year	**–**	**–**	**(1.9)**	**(1.9)**
At 31 March 2026	**0.0**	**344.6**	**(14.1)**	**330.5**

1. These financial statements are rounded to the nearest £100,000. Share capital of the Company as at 31 March in both years was £6,211.

The notes on pages 95 to 135 form an integral part of the parent company financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2026

1 General information

Laing O'Rourke Corporation Limited (the 'Company') is a private limited company incorporated and domiciled in Jersey. The Group prepares consolidated and Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and Companies (Jersey) Law 1991. The address of the registered office is given on page 78.

The principal activities of the Group are that of mixed construction works; see note 2.05 for details of individually material revenue streams. The principal activity of the Company is to hold investments in the Group's operations and trade. The nature of the Company's principal subsidiary companies and their principal activities are set out in note 36 and in the financial review on pages 42 to 47. The consolidated financial statements of the Group for the year ended 31 March 2026 comprise the Company and its subsidiaries and the Group's interest in joint arrangements and associates.

2 Material accounting policies

The following accounting policies are those of the Group, unless stated otherwise. Accounting policies specific to the Company are detailed in note 2.29.

2.01 Statement of compliance

The Group consolidated and Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (Adopted IFRS and IFRS Interpretations Committee interpretations) and Companies (Jersey) Law 1991.

2.02 Basis of preparation

The consolidated and Company financial statements are presented in pounds sterling, rounded to the nearest £100,000. The consolidated financial statements include the results of the Company, its subsidiary undertakings, and the Group's interest in joint arrangements and associates for the year ended 31 March 2026. The consolidated and Company financial statements have been prepared on a going concern basis under the historical cost convention and financial assets and financial liabilities at fair value through other comprehensive income. The principal accounting policies, which have been consistently applied for all consolidated and equity-accounted entities including subsidiaries, joint arrangements, and associates, are set out below.

Going concern

The Board has carefully considered those factors likely to affect the Company's and the Group's future development, performance, and financial position in relation to the ability to operate within their current and foreseeable resources – both financial and operational. The Board has determined that both the Company and the Group have sufficient financial resources, committed banking facilities, secured revenue, and a sufficiently strong order book, and for these reasons the directors continue to adopt the going concern basis in preparing the consolidated financial statements. Refer to note 2.27(e) and pages 80 to 82 of the consolidated management report relating to going concern.

Accounting standards

The following standards, amendments, and interpretations became effective in the year ended 31 March 2026 and have been adopted:

a) Amendments to IAS 21, Lack of Exchangeability

The amendment listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods in the Group and Company financial statements.

The directors have considered recently published IFRSs, new interpretations, and amendments to existing standards that are mandatory for the Group's accounting periods commencing on or after 1 April 2026.

Standards that are not yet effective and have not been adopted early by the Group are:

a) Amendment to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments;
b) IFRS 18, Presentation and Disclosure in Financial Statements; and
c) IFRS 19, Subsidiaries without Public Accountability: Disclosures.

The Group is in the process of assessing the effect of the above standards on the Group and Company financial statements. The Group has chosen not to adopt any of the above standards and interpretations earlier than required.

2.03 Basis of consolidation

a) The consolidated financial statements include the financial statements of subsidiaries controlled by the Company. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are deconsolidated from the date control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group falling within the scope of IFRS 3, Business Combinations. The consideration for the acquisition of a subsidiary is the fair values of the assets transferred, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between the fair value of the consideration received and the carrying amount of the assets less liabilities of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

2 Material accounting policies (continued)

2.03 Basis of consolidation (continued)

b) Associates are operations over which the Group has the power to exercise significant influence but not control, generally accompanied by a share of between 20 per cent and 50 per cent of the voting rights. Associates are accounted for using the equity method and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement. If the Group's share of losses in an associate equals its investment, the Group does not recognise further losses unless it has incurred obligations to make payments on behalf of the associate, in which case a provision is recognised.

c) Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of each joint arrangement and has determined some to be joint operations and some to be joint ventures, as detailed in note 36.

    i) The Group accounts for its share of the assets, liabilities, revenue, and expenses in a joint operation under each relevant heading in the income statement and the statement of financial position; and

    ii) Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations to make payments on behalf of the joint venture.

Intra-group balances and transactions together with any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly controlled entities and jointly controlled operations are eliminated to the extent of the Group's interest in the entity. The Group's share of unrealised gains arising from transactions with associates is eliminated against the investment in the associate. The Group's share of unrealised losses is eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.04 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The consolidated financial statements are presented in pounds sterling, which is the functional and presentation currency of Laing O'Rourke Corporation Limited.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Group companies

The results and financial position of all Group entities (none of which has the functional currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;

b) Income and expenses for each income statement and statement of cash flows are translated at average exchange rates for the period; and

c) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is partially disposed of, or sold, exchange differences that were recorded in other comprehensive income are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2 Material accounting policies (continued)

2.05 Revenue recognition

The Group recognises revenue when it transfers control over a product or service to its customer. Revenue is measured at the transaction price, represented by the fair value of the consideration received or receivable, net of sales tax, for goods and services supplied to external customers, and excludes amounts collected on behalf of third parties.

The primary revenue stream relates to work on long-term construction contracts and accounts for over 90 per cent of the Group's revenue.

The Group has an integrated supply chain model, offering wide-ranging construction-related activities. Depending on the nature of the product or service delivered and the timing of when control is passed onto the customer, the Group will account for the revenue over time or at a point in time.

a) Long-term contracts (including construction)

Revenue recognition is based on the satisfaction of individual performance obligations and for construction and service contracts, these obligations are satisfied over time and, therefore, contract revenue is recognised by reference to the stage of completion of each contract, as measured by the proportion of costs incurred as at the balance sheet date compared with the total expected costs of the contract, as set out in the accounting policy for construction and service contracts.

Where consideration is not specified in the contract with a customer, and is therefore subject to variability, the Group estimates the amount of consideration to be received from its customer. The measurement of variable consideration is subject to the constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

Additionally, where a modification to an existing contract occurs, the Group assesses the nature of the modification and whether it represents a new separate performance obligation or whether it is a modification to the existing performance obligation.

The Group does not expect to have any contracts where the period between the request for payment for the transfer of goods and services to the customer and the payment by the customer exceeds one year. As a consequence, the Group does not adjust its transaction price for the time value of money.

Any consideration received from the customer in advance of work being completed is deferred and recognised as revenue as the performance obligations in the contract that benefit the customer are satisfied.

Revenue from construction and certain service activities is recognised over time and the Group uses the input method to measure progress of delivery.

b) Manufacturing

Revenue from manufacturing activities is recognised at a point in time when title has passed to the customer.

c) Plant hire

Revenue from plant hire activities is recognised over time as performance obligations are satisfied. Variable consideration is assessed on an individual contract basis according to the circumstances and terms of each project and only recognised to the extent that it is highly probable not to significantly reverse in the future. The Group also recognises revenue from sale of equipment at a point in time when control is transferred. When equipment is no longer available for hire and is held for sale, it is transferred from property, plant, and equipment to inventory. Cash received for the sale of such assets is treated as cash flow from operating activities.

d) Services revenue

Revenue from other services contracts is recognised over time as performance obligations are satisfied. Variable consideration is assessed on an individual contract basis according to the circumstances and terms of each project and only recognised to the extent that it is highly probable not to significantly reverse in the future. The Group also recognises revenue on specific contracts at a point in time when control is transferred.

The Company recognises revenue in respect of parent company guarantee services provided to its subsidiaries. This revenue is recognised over time.

2.06 Construction and service contracts

When the outcome of individual contracts can be estimated reliably, contract revenue is recognised by reference to the stage of completion of each contract, as measured by the proportion of costs incurred as at the balance sheet date compared with the estimated total cost of the contract. Contract costs are expensed as incurred. Where multiple contracts are signed to deliver a single commercial objective, as agreed at the outset, elements such as initial works and main works contracts are treated as separate contracts, but are viewed as representing a single performance obligation. Accordingly, revenues and costs from these contracts are accounted for using the cumulative catch-up method, with revenue recognised based on costs incurred as a proportion of total expected costs across the contracts on an aggregated basis. Management has made this judgement on the basis that work performed under such separate legal contracts constitutes a single performance obligation, as it does not consider that distinct goods or services are provided as a result of work performed under each contract from which the customer can derive an identifiable benefit – i.e. the customer only benefits from the output of the contracts on a combined basis. This judgement is separately evaluated for every contract to ensure that the facts and circumstances unique to each contract are considered and revenue is accounted for appropriately.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

2 Material accounting policies (continued)

2.06 Construction and service contracts (continued)

Provision is made for all known or expected losses on individual contracts once such losses are foreseen. Incremental costs required to satisfy contract obligations are considered in this assessment. IAS 37 also requires an assessment of other costs directly relating to fulfilling contracts to be included in the provision for all known or expected losses as well as when assessing whether a contract is loss making.

Where costs incurred plus recognised profits less recognised losses exceed progress billings, the balance is recognised as a contract asset. Where progress billings exceed costs incurred plus recognised profits less recognised losses, the balance is recognised as a contract liability. Contract assets include retentions and are classified as a current asset unless recovery is due in more than one year.

Estimates of the final outcome on each contract may include cost contingencies to take account of specific risks within each contract. Cost contingencies are reviewed on a regular basis throughout the life of the contract and are adjusted where appropriate. However, the nature of the risks on projects is such that such risks often cannot be resolved until the end of the project and therefore may not reverse until the end of the project. The estimated final outcome on projects is continually reviewed, recoveries from insurers are assessed (and only recognised if it is virtually certain that these will be received) and adjustments are made where necessary.

Variable consideration is assessed on an individual contract basis according to the circumstances and terms of each project and only recognised to the extent that it is highly probable not to significantly reverse in the future.

2.07 Pre-contract bid costs

Pre-contract costs are expensed as incurred.

2.08 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the Group will comply with all attached conditions and that the grant will be received. Government grants are recognised in the income statement over the period necessary to offset them against the costs that they are intended to compensate.

2.09 Trading analysis

The Group considers its Board of directors to be the chief operating decision maker and therefore the segmental disclosures provided in note 4 are aligned with the reports provided to the Board of directors who meet at least four times a year. Trading analysis information is therefore based on the Group's internal reporting structure of two operating hubs and a corporate centre. Further information on the business trading activities is set out in the operating overview on pages 14 to 77. Trading analysis results present the directly attributable contribution of the different hubs to the results of the Group. Operational transactions between hubs are conducted at arm's length market prices.

2.10 Pension costs

The Group operates defined contribution pension schemes for employees. The contributions paid by the Group and the employees are invested in the pension fund within 30 days of deduction. Once the contributions have been paid, the Group, as the employer, has no further payment obligations. The Group's contributions are charged to the income statement in the year to which they relate.

2.11 Profit/(loss) from operations

Profit/(loss) from operations is stated after the Group's share of the post-tax results of equity accounted joint venture entities and associates, but before finance income and finance expense.

2.12 Finance income/(expense)

Finance income/(expense) is recognised using the effective interest method. In calculating the finance income/(expense), the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired, or to the amortised cost of the liability for interest expense. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired, the interest income calculation reverts to the gross carrying amount.

2.13 Exceptional items

Exceptional items are defined as income or expenditure relating to one-off events which, in the opinion of the directors, are material, not expected to recur, and unusual in nature or of such significance that they require separate disclosure on the face of the consolidated income statement in accordance with IAS 1, Presentation of Financial Statements. An assessment is made of events occurring during the year on both a quantitative and qualitative basis to determine which events require separate disclosure because they do not relate to the Group's underlying performance.

2.14 Tax

Tax expense represents the sum of the tax currently payable and deferred tax. The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. 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 also excludes items that are neither taxable nor deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2 Material accounting policies (continued)

2.14 Tax (continued)

Deferred tax is provided on temporary differences arising from investments in subsidiaries, associates, and joint arrangements, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred taxes are not provided in respect of temporary differences arising from the initial recognition of goodwill, or from goodwill for which amortisation is not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is calculated at the tax rates based on those enacted or substantively enacted at the balance sheet date and are expected to apply when the related asset is realised or liability settled. 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 included in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group participates in the UK Government's Research and Development Expenditure Credit (RDEC) tax incentive scheme. Credits receivable under the RDEC scheme are recognised within other operating income and are treated as taxable income. Amounts repayable to the Group in respect of RDEC claims are included on the balance sheet within other receivables. Amounts due in respect of Step 2 RDEC are included within deferred tax assets on the balance sheet.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.15 Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, associate, or joint venture at the date of acquisition. Separately recognised goodwill is tested annually for impairment and carried at cost less impairment losses.

Goodwill is included when determining the profit or loss on subsequent disposal of the business to which it relates. Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing.

Computer software and licences

Other intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is based on the useful lives of the assets concerned and recognised on a straight-line basis over 2-5 years.

Development costs

Development costs are capitalised as intangible assets only if certain criteria are met in order to demonstrate the asset will generate future economic benefits and that its cost can be reliably measured. Development costs include IT assets under construction. All other research and development expenditure is recognised in cost of sales or administrative expenses as incurred. Research and development expenditure credits relate to amounts recoverable from HMRC on previously incurred expenditure.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually. Assets that are subject to amortisation or depreciation are reviewed for impairment or reversal of prior impairments when significant circumstances or events indicate a change in the carrying value. For impairment testing, goodwill is allocated to CGUs by geographical reporting unit and business segment. Assets are grouped at the lowest level for which there are largely independent cash inflows.

2.16 Property, plant, and equipment

Property, plant, and equipment are reported at historical cost less accumulated depreciation and any recognised impairment loss. Land is not depreciated. Where parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items. Cost comprises purchase price and directly attributable costs. Depreciation is calculated on the straight-line method to write down the costs of the assets to their residual values over their estimated useful lives as follows:

Land and buildings	35 years
Plant	10-15 years
Computer and office equipment	2-15 years
Vehicles	2-5 years

Certain land and buildings were revalued under previous accounting standards. On transition to IFRS, the Group elected to use the revalued amount as deemed cost.

Assets held under right-of-use leases are depreciated over the term of the lease or the estimated useful life of the asset, as appropriate.

Gains and losses on disposal are recognised within cost of sales, administrative expenses, or profit/(loss) on disposal of property in the income statement based on the nature of the assets disposed of.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

2 Material accounting policies (continued)

2.17 Leases

The Group assesses whether a contract is, or contains, a lease at the inception of the contract. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently depreciated over the lease term. The lease liability is 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, at the Group's incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of less than 12 months and leases of low-value assets (below US$5,000). Instead, the Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.18 Financial investments

The Group has classified its financial investments as assets held to collect and to sell, which are recognised at fair value.

Changes in the fair value of financial investments classified as held for sale are recorded in the fair value reserve within equity. When these are sold, the fair value adjustments recognised in equity are included in the income statement.

Under the terms of a Private Finance Initiative (PFI) or similar project, where the risks and rewards of ownership remain largely with the purchaser of the associated services, the Group's interest in the asset is classified within investments in joint ventures as held to collect and to sell under IFRS 9. These investments are measured at fair value through other comprehensive income.

2.19 Inventories

Inventories are stated at the lower of cost and estimated realisable value. Cost comprises the purchase price, net of any discounts received, cost of conversion and other costs involved in bringing the inventories to their present location and condition, such as direct and subcontract labour and overheads. The cost of development land may include borrowing costs. When determining the cost of inventories, the Group's operational businesses will apply either the first-in first-out method or the weighted average cost formula, whichever is relevant for their operation. Inventories are assessed to determine if damage, obsolescence, or other external factors have reduced the ability to recover the cost. When this occurs the Group will write down the inventories to their estimated net realisable value. Net realisable value represents the estimated income less all estimated costs of completion and costs to be incurred in marketing, selling, and distribution.

2.20 Trade and other receivables

The Group has allocated receivables due within 12 months of the balance sheet date to current assets with the remainder included in non-current assets.

Trade receivables are initially recorded at fair value and subsequently measured at amortised cost, reduced by an allowance for expected credit losses and appropriate allowances for estimated irrecoverable amounts. Subsequent recoveries of amounts previously written off are credited to the income statement line in which the provision was originally recognised. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Prepayments and accrued income are stated at cost.

Other receivables are stated at cost. Other receivables also includes insurance recoveries, which are recognised where they are deemed to be virtually certain that they will be received by the Group.

2.21 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand, deposits held at call with banks, project bank accounts controlled by the Group, and other short-term highly liquid investments with less than 90-days maturity from the date of acquisition. For the purposes of the cash flow statement, cash and cash equivalents also include bank overdrafts, which are included in borrowings in the statement of financial position.

2.22 Borrowings and borrowing costs

Interest-bearing bank loans and overdrafts are recognised initially at fair value net of transaction costs incurred. All borrowings are subsequently stated at amortised cost, with the difference between initial net proceeds and redemption value recognised in the income statement over the period to redemption.

All finance costs of debt, including premiums payable on settlement and direct issue costs, are charged to the income statement on an accrual basis over the term of the instrument, using the effective interest method.

Borrowing costs are interest and other costs that the Group or Company incurs in connection with the borrowing, including interest on borrowings, amortisation of discounts or premia relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that such asset will result in future economic benefits to the Company and the costs can be measured reliably.

2 Material accounting policies (continued)

2.22 Borrowings and borrowing costs (continued)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Changes in borrowings are assessed for modification or extinguishment in accordance with IFRS 9, with a gain or loss recognised in the income statement where required.

The Company's borrowings are entirely owed to Group undertakings, and this policy also applies to those borrowings.

2.23 Trade and other payables

Trade and other payables are not interest bearing and are stated at cost.

2.24 Provisions

Provisions for claims and litigation, defects, onerous contracts, and other commitments (including legal claims and dilapidations) are recognised at the best estimate of the present value of the expenditures expected to be required to settle the liability. Further information about each of these categories of provision is provided in note 24.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, where it is probable that an outflow will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

2.25 Provision for employees' end-of-service benefits

In the Australia business only, a provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by the employees up to year end. In the United Arab Emirates business only, provision is also made, using actuarial techniques, for the end-of-service benefits due to employees in accordance with applicable local labour law legislation, or with Laing O'Rourke Group standard employment terms for their periods of service up to year end. Such end-of-service-benefits provision is in lieu of, and is at least equivalent to, that required under the local labour law legislation.

In Australia, liabilities for long service leave that are not expected to be settled wholly within 12 months of the end of the year in which the employees render the related service are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting year of high-quality corporate bonds with terms and currency that match, as closely as possible, the estimated future cash outflows.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as non-current liabilities in the balance sheet.

2.26 Share capital

Ordinary shares are classified as equity.

2.27 Key judgements and estimation uncertainty

The preparation of financial statements under IFRS requires management to make estimates and assumptions that affect amounts recognised for assets and liabilities at the balance sheet date and the amounts of revenue and the expenses incurred during the reporting period. Actual outcomes may therefore differ from these estimates and assumptions. The estimates and assumptions that have the most significant impact on the carrying value of assets and liabilities of the Group within the next financial year are detailed as follows:

a) Revenue and margin recognition (judgement and estimate)

The Group's revenue recognition and margin recognition policies, which are set out in notes 2.05 and 2.06, are central to the way the Group values and accounts for the work it has carried out in each financial year and have been consistently applied.

Across the Group, 227 construction contracts (FY25: 215) were revenue-generating during the year. Of these, 20 (FY25: 18) individually had an impact equal to, or greater than, £5.0m on operating profit/(loss).

The economic outcomes of construction contracts are principally determined by the contractual terms, including how revenue is calculated based on the contract price (which can include milestone payments, progress-based payments, incentives, and gain-share or pain-share), the type of service being provided and risks being managed (for example, traditional contracting or construction management), and the actual operational and financial performance versus forecast (at the time of contract award or subsequently). Other external factors can also have a material impact on performance, such as inflation, aspects of design development, ground conditions, weather, site access, and the performance of subcontractors.

The key judgements and estimates relating to determining the revenue and profit of these material contracts within the Group's accounts are:

- Identification of separate performance obligations or whether all work for a customer represents a single performance obligation;
- Ensuring revenue recognised is highly probable, with specific attention being paid to the estimates of:
  - Recoverability of claims and variations from clients for changes in condition/scope;
  - Revenue receivable in relation to achievement of gain-share (or pain-share) milestones and other incentive arrangements; and
  - Deductions for any damages levied by a client, e.g. for late handover.

2 Material accounting policies (continued)

2.27 Key judgements and estimation uncertainty (continued)

a) Revenue and margin recognition (judgement and estimate) (continued)

- Percentage of completion of the project versus the planned cost programme;
- Achievability of the planned build programme;
- Forecast cost to complete (including contingencies); and
- Allowances for post-practical completion works (including rectification of defects).

Each contract is treated on its merits and is subject to a regular review of the revenue and costs to complete by the project team and senior management. The level of estimation uncertainty in the Group's construction business is mitigated by:

- The processes in place regarding the selection of projects during the bid/work-winning phase;
- The level of experience of management and the Board in delivering projects and accounting for the various types of projects; and
- The processes in place to identify and mitigate issues promptly.

Volatility is also reduced by the effect of managing a significant portfolio of projects.

Nevertheless, the profit recognition in our construction business is a key estimate, due to the variety of contract terms and the inherent uncertainties in any construction project.

The estimation techniques used for revenue and profit recognition on construction contracts require forecasts to be made of the outcome of long-term contracts, which require assessments and judgements to be made on the recovery of pre-contract costs, changes in the scope of work, contract programmes, maintenance and defects liabilities, and changes in costs.

Within its portfolio of contracts in both the Europe Hub and Australia Hub, the Group has identified major sources of estimation uncertainty where it has made significant judgements on the recovery of income related to variations in scope, delays, and other claims, as well as whether penalties, such as liquidated damages, will be levied by customers. For recoveries recognised in respect of each judgement, they have been recorded on the basis that it is considered highly probable that a significant reversal of such revenues recognised will not occur in the next year. When determining whether a contract is onerous, the likelihood of the recovery of additional income is considered over the life of the contract. Where the receipt of income is probable, this is included in the Group's consideration of whether the contract is onerous. There is a range of factors influencing potential outcomes and, as such, the exact recoverable amounts are subject to change until agreements are finalised on these specific contracts.

The Group estimates that the possible outcomes impacting the revenue recognised in the financial year ended 31 March 2026 range from a potential gain of up to £38.2m to a potential risk of up to £15.3m, with a corresponding impact on gross margin of a potential gain of up to £38.2m and a potential risk of up to £21.5m. The Group estimates that the possible outcomes over the life of the contracts, which is particularly relevant when considering the extent to which any contract is onerous, range from a potential gain of up to £63.3m to a potential risk of up to £25.3m to gross margin. These will have a corresponding impact on the contract asset or liability position of the relevant projects. These changes in outcomes may require reassessment of the cumulative gross margin recognised or judgement as to whether an onerous provision is required. The directors have assessed the range of possible outcomes based on information available to them at the date of approving the financial statements to the extent it provides evidence of conditions that existed at the balance sheet date. As with any judgement related to long-term contract accounting, these contracts are affected by uncertainties that are influenced by future events and, therefore, it may require revision as the contracts progress.

The Group's construction and services business revenue for the year was £3.5bn (FY25: £3.8bn) with an associated margin of 8.5 per cent (FY25: 5.8 per cent). Should margins reduce by 1 per cent, the impact of such a change across the Group's projects in delivery at the year end would be an impact on gross profit of £30.9m (FY25: £38.3m). Should revenues reduce by 1 per cent, and the associated costs reduce by 1 per cent, the impact on gross profit would be a reduction of £2.3m (FY25: £1.8m).

b) Disputes and claims (judgement and estimate)

Claims provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event and where it is probable that the Group will be required to settle such obligations and the amount can be reliably estimated. The amounts recognised are the best estimate of the consideration required to settle such claims at the reporting date, considering the risks and uncertainties. Management considers this is an area of significant estimation uncertainty as these estimates involve a number of key assumptions, including the range of possible outcomes and expected timing of the future cash outflows. These assumptions are dependent on the progression of negotiations or litigation with claimants, which remain ongoing at year end.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money. The increase in the provision due to the passage of time is recognised as interest expense.

From time to time, the Group receives claims from subcontractors that it must evaluate in estimating the costs to complete on contracts and resolve as part of determining its final contract positions. Management bases its estimates of costs associated with such claims on its assessment of the expected outcome of each matter using the latest available information. There is inherent uncertainty associated with the estimates made by management, and any differences between these estimates and the eventual amounts settled may be material. However, given the extent of subcontractor claims at any given point in time, as is common within the sector, and as the quantum of amounts being claimed is not always known, it is not possible to provide any meaningful sensitivities of the estimates that have been made.

2 Material accounting policies (continued)

2.27 Key judgements and estimation uncertainty (continued)

b) Disputes and claims (judgement and estimate) (continued)

An individual dispute currently disclosed in the consolidated financial statements that has a material impact on the Group is in respect of a contract terminated during the 2017 financial year. This matter is subject to an ongoing private arbitration with a final award not expected to be issued before April 2027.

A provision of £139.7m (AUD$268.1m) (FY25: £110.9m (AUD$229.6m)) is recognised by Laing O'Rourke Australia Construction Pty Ltd as at 31 March 2026 for this matter within the onerous contract provision (see note 24). This provision represents management's best estimate at the reporting date of the anticipated outflow, after discounting for the time value of money, once this claim is settled and reflects a weighted expected value of the different potential claim outcomes.

The private arbitration is complicated and incorporates a number of claims and counterclaims between the parties involved. The provision represents the estimated net impact of the claims and counterclaims, because the final award will determine the settlement to be paid on a net basis. The amount recognised carries a high degree of estimation uncertainty and the outcome could be materially lower or higher than the best estimate.

The Group's current expectation, based on the timetable for the private arbitration, is that the claim will not settle in FY27, although it is probable that during FY27 further information relevant to the provision will become available and, as a result, there could be a change in the provision. Further information on the Group's expectations for reasonably possible changes in the claim in FY27, including quantitative sensitivity information, is not disclosed as management considers that such disclosure could seriously prejudice the outcome of the arbitration and the Group's position.

Further clarity on the likely outcome of the arbitration is expected during the financial year ending 31 March 2027. A final award under the arbitration is expected to be received no earlier than April 2027.

The gross value of claims against the Group is significantly in excess of the amounts recognised, but management has concluded that disclosing this value is misleading given that large elements of the gross claim are accepted by the other party to be duplicative or are not expected to be awarded against the Group as part of the final arbitration outcome. The provision recognised as at 31 March 2026 represents a weighted average of a range of materially different potential outcomes, with the net provision recognised representing management's best estimate.

Management has assessed the potential impact of the claim as part of its going concern assessment (see the consolidated management report on pages 80 to 82).

c) Exceptional items presentation (judgement)

Judgement has been used to determine the presentation of exceptional items, which relate to matters arising that are unusual and generally not expected to recur. The exceptional items arising in the year were:

i) Legal costs relating to the one-off disputed contract in the Group's Australia Hub of £0.2m (FY25: £0.2m);

ii) An additional claims provision of £14.6m (FY25: £14.3m) related to the one-off disputed contract in the Group's Australia Hub;

iii) A £4.5m unwind of the discount associated with the provision recognised related to the one-off disputed contract in the Group's Australia Hub (FY25: £4.2m);

iv) Closure costs relating to businesses in Australia and the UK of £nil (FY25: £0.1m); and

v) Defect costs concerning the Building Safety Act 2022 (BSA) of £32.9m (FY25: £21.7m), which is net of associated insurance recoveries.

d) Provisions recognised in respect of rectification of defects (estimate) and reimbursement assets (judgement and estimate)

There is estimation uncertainty in assessing the provision recognised at the reporting date either to rectify the defects or settle claims received. The Group also recognises its best estimate of the amount the Group will be reimbursed by its insurance providers or others for the costs that will be incurred to rectify the defects or settle claims received when the Group has made the judgement that reimbursement is virtually certain.

In the year ended 31 March 2026, costs in respect of the rectification of defects of £75.8m (FY25: £96.0m) were incurred and debited to provisions. As disclosed in note 24, as at 31 March 2026, the Group held defects provisions of £209.8m (FY25: £191.9m) in respect of such known defect rectification. Defect liabilities can arise on projects where the construction work finished a number of years ago and where the Group may not have access to the site to fully assess the costs of rectification or where the likely settlement amount for defects when a claim has been received may be hard to determine. This is particularly the case in respect of the claims recently received that have arisen as a result of changes introduced by the BSA and the Government's building safety pledge/Developer Remediation Contract where there is limited case law. Therefore, given the level of uncertainty, timing, and number of variables, it is difficult to provide meaningful sensitivity disclosures of the range of estimation uncertainty.

However, as an indication of the estimation uncertainty associated with this balance, a 10 per cent movement in the balance would have an impact on the consolidated income statement of £21.0m (FY25: £19.2m), although actual movements may be greater and the final outcome materially different to the amounts provided.

2 Material accounting policies (continued)

2.27 Key judgements and estimation uncertainty (continued)

d) Provisions recognised in respect of rectification of defects (estimate) and reimbursement assets (judgement and estimate) (continued)

In the year ended 31 March 2026, the Group recognised income of £25.2m (FY25: £64.4m) relating to the reimbursement of costs expected to be incurred in respect of the rectification of defects. This has been presented as a reduction to costs incurred by the Group in respect of these defects. If related to fire stopping, this income has been presented as a reduction to exceptional costs. As at 31 March 2026, the Group held an asset for the reimbursement of costs incurred in settling the defects provision of £101.6m (FY25: £95.8m) by the Group's insurers. The Group has considered reports outlining the root cause of the defects provided for and assessed the extent to which these are covered by the Group's insurance policies when determining the value of the reimbursement asset that the Group considers to be virtually certain of recovery. This is subject to estimation uncertainty as the final amount received will depend on the actual costs incurred in remediating defects or settling claims. However, any change in the asset held for the reimbursement of costs incurred is expected to be materially offset by a corresponding change in the provision held for costs in respect of the rectification of defects.

e) Going concern (judgement and estimate)

In preparing these consolidated financial statements using the going concern basis of accounting, management has considered the forecast future results and cash flows of the Group under a management case scenario and several downside scenarios (see the consolidated management report on pages 80 to 82). Forecast future results and cash flows include the following areas of estimation uncertainty:

- Work-winning for the Group;
- Construction activity including project margins and the working capital position;
- Inflationary pressures;
- Timing and quantum of the outcome of the claim described in note 2.27(b) which is expected to fall in the going concern assessment period; and
- Availability of cross-Group funding arrangements.

Laing O'Rourke Australia is required to give advance notice to the counterparty referred to in note 2.27(b) of certain transactions that would amount to financial support of the broader Laing O'Rourke Group.

In order to form a conclusion on going concern and in determining that there is no material uncertainty that may cast significant doubt on the Group's going concern status, management has exercised judgement by analysing the past performance of the business, its existing portfolio of projects and order book, and its expectation of work-winning. In addition, it has drawn on its knowledge and expertise of key drivers of cash flow performance in the construction sector in the markets in which it operates to assess the forecast liquidity and covenant headroom under its committed financing facilities based on its severe but plausible downside scenario. Further details of this assessment and the key assumptions made are set out on pages 80 to 82.

f) Tax (judgement)

There is estimation uncertainty when determining the quantum of deferred tax assets to recognise at year end. Deferred tax assets are only recognised where it is probable that future taxable profits will be available against which the asset can be utilised.

The recognised gross deferred tax assets include £96.7m (FY25: £101.7m) which relate to carried-forward tax losses in relation to UK operations. The Group has concluded that these deferred tax assets will be recovered using the estimated future taxable income, which is based on the approved forecasts prepared by management, which are consistent with the forecasts used in the going concern assessment and incorporate climate-related estimates and assumptions. These forecasts fully reflect current UK tax laws that, in broad terms, restrict the offset of the carried-forward tax losses to 50 per cent of the forecast period's profit and that the tax losses do not have an expiry date.

Deferred tax assets will be materially utilised over a period of up to five years from the balance sheet date. Should the approved forecast profits reduce by 30 per cent in each year used in the utilisation calculation, it would take a further three years to utilise the deferred tax asset. This sensitivity is in line with that used for the goodwill sensitivity referred to in note 12.

2.28 Other judgements and estimation uncertainty

a) Impairment of goodwill (estimate)

Determining whether goodwill is impaired requires an estimation of the recoverable amounts of the CGUs to which the goodwill has been allocated. The recoverable amount is determined using a value-in-use calculation, which requires an estimation to be made of the timing and amount of future cash flows expected to arise from the CGU, and a suitable discount rate in order to calculate the present value. The discount rate used, carrying value of goodwill, and further details of the impairment calculation, are included in note 12.

As described further in note 12, the Group has performed an impairment test across all CGUs containing goodwill. Management has concluded that any reasonable updates to the estimates associated with these areas of the financial statements are not expected to result in material change.

b) Climate change (judgement and estimate)

In preparing the financial statements, management has considered the impact of climate change. Potential impacts of climate change, which include increased intensity and frequency of weather events and stricter environmental legislation, have been considered by management, together with the Group's stated 2030 targets of reducing Scope 1 and 2 emissions by 42 per cent and Scope 3, Category 1 by 25 per cent from a 2023 baseline as well as a commitment to be a net zero company by 2050, to the extent these can be forecast at present. These considerations did not have a material impact on the financial reporting judgements and estimates. Climate change is not expected to have a significant impact on the Group's going concern assessment to March 2028.

2 Material accounting policies (continued)

2.28 Other judgements and estimation uncertainty (continued)

b) Climate change (judgement and estimate) (continued)

Specific areas considered by management in assessing the impact of climate change included:

- Estimates of the future cash flows used in the impairment assessment of the carrying value of goodwill where the forecasts used include the impact of climate change to the extent that these can be forecast at present (see note 12);
- Long-term contract accounting assumptions, such as the forecast costs of a project and, as these progress, the estimated costs to complete and the allowance for rectification works (see note 2.27(a) and 2.27(d));
- The appropriateness of the estimated useful economic lives of the Group's property, plant, and equipment and right-of-use assets (see notes 16 and 17) where no significant changes are currently needed; and
- The recoverability of deferred tax assets recognised (see note 25) in respect of carried-forward losses in relation to the UK operations.

The Group continues to invest in new technologies and product development including a project to decarbonise manufactured concrete components used in construction. The costs of these projects are currently being expensed as incurred.

2.29 Company accounting policies

The principal Group accounting policies that are also applicable to the Company are as follows:

- 2.05 Revenue recognition;
- 2.12 Finance income/(expense);
- 2.14 Tax;
- 2.16 Property, plant, and equipment;
- 2.21 Cash and cash equivalents;
- 2.22 Borrowings and borrowing costs;
- 2.23 Trade and other payables; and
- 2.26 Share capital.

The accounting policies that are additional to those applied by the Group are as follows:

a) Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. Costs that are incremental and directly attributable to the acquisition of investments are capitalised. There are no intercompany balances assessed as equity.

b) Other judgements and estimation uncertainty - Impairment of investments in subsidiaries (estimate)

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment may include such items as declines in revenues, earnings, or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the present carrying amount of an asset is not recoverable and that a reduction in the subsidiary's carrying value is to be recorded in the Company's income statement for the financial period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

3 Revenue

The Group presents a disaggregation of its revenue according to the primary geographical markets and sectors in which it operates. There is no material difference between revenue by origin and revenue by destination.

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following geographical regions and major segments:

Group	United Kingdom[1] 2026 £m	Australia 2026 £m	Rest of World 2026 £m	Total 2026 £m
Timing of revenue recognition				
At a point in time	**390.3**	**1.3**	**10.6**	**402.2**
Over time	**2,365.8**	**1,109.3**	**170.5**	**3,645.6**
Revenue including share of joint ventures and associates (note 36)	**2,756.1**	**1,110.6**	**181.1**	**4,047.8**
At a point in time	**61.3**	**1.3**	**–**	**62.6**
Over time	**2,352.4**	**1,108.8**	**170.5**	**3,631.7**
Group revenue	**2,413.7**	**1,110.1**	**170.5**	**3,694.3**

1. Included within United Kingdom revenue is £9.0m relating to forward funding interest.

	Construction[1] 2026 £m	Manufacturing 2026 £m	Plant hire 2026 £m	Services 2026 £m	Total 2026 £m
Timing of revenue recognition					
At a point in time	**1.1**	**51.6**	**20.0**	**329.5**	**402.2**
Over time	**3,517.9**	**–**	**101.9**	**25.8**	**3,645.6**
Revenue including share of joint ventures and associates (note 36)	**3,519.0**	**51.6**	**121.9**	**355.3**	**4,047.8**
At a point in time	**1.1**	**41.1**	**20.0**	**0.4**	**62.6**
Over time	**3,517.4**	**–**	**88.5**	**25.8**	**3,631.7**
Group revenue	**3,518.5**	**41.1**	**108.5**	**26.2**	**3,694.3**

1. Included within Construction revenue is £9.0m relating to forward funding interest.

	United Kingdom[1] 2025 £m	Australia 2025 £m	Rest of World 2025 £m	Total 2025 £m
Timing of revenue recognition				
At a point in time	350.0	0.4	12.8	363.2
Over time	2,147.2	1,679.9	110.0	3,937.1
Revenue including share of joint ventures and associates (note 36)	2,497.2	1,680.3	122.8	4,300.3
At a point in time	53.2	0.4	2.9	56.5
Over time	2,110.5	1,679.5	110.0	3,900.0
Group revenue	2,163.7	1,679.9	112.9	3,956.5

1. Included within United Kingdom revenue is £11.3m relating to forward funding interest.

	Construction[1] 2025 £m	Manufacturing 2025 £m	Plant hire 2025 £m	Services 2025 £m	Total 2025 £m
Timing of revenue recognition					
At a point in time	0.3	39.7	24.6	298.6	363.2
Over time	3,805.9	–	115.9	15.3	3,937.1
Revenue including share of joint ventures and associates (note 36)	3,806.2	39.7	140.5	313.9	4,300.3
At a point in time	0.3	29.8	24.6	1.8	56.5
Over time	3,805.6	–	79.1	15.3	3,900.0
Group revenue	3,805.9	29.8	103.7	17.1	3,956.5

1. Included within Construction revenue is £11.3m relating to forward funding interest.

The Company revenue of £0.7m (FY25: £0.1m) relates to services provided in Jersey to its subsidiaries and is all recognised over time.

4 Trading analysis

This note seeks to provide additional value to the readers of these consolidated financial statements using some non-statutory disclosures, as explained below.

	Europe Hub 2026 £m	Australia Hub 2026 £m	Other (incl. Corporate Centre) 2026 £m	Total 2026 £m
Performance by hub:				
Managed revenue*	3,724.1	1,213.7	30.5	4,968.3
Less: inter-segment revenue*	(807.0)	(104.8)	(8.7)	(920.5)
Total revenue including share of joint ventures and associates*	2,917.1	1,108.9	21.8	4,047.8
Less: share of joint ventures and associate revenue	(353.0)	(0.5)	–	(353.5)
Group revenue	2,564.1	1,108.4	21.8	3,694.3
Profit/(loss) before tax post-exceptional items	76.6	24.6	(21.1)	80.1
EBIT* post-exceptional items	107.0	25.6	(22.6)	110.0
EBITDA* post-exceptional items	160.9	48.1	(20.4)	188.6
Profit/(loss) before tax and exceptional items	109.5	43.9	(21.1)	132.3
EBIT* pre-exceptional items	139.9	40.4	(22.6)	157.7
EBITDA* pre-exceptional items	193.8	62.9	(20.4)	236.3

* For both FY26 and FY25, these are non-statutory disclosures. EBIT is defined as profit/(loss) from operations and EBITDA is defined as profit/(loss) from operations and adding back depreciation and amortisation. Inter-segment revenue is defined as revenue that arises from contracts between two entities within the Laing O'Rourke Corporation Limited Group. See note 29 for more details.

	Europe Hub[1] 2025 £m	Australia Hub[1] 2025 £m	Corporate centre 2025 £m	Total 2025 £m
Performance by hub:				
Managed revenue*	3,331.0	1,864.6	10.0	5,205.6
Less: inter-segment revenue*	(710.9)	(184.4)	(10.0)	(905.3)
Total revenue including share of joint ventures and associates*	2,620.1	1,680.2	–	4,300.3
Less: share of joint ventures and associate revenue	(343.4)	(0.4)	–	(343.8)
Group revenue	2,276.7	1,679.8	–	3,956.5
Profit/(loss) before tax post-exceptional items	14.4	28.4	(1.3)	41.5
EBIT* post-exceptional items	49.0	29.6	(3.6)	75.0
EBITDA* post-exceptional items	93.3	51.1	(3.6)	140.8
Profit/(loss) before tax and exceptional items	36.1	47.2	(1.3)	82.0
EBIT* pre-exceptional items	70.7	44.2	(3.6)	111.3
EBITDA* pre-exceptional items	115.0	65.7	(3.6)	177.1

1. Inter-segment revenue has been restated in FY25 from £340.1m to £710.9m in the Europe Hub and from nil to £184.4m in the Australia Hub, as it was incorrectly omitted previously.

EBIT and EBITDA:	Note	Pre-exceptional items 2026 £m	Exceptional items (note 5) 2026 £m	Total 2026 £m	Pre-exceptional items 2025 £m	Exceptional items (note 5) 2025 £m	Total 2025 £m
EBIT		157.7	(47.7)	110.0	111.3	(36.3)	75.0
Depreciation	6	72.8	–	72.8	61.1	–	61.1
Amortisation	6	5.8	–	5.8	4.7	–	4.7
EBITDA		236.3	(47.7)	188.6	177.1	(36.3)	140.8

5 Exceptional items

Group	2026 £m	2025 £m
Cost of sales		
Claims provision	**14.6**	13.7
Defect costs related to the Building Safety Act 2022	**32.9**	21.7
Closure costs	**–**	0.1
Administrative expenses		
Legal costs	**0.2**	0.2
Claims provision	**–**	0.6
Exceptional loss before interest and tax	**47.7**	36.3
Exceptional finance expense	**4.5**	4.2
Exceptional loss before tax	**52.2**	40.5
Income tax credit on exceptional items	**(14.0)**	(6.9)
Exceptional loss after tax	**38.2**	33.6

None of the exceptional items above relate to the Company.

Legal costs

Exceptional costs of £0.2m (FY25: £0.2m) were recognised in the year, which relate to legal costs incurred in the Australia Hub regarding a disputed contract; see note 24. These costs have been treated as exceptional as they relate to unusual circumstances that in the normal course of business are unlikely to recur. The dispute is expected to be resolved through private arbitration, with a final award not expected before April 2027.

Defect costs

Laing O'Rourke continues to respond to legacy defect claims that have arisen as a result of the changes introduced by the Building Safety Act 2022 (BSA) (which received royal assent on 28 April 2022) and the Government's building safety pledge/Developer Remediation Contracts. The BSA has extended the limitation period to bring a claim under the Defective Premises Act from six years to 15 years prospectively and 30 years retrospectively. The extension to limitation periods may result in additional liabilities for the Group in the future, in excess of the costs recognised to date, the extent of which cannot be assessed by Laing O'Rourke as we do not have access to the information that would allow a detailed assessment of each potential obligation. Developers may seek to recover costs from main contractors (e.g. Laing O'Rourke) but, until those claims are raised, it is not possible to determine the full extent of the liability and/or work required on our behalf. A provision is made when there is a probable obligation and outflow, and the Group can reliably estimate the cost relating to its obligation. If costs are considered possible or cannot be reliably estimated, then they are considered to be contingent liabilities (see note 27).

Provisions of this nature are inherently uncertain as the estimated costs are based on a number of key estimates and assumptions, which include, but are not limited to, the extent of defects that may exist, the cost of rectifying these defects, and the consideration of what was considered to comply with building safety regulations at the time these buildings were constructed. These estimates are also inherently uncertain due to the highly complex and bespoke nature of each building. The directors have used various externally available information (including Building Safety Fund cost information) as a basis for the estimated remedial costs for the fire safety claims received to date.

The actual costs will ultimately be subject to the progression of investigative works, remedial works carried out, settlements of ongoing claims, and the evolution of current legislation and regulation, which will impact the scope of any remediation works required and therefore, it is impracticable to provide a quantitative analysis of the aggregated estimates across the Group for these fire safety-related claims. There are also potential avenues to recovering a portion of these costs from third parties, which have not been recognised by the Group at this stage.

Within the fire defect population, there are claims received under the retrospective BSA legislation introduced in 2022 (refer to note 24) for which the Group is carrying a defect provision amounting to £171.0m at 31 March 2026 (FY25: £145.2m). If the forecast remediation costs relating to BSA claims received to date were 10 per cent higher/lower than provided, the pre-tax exceptional charge in the Group's income statement would increase/decrease by £17.1m before any assumed insurance recovery. However, if further BSA claims are notified, this could also increase the required provision, but the potential quantity and timing of this change cannot be readily determined without further claims being made against the Group and, subsequently, the necessary investigative work being conducted on these claims. The scope of buildings and remediation works to be considered may also change as legislation and regulations continue to evolve relating to BSA.

Exceptional costs for defects brought about as a result of these matters in the United Kingdom were £32.9m (FY25: £21.7m), which is the net of provisions recognised of £56.9m and income relating to insurance recoveries of £24.0m.

Claims provision and exceptional finance expense

Exceptional costs of £19.1m (FY25: £18.5m) were recognised in the year, which relate to a claim provision recognised in the Australia Hub, regarding a disputed contract; see note 24. Included in this amount is £4.5m (FY25: £4.2m) relating to the unwind of the discount associated with the provision recognised in prior years.

Closure costs

Exceptional costs of £nil (FY25: £0.1m) were recognised in the year. Costs incurred in the prior year relate to the closure of a subsidiary in the Australia Hub of £0.1m.

6 Profit/(loss) from operations

Profit/(loss) before interest and tax is stated after charging/(crediting):

Group	Note	2026 £m	2025 £m
Staff costs	7	**874.6**	848.4
Depreciation of property, plant, and equipment	16	**25.4**	22.8
Depreciation of right-of-use assets	17	**47.4**	38.3
Variable lease payments, low-value leases, short-term lease rentals, and short-term hires:			
Property, plant, and equipment		**4.5**	2.0
Amortisation of other intangible assets	12	**5.8**	4.7
Loss on disposal of property, plant, and equipment and right-of-use assets		**3.0**	0.8
Government grants		**–**	(0.2)
Foreign exchange loss/(gains)		**5.8**	(5.1)
Cost of inventories recognised as an expense		**50.8**	28.0
Impairment charge for loan interest receivable	15	**1.4**	–
Auditors' remuneration (see below)		**5.7**	6.3

Loss before interest and tax is stated after charging:

Company	2026 £m	2025 £m
Staff costs	**0.2**	0.6
Auditors' remuneration	**–**	0.1

Auditors' remuneration Group	2026 £m	2025 £m
Fees payable to the Company's auditors for the audit of:		
The Group and its UK subsidiaries	**4.4**	5.1
Overseas subsidiaries	**1.2**	1.2
Total audit fees	**5.6**	6.3
Fees payable to the Company's auditors and its associates for other services:		
Non-audit services	**0.1**	–
Total non-audit fees	**0.1**	–
Total fees	**5.7**	6.3

Included within the FY26 Group and UK subsidiaries audit fee of £4.4m is £0.3m of Group audit fee overruns in respect of FY25 (FY25: £0.8m in respect of FY24).

7 Staff costs and employee numbers

Number of employees	2026 Number	2025 Number
Group		
The average number of employees (including directors) during the financial year was:		
Europe Hub	**7,484**	7,104
Australia Hub	**2,519**	2,938
Total number of employees	**10,003**	10,042
Company		
The average number of employees (including directors) during the financial year was:		
Corporate Centre	**6**	6
Total number of employees	**6**	6

Aggregate remuneration and related costs, including directors	2026 £m	2025 £m
Group		
Salaries	**593.8**	567.9
Wages	**168.0**	180.5
Social security costs	**63.2**	51.2
Other pension costs	**49.6**	48.8
	874.6	848.4
Company		
Salaries	**0.2**	0.6
	0.2	0.6

At 31 March 2026, £4.7m (FY25: £3.8m) was payable in respect of the Group's defined contribution pension schemes and was included in other payables (note 23).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

7 Staff costs and employee numbers (continued)

Transactions with key management personnel

The Group's key management personnel during the financial year include the 11 directors and five other individuals (FY25: 12 directors and five other individuals) identified to be key management personnel during the year, due to the fact that they are members of the Group Executive Committee, or statutory directors of other Group undertakings not disclosed in directors' remuneration.

The compensation of the five (FY25: five) key management personnel identified as other individuals was as follows:

	2026 £m	2025 £m
Salaries and other short-term employee benefits	**4.3**	2.6

The total remuneration of the 11 (FY25: 12) directors was as follows:

	2026 £m	2025 £m
Group		
Salaries and other short-term benefits	**7.8**	5.3
Company		
Salaries and other short-term benefits	**0.2**	0.6

No post-retirement benefits were paid on behalf of directors (FY25: £nil). The total compensation for all key management personnel (including directors) is £12.1m (FY25: £7.9m). The remuneration for some of the directors of the Company is borne by Laing O'Rourke Services Limited, a subsidiary undertaking of the Company, and is therefore excluded from the Company directors' remuneration disclosed above.

8 Other operating income

Group	2026 £m	2025 £m
Rents received	**0.1**	0.1
Research and development expenditure credit	**47.6**	21.4
Other operating income	**0.7**	0.1
	48.4	21.6

The research and development expenditure credit of £47.6m (FY25: £21.4m) is based on an assessment of recoverability from HMRC.

9 Finance income

Group	2026 £m	2025 £m
Bank interest	**12.5**	7.9
Other interest and similar income	**1.9**	2.0
	14.4	9.9

10 Finance expense

Group	2026 £m	2025 £m
Interest payable on bank and other loans and overdrafts	**10.3**	10.7
Interest payable on leases	**19.0**	17.9
Other interest payable and similar charges including forward funding interest	**10.5**	10.6
Total before exceptional costs	**39.8**	39.2
Exceptional costs (note 5, note 24)	**4.5**	4.2
Total post-exceptional costs	**44.3**	43.4

11 Tax

	2026 £m	2025 £m
Jersey corporation tax		
Current tax on profit for the year	**0.3**	–
Foreign tax		
Current tax on profit for the year	**4.8**	4.0
Adjustments in respect of prior years	**1.0**	(0.5)
Total current tax charge	**6.1**	3.5
Net origination of temporary differences – current year	**9.8**	6.7
Net origination of temporary differences – prior years	**0.9**	1.8
Total deferred tax charge	**10.7**	8.5
Total tax charge	**16.8**	12.0

11 Tax (continued)

Jersey introduced a minimum effective tax rate of 15 per cent applicable from the FY26 accounting period. The Company is loss making under the new regulations and thereby remains subject to tax at 0 per cent (FY25: 0 per cent). The Group has elected to use the UK tax rate in the reconciliation below as this is considered the most meaningful to stakeholders. The overall charge for the year of £16.8m (FY25: charge of £12.0m) is explained relative to the UK statutory rate below:

	2026 £m	2025 £m
Total tax reconciliation		
Profit before tax	**80.1**	41.5
Tax at the UK corporation tax rate of 25 per cent (FY25: 25 per cent)	**20.0**	10.4
Effects of		
• higher overseas tax rates	**3.4**	1.7
• income not subject to tax	**(1.3)**	(6.8)
• adjustments in respect of prior years	**1.9**	1.3
• tax effect of joint ventures	**(0.1)**	0.7
• unrecognised deferred tax assets	**(0.7)**	5.5
• recognition of previously unrecognised deferred tax assets	**(6.4)**	(0.8)
Total tax charge	**16.8**	12.0

A total Group tax charge of £16.8m (FY25: charge of £12.0m) arises for the year on the total Group profit of £80.1m (FY25: £41.5m). The total tax charge for the year includes an exceptional tax credit of £14.0m (FY25: credit of £6.9m) in relation to tax-allowable exceptional expenditure as described in note 5.

As a group with worldwide operations, Laing O'Rourke is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different jurisdictions, transfer pricing regulations, tax rates imposed, and tax regime reforms.

On 11 July 2023, Finance (No.2) Act 2023 was enacted in the UK, introducing a global minimum effective tax rate of 15 per cent. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. A Pillar 2 Effective Tax Rate (ETR) is calculated for every jurisdiction in which the Group operates and Pillar 2 Income Taxes will arise when the Pillar 2 ETR is less than 15 per cent. Pillar 2 Income Taxes could be payable in the UK, or the local jurisdiction if it has introduced a Qualifying Domestic Minimum Top-up Tax. Management has performed an assessment of the impact of the UK's Pillar 2 rules based on our FY26 data and no Pillar 2 Income Taxes are expected to arise for most jurisdictions in which the Group operates.

It is anticipated that Laing O'Rourke may, in some jurisdictions, incur additional tax liabilities, which have been incorporated into the reported tax charge.

The Group has applied the exemption under the IAS 12 Income Taxes amendment for recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

Tax effects relating to each component of comprehensive income

	2026			2025		
	Before-tax amount £m	Tax expense £m	Net-of-tax amount £m	Before-tax amount £m	Tax expense £m	Net-of-tax amount £m
Exchange differences on translating foreign operations	**12.8**	**–**	**12.8**	(11.8)	–	(11.8)
	12.8	**–**	**12.8**	(11.8)	–	(11.8)

12 Intangible assets

	Goodwill £m	Computer software and licences £m	Development costs[1] £m	Total £m
Cost				
At 1 April 2025	**320.3**	**50.0**	**13.3**	**383.6**
Additions	**–**	**–**	**12.5**	**12.5**
Write-off to income statement[2]	**–**	**–**	**(3.7)**	**(3.7)**
Transfers between categories	**–**	**5.5**	**(5.5)**	**–**
Transfers to property, plant, and equipment	**–**	**–**	**(7.3)**	**(7.3)**
Exchange differences	**3.1**	**0.2**	**–**	**3.3**
At 31 March 2026	**323.4**	**55.7**	**9.3**	**388.4**
Accumulated amortisation and impairment				
At 1 April 2025	**2.2**	**38.2**	**–**	**40.4**
Amortisation for the year	**–**	**5.8**	**–**	**5.8**
Exchange differences	**0.2**	**0.2**	**–**	**0.4**
At 31 March 2026	**2.4**	**44.2**	**–**	**46.6**
Net book value at 31 March 2026	**321.0**	**11.5**	**9.3**	**341.8**

1. Development costs include assets under construction. As assets are completed and ready for use they are transferred to computer software and licences and property, plant, and equipment and amortisation or depreciation will commence. As the assets are not yet available for use, management has conducted an impairment review, but no impairment was necessary.

2. During the year, £3.7m was written off to the income statement for development costs that were no longer deemed to be capitalisable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

12 Intangible assets (continued)

	Goodwill £m	Computer software and licences £m	Development costs[1] £m	Total £m
Cost				
At 1 April 2024	323.1	42.0	15.7	380.8
Additions	–	0.4	8.1	8.5
Write-off to income statement[2]	–	–	(2.2)	(2.2)
Transfers between categories	–	7.9	(7.9)	–
Transfers to property, plant, and equipment	–	–	(0.4)	(0.4)
Exchange differences	(2.8)	(0.3)	–	(3.1)
At 31 March 2025	320.3	50.0	13.3	383.6
Accumulated amortisation and impairment				
At 1 April 2024	2.4	33.7	–	36.1
Amortisation for the year	–	4.7	–	4.7
Exchange differences	(0.2)	(0.2)	–	(0.4)
At 31 March 2025	2.2	38.2	–	40.4
Net book value at 31 March 2025	318.1	11.8	13.3	343.2

1. Development costs include assets under construction. As assets are completed and ready for use they are transferred to computer software and licences and property, plant, and equipment and amortisation or depreciation will commence. As the assets are not yet available for use, management has conducted an impairment review, but no impairment was necessary.
2. During the year, £2.2m was written off to the income statement for development costs that were no longer deemed to be capitalisable.

Impairment tests for cash-generating units containing goodwill

The following units have significant amounts of goodwill	**2026 £m**	2025 £m
Australia	**39.7**	36.9
United Kingdom	**281.3**	281.2
	321.0	318.1

The Group owns several engineering, construction, manufacturing, and specialist services companies, which combine to provide clients with a comprehensive investment, development, and management capability and, due to the set up of the approach to market, management is of the view that the UK cash-generating unit (CGU) and Australia CGU are the smallest groups of assets generating cash inflows that are largely independent of the cash inflows from other assets. Therefore, an impairment test is performed for the UK entities as a whole given that all UK entities operate as one business with combined reporting. A separate impairment test is performed for the Australia entities as a whole given that all the Australia entities operate as one business with combined reporting.

The recoverable amount of goodwill attached to each CGU is determined based on value-in-use calculations in accordance with IAS 36, Impairment of Assets. Each CGU calculation uses cash flow projections based on four-year financial budgets approved by the Board. The CGU calculation uses a perpetual growth rate of two per cent based on industry data (FY25: two per cent), discounted at the Group's estimated pre-tax weighted average cost of capital of 10.4 per cent (FY25: 12.6 per cent) for the UK CGU and 11.8 per cent (FY25: 14.1 per cent) for the Australia CGU. Budgeted gross margins are based on past performance, order book, and management's market expectations. The weighted average cost of capital is an estimate based on that of listed industry competitors, adjusted for differences in capital structures and specific considerations.

In the UK, assumed revenue growth is 14 per cent for FY27, 10 per cent for FY28, 5 per cent for FY29, and 7 per cent for FY30, and gross margin is assumed to increase from 11 per cent in FY27 and FY28 to 12 per cent in FY29 and FY30. Overheads are assumed to remain stable during the forecast period at approximately 7 per cent of revenue. For the Australia CGU, assumed revenue growth is a decrease of 9 per cent for FY27, 15 per cent increase for FY28 and 9 per cent growth per annum for FY29 and FY30. Gross margin is assumed to increase from 10 per cent in FY27 to 12 per cent in FY30. Overheads are assumed to remain stable during the forecast period at approximately 5 per cent of revenue.

A sensitivity analysis, including the potential impact of inflation, supply chain disruption, and climate change, has been performed on the goodwill in relation to each CGU by changing the key assumptions applicable to each CGU. In the view of the directors, there is not a reasonably foreseeable change in a key assumption that would trigger an impairment charge.

Amortisation charge

The amortisation charges in respect of computer software and licences are recognised in administrative expenses in the income statement.

13 Disposals and dissolutions, and a creditors' voluntary liquidation

Disposals

On 30 June 2025, the Group signed a purchase agreement for the purchase of the trade and assets of the plant hire business of Explore Transport Limited, which completed on 31 July 2025. On completion, the Group also signed a sale agreement for its 50 per cent equity interest in Explore Transport Limited for £7.0m, which included the Group's effective equity interest of 35 per cent in Prigmore Haulage Limited, a subsidiary of Explore Transport Limited. A loss of £1m was recognised on disposal of the equity interest.

The disposal of Laing O'Rourke Joinery LLC was completed in the prior year on 31 May 2024, with a £3.5m profit on disposal recognised.

Dissolutions

Laing O'Rourke India Holdings Limited was dissolved on 3 September 2025.

Laing O'Rourke Manufacturing Holdings Limited was dissolved on 7 October 2025.

Expanded Structures Limited was dissolved on 7 October 2025.

Laing O'Rourke Properties (Erith) Limited was dissolved on 21 October 2025.

Ellis Mechanical Services Limited was dissolved on 18 November 2025.

Glass Reinforced Concrete UK Limited was dissolved on 23 December 2025.

Creditors' voluntary liquidation

In the prior year, on 20 February 2025, Laing O'Rourke Construction South Limited, a wholly owned subsidiary of the Group, entered into a creditors' voluntary liquidation. The subsidiary, including its assets and liabilities, were derecognised from the Group on that date.

The profit on disposal of the subsidiary of £14.0m represents the net liabilities of Laing O'Rourke Construction South Limited at the time of entering into liquidation, less those liabilities that were transferred to Laing O'Rourke Plc, its parent entity, on liquidation.

	2026 £m	2025 £m
Disposal of Explore Transport Limited	**(1.0)**	–
Disposal of Laing O'Rourke Joinery LLC	**–**	3.5
Creditors' voluntary liquidation of Laing O'Rourke Construction South Limited	**–**	14.0
Disposal of Cellence Plus Limited	**–**	(0.8)
(Loss)/profit on disposal of subsidiaries and joint ventures	**(1.0)**	16.7

14 Investments in subsidiaries

Company	**Subsidiary undertaking shares £m**
Cost	
At 1 April 2024 and 31 March 2025 and 2026	**494.9**
Impairment	
At 1 April 2024	**16.0**
Charge for the year	**0.3**
At 1 April 2025	**16.3**
Charge for the year	**–**
At 31 March 2026	**16.3**
Net book value	
At 31 March 2026	**478.6**
At 31 March 2025	478.6

The carrying value of the individual investments has been subject to an annual impairment review based upon their underlying net assets or their forecast cash flow for future years. The impairment relates to provision for diminution in value of subsidiary undertakings down to a value that is supported by their net asset position or their forecast cash flows at 31 March 2026.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

14 Investments in subsidiaries (continued)

All of the subsidiary companies have been included in the consolidated financial statements. The details of the directly held subsidiaries, all of which are unlisted, are as follows:

Name, country of incorporation, and principal activities	2026 £m	2025 £m
Laing O'Rourke Australia Holdings Limited, Jersey, holding of investments	**82.3**	82.3
Laing O'Rourke India Holdings Limited, Jersey, holding of investments (dissolved, see note 13)	**–**	–
Laing O'Rourke Insurance Limited, Guernsey, underwriting insurance	**25.0**	25.0
Laing O'Rourke Ireland Holdings Limited, Jersey, holding of investments	**0.0**	0.0
Laing O'Rourke Middle East Holdings Limited, Jersey, holding of investments	**5.8**	5.8
Laing O'Rourke Treasury Limited, Jersey, financing	**21.6**	21.6
O'Rourke Investments Holdings (UK) Limited, UK, holding of investments	**185.7**	185.7
Suffolk Partners (Three) Limited, British Virgin Islands, financing	**158.2**	158.2
	478.6	478.6

Please refer to note 36 for further detail of the Group's principal subsidiaries, joint arrangements, and associates.

15 Investments in joint ventures and associates and loans to joint ventures

	Joint venture equity investments £m	Associate equity investments £m	Loans to joint ventures £m	Total £m
At 1 April 2025	**6.7**	**0.2**	**8.0**	**14.9**
Disposal	**(8.3)**	**–**	**–**	**(8.3)**
Exchange differences	**(0.1)**	**0.1**	**–**	**–**
At 31 March 2026	**(1.7)**	**0.3**	**8.0**	**6.6**
Share of results for the year after tax	**1.6**	**(0.3)**	**–**	**1.3**
Distributions received	**(0.5)**	**–**	**–**	**(0.5)**
Net book value at 31 March 2026	**(0.6)**	**–**	**8.0**	**7.4**
At 1 April 2024	9.1	0.8	8.0	17.9
Capital injections in equity investments	0.3	–	–	0.3
Exchange differences	(0.3)	–	–	(0.3)
At 31 March 2025	9.1	0.8	8.0	17.9
Share of results for the year after tax	(1.6)	(0.6)	–	(2.2)
Distributions received	(0.8)	–	–	(0.8)
Net book value at 31 March 2025	**6.7**	**0.2**	**8.0**	**14.9**

The Group's share of joint venture and associate equity investments and loans to joint ventures is presented above. IFRS 11, Joint Arrangements, requires the following presentation adjustments:

- Where the Group has already accounted for an obligation to fund net liabilities of a joint venture or associate, this is deducted from loans made to the joint venture or associate; and
- Where the Group's obligation to fund net liabilities of a joint venture or associate exceeds the amount loaned, a provision is recorded (see note 24).

The Group's investments in joint ventures and associates are presented in the statement of financial position as:

	2026 £m	2025 £m
Investments in joint ventures and associates	**5.4**	12.5
Loans to joint ventures	**8.0**	8.0
Provisions (note 24 within 'Other provisions')	**(6.0)**	(5.6)
	7.4	14.9

15 Investments in joint ventures and associates and loans to joint ventures (continued)

The loan to joint ventures is unsecured, attracts interest at a fixed rate of 11.74 per cent, has no fixed date of repayment, and is repayable on demand. An impairment charge of £1.4m for loan interest receivable is recognised in FY26.

The principal joint ventures and associates are shown in note 36. Each joint venture and associate has share capital consisting solely of ordinary shares, which are held directly by the Group. Each joint venture and associate is a private company and there is no quoted market price available for its shares.

Set out below is the summarised financial information for the joint ventures and associates of the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and associates and not Laing O'Rourke Corporation Limited's share of these amounts. The amounts have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

	Emirates Precast Construction LLC 2026 £m	Health Montreal Collective CJV Limited Partnership 2026 £m	Alder Hey (Special Purpose Vehicle) Limited 2026 £m	Explore Transport Limited[1] 2026 £m	BYLOR Services Limited 2026 £m	Presien Holdings Pty Limited 2026 £m	Total 2026 £m
Revenue	26.2	–	–	26.9	640.4	2.0	695.5
Depreciation and amortisation	(0.2)	–	–	(2.5)	–	–	(2.7)
Other (expenses)/income	(23.7)	(2.1)	1.0	(23.4)	(640.4)	(3.0)	(691.6)
Operating profit/(loss)	2.3	(2.1)	1.0	1.0	–	(1.0)	1.2
Finance income	0.1	1.3	7.3	–	1.9	–	10.6
Finance expense	–	–	(8.0)	(1.0)	–	–	(9.0)
Profit/(loss) before tax	2.4	(0.8)	0.3	–	1.9	(1.0)	2.8
Tax expense	–	–	(0.1)	–	–	–	(0.1)
Profit/(loss) after tax	2.4	(0.8)	0.2	–	1.9	(1.0)	2.7
Other comprehensive income/(expense)	–	–	–	–	–	–	–
Total comprehensive income/(expense)	2.4	(0.8)	0.2	–	1.9	(1.0)	2.7
Dividends paid	(1.2)	–	–	–	–	–	(1.2)

	Emirates Precast Construction LLC 2026 £m	Health Montreal Collective CJV Limited Partnership 2026 £m	Alder Hey (Special Purpose Vehicle) Limited 2026 £m	Explore Transport Limited[1] 2026 £m	BYLOR Services Limited 2026 £m	Presien Holdings Pty Limited 2026 £m	Total 2026 £m
Non-current assets							
Investments	–	–	–	–	–	–	–
Goodwill	–	–	–	–	–	0.6	0.6
Property, plant, and equipment	0.7	–	–	–	–	0.1	0.8
Other non-current assets	2.1	–	100.7	–	–	2.6	105.4
Current assets							
Cash and cash equivalents	3.6	2.2	41.2	–	33.2	1.8	82.0
Other current assets	13.9	8.0	15.4	–	29.3	0.2	66.8
Total assets	20.3	10.2	157.3	–	62.5	5.3	255.6
Current liabilities							
Borrowings	–	–	–	–	–	–	–
Other current liabilities	(7.6)	(22.1)	(36.3)	–	(60.6)	(0.9)	(127.5)
Non-current liabilities							
Borrowings	–	–	(120.6)	–	–	(2.2)	(122.8)
Other non-current liabilities	(1.7)	–	–	–	–	(1.1)	(2.8)
Total liabilities	(9.3)	(22.1)	(156.9)	–	(60.6)	(4.2)	(253.1)
Net assets/(liabilities)	11.0	(11.9)	0.4	–	1.9	1.1	2.5
Financial commitments	–	–	–	–	–	–	–
Capital commitments	–	–	–	–	–	–	–

1. The Group sold its 50 per cent equity interest in Explore Transport Limited, which included the Group's effective equity interest of 35 per cent in Prigmore Haulage Limited, a subsidiary of Explore Transport Limited, on 31 July 2025 (see note 13). Consequently, the comprehensive income statement results of Explore Transport Limited are for the period ended 31 July 2025.

Please refer to note 36 for details of the place of business for principal joint ventures and associates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

15 Investments in joint ventures and associates and loans to joint ventures (continued)

	Emirates Precast Construction LLC 2025 £m	Health Montreal Collective CJV Limited Partnership 2025 £m	Alder Hey (Special Purpose Vehicle) Limited 2025 £m	Explore Transport Limited 2025 £m	BYLOR Services Limited 2025 £m	Presien Holdings Pty Limited 2025 £m	Total 2025 £m
Revenue	24.6	–	–	73.5	593.6	1.5	693.2
Depreciation and amortisation	(0.2)	–	–	(8.2)	–	–	(8.4)
Other (expenses)/income	(22.2)	(6.2)	0.5	(62.0)	(593.6)	(3.7)	(687.2)
Operating profit/(loss)	2.2	(6.2)	0.5	3.3	–	(2.2)	(2.4)
Finance income	0.2	0.4	7.5	–	–	–	8.1
Finance expense	–	–	(7.8)	(2.4)	–	–	(10.2)
Profit/(loss) before tax	2.4	(5.8)	0.2	0.9	–	(2.2)	(4.5)
Tax expense	–	–	(0.1)	(0.2)	–	–	(0.3)
Profit/(loss) after tax	2.4	(5.8)	0.1	0.7	–	(2.2)	(4.8)
Other comprehensive expense	–	–	–	(1.0)	–	–	(1.0)
Total comprehensive expense	2.4	(5.8)	0.1	(0.3)	–	(2.2)	(5.8)
Dividends paid	(1.7)	–	–	(0.3)	–	–	(2.0)

	Emirates Precast Construction LLC 2025 £m	Health Montreal Collective CJV Limited Partnership 2025 £m	Alder Hey (Special Purpose Vehicle) Limited 2025 £m	Explore Transport Limited 2025 £m	BYLOR Services Limited 2025 £m	Presien Holdings Pty Limited 2025 £m	Total 2025 £m
Non-current assets							
Investments	–	–	–	0.8	–	–	0.8
Goodwill	–	–	–	–	–	0.5	0.5
Property, plant, and equipment	0.8	–	–	45.3	–	0.1	46.2
Other non-current assets	1.4	–	103.7	–	–	2.4	107.5
Current assets							
Cash and cash equivalents	4.0	3.3	21.2	4.4	42.9	0.8	76.6
Other current assets	13.0	8.0	4.1	15.9	70.0	0.2	111.2
Total assets	19.2	11.3	129.0	66.4	112.9	4.0	342.8
Current liabilities							
Borrowings	–	–	–	(2.7)	–	–	(2.7)
Other current liabilities	(7.1)	(22.3)	(8.6)	(15.7)	(112.8)	(1.8)	(168.3)
Non-current liabilities							
Borrowings	–	–	(120.6)	(27.9)	–	–	(148.5)
Other non-current liabilities	(1.5)	–	–	(4.2)	–	(1.3)	(7.0)
Total liabilities	(8.6)	(22.3)	(129.2)	(50.5)	(112.8)	(3.1)	(326.5)
Net assets/(liabilities)	10.6	(11.0)	(0.2)	15.9	0.1	0.9	16.3
Financial commitments	–	–	–	–	–	–	–
Capital commitments	–	–	–	–	–	–	–

16 Property, plant, and equipment

Group	Land and buildings £m	Plant £m	Equipment £m	Vehicles £m	Total £m
Cost					
At 1 April 2025	**49.1**	**192.7**	**146.9**	**2.7**	**391.4**
Additions	**1.4**	**18.6**	**3.1**	**0.1**	**23.2**
Disposals	**(0.6)**	**(11.7)**	**(2.8)**	**(1.7)**	**(16.8)**
Transfer between categories	**0.7**	**–**	**(0.7)**	**–**	**–**
Transfer from intangible assets	**–**	**7.3**	**–**	**–**	**7.3**
Transfer from right-of-use assets[1]	**–**	**7.2**	**–**	**–**	**7.2**
Other	**–**	**0.5**	**0.3**	**–**	**0.8**
Exchange differences	**0.8**	**–**	**8.7**	**–**	**9.5**
At 31 March 2026	**51.4**	**214.6**	**155.5**	**1.1**	**422.6**
Accumulated depreciation					
At 1 April 2025	**24.4**	**112.9**	**70.9**	**2.3**	**210.5**
Depreciation charge for the year	**1.8**	**17.7**	**5.5**	**0.4**	**25.4**
Disposals	**–**	**(8.8)**	**(2.7)**	**(1.4)**	**(12.9)**
Transfer between categories	**0.2**	**–**	**(0.2)**	**–**	**–**
Transfer from right-of-use assets[1]	**–**	**3.8**	**–**	**–**	**3.8**
Other	**–**	**–**	**0.2**	**(0.4)**	**(0.2)**
Exchange differences	**0.6**	**–**	**3.1**	**–**	**3.7**
At 31 March 2026	**27.0**	**125.6**	**76.8**	**0.9**	**230.3**
Net book value at 31 March 2026	**24.4**	**89.0**	**78.7**	**0.2**	**192.3**

1. Assets that are purchased on finance (e.g. hire purchase) and meet the definition of a right-of-use asset are subsequently transferred to property, plant, and equipment at the end of the lease.

Group	Land and buildings £m	Plant £m	Equipment £m	Vehicles £m	Total £m
Cost					
At 1 April 2024	52.8	191.9	126.9	2.8	374.4
Additions	0.1	5.0	35.4	–	40.5
Disposals	–	(16.1)	(7.7)	–	(23.8)
Transfer between categories	0.2	–	(0.2)	–	–
Transfer from intangible assets	–	–	0.4	–	0.4
Transfer from right-of-use assets[1]	–	14.3	–	–	14.3
Other	(2.9)	(2.4)	(0.2)	(0.1)	(5.6)
Exchange differences	(1.1)	–	(7.7)	–	(8.8)
At 31 March 2025	49.1	192.7	146.9	2.7	391.4
Accumulated depreciation					
At 1 April 2024	24.2	113.3	67.6	2.2	207.3
Depreciation charge for the year	1.9	9.0	11.7	0.2	22.8
Disposals	–	(12.0)	(6.0)	–	(18.0)
Transfer between categories	0.2	–	(0.2)	–	–
Transfer from right-of-use assets[1]	–	4.8	–	–	4.8
Other	(1.2)	(2.2)	0.9	(0.1)	(2.6)
Exchange differences	(0.7)	–	(3.1)	–	(3.8)
At 31 March 2025	24.4	112.9	70.9	2.3	210.5
Net book value at 31 March 2025	24.7	79.8	76.0	0.4	180.9

1. Assets that are purchased on finance (e.g. hire purchase) and meet the definition of a right-of-use asset are subsequently transferred to property, plant, and equipment at the end of the lease.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

16 Property, plant, and equipment (continued)

Company	Furniture, fixtures, and office equipment £m	Computer hardware £m	Total £m
Cost			
At 1 April 2025	**0.6**	**0.1**	**0.7**
At 31 March 2026	**0.6**	**0.1**	**0.7**
Accumulated depreciation			
At 1 April 2025	**0.3**	**0.1**	**0.4**
Depreciation charge for the year	**–**	**–**	**–**
At 31 March 2026	**0.3**	**0.1**	**0.4**
Net book value at 31 March 2026	**0.3**	**–**	**0.3**

Company	Furniture, fixtures, and office equipment £m	Computer hardware £m	Total £m
Cost			
At 1 April 2024	0.6	0.1	0.7
At 31 March 2025	0.6	0.1	0.7
Accumulated depreciation			
At 1 April 2024	0.3	0.1	0.4
Depreciation charge for the year	–	–	–
At 31 March 2025	0.3	0.1	0.4
Net book value at 31 March 2025	0.3	–	0.3

17 Right-of-use assets

Group	Land and buildings £m	Plant £m	Equipment £m	Vehicles £m	Total £m
Cost					
At 1 April 2025	**147.8**	**155.0**	**0.9**	**23.3**	**327.0**
Additions	**11.8**	**46.3**	**–**	**28.1**	**86.2**
Disposals	**(7.4)**	**(7.0)**	**–**	**–**	**(14.4)**
Transfer to property, plant, and equipment[1]	**–**	**(7.2)**	**–**	**–**	**(7.2)**
Exchange differences	**3.4**	**2.5**	**–**	**–**	**5.9**
At 31 March 2026	**155.6**	**189.6**	**0.9**	**51.4**	**397.5**
Accumulated depreciation					
At 1 April 2025	**60.1**	**30.2**	**0.3**	**15.4**	**106.0**
Depreciation charge for the year	**18.9**	**21.2**	**0.3**	**7.0**	**47.4**
Disposals	**(5.2)**	**(3.5)**	**–**	**–**	**(8.7)**
Transfer to property, plant, and equipment[1]	**–**	**(3.8)**	**–**	**–**	**(3.8)**
Exchange differences	**2.0**	**0.7**	**–**	**–**	**2.7**
At 31 March 2026	**75.8**	**44.8**	**0.6**	**22.4**	**143.6**
Net book value at 31 March 2026	**79.8**	**144.8**	**0.3**	**29.0**	**253.9**

1. Assets that are purchased on finance (e.g. hire purchase) and meet the definition of a right-of-use asset are subsequently transferred to property, plant, and equipment at the end of the lease.

Group	Land and buildings £m	Plant £m	Equipment £m	Vehicles £m	Total £m
Cost					
At 1 April 2024	140.0	131.6	–	17.4	289.0
Additions	24.3	42.5	0.9	5.9	73.6
Disposals	(13.8)	(2.7)	–	–	(16.5)
Transfer to property, plant, and equipment[1]	–	(14.3)	–	–	(14.3)
Other movements	0.3	–	–	–	0.3
Exchange differences	(3.0)	(2.1)	–	–	(5.1)
At 31 March 2025	147.8	155.0	0.9	23.3	327.0
Accumulated depreciation					
At 1 April 2024	55.3	21.3	–	11.8	88.4
Depreciation charge for the year	19.4	15.0	0.3	3.6	38.3
Disposals	(13.0)	(0.8)	–	–	(13.8)
Transfer to property, plant, and equipment[1]	–	(4.8)	–	–	(4.8)
Exchange differences	(1.6)	(0.5)	–	–	(2.1)
At 31 March 2025	60.1	30.2	0.3	15.4	106.0
Net book value at 31 March 2025	87.7	124.8	0.6	7.9	221.0

1. Assets that are purchased on finance (e.g. hire purchase) and meet the definition of a right-of-use asset are subsequently transferred to property, plant, and equipment at the end of the lease.

18 Contract balances

Assets and liabilities related to contracts with customers

Contract assets are made up of a portfolio of contracts and represent unbilled amounts, including amounts arising from changes to scope of works that have been recognised as revenue but not yet billed. Contract liabilities result when cumulative cash received exceeds cumulative revenue on any particular contract. There are no significant one-off factors attributed to the movements of these balances outside normal trading.

Contract assets	£m
At 1 April 2024	415.5
Transfers from contract assets recognised at the beginning of the year to receivables	(364.2)
Performance obligations satisfied in the year that have yet to be transferred to receivables	282.3
Exchange differences	(8.3)
At 31 March 2025	325.3
Transfers from contract assets recognised at the beginning of the year to receivables	**(276.4)**
Performance obligations satisfied in the year that have yet to be transferred to receivables	**302.9**
Exchange differences	**(10.9)**
At 31 March 2026	**340.9**

Contract liabilities	£m
At 1 April 2024	(278.0)
Revenue recognised against contract liabilities at the beginning of the year	259.9
Increase due to cash received, excluding amounts recognised as revenue during the year	(307.2)
Exchange differences	2.5
At 31 March 2025	(322.8)
Revenue recognised against contract liabilities at the beginning of the year	**309.8**
Increase due to cash received, excluding amounts recognised as revenue during the year	**(469.7)**
Exchange differences	**27.8**
At 31 March 2026	**(454.9)**

	Assets 2026 £m	Assets 2025 £m	**Liabilities 2026 £m**	Liabilities 2025 £m	**Net 2026 £m**	Net 2025 £m
The ageing of contract assets/(liabilities) at the year end was:						
Less than one year	**303.6**	298.9	**(454.9)**	(322.8)	**(151.3)**	(23.9)
More than one year	**37.3**	26.4	**–**	–	**37.3**	26.4
	340.9	325.3	**(454.9)**	(322.8)	**(114.0)**	2.5

At 31 March 2026, contract assets include customer retentions of £39.1m (FY25: £50.6m) relating to construction contracts, of which £37.3m (FY25: £26.4m) are non-current assets. The Group manages the collection of retentions through its post-completion project monitoring procedures and contact with clients to ensure that potential issues that could lead to the non-payment of retentions are identified and addressed promptly. The directors estimate the loss allowance on contract assets at the end of the reporting period at an amount equal to lifetime expected credit losses. None of the contract assets at the end of the reporting period are past due and, taking into account the historical default experience and future prospects in the industry, the directors consider that the impact of impairment is not material. Accordingly, no expected credit loss has been recognised.

At 31 March 2026, contract liabilities includes forward funding interest of £3.7m (FY25: £3.5m).

Contract fulfilment costs

The Group has no fulfilment costs within contract assets.

Remaining performance obligations

Contracts in place at 31 March have the remaining performance obligations expected to be settled through to contract completion as set out below:

	2026 £m	2025 £m
Europe Hub	**7,430.0**	4,106.1
Australia Hub	**1,599.8**	1,804.6
	9,029.8	5,910.7
Expected to be recognised as revenue in the next financial year	**2,963.3**	3,135.4
Expected to be recognised as revenue between 1 and 2 years	**2,409.4**	1,856.6
Expected to be recognised as revenue between 2 and 5 years	**3,657.1**	918.7
	9,029.8	5,910.7

19 Trade and other receivables

Group **Amounts expected to be recovered within one year:**	2026 £m	2025 £m
Trade receivables	**66.1**	85.7
Less: provision for impairment of trade receivables	**(1.5)**	(0.5)
Prepayments and accrued income	**66.9**	52.1
Other receivables	**80.8**	36.8
	212.3	174.1
Amounts expected to be recovered after more than one year:		
Trade receivables	**0.2**	0.1
Other receivables	**129.7**	118.9
	129.9	119.0
Total trade and other receivables	**342.2**	293.1
Comprising		
Financial assets (note 28)	**275.3**	241.0
Non-financial assets	**66.9**	52.1
	342.2	293.1

At 31 March 2026, other receivables include reimbursement assets totalling £101.6m (FY25: £95.8m) in respect of amounts that the Group considers it is virtually certain it will receive from its insurers in respect of defects for which a provision is recognised in the financial statements (see note 24). These are recognised as non-current. The Group's estimate is based on the most recent assessment of the cause of the defect. There is estimation uncertainty as to the amount that will be recovered as this is intrinsically linked with the costs incurred in respect of the associated provision (which itself is subject to estimation uncertainty). As described further in note 2.27(d), these assets are therefore considered a key source of estimation uncertainty.

Company **Amounts expected to be recovered after more than one year:**	2026 £m	2025 £m
Prepayments	**0.1**	0.1
Amounts owed by Group undertakings[1]	**0.6**	3.4
Total trade and other receivables	**0.7**	3.5

1. All amounts owed by Group undertakings are unsecured and repayable on demand.

Movement in the provision for impairment of trade receivables

	2026 £m	2025 £m
Opening balance	**(0.5)**	(0.6)
Additional provisions recognised	**(1.0)**	–
Unused amounts reversed	**–**	0.1
Closing balance	**(1.5)**	(0.5)

The maturity profile of the receivables and allowance for expected credit losses provided for above is as follows:

	Carrying amount 2026 £m	Allowance for expected credit losses 2026 £m
Not overdue	**48.7**	**0.1**
0 to 3 months overdue	**4.7**	**–**
3 to 6 months overdue	**0.7**	**–**
Over 6 months overdue	**12.0**	**1.4**
	66.1	**1.5**

Based on prior experience, an assessment of the current economic environment, and a review of the financial circumstances of certain individual customers, the directors believe that no further credit risk provision is required in respect of trade receivables.

	Carrying amount 2025 £m	Allowance for expected credit losses 2025 £m
Not overdue	64.6	–
0 to 3 months overdue	12.8	–
3 to 6 months overdue	1.2	–
Over 6 months overdue	7.1	(0.5)
	85.7	(0.5)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

20 Inventories

Group	2026 £m	2025 £m
Development land	**7.1**	7.6
Work in progress	**6.4**	2.6
Raw materials and consumables	**13.8**	11.6
	27.3	21.8

Development land and work in progress at 31 March 2026 includes assets with a value of £5.3m (FY25: £7.1m) expected to be consumed after more than one year, which, given the nature of these assets, is considered part of the normal operating cycle. Inventories carried at net realisable value at 31 March 2026 had a carrying value of £7.1m (FY25: £7.6m).

Capitalised specific borrowing costs attributable to qualifying assets and included in development land and work in progress of £0.7m did not materially change from last year (FY25: £0.8m).

Included within the cost of inventories are stock obsolescence provisions of £0.3m (FY25: £0.4m).

21 Cash and cash equivalents

Group	2026 £m	2025 £m
Cash at bank and in hand	**689.3**	505.1
Short-term deposits (note 30)	**7.0**	8.0
	696.3	513.1

a) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2026 £m	2025 £m
Balances as above	**696.3**	513.1
Bank overdrafts (see note 22 within 'Bank and other loans')	**(7.0)**	–
	689.3	513.1

b) Restricted cash

£16.7m (FY25: £17.2m) of the total cash balance is restricted cash. £9.7m (FY25: £9.1m) of this is deposits that are held as security and are therefore not available for general use by the Group. £7.0m (FY25: £8.0m) are short-term bank deposits that have a maturity of 90 days or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

The Company had cash and cash equivalents of £0.1m at 31 March 2026 (FY25: £nil).

22 Borrowings

Group	2026 £m	2025 £m
Amounts expected to be settled within one year:		
Bank and other loans (including bank overdrafts of £7.0m (FY25: £nil))	**87.6**	24.1
Lease liabilities	**58.1**	52.1
	145.7	76.2
Amounts expected to be settled after more than one year:		
Bank and other loans	**68.1**	114.0
Lease liabilities	**141.0**	139.9
	209.1	253.9
Total borrowings	**354.8**	330.1

Obligations under leases are secured on right-of-use assets of the Group with an original cost of £277.8m (FY25: £245.0m) and a net book value of £190.4m (FY25: £179.3m).

The Group maintained an unsecured bilateral revolving credit facility (RCF) of £25m with HSBC during FY26, which expired on 1 May 2026 (having been extended from the original expiration date of 3 April 2026). This RCF was undrawn at year end. On 1 May 2026, the Group entered into a new unsecured syndicated RCF of £40m with HSBC and Bank of China for a term of three years, expiring on 1 May 2029. The financial covenants under the new facility comprise interest cover and leverage cover, each tested quarterly, and a liquidity covenant tested monthly, including confirmation of compliance for the month-end and the subsequent three forecast month-end periods.

The Group's property loan of £13m was repaid in full on 2 April 2026.

Company	2026 £m	2025 £m
Amounts expected to be settled within one year:		
Amounts owed to Group undertakings[1]	**135.3**	139.5
Total borrowings	**135.3**	139.5

1. All amounts owed to Group undertakings are unsecured and repayable on demand.

23 Trade and other payables

Group	2026 £m	2025 £m
Amounts expected to be settled within one year:		
Trade payables	**202.1**	222.1
Other tax and social security	**84.6**	75.0
Other payables	**21.8**	15.7
Accruals	**435.9**	442.0
	744.4	754.8
Amounts expected to be settled after more than one year:		
Trade payables	**44.4**	37.2
Accruals	**6.9**	6.2
	51.3	43.4
Total trade and other payables	**795.7**	798.2

Comprising		
Financial liabilities (note 28)	**702.3**	716.1
Non-financial liabilities	**93.4**	82.1
	795.7	798.2

At 31 March 2026, trade payables include subcontractor retentions of £68.6m (FY25: £72.3m) relating to construction contracts, of which £44.4m (FY25: £37.2m) are non-current liabilities.

Company	2026 £m	2025 £m
Amounts expected to be settled within one year:		
Accruals	**0.3**	3.9
Amounts owed to Group undertakings[1]	**13.6**	6.6
Total trade and other payables	**13.9**	10.5

1. All amounts owed to Group undertakings are unsecured, interest free, and repayable on demand.

24 Provisions

	Claims and litigation £m	Employee provisions £m	Defects provisions £m	Onerous contract provisions £m	Other provisions £m	Total provisions £m
At 1 April 2025	**17.2**	**35.3**	**191.9**	**129.3**	**9.2**	**382.9**
Provisions created	**2.9**	**0.9**	**75.8**	**32.9**	**1.8**	**114.3**
Provisions utilised	**–**	**(5.3)**	**(27.0)**	**(27.3)**	**(1.2)**	**(60.8)**
Release of provision	**–**	**–**	**(7.2)**	**–**	**–**	**(7.2)**
Transfer to other payables	**–**	**–**	**(23.8)**	**–**	**–**	**(23.8)**
Unwind of discount	**–**	**–**	**–**	**4.5**	**–**	**4.5**
Exchange differences	**–**	**2.1**	**0.1**	**9.4**	**0.5**	**12.1**
At 31 March 2026	**20.1**	**33.0**	**209.8**	**148.8**	**10.3**	**422.0**
Disclosed within:						
Current liabilities	**–**	**24.6**	**209.8**	**9.1**	**3.0**	**246.5**
Non-current liabilities	**20.1**	**8.4**	**–**	**139.7**	**7.3**	**175.5**
	20.1	**33.0**	**209.8**	**148.8**	**10.3**	**422.0**
At 1 April 2024	12.0	35.0	122.9	211.7	8.5	390.1
Provisions created	6.3	5.4	96.0	15.4	1.9	125.0
Provisions utilised	(1.1)	(3.2)	(12.8)	(94.2)	(1.0)	(112.3)
Release of provision	–	–	(14.0)	–	–	(14.0)
Unwind of discount	–	–	–	4.2	–	4.2
Exchange differences	–	(1.9)	(0.2)	(7.8)	(0.2)	(10.1)
At 31 March 2025	17.2	35.3	191.9	129.3	9.2	382.9
Disclosed within:						
Current liabilities	–	19.6	191.9	17.0	6.1	234.6
Non-current liabilities	17.2	15.7	–	112.3	3.1	148.3
	17.2	35.3	191.9	129.3	9.2	382.9

Claims and litigation provisions relate to provisions held by the Group's captive insurer, Laing O'Rourke Insurance Limited, that are actuarially valued. Such provisions are held until utilised or such time as further claims are considered unlikely under the respective insurance policies. Due to the nature of the provisions for insurance claims, the timing of any potential future outflows in respect of the liabilities is uncertain but they are not expected to crystallise within 12 months of the balance sheet date, and therefore, liabilities for unagreed claims are classified as non-current.

24 Provisions (continued)

The employee provision includes an accrual of long-service leave for employees in Australia. The non-current element is a calculation of long-service leave for employees who have not yet reached their long-service target. The utilisation of the provision is dependent on employee attrition and utilisation of accrued leave. This employee provision also includes a provision for end-of-service benefits in the United Arab Emirates branches. In accordance with the provisions of IAS 19 (revised), management carried out an exercise to assess the present value of its obligations at 31 March 2026 and 2025, using the projected unit credit method, in respect of employees' end-of-service benefits payable in accordance with the United Arab Emirates branches' terms of employment. Under this method, an assessment has been made of an employee's expected service life with the United Arab Emirates branches and the expected basic salary at the date of leaving. Management has assumed average incremental costs of 5 per cent (FY25: 5 per cent). The expected liability at the date of leaving the service has been discounted to its net present value using a discount rate of 3.97 per cent (FY25: 4.78 per cent). Employee provisions also include £4.9m (FY25: £6.0m) of provisions held by the Group's captive insurer, Laing O'Rourke Insurance Limited, for employee death and injury claims.

At 31 March 2026, defects provisions relate to rectification works across a number of legacy projects. The Group does not in all cases have access to the site to fully assess the costs of rectification and, therefore, there is no certainty as to the level of costs that will ultimately be incurred to settle them. As described further in note 2.27(d), these liabilities are therefore considered a key source of estimation uncertainty. Unless the timing of the rectification works is known and will occur more than 12 months after the balance sheet date, these liabilities are shown as current.

Onerous contract provisions include a claims provision provided in respect of a private arbitration that is ongoing at the end of the reporting period. This claim is in respect of a contract terminated during the 2017 financial year. An amount of £139.7m (AUD$268.1m) (FY25: £110.9m (AUD$229.6m)) has been recognised within provisions. This matter is subject to an ongoing private arbitration with a final award not expected to be issued before April 2027. Refer to note 2.27(b) for further detail.

During the prior year, the Group made an on-account and without-admission payment of AUD$72m (£36m) to the counterparty in the arbitration referred to in note 2.27(b) against any liability of Laing O'Rourke Australia Construction Pty Ltd to the counterparty with respect to the final award in that arbitration, which resulted in a consequential reduction of the Group's provision. The consequential reduction has been partly offset by recent developments in the ongoing private arbitration.

The remaining balance relates to other loss-making contracts, which will unwind over the remaining life of those contracts.

Within other provisions, the Group provides in full for obligations to remedy net liabilities of jointly controlled entities in excess of amounts already loaned. At 31 March 2026, these provisions amounted to £6.0m (FY25: £5.6m) and were measured in accordance with the Group's accounting policies. Amounts provided are assessed based on judgements of contract costs, contract programmes, and maintenance liabilities and are expected to be paid within one year. The remaining balance of other provisions relates to public liability provisions.

25 Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities are set off in the statement of financial position where they relate to corporate income taxes levied by the same taxation authority and there is a legally enforceable right to offset current tax assets against current tax liabilities. This note sets out the Group's deferred tax assets and liabilities without applying such offset.

Net deferred tax position at 31 March

	2026 £m	2025 £m
Deferred tax assets	117.1	114.9
	117.1	114.9

A summary table reconciling the deferred tax assets and deferred tax liabilities in the statement of financial position to the remainder of this note is also set out below:

Recognised deferred tax assets and liabilities

	Assets 2026 £m	Assets 2025 £m	Liabilities 2026 £m	Liabilities 2025 £m	Net 2026 £m	Net 2025 £m
Property, plant, and equipment	44.6	51.4	(47.2)	(45.6)	(2.6)	5.8
Other temporary differences	27.6	20.8	(25.2)	(27.7)	2.4	(6.9)
Tax losses carried forward	106.4	117.3	–	–	106.4	117.3
Intangible assets	–	–	(1.0)	(1.3)	(1.0)	(1.3)
RDEC tax credit	11.9	–	–	–	11.9	–
Deferred tax assets/(liabilities)	190.5	189.5	(73.4)	(74.6)	117.1	114.9

Movements in deferred tax assets and liabilities during the year

	At 1 April 2025 £m	Exchange and other movements £m	Recognised in income[1] £m	At 31 March 2026 £m
Property, plant, and equipment	5.8	0.2	(8.6)	(2.6)
Other temporary differences	(6.9)	(0.7)	9.9	2.3
Tax losses carried forward	117.3	1.5	(12.3)	106.5
Intangible assets	(1.3)	–	0.3	(1.0)
RDEC tax credit	–	11.9	–	11.9
	114.9	12.9	(10.7)	117.1

1. Included in other movements is £11.9m which is a classification of Step 2 RDEC from current tax receivable to deferred tax assets in FY26.

25 Deferred tax assets and liabilities (continued)

	At 1 April 2024 £m	Exchange and other movements £m	Recognised in income £m	At 31 March 2025 £m
Property, plant, and equipment	(7.1)	–	12.9	5.8
Other temporary differences	2.9	–	(9.8)	(6.9)
Tax losses carried forward	130.8	(1.0)	(12.5)	117.3
Intangible assets	(2.0)	–	0.7	(1.3)
	124.6	(1.0)	(8.7)	114.9

The recognised deferred tax assets include £96.7m (FY25: £101.7m), which primarily relates to carried-forward losses in relation to the UK operations. The losses arose prior to FY26 and the current portfolio of contracts is profitable and is forecast to continue to be, and the Group has concluded that these deferred tax assets will be recovered using the estimated future taxable income, which is based on the approved forecasts prepared by management. These forecasts cover future years and take into account UK tax laws that, in broad terms, restrict the offset of the carried-forward tax losses to 50 per cent of the current year profits. The UK Group entities are expected to generate taxable profits in the future. The losses can be carried forward indefinitely and have no expiry date. Changes in future profits will impact the recoverability of the deferred tax assets; refer to note 2.27(f) for further detail. Current forecasts indicate that the losses will be materially utilised over a period of up to five years. Refer to note 2.27(f) and the going concern section in the consolidated management report for further detail around the forecast profitability as well as the key assumptions and areas of estimation uncertainty.

Other temporary differences relate mainly to assets in Laing O'Rourke Australia Pty Limited, where employee benefits, project accruals, and cost provisions are expensed in one period but deducted against tax in another.

During the year, management transferred balances from current tax into deferred tax to recognise their utilisation over future years.

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items:	**2026 £m**	2025 £m
Tax losses	**56.3**	56.4

The Group has unrecognised deferred tax assets of £56.3m (FY25: £56.4m) relating to unused tax losses of £212.4m (FY25: £212.9m) predominantly generated from Canadian operations, which are equity accounted.

The tax losses have arisen in the Group and can be carried forward to future periods for use against part of future profits. The losses can be carried forward indefinitely and have no expiry date. No deferred tax asset has been recognised in respect of these amounts as future taxable profits to utilise these losses are not considered probable in the entities to which they relate.

The Group has undistributed earnings of £41.6m (FY25: £38.7m) which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Group is able to control the timing of distributions from subsidiaries and is not expected to distribute these profits in the foreseeable future.

26 Share capital

Group and Company: Allotted, called up, and fully paid	**2026 £**	2025 £
9,142 ordinary €1 shares (FY25: 9,142)	**6,211**	6,211

The authorised share capital of Laing O'Rourke Corporation Limited at 31 March 2026 was 18,000 ordinary shares of €1 each (FY25: 18,000 shares of €1 each).

27 Guarantees and contingent liabilities

The Group had contingent liabilities at 31 March in respect of:

Guarantees

	2026 £m	2025 £m
Surety bonds (including performance bonds)	**193.2**	260.6
Bank guarantees	**151.9**	46.2
	345.1	306.8

Of the above guarantees, £16.7m (FY25: £17.2m) were collateralised at 31 March 2026. These guarantees may give rise to liabilities if the Group does not meet its obligations under the terms of the guarantees. No material losses are anticipated in respect of any of the above guarantees.

However, in April 2017, Laing O'Rourke Australia Construction Pty Limited commenced court proceedings against a consortium partner to restrain a call on AUD$49.4m (£26.9m) of insurance bonds in relation to the terminated contract. Following two judgments in favour of Laing O'Rourke Australia Construction Pty Limited, on 8 March 2018, Laing O'Rourke Australia Construction Pty Limited and the consortium partner reached an interim settlement of the bond dispute whereby the consortium partner agreed not to call on the bonds except in accordance with the final resolution of the contract in private arbitration. As a result of events in April 2023, the consortium partner is no longer entitled to have recourse to AUD$46.2m (£23.9m) of performance bonds and is entitled to have recourse to AUD$3.2m (£1.7m) of advance payment bonds to the extent of any unpaid advance to the Group (subject to set off). During the prior year, on 24 May 2024, the AUD$46.2m (£23.9m) of performance bonds was returned to Laing O'Rourke Australia Construction Pty Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

27 Guarantees and contingent liabilities (continued)

Claims

The Company has subsidiaries that have a conventional contractor's liability in relation to construction and engineering contracts, including but not limited to guarantees, counter-indemnities, and guarantees in respect of their share of certain contractual obligations of joint arrangements, consortia, and other similar relationships. This liability includes various claims from time to time by the Group or subsidiaries against third parties or claims by third parties against the Group or its subsidiaries or joint arrangements or consortia relationships in which the Group has an interest. It is not possible to estimate the financial effect of these claims should they be successful. While the outcome of these claims is uncertain, where it is appropriate to do so the directors believe that adequate allowance has been made within the contract provisions in note 24.

Provisions are recognised for the directors' best estimate of known defects, legal claims, investigations, and legal actions relating to the Group that are considered more likely than not will result in an outflow of economic benefit. If the directors consider that an economic outflow in relation to a defect, claim, investigation, or action relating to the Group is not probable, and/or consider that there is no present obligation, no provision is recognised. Furthermore, if the directors cannot make a reliable estimate of a potentially material obligation, then no provision is recognised, but details of any potentially material claims are disclosed.

Apart from the matters for which a provision has been recognised (see note 24), including those recognised in FY26 and classified as exceptional costs (see note 5), the directors are aware of a number of matters that the Group is monitoring that could develop into claims made under the Defective Premises Act, including claims made in relation to remedial works undertaken by others as a result of the Government's building safety pledge/Developer Remediation Contract. The Group holds insurance policies that may reimburse the Group for some or all of any outflow of economic benefits in respect of any such claim, albeit such reimbursement can only be recognised when it is virtually certain. For these additional matters, at present, there is limited information available to the directors to determine whether the Group has a present obligation where an outflow of economic benefit is probable and/or to make a reliable estimate of the liability to the Group and so no provision is recorded. Any future potential exposure in relation to these matters cannot, at this stage, be reliably quantified.

Joint arrangements

The Group has subsidiaries that have entered into joint arrangements under which the subsidiaries may be jointly and severally liable for the liabilities of the joint arrangements.

28 Financial instruments

28.1 Financial risk management

Financial risk management is an integral part of the way the Group is managed. In the course of its business, the Group is exposed primarily to foreign currency risk, interest rate risk, liquidity risk, and credit risk. The overall aim of the Group's financial risk management policies is to minimise potential adverse effects on financial performance and net assets.

The Group's Treasury function manages the principal financial risks within policies and operating parameters approved by the Board. Treasury is not a profit centre and does not enter into speculative transactions.

28.2 Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate as a result of changes in foreign exchange rates. The pound sterling equivalents of the currency of the Group's financial assets and liabilities were as follows:

	Pound sterling value of equivalent currency (£m)							
Group	**2026 GBP**	**2026 EUR**	**2026 AUD**	**2026 AED**	**2026 CAD**	**2026 HKD**	**2026 Other**	**2026 Total**
Loans to joint ventures (note 15)	**8.0**	**–**	**–**	**–**	**–**	**–**	**–**	**8.0**
Trade and other receivables (note 19)	**223.3**	**–**	**27.1**	**15.3**	**9.3**	**0.3**	**–**	**275.3**
Cash and cash equivalents (note 21)	**388.7**	**3.3**	**259.8**	**42.6**	**0.4**	**1.4**	**0.1**	**696.3**
Total financial assets	**620.0**	**3.3**	**286.9**	**57.9**	**9.7**	**1.7**	**0.1**	**979.6**
Borrowings[1] (note 22)	**(265.0)**	**–**	**(89.8)**	**–**	**–**	**–**	**–**	**(354.8)**
Trade and other payables (note 23)	**(455.5)**	**(3.2)**	**(139.5)**	**(102.9)**	**(0.1)**	**(1.1)**	**–**	**(702.3)**
Net financial (liabilities)/assets	**(100.5)**	**0.1**	**57.6**	**(45.0)**	**9.6**	**0.6**	**0.1**	**(77.5)**

1. All of the borrowings not denominated in GBP totalling £89.8m (FY25: £86.9m) are used to finance overseas operations.

28 Financial instruments (continued)

28.2 Foreign currency risk (continued)

	Pound sterling value of equivalent currency (£m)							
Group	2025 GBP	2025 EUR	2025 AUD	2025 AED	2025 CAD	2025 HKD	2025 Other	2025 Total
Loans to joint ventures (note 15)	8.0	–	–	–	–	–	–	8.0
Trade and other receivables (note 19)	179.5	0.1	42.7	8.8	9.3	0.4	0.2	241.0
Cash and cash equivalents (note 21)	249.4	3.5	243.8	14.8	–	1.5	0.1	513.1
Total financial assets	436.9	3.6	286.5	23.6	9.3	1.9	0.3	762.1
Borrowings[1] (note 22)	(243.2)	–	(86.7)	–	–	(0.2)	–	(330.1)
Trade and other payables (note 23)	(411.6)	(4.8)	(220.0)	(78.5)	–	(1.2)	–	(716.1)
Net financial (liabilities)/assets	(217.9)	(1.2)	(20.2)	(54.9)	9.3	0.5	0.3	(284.1)

1. All of the borrowings not denominated in GBP totalling £86.9m (FY24: £84.0m) are used to finance overseas operations.

If the foreign exchange rates that the Group is exposed to had changed adversely by 10 per cent at the balance sheet date, the net financial (liabilities)/assets would have decreased by £2.1m (FY25: £6.0m). At the year end, the parent company had no significant balances in foreign currencies.

The pound sterling equivalents of the currency of the parent company's financial assets and liabilities were as follows:

	Pound sterling value of equivalent currency (£m)							
Company	**2026 GBP**	**2026 EUR**	**2026 AUD**	**2026 AED**	**2026 CAD**	**2026 HKD**	**2026 Other**	**2026 Total**
Trade and other receivables (note 19)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Borrowings (note 22)	**(135.3)**	**–**	**–**	**–**	**–**	**–**	**–**	**(135.3)**
Trade and other payables (note 23)	**(13.9)**	**–**	**–**	**–**	**–**	**–**	**–**	**(13.9)**
Net financial liabilities	**(149.2)**	**–**	**–**	**–**	**–**	**–**	**–**	**(149.2)**

	Pound sterling value of equivalent currency (£m)							
Company	2025 GBP	2025 EUR	2025 AUD	2025 AED	2025 CAD	2025 HKD	2025 Other	2025 Total
Trade and other receivables	3.4	–	–	–	–	–	–	3.4
Borrowings (note 22)	(139.5)	–	–	–	–	–	–	(139.5)
Trade and other payables (note 23)	(10.5)	–	–	–	–	–	–	(10.5)
Net financial liabilities	(146.6)	–	–	–	–	–	–	(146.6)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

28 Financial instruments (continued)

28.3 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk in relation to some of its borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The contractual repricing or maturity dates, whichever are earlier, and effective interest rates of total borrowings, are as follows:

		Repricing/maturity date				
	Total £m	Within one year £m	Between one and two years £m	Between two and five years £m	After five years £m	Effective interest rate
At 31 March 2026						
Bank and other loans	**155.7**	**87.6**	**28.8**	**39.3**	**–**	**8.14%**
Lease obligations	**199.1**	**58.1**	**52.6**	**76.2**	**12.2**	**6.96%**
	354.8	**145.7**	**81.4**	**115.5**	**12.2**	
At 31 March 2025						
Bank and other loans	138.1	24.1	73.2	40.6	0.2	9.52%
Lease obligations	192.0	52.1	52.6	66.6	20.7	7.64%
	330.1	76.2	125.8	107.2	20.9	

If interest rates on variable rate borrowings had been one per cent higher during the financial year, the results and equity would have reduced by £0.2m (FY25: £0.2m). This sensitivity analysis takes into account the tax impact. The Company has no external borrowings or lease obligations.

28.4 Liquidity risk

Prudent liquidity risk management involves maintaining sufficient cash and available funding to meet liabilities as they fall due. The Group has procedures in place to minimise liquidity risk, such as maintaining sufficient cash and other highly liquid current assets, and by having an adequate amount of committed credit facilities.

The Group maintained an unsecured bilateral revolving credit facility (RCF) with HSBC, which expired on 1 May 2026 (having been extended from the original expiration date of 3 April 2026). On that date, the Group entered into a new unsecured syndicated RCF of £40m with HSBC and Bank of China for a term of three years, expiring on 1 May 2029. The financial covenants under the new facility comprise interest cover and leverage cover, each tested quarterly, and a liquidity covenant tested monthly, including confirmation of compliance for the month-end and the subsequent three forecast month-end periods. If any of these covenants are breached this will constitute an event of default on the RCF. The Group takes a proactive stance in monitoring and ensuring compliance with covenants and reporting requirements. Procedures are in place to monitor and forecast cash usage and other highly liquid current assets. This, together with the RCF, ensures that the Group has an adequate availability of cash when required.

Maturity of financial liabilities

The maturity profile of the carrying amount of the Group's financial liabilities including interest is as follows:

Group	Trade and other payables £m	Bank loans £m	Leases £m	Total £m
At 31 March 2026				
Within one year	**650.9**	**94.7**	**64.0**	**809.6**
Between one and less than two years	**13.4**	**32.3**	**55.7**	**101.4**
Between two and less than five years	**31.4**	**45.7**	**78.0**	**155.1**
Five or more years	**6.6**	**–**	**12.2**	**18.8**
	702.3	**172.7**	**209.9**	**1,084.9**
At 31 March 2025				
Within one year	672.7	26.4	57.9	757.0
Between one and less than two years	12.6	83.6	55.5	151.7
Between two and less than five years	26.9	48.3	67.6	142.8
Five or more years	3.9	0.2	20.7	24.8
	716.1	158.5	201.7	1,076.3

28 Financial instruments (continued)

28.4 Liquidity risk (continued)

The Company has procedures in place to minimise liquidity risk, such as maintaining sufficient cash and other highly liquid current assets and by having an adequate amount of committed credit facilities.

Company	Borrowings £m	Trade and other payables £m	Total £m
At 31 March 2026			
Within one year	**135.3**	**13.9**	**149.2**
	135.3	**13.9**	**149.2**
At 31 March 2025			
Within one year	139.5	10.5	150.0
	139.5	10.5	150.0

28.5 Credit risk

The Group's credit risk is the risk of financial loss if a client or counterparty to a financial instrument fails to meet its contractual obligations. The Group's financial assets are typically trade receivables and contract assets. Contract assets relate to unbilled work in progress and have substantially the same credit risk profile as trade receivables. The £8.0m (FY25: £8.0m) loan to joint ventures is not considered a significant debt to the Group, nor considered a high credit risk, as the counterparty continues to fulfil its contractual obligations. The funding and holding of PFIs is no longer a core activity for the Group. For cash and deposits, the credit rating of a financial institution will determine the amount of, and duration for which, funds may be deposited.

The Group will only trade with recognised, creditworthy parties, and all that wish to trade on credit terms are subject to credit verification procedures that will be completed before trade commences. Any trade receivable outstanding is monitored on an ongoing basis, at both an operational business level and hub level. Payment is ordinarily received before or when due from our clients, and as such the Group does not expect material credit losses to occur from these clients. This is further substantiated by the past performance of the Group in substantially recovering in full balances owed. The Company also does not expect any losses from non-performance by counterparties.

Included within contract assets are client retentions contractually due post-completion, which can be due in more than one year due to the size and nature of projects. Procedures are in place to monitor project performance to identify any potential non-payment risk. Prompt action will be taken by management to reduce the risk of non-payment, but often this is an operational issue rather than determined as a credit risk.

The Group applies the simplified approach to measuring credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets. At 31 March 2026, management have estimated an allowance for expected credit loss based on experience of past default and the current and future economic environment. Specific trade receivables are provided for if management become aware of a credit risk. There has not been a significant increase in the credit risk since the financial assets have been recognised. A debt is only written off once all avenues to collect have been exhausted, and there is no reasonable expectation of recovery.

28.6 Fair values

The fair value movements on financial assets are recognised in the consolidated statement of comprehensive income. There has been no change (FY25: no change) in financial assets held to collect and to sell in relation to PFI investments in joint ventures in the year.

The carrying and fair values of the Group's financial instruments at 31 March 2026 and 31 March 2025 are as follows:

	Fair value 2026 £m	**Carrying amount 2026 £m**	Fair value 2025 £m	Carrying amount 2025 £m
Financial assets measured at amortised cost	**979.6**	**979.6**	762.1	762.1
Financial liabilities measured at amortised cost	**(1,057.1)**	**(1,057.1)**	(1,046.2)	(1,046.2)

The carrying and fair values of the Group's and Company's financial instruments were not materially different at 31 March 2026 as the impact of discounting fixed-term borrowings at current market interest rates for similar borrowings is not significant.

Loans, receivables, and financial liabilities are held at their amortised cost, which is deemed to reflect fair value due to their short-term nature.

28 Financial instruments (continued)

28.7 Capital risk management

The Group's and Company's objectives when managing capital are to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Laing O'Rourke Insurance Limited, as a wholly owned subsidiary of the Company, must also comply with the insurance capital required by the regulator, the Companies (Guernsey) Law 2008, and the Insurance Business (Bailiwick of Guernsey) Law 2002.

In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group regularly forecasts its cash position to manage on both a short-term and a long-term basis. Performance against forecasts is also reviewed and analysed to ensure the Group efficiently manages its net funds/debt position.

Net cash is calculated as cash and cash equivalents less debt excluding the impact of IFRS 16, Leases (including 'Current and non-current borrowings' as shown in the consolidated statement of financial position).

At 31 March 2026, the Group had net cash of £456.8m (FY25: £284.7m); see note 35.

The Group is required to hold regulatory capital for its captive insurance company in compliance with the rules issued by the Guernsey Financial Services Commission. The Company must hold assets in excess of the higher of two amounts. The first is based on a fixed percentage of premium income. The second is based on a fixed percentage of claims outstanding (including claims incurred but not reported). In addition, the Company must complete its own risk solvency assessment, which is reviewed by the Guernsey Financial Services Commission. The Group's capital is sufficient to meet all regulatory requirements.

29 Alternative performance measures

The Group presents certain measures of financial performance and position in the consolidated financial statements that are not defined or specified according to IFRS, to provide additional performance-related measures to its stakeholders. These measures, referred to as alternative performance measures (APMs), are prepared on a consistent basis for all periods presented in this report.

By their nature, the APMs used by the Group are not necessarily uniformly applied by peer companies and therefore may not be comparable with similarly defined measures and disclosures applied by other companies. Such measures should not be viewed in isolation or as a substitute to the equivalent IFRS measure.

Separate presentation of these items is intended to enhance understanding of the financial performance of the Group in the particular year under review and the extent to which results are influenced by material, unusual in nature, and non-recurring items. The directors consider that doing so clarifies the presentation of the financial statements and better reflects the internal management reporting and the measures used internally to assess business performance. The directors also believe that disclosing these performance measures enhances users of the accounts' ability to evaluate and assess the underlying financial performance of the Group's operations and the related key business drivers.

Internally, the Group and its operating segments apply the same APMs in a consistent manner in planning and reporting on performance to management and the Board.

29 Alternative performance measures (continued)

The APMs used by the Group are described below, together with a reference to their use and, where not already provided, a reconciliation to the relevant IFRS information.

APM description and purpose	Note reference	Closest IFRS measure
Managed revenue Total revenue, including share of joint ventures' and associates' revenue and inter-segment revenue. This is primarily used at the segment level to measure the total income of all the activities in the segment, regardless of ownership or intercompany relationship. This also includes the share of revenue of a payroll services company where this revenue is subsequently recharged out. The reconciliation to revenue is shown in note 4.	Note 4	Revenue
Total revenue including share of joint ventures and associates This is used primarily at the Group level to assess revenue earned from third-party customers, including by joint ventures and associates. The reconciliation to revenue is shown in note 4.	Note 4	Revenue
EBITDA post-exceptional items This is equal to profit/(loss) from operations as disclosed in the income statement before depreciation and amortisation of tangible and intangible assets. The reconciliation to profit/(loss) from operations is shown in note 4.	Note 4	
EBIT pre-exceptional items This is another term for profit/(loss) from operations before exceptionals as disclosed in the income statement. Exceptional items, as disclosed in note 5, are excluded. The reconciliation to profit/(loss) from operations is shown in note 4.	Note 4	
EBITDA pre-exceptional items This is equal to profit/(loss) from operations as disclosed in the income statement before depreciation and amortisation of tangible and intangible assets. Exceptional items, as disclosed in note 5, are excluded. The reconciliation to profit/(loss) from operations is shown in note 4.	Note 4	
Pre-exceptional gross margin Pre-exceptional gross margin is calculated as pre-exceptional gross profit/(loss) divided by pre-exceptional Group revenue as shown in the consolidated income statement.		
Net cash This is a measure of the overall liquidity position of the business at the statement of financial position date. It is equal to cash and cash equivalents less debt, excluding the impact of adopting IFRS 16, Leases.	Note 35	

	FY26 £m	FY25 £m
Cash and cash equivalents (see statement of financial position)	**696.3**	513.1
Current borrowings (see statement of financial position)	**(145.7)**	(76.2)
Non-current borrowings (see statement of financial position)	**(209.1)**	(253.9)
Less: impact of IFRS 16, Leases	**115.3**	101.7
Net cash (see note 35)	**456.8**	284.7

30 Assets charged as security for liabilities and collateral accepted as security for assets

Financial assets pledged as short-term collateral and included within cash equivalents were £16.7m (FY25: £17.2m).

As part of the Group's management of its insurable risks, a proportion of this risk is managed through a self-insurance programme operated by its captive insurance subsidiary company, Laing O'Rourke Insurance Limited. This company is a wholly owned subsidiary of the Group and premia paid are held to meet future claims. The cash balances held by Laing O'Rourke Insurance Limited are reported within cash and cash equivalents. As is usual practice for captive insurance companies, some of the cash is used as collateral against contingent liabilities, and standby letters of credit to the value of £7.0m (FY25: £8.0m) have been provided to certain external insurance companies. The standby letters of credit have been issued via banking facilities that Laing O'Rourke Insurance Limited has in place.

No financial assets have been provided to the Group as collateral (FY25: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2026

31 Financial and capital commitments

Capital expenditure for property, plant, and equipment authorised and contracted for, which has not been provided for in the consolidated financial statements, amounted to £4.9m (FY25: £19.3m) in the Group.

32 Related party transactions and balances

Identity of related parties

The Group has a related party relationship with its major shareholders, subsidiaries, joint arrangements, associates, and key management personnel.

Group

The Group received income and incurred expenses with related parties from transactions made in the normal course of business.

Sale of goods and services provided to related parties

	2026		2025	
	Income earned in year £m	**Receivable at year end £m**	Income earned in year £m	Receivable at year end £m
Joint ventures				
Alder Hey (Special Purpose Vehicle) Limited (interest on subordinated debt)	**–**	**8.0**	1.2	8.0
BYLOR Services Limited (payroll services)	**0.2**	**–**	0.3	–
Emirates PreCast Construction LLC (plant and labour)	**–**	**–**	0.6	–
Explore Transport Limited (IT cost, test and inspect charges, depot charges) until 31 July 2025	**0.1**	**–**	0.2	–
Health Montreal Collective CJV (Limited Partnership)	**–**	**9.3**	2.6	9.2
Other related parties				
Oisin Aviation (Jersey) LP (employment and office cost)	**0.2**	**–**	0.2	–
Oisin Capital Limited (office and admin cost)	**0.4**	**–**	0.2	–
Suffolk Partners Corporation (interest on loan)	**1.9**	**27.8**	2.0	26.0

Purchase of goods and services provided by related parties

	2026		2025	
	Expenses paid in year £m	**Payable at year end £m**	Expenses paid in year £m	Payable at year end £m
Joint ventures				
BYLOR Services Limited (employment cost)	**326.0**	**8.9**	296.4	10.4
Emirates PreCast Construction LLC (concrete products)	**4.6**	**1.4**	1.1	0.7
Explore Transport Limited (transport and plant hire) until 31 July 2025	**13.8**	**–**	44.6	3.3
Other related parties				
Mark Holding and Finance Limited (leased premises)	**1.7**	**–**	1.7	–
Oisin Aviation (IOM) LP (aviation cost)	**0.1**	**–**	0.2	–
Oisin Aviation (Jersey) LP (aviation cost)	**0.4**	**–**	0.5	–
Steetley Investments Limited (leased premises)	**8.6**	**–**	12.2	2.9
Ebsworth Holding & Finance Limited (interest and associated costs on loan)	**4.8**	**40.0**	3.9	40.0

The related party receivables and payables are not secured, and no guarantees were received in respect thereof. All will be settled in accordance with normal credit terms. Amounts due to and from joint ventures and associates at 31 March 2026 are disclosed in investments in joint ventures and associates, trade and other receivables, and trade and other payables in notes 15, 19, and 23, respectively. No amounts were written off in the year by either party in respect of amounts payable/receivable under the agreements entered into.

Alder Hey (Special Purpose Vehicle) Limited, BYLOR Services Limited, Emirates PreCast Construction LLC, and Health Montreal Collective CJV (Limited Partnership) are related parties by virtue of the fact that they are joint venture undertakings of the Laing O'Rourke Corporation Limited Group. The Group completed the disposal of Explore Transport Limited on 31 July 2025, and on this date it ceased to be a joint venture and a related party of the Group.

32 Related party transactions and balances (continued)

In both years, all invoices from Mark Holding and Finance Limited and Steetley Investments Limited were paid to Ebsworth Holding & Finance Limited. The interests in Mark Holding and Finance Limited, Steetley Investments Limited, and Ebsworth Holding & Finance Limited are held in trust, the beneficiaries of which are R G O'Rourke KBE and C O'Rourke. During the year, the beneficial interests of the late H D O'Rourke in the trusts were transferred to C O'Rourke.

The limited partners of Oisin Aviation (IOM) LP and Oisin Aviation (Jersey) LP are R G O'Rourke KBE and C O'Rourke. During the year, the interests of the late H D O'Rourke in both limited partnerships were transferred to C O'Rourke.

The interests in Oisin Capital Limited are held by R G O'Rourke KBE and C O'Rourke. During the year, the interest held by the late H D O'Rourke was transferred to C O'Rourke.

R G O'Rourke KBE and C O'Rourke are beneficiaries of the trust that ultimately owns Suffolk Partners Corporation. During the year, the beneficial interest of the late H D O'Rourke in the trust was transferred to C O'Rourke.

Directors' remuneration

During the year the total remuneration of the directors was £7.8m (FY25: £5.3m) of which pension costs amounted to £nil (FY25: £nil); see note 7.

Company

There are no related party transactions and balances for the company during FY26 (FY25: nil).

33 Ultimate parent company

R G O'Rourke KBE holds 64.2 per cent of the shares of Laing O'Rourke Corporation Limited and C O'Rourke 35.8 per cent. The shares held by C O'Rourke were inherited from the estate of the late H D O'Rourke. The immediate and ultimate controlling party of Laing O'Rourke Corporation Limited is R G O'Rourke KBE by virtue of his majority shareholding (64.2 per cent).

34 Post balance sheet events

The Group maintained an unsecured bilateral revolving credit facility (RCF) of £25m with HSBC, which expired on 1 May 2026 (having been extended from the original expiration date of 3 April 2026). On that date, the Group entered into a new unsecured syndicated RCF of £40m with HSBC and Bank of China for a term of three years, expiring on 1 May 2029. The financial covenants under the new facility comprise interest cover and leverage cover, each tested quarterly, and a liquidity covenant tested monthly, including confirmation of compliance for the month-end and the subsequent three forecast month-end periods.

The Group's property loan of £13m was repaid in full on 2 April 2026.

The Group's £40m loan advanced from Ebsworth Holding & Finance Limited, a related party, on 5 July 2024, was repaid in line with terms on 2 July 2026.

35 Reconciliation of net cash flow to movement in net cash

	Liabilities from financing activities				
	Borrowings (note 22) £m	Leases £m	Sub-total £m	Cash and cash equivalents (note 21) £m	Net cash £m
As at 1 April 2024	(81.6)	(83.2)	(164.8)	443.3	278.5
Cash flow	(90.1)	–	(90.1)	176.0	85.9
New lease arrangements	–	(70.6)	(70.6)	–	(70.6)
Repayments[1]	31.7	56.2	87.9	(87.9)	–
Exchange differences	1.5	3.3	4.8	(18.3)	(13.5)
Impact of IFRS 16 at 31 March 2024	–	(99.1)	(99.1)	–	(99.1)
Impact of IFRS 16 at 31 March 2025	–	101.7	101.7	–	101.7
Other changes[2]	–	1.8	1.8	–	1.8
As at 31 March 2025	(138.5)	(89.9)	(228.4)	513.1	284.7
Cash flow	**(30.3)**	**–**	**(30.3)**	**260.3**	**230.0**
New lease arrangements	**–**	**(72.7)**	**(72.7)**	**–**	**(72.7)**
Repayments[1]	**36.9**	**66.1**	**103.0**	**(103.0)**	**–**
Exchange differences	**(3.2)**	**(3.3)**	**(6.5)**	**18.9**	**12.4**
Impact of IFRS 16 at 31 March 2025	**–**	**(101.7)**	**(101.7)**	**–**	**(101.7)**
Impact of IFRS 16 at 31 March 2026	**–**	**115.3**	**115.3**	**–**	**115.3**
Other changes[2]	**(13.8)**	**2.6**	**(11.2)**	**–**	**(11.2)**
As at 31 March 2026	**(148.9)**	**(83.6)**	**(232.5)**	**689.3**	**456.8**

1. Repayments is net of £21.4m interest (FY25: £18.8m).
2. Other changes include non-cash adjustments relating to lease liabilities and borrowings.

The Group defines net cash as cash less debt, excluding the impact of adopting IFRS 16.

36 Principal subsidiaries, joint arrangements, and associates

These tables represent the Group's interest in ordinary voting shares of principal subsidiaries, joint arrangements, and associates for the year ended 31 March 2026. Principal subsidiaries, joint arrangements, and associates are those that are deemed significant to the business, either because of the quantum of their results or because of the nature of the business conducted.

Principal subsidiaries (all legally incorporated entities)	Principal activity	Group interest in ordinary voting shares	Principal place of business
Crown House Technology United Arab Emirates LLC	Mechanical and electrical contracting	100%	United Arab Emirates
Explore 2050 Engineering Limited	Civil and structural engineering, piling, and demolition	100%	United Kingdom
Explore 2050 Manufacturing Limited	Manufacture of construction products	100%	United Kingdom
Laing O'Rourke Australia Construction Pty Limited	Building contracting, civil engineering, infrastructure, and plant hire	100%	Australia
Laing O'Rourke Australia Group Pty Limited	Holding company	100%	Australia
Laing O'Rourke Australia Holdings Limited	Holding company	100%	Jersey
Laing O'Rourke Canada Limited	Building contracting and civil engineering	100%	Canada
Laing O'Rourke Delivery Limited	Building contracting, civil engineering, and infrastructure	100%	United Kingdom
Laing O'Rourke Holdings Limited	Holding company	100%	United Kingdom
Laing O'Rourke Insurance Limited	Underwriting insurance	100%	Guernsey
Laing O'Rourke Middle East Holdings Limited	Building contracting and civil engineering	100%	Jersey
Laing O'Rourke Plc	Holding company	100%	United Kingdom
Laing O'Rourke Services Limited	Service company	100%	United Kingdom
O'Rourke Investments Holdings (UK) Limited	Holding company	100%	United Kingdom
Select Plant Hire Company Limited	Plant hire and operations	100%	United Kingdom
Suffolk Partners Three Limited	Treasury company	100%	British Virgin Islands

Joint ventures (all legally incorporated entities)	Principal activity	Group ownership interest	Principal place of business
Alder Hey (Special Purpose Vehicle) Limited	PFI accommodation operator hospital	40%	United Kingdom
BYLOR Services Limited	Payroll services company	50%	United Kingdom
Emirates PreCast Construction LLC	Manufacture of precast concrete	40%	United Arab Emirates
Health Montreal Collective CJV Limited Partnership	PFI accommodation operator hospital	50%	Canada

Alder Hey (Special Purpose Vehicle) Limited and Emirates PreCast Construction LLC have a year end of 31 March. BYLOR Services Limited has a 31 December year end. Health Montreal Collective CJV Limited Partnership has a 30 April year end.

The Group sold its 50 per cent equity interest in Explore Transport Limited, which included the Group's effective equity interest of 35 per cent in Prigmore Haulage Limited, a subsidiary of Explore Transport Limited on 31 July 2025 (see note 13).

36 Principal subsidiaries, joint arrangements, and associates (continued)

Associates (all legally incorporated entities)	Principal activity	Group ownership interest	Principal place of business
Presien Holdings Pty Limited	Technology development	26%	Australia

Joint operations (unincorporated)	Principal activity	Group ownership interest	Principal place of business
BYLOR	Civil engineering	50%	United Kingdom
EBTA CNOP JV	Civil engineering	78%	Australia
FLO – Thames Tideway Tunnel	Civil engineering	50%	United Kingdom
Sizewell C Civil Works Alliance (BBBYLOR)	Civil engineering	33%	United Kingdom

The registered address of those registered in Jersey is Level 4, International Finance Centre 1, St Helier, Jersey, JE2 3BX.

The registered address of those registered in England and Wales is Bridge Place, Anchor Boulevard, Admirals Park, Dartford, Kent, DA2 6SN, excluding Alder Hey (Special Purpose Vehicle) Limited whose registered address is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

The registered address of those registered in Australia is Level 21, 100 Mount Street, North Sydney, NSW 2060, Australia.

The registered address of Emirates Precast Construction LLC is PO Box 10062, Jebel Ali Industrial Area 2, Dubai, United Arab Emirates.

The registered address of Suffolk Partners Three Limited is Trident Chambers, PO Box 146, Road Town, Tortola, VG1110, British Virgin Islands.

The registered address of those registered in Canada is 1031 Saint-Denis Street, Montreal, Quebec, Canada.

The registered address of Laing O'Rourke Insurance Limited is Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 4ND.

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