5 August 2025

Keller Group plc

Interim Results for the half year ended 30 June 2025

Keller Group plc ('Keller' or the 'Group'), the world's largest geotechnical specialist contractor, announces its results for the half year ended 30 June 2025.

Good H1 performance ahead of expectations; FY growth outlook maintained

	H1 2025 £m	H1 2024 £m	% change	Constant currency % change
Revenue	**1,457.7**	1,489.8	-2%	+1%
Underlying operating profit[1]	**102.6**	113.2	-9%	-6%
Underlying operating profit margin[1]	**7.0%**	7.6%	-60bps	n/a
Underlying diluted earnings per share[1]	**98.1p**	103.3p	-5%	
Free cash flow before interest and tax	**51.6**	134.1	-62%	
Net debt (bank covenant IAS 17 basis)[2]	**61.5**	100.7	-39%	
Dividend per share	**18.3p**	16.6p	+10%	
Statutory operating profit	**97.3**	105.9	-8%	
Statutory profit before tax	**87.4**	95.3	-8%	
Net cash inflow from operating activities	**41.8**	118.9	-65%	
Statutory diluted earnings per share	**91.8p**	94.7p	-3%	
Statutory net debt (IFRS 16 basis)	**153.5**	199.0	-23%	

[1] Underlying operating profit and underlying diluted earnings per share are non-statutory measures which provide readers of this Announcement with a balanced and comparable view of the Group's performance by excluding the impact of non-underlying items, as disclosed in note 7 to the interim condensed consolidated financial statements.
[2] Net debt is presented on a lender covenant basis excluding the impact of IFRS 16 as disclosed within the adjusted performance measures in the interim condensed consolidated financial statements.

Highlights

- A good first half performance ahead of market expectations[3], evidencing the sustained improvement in business performance.
- Performance relative to the strong prior year period reflected the expected normalisation of market conditions in North America, particularly pricing at Suncoast, alongside profitable growth in the Europe and Middle East (EME) and Asia-Pacific (APAC) Divisions.
- Underlying operating margin remains strong at 7% (historic five-year H1 average: 4.8%).
- Net debt[2] of £61.5m, up £32m since Dec 2024; driven by £25m share buyback and increased working capital investment. Net debt/EBITDA leverage ratio[2] of 0.2x (H1 2024: 0.3x; FY 2024: 0.1x).
- Successful completion of an initial £25m tranche of the multi-year share buyback programme in H1. Keller announces its intention to launch an additional tranche of £25m in H2.
- Underlying ROCE at 26.7% (H1 2024: 28.4%).
- Strong order book sustained at previous record level of £1.6bn.
- Accident Frequency Rate reduced to 0.04 with five lost time injuries (H1 2024: 0.08; eight lost time injuries).
- The Board declares an interim dividend of 18.3p, with the intention of applying a 5% increase in total for 2025.
- The Board's expectations for full year 2025 maintained, despite the anticipated FX headwind, underpinned by the strong order book.
- James Wroath joins as Chief Executive Officer on 18 August 2025.

David Burke, Chief Financial Officer, said:

"We have delivered a good first half performance against a strong comparative period, with underlying business performance remaining robust. Our strong balance sheet provides us with flexibility, enabling organic growth as well as targeted M&A, along with further financial returns to shareholders with an increase to the interim dividend and an intention to launch an additional £25m share buyback in the second half. Whilst the geopolitical and macroeconomic

volatility continues to create market uncertainty, the Group's improved operational capabilities, strong order book and healthy tendering pipeline give the Board confidence in meeting expectations for full year 2025[4], despite an anticipated increasing FX headwind in the second half."

[3] Company compiled consensus underlying operating profit for H1: £97.4m.
[4] Analyst consensus underlying operating profit for FY 2025: £215m.

For further information, please contact:

Keller Group plc www.keller.com
David Burke, Chief Financial Officer 020 7616 7575
Caroline Crampton, Group Head of Investor Relations

FTI Consulting
Nick Hasell 020 3727 1340
Matthew O'Keeffe

A webcast and presentation for investors and analysts will be held at 09.00am BST on 5 August 2025, at:
FTI Consulting
200 Aldersgate Street
London EC1A 4HD
RSVP: connie.gibson@fticonsulting.com

The webcast replay will be available later the same day on demand
https://connectstudio-portal.world-television.com/en/687a7ea431be6b1c6956e5d1

Conference call:
Operator Assisted Dial-In:
United Kingdom (Local): +44 20 3481 4247
United Kingdom (Toll-Free): +44 800 260 6466
United States – New York: (646) 307-1963
Conference ID: 4755308

Notes to editors:
Keller is the world's largest geotechnical specialist contractor providing a wide portfolio of advanced foundation and ground improvement techniques used across the entire construction sector. With around 10,000 staff and operations across five continents, Keller tackles an unrivalled 5,500 projects every year, generating annual revenue of c.£3bn.

LEI number: 549300QO4MBL43UHSN10. Classification: 1.2 (Half yearly financial reports).

Adjusted performance measures

In addition to statutory measures, a number of adjusted performance measures (APMs) are included in this Interim Announcement to assist investors in gaining a clearer understanding and balanced view of the Group's underlying results and in comparing performance. These measures are consistent with how business performance is measured internally.

The APMs used include underlying operating profit, underlying earnings before interest, tax, depreciation and amortisation, underlying net finance costs and underlying earnings per share, each of which are the equivalent statutory measure adjusted to eliminate the amortisation of acquired intangibles and other significant one-off items not linked to the underlying performance of the business. Net debt (bank covenant IAS 17 basis) is provided as a key measure for measuring bank covenant compliance and is calculated as the equivalent statutory measure adjusted to exclude the additional lease liabilities relating to the adoption of IFRS 16. Free cash flow before interest and tax is provided as a metric to reflect operating cash flow including capital expenditure; it is reconciled in the net debt flow table in the Chief Financial Officer's review. Further underlying constant exchange rate measures are given which eliminate the impact of currency movements by comparing the current measure against the comparative restated at this year's actual average exchange rates. Where APMs are given, these are compared to the equivalent measures in the prior year.

APMs are reconciled to the statutory equivalent, where applicable, in the adjusted performance measures section in this Announcement.

GROUP OVERVIEW

Financial performance

The Group delivered a good first half performance against a strong comparative period in 2024 when our North American business did particularly well. The Group's continued effective execution further evidences the sustainability of the significant operational and financial improvements in the business delivered in recent years.

Reported revenue of £1,457.7m was a marginal increase versus the prior year period on a constant currency basis. Underlying operating profit of £102.6m was 6.3% lower on a constant currency basis, driven by an expected decline in North America (NA), partially offset by significant growth in profitability in Europe and Middle East (EME) and Asia-Pacific (APAC). The underlying operating margin remains strong at 7.0% (H1 2024: 7.6%). Driven by the £25m share buyback and increased working capital investment, net debt (IAS 17 lender covenant basis) increased by £32m to £61.5m since December 2024, and reduced by £39.2m, from £100.7m in June 2024. Following the particularly strong cash performance in 2023 and 2024, the cash generation profile has reverted to normal. This equated to a net debt/EBITDA ratio of 0.2x (H1 2024: 0.3x; FY 2024: 0.1x), below our target leverage range of 0.5x–1.5x.

On 31 March 2025, the Group launched an initial £25m tranche of the multi-year share buyback programme and completed the process on 29 May 2025, having purchased approximately 1.7m shares in the period. In addition, given the strength of the Group's balance sheet, Keller announces its intention to launch an additional tranche of £25m in the second half of 2025, part of an ongoing commitment to return capital to shareholders. Following the anticipated share buyback, the Group expects to be approaching net cash by the year-end.

Operating performance

In NA, revenue was slightly ahead of the prior year at £867.8m and profitability declined by 20.5% to £82.1m on a constant currency basis. The lower margin was driven by the expected price normalisation at the Suncoast post-tension business, and a decline in profitability in the Foundations business following the particularly buoyant market conditions in 2024, offset by an improved performance in Moretrench Industrial. During the period, on a normalised pricing basis, the Foundations business further built on its improvement in underlying contract performance, execution and commercial discipline, delivering consistently across a range of projects. Moretrench Industrial, which operates in the highly regulated environmental remediation market, continued to make good progress, with growth in revenue and profit. At RECON, our geoenvironmental and industrial services company, volume increased while profit decreased due to a continued delay to the permitting of further LNG projects. Whilst there is increased uncertainty over the US construction backdrop, the order book for North America at the period end was strong and similar to the prior year period (on a constant currency basis), within which the US Foundations business has done well in maintaining its work-in-hand levels versus the prior year.

In EME, revenue was also similar to the prior year period at £408.3m on a constant currency basis, driven by significant revenue growth in the Middle East and across much of Europe, notably South East Europe and the Baltic countries, and against the comparator of several large infrastructure projects in Europe in the prior period. Underlying operating profit increased significantly to £14.6m on a constant currency basis, reflecting an overall improvement in project execution and operational performance. Profitability benefitted from the non-recurrence of losses incurred from challenging projects in the Middle East and Nordics in the prior year period.

In APAC, revenue increased by 2.9% to £181.6m, on a constant currency basis, with revenue growth in Austral partially offset by lower volumes in Keller Australia and Keller Asia[1]. Underlying profit grew significantly, by 36.3% to £13.9m, driven by Keller Australia and Austral, including the benefit of several successful project closure settlements at Keller Australia. In the wider region, performance was partially tempered by lower volumes and profits in ASEAN, whilst Keller India continued to perform strongly following its record performance in 2024.

[1] As from 1 January 2025, Keller India and ASEAN combined to form Keller Asia.

Safety

The Group has a strong commitment to safety through various initiatives. In the first half of 2025, our Accident Frequency Rate reduced to 0.04 per 100,000 hours, with five lost time events (H1 2024: 0.08), and our Total Recordable Incident Rate improved to 0.48, with 28 recordable injury events, a reduction of eight on the prior year period.

Sustainability and ESG

We are progressing well against our carbon measurement and reduction targets. We will be net zero across all three emission scopes by 2050: net zero on Scope 2 by 2030, net zero on Scope 1 by 2040 and net zero by 2050 on Operational Scope 3 (covering business travel, material transport and waste disposal). We are beginning to estimate our Scope 3 material emissions for each of our business units.

To mark UN Earth Day, Keller hosted its second Group-wide sustainability week. Themed around 'Keller gives back', the week saw over 1,500 employees engaged across volunteer days, webinars, competitions and toolbox talks.

Our People and Safety strategy is driven by our focus on the wellbeing and safety of every employee across the organisation and we continue to look at new ways to sharpen this focus. For example, we recently organised a Group-wide safety stand-down on how we respond to a material change on any given project more safely.

As part of our charitable activities, we are delighted to have extended our partnership with UNICEF's Every Child Fund, with a commitment to provide a further £750,000 in funding over the next three years. This partnership will provide the general funding needed to support UNICEF's activities around the world.

Board development and succession

On 5 March 2025, Carl-Peter Forster succeeded Peter Hill as Chair. Carl-Peter joined the Board as a Non-executive Director and Chair designate on 16 December 2024. Carl-Peter also chairs the Nomination and Governance Committee.

On 24 June 2025, it was announced that Michael Speakman, Chief Executive Officer (CEO), had given notice that he will step down as CEO and as a Director of Keller with effect from 18 August 2025 in order to continue his necessary medical treatment. Following a comprehensive search process, the Board announced the appointment of James Wroath as CEO, effective 18 August 2025. James brings a wealth of relevant experience to the role, having most recently served as CEO of Wincanton plc. The Board is confident that he will provide strong leadership and strategic direction as the Group continues to deliver its successful growth strategy.

Interim dividend

Keller has an unbroken record of dividend payments and has consistently and materially grown its dividend in the 31 years since listing, clearly demonstrating the Group's ability to continue to prosper through economic cycles. With a CAGR of 9% since flotation in 1994, it is one of only a very few FTSE listed companies to have consistently paid a dividend over such a period. The Board is declaring an interim dividend of 18.3p, with the intention of returning to a more normal progressive 5% dividend policy for the 2025 financial year. The Group will revert to the normal balance of the full-year dividend payable 35% as an interim and 65% as the final dividend. The interim dividend is payable on 12 September 2025 to shareholders on the register as at 15 August 2025.

Outlook

We have delivered a good first half performance against a strong comparative period, with underlying business performance remaining robust. Our strong balance sheet provides us with flexibility, enabling organic growth as well as targeted M&A, along with the potential for further financial returns to shareholders with an increase to the interim dividend and an intention to launch an additional £25m share buyback in the second half. Whilst the geopolitical and macroeconomic volatility continues to create market uncertainty, the Group's improved operational capabilities, strong order book and healthy tendering pipeline give the Board confidence in meeting expectations for full year 2025, despite an anticipated increasing FX headwind in the second half.

Operating review

North America

	H1 2025 £m	H1 2024 £m	Constant currency
Revenue	**867.8**	883.8	+0.8%
Underlying operating profit	**82.1**	105.8	-20.5%
Underlying operating margin	**9.5%**	12.0%	-250bps
Order book	**1,026.3**	1,131.0	-1.4%

In North America, revenue was slightly ahead of the prior year period at £867.8m on a constant currency basis, with higher revenues at Moretrench Industrial, RECON and the Foundations business, largely offset by a decline in revenue at Suncoast. Underlying operating profit decreased to £82.1m, down 20.5% on a constant currency basis, with the expected pricing environment normalising at Suncoast and the Foundations business in the US that had benefitted from the buoyant market in 2024. The Accident Frequency Rate, our key metric for measuring safety performance, improved to 0.03 with one lost time injury in the period (H1 2024: 0.06).

In Foundations, revenue increased slightly driven by higher levels of activity across the business. Underlying operating profit reduced as expected, largely driven by the normalising of the pricing environment in the US, and partially offset by a higher level of profitable projects in Canada versus the prior year period. On a normalised pricing basis, the underlying performance in Foundations has continued to be strong, evidencing the sustained improvement in underlying contract performance, improved project execution and focus on commercial discipline over the last 18 months.

At Suncoast, the Group's post-tension business, revenue and profitability declined as expected in the period, reflecting a decreased level of activity and strong pricing in the prior period. The residential market was impacted by the unfavourable interest rate environment, with a significant slowdown in housing starts and building permits. The commercial segment was challenged by both the interest rate environment and the introduction of tariffs impacting construction activity more widely.

Moretrench Industrial, which operates in the highly regulated environmental remediation market, continued to perform well, with growth in revenue and profit driven by strong demand. At RECON, our geoenvironmental and industrial services company, volumes increased while profit decreased due to a continued delay in the permitting of new LNG projects. In July 2025, RECON commenced work to prepare for a new LNG export facility in Louisiana.

US construction grew c.7% in 2024 and is expected to grow c.1% in 2025 (source: FMI). The slow-down is primarily driven by broad-based weakness in the residential sector; infrastructure spend remains relatively resilient. The Division's scale and market share in key geographies coupled with a reputation for strong project delivery has enabled the division to maintain a strong orderbook at £1,026.3m, similar to the prior year period, on an actual basis and in constant currency. The US Foundations business has done well in maintaining its work-in-hand levels versus the prior year period.

Europe and Middle East (EME)

	H1 2025 £m	H1 2024 £m	Constant currency
Revenue	**408.3**	418.9	-0.8%
Underlying operating profit	**14.6**	3.0	440.7%
Underlying operating margin	**3.6%**	0.7%	+290bps
Order book	**335.9**	367.3	-6.9%

In EME, revenue was similar to the prior year period at £408.3m, a marginal decrease of 0.8% on a constant currency basis, driven by revenue growth in the Middle East and across much of Europe, notably South East Europe and the Baltic countries, against the comparator of several large infrastructure projects in Europe in the prior period. Underlying operating profit increased significantly to £14.6m on a constant currency basis, reflecting an overall improvement in project execution and operational performance across the division. Performance benefitted from the non-recurrence of losses incurred in the early stages of a challenging project in the Middle East and project challenges in the Nordics in the prior period, offset by the non-recurrence of a large successful infrastructure project in Central Europe. The Accident Frequency Rate reduced to 0.06, with four lost time injuries in the period (H1 2024: 0.11).

Across the European business units, a strong improvement in operational performance in the period saw an increase in underlying operating profitability (in constant currency) whilst revenues declined, with continued low levels of activity across a number of residential and commercial construction markets as well as the non-recurrence of several large infrastructure projects in Europe in the prior period (Central Europe and Nordics). Against this backdrop, performance benefitted from continued management focus on project execution. In the UK, despite comparable volumes versus the prior period, continuing challenging market conditions had a negative impact on margin.

In the Middle East, underlying operating profit increased significantly by £11.1m, on a constant currency basis, driven by the non-recurrence of losses incurred in the early stages of a challenging project in the region in the prior period. Discussions continue with the client to remedy the contractual position on the challenging project. The wider Middle East region performed well, in line with a strong prior year period, across a range of markets and projects.

The EME order book at the end of the period was £335.9m, down 6.9% on a constant currency basis. The order book is broadly spread across geographic markets and project size with overall growth across Europe offsetting the run-off of a major project in the Middle East. In Europe, projects tend to be weighted towards infrastructure, with residential and commercial sectors remaining subdued, whilst the Middle East shows a more even spread across sectors.

Asia-Pacific (APAC)

	H1 2025 £m	H1 2024 £m	Constant currency
Revenue	**181.6**	187.1	+2.9%
Underlying operating profit	**13.9**	11.1	+36.3%
Underlying operating margin	**7.7%**	5.9%	+180bps
Order book	**203.2**	142.5	+55.6%

In APAC, revenues increased by 2.9% to £181.6m on a constant currency basis, largely driven by higher volumes at Austral and partially offset by lower volumes at Keller Australia and Keller Asia[1]. Underlying operating profit increased to £13.9m, up 36.3%, driven by higher profitable growth at Keller Australia and Austral, including the benefit of several project closure settlements at Keller Australia. The division had no reported injuries in the period (Accident Frequency Rate H1 2024: 0.08; with three lost time injuries).

The Austral business continued to perform strongly, increasing revenue and profit, with management successful in driving growth in the business following its turnaround in the second half of 2023. Keller Australia achieved a solid performance. Volumes were down as expected after high levels of federal and state government spending on transport infrastructure in the prior year, though profits increased including the benefit from several successful project closure settlements. In Keller Asia, our India business continued to perform strongly in terms of both revenue and profit, whilst in ASEAN, the Singapore market had a relatively soft first half. The Singapore business is expected to grow in the second half following the award of several infrastructure projects.

The APAC order book at the end of the period was £203.2m, up 55.6% on a constant currency basis, largely driven by Austral in the mining and marine sectors in Australia. In Keller Australia, federal and state investment in transport infrastructure is slowing. Across Asia, India continues to work in the commercial sectors whilst transitioning into the growing renewable energy sector. In ASEAN, the Singaporean business has secured several urban infrastructure projects.

[1] As from 1 January 2025, Keller India and ASEAN combined to form Keller Asia.

Chief Financial Officer's review

This report comments on the key financial aspects of the Group's interim results for the half year period ended 30 June 2025.

	H1 2025 **£m**	H1 2024 £m
Revenue	**1,457.7**	1,489.8
Underlying operating profit[1]	**102.6**	113.2
Underlying operating profit %[1]	**7.0%**	7.6%
Non-underlying items	**(5.3)**	(7.3)
Statutory operating profit	**97.3**	105.9

[1] Details of non-underlying items are set out in note 7 to the interim condensed consolidated financial statements. Reconciliations to statutory numbers are set out in note 4 to the interim condensed consolidated financial statements.

Geographic segmentation

	Revenue £m		**Underlying operating profit[2] £m**		**Underlying operating profit margin[2] %**	
	H1 2025	H1 2024	**H1 2025**	H1 2024	**H1 2025**	H1 2024
Division						
North America	**867.8**	883.8	**82.1**	105.8	**9.5%**	12.0%
Europe and Middle East	**408.3**	418.9	**14.6**	3.0	**3.6%**	0.7%
Asia-Pacific	**181.6**	189.2	**13.9**	11.1	**7.7%**	5.9%
Central	**–**	–	**(8.0)**	(6.7)	**–**	–
Group	**1,457.7**	1,489.8	**102.6**	113.2	**7.0%**	7.6%

[2] Details of non-underlying items are set out in note 7 to the interim condensed consolidated financial statements.

Revenue

Revenue of £1,457.7m (H1 2024: £1,489.8m) was 2.2% down on 2024. On a constant currency basis, revenue increased by 0.6%, reflecting volume growth in Moretrench, RECON and Foundations in North America and Austral in APAC, largely offset by lower revenues at Suncoast and Central Europe compared with the prior period.

North America reported a revenue increase of 0.8% (at constant currency), positively impacted by the higher activity at Moretrench, RECON and Foundations which was offset by a reduction in trading volume and price at Suncoast. In Europe and Middle East, revenue decreased by 0.8% (at constant currency), driven by lower volumes in Central Europe and the Nordics, against the comparative of several large infrastructure projects in the prior period. This was partly offset by higher volumes in the Middle East, notably South East Europe and the Baltic countries. Revenue in APAC increased by 2.9% on a constant currency basis, driven by Austral in Australia.

We have a diversified spread of revenues across geographies, product lines, market segments and end customers. Customers are generally market specific and the largest customer represented 4% (H1 2024: 4%) of the Group's revenue for the half year. The top 10 customers represent 17% of the Group's revenue for the half year (H1 2024: 20%).

Underlying operating profit

The underlying operating profit of £102.6m was 9.4% lower than the prior year (H1 2024: £113.2m) and on a constant currency basis was 6.3% down on prior year.

North America underlying constant currency operating profit decreased by 20.5%, largely driven by the expected price normalisation at Suncoast. Europe and Middle East constant currency underlying operating profit increased by £11.9m to £14.6m, reflecting an overall improvement in operational performance and project execution. APAC underlying operating profit grew by 36.3% on a constant currency basis, largely driven by the benefit of several successful project closure settlements at Keller Australia and higher profitable volume growth at Austral.

Share of post-tax results from joint ventures
The Group recognised an underlying post-tax loss of £0.1m in the period (H1 2024: £0.5m loss) from its share of the post-tax results from joint ventures.

Statutory operating profit
Statutory operating profit, comprising underlying operating profit of £102.6m (H1 2024: £113.2m) and non-underlying items comprising net costs of £5.3m (H1 2024: £7.3m), decreased by 8.1% to £97.3m (H1 2024: £105.9m).

Net finance costs
Net finance costs decreased by 7% to £9.9m (H1 2024: £10.6m), as a result of lower average net debt during the period. Average net borrowings, excluding IFRS 16 lease liabilities, decreased by 65% in the period from £112.4m during the half year to 30 June 2024 to £39.2m during the half year to 30 June 2025, driven by operating cash flow offset by the impact of the share buyback.

Taxation
The Group's underlying effective tax rate of 23% (H1 2024: 26%) is in line with the full-year rate for FY 2024 of 23%, reflecting the expected tax rate based on the forecasted full-year profit mix across the Group.

Cash tax paid in the period of £28.6m was a decrease of £5.8m over prior year (H1 2024: £34.4m). The reduction is driven by the absence of a second quarter prepayment in the US typically paid in June, in order to factor in anticipated legislative changes that were enacted in July. These changes are expected to significantly reduce the annual US federal cash tax liability for the rest of the year.

The UK government has enacted legislation introducing a global minimum tax of 15% in line with the OECD's Pillar Two rules, which has applied to Keller from 1 January 2024. The Group has performed an assessment for FY 2025, and no additional tax is expected for most jurisdictions in which we operate. Those where the effective rate is below 15% are not expected to give rise to a material additional tax charge.

Non-underlying items
Details of non-underlying items are included in note 7 to the interim condensed consolidated financial statements.

Non-underlying operating costs
Non-underlying operating costs were £4.7m (H1 2024: £6.6m).

The Group has continued to make progress with the strategic project to implement a new cloud-based computing enterprise resource planning (ERP) system across the Group. Due to the size, nature and incidence of these costs, they are presented as a non-underlying item, as they are not reflective of underlying performance of the Group. The cost recognised in the first half is £4.1m (H1 2024: £2.5m).

Exceptional restructuring costs of £0.6m (H1 2024: £3.3m) have been incurred for the finance transformation project. The non-underlying costs for the period include design costs; they do not include the running costs for the underlying finance activities.

In the prior period, the Group realised a £0.8m loss on the disposal of the South African business, which completed on 28 June 2024. There is an earnout arrangement on the sale, with contingent consideration received this half year, which has been recognised as other operating income, see note below.

Amortisation of acquired intangibles
The £0.8m (H1 2024: £1.5m) charge for amortisation of acquired intangible assets relates to the RECON acquisitions. The prior period charge also included amounts related to intangibles acquired with Moretrench and GKM Consultants.

Non-underlying other operating income
Non-underlying other operating income of £0.2m arises from the first year earn out contingent consideration receipt received for the South Africa disposal. The £0.8m income in the prior period arises from a change in fair value of the contingent consideration for the GKM Consultants acquisition.

Non-underlying taxation
A non-underlying tax credit of £0.8m (H1 2024: £1.0m) relates to the tax benefit on non-underlying charges which are expected to be deductible.

Earnings per share
Underlying diluted earnings per share decreased by 5% to 98.1p (H1 2024: 103.3p) due to the reduced operating profit and lower net finance costs. Statutory diluted earnings per share was 91.8p (H1 2024: 94.7p).

Dividend
The Group's dividend policy is to increase the dividend sustainably whilst allowing the Group to be able to grow or, as a minimum, maintain the level of dividend through market cycles. The dividend policy is therefore impacted by the performance of the Group, which is subject to the Group's principal risks and uncertainties as well as the level of headroom on the Group's borrowing facilities, future cash commitments and investment plans.

The interim dividend has been rebased to 18.3p (H1 2024: 16.6p) commensurate with an anticipated full-year dividend increase of 5%, following the 10% increase in 2024.

Net debt flow

The Group's free cash inflow of £14.3m (H1 2024: £88.6m) is down on the prior period, which benefitted from some larger customer advances. Free cash flow has been impacted by increased working capital in Europe and Middle East, partially offset by lower interest and tax payments than the prior year. The basis of deriving free cash flow is set out below:

	H1 2025 £m	H1 2024 £m
Underlying operating profit	**102.6**	113.2
Depreciation and amortisation	**52.6**	54.0
Underlying EBITDA	**155.2**	167.2
Non-cash items	**(1.6)**	(3.3)
Increase in working capital	**(78.2)**	(2.5)
Increase in provisions, retirement benefit liabilities and other non-current liabilities	**10.2**	10.0
Net capital expenditure	**(27.3)**	(23.1)
Additions to right-of-use assets	**(9.4)**	(14.2)
Sale of non-current assets	**2.7**	–
Free cash flow before interest and tax	**51.6**	134.1
Free cash flow before interest and tax to underlying operating profit	**50%**	118%
Net interest paid	**(8.7)**	(11.1)
Cash tax paid	**(28.6)**	(34.4)
Free cash flow	**14.3**	88.6
Dividends paid to shareholders	**(23.3)**	(22.6)
Purchase of own shares	**(28.8)**	(6.5)
Acquisitions	**(0.5)**	(0.7)
Business disposals	**0.2**	(4.9)
Non-underlying items	**(4.0)**	(5.0)
Right-of-use assets/lease liability modifications	**(6.3)**	(7.4)
Foreign exchange movements	**21.8**	(3.2)
Movement in net debt	**(26.6)**	38.3
Opening net debt	**(126.9)**	(237.3)
Closing net debt	**(153.5)**	(199.0)

Working capital
Net working capital increased by £78.2m (H1 2024: £2.5m), reflecting a £27.7m increase (H1 2024: £1.0m decrease) in inventory levels and a £73.1m increase (H1 2024: £75.9m increase) in trade and other receivables. Trade and other payables, which includes deferred revenue, increased by £22.6m (H1 2024: £72.4m increase). The movement in the period is lower than the prior period, due to two significant customer advance payments received in the prior period, which have now been utilised.

An increase in provisions and retirement benefit liabilities improved the working capital by £10.2m (H1 2024: £10.0m). This reflects an increase in provisions, as the amounts provided for contract and legal disputes exceeded the amounts settled.

Capital expenditure
The Group manages capital expenditure tightly whilst investing in the upgrade and replacement of equipment where appropriate. Net capital expenditure of £27.3m (H1 2024: £23.1m) included proceeds from the sale of equipment of £9.2m (H1 2024: £14.5m). The asset replacement ratio, which is calculated by dividing gross capital expenditure, excluding sales proceeds on disposal of items of property, plant and equipment and those assets capitalised under IFRS 16, by the depreciation charge on owned property, plant and equipment, was 98% (H1 2024: 96%).

Purchase of own shares
The Group launched an initial £25m tranche of a multi-year share buyback programme in the period and completed the process on 29 May 2025. The cash outflow for the share buyback in the period was £25.2m. Purchase of own shares also includes the acquisition of shares by the Employee Benefit Trust (EBT) of £3.6m (H1 2024: £6.5m).

Acquisitions and disposals
Acquisition cash flow of £0.5m in the period relates to an earn-out payment related to the acquisition of the 35% of our Saudi Arabia subsidiary completed in 2023.

The business disposal cash inflow of £0.2m is the first year earn-out receipt from the disposal of the South African subsidiary last year.

Non-underlying cash flows
Non-underlying cash outflow of £4.0m (H1 2024: £5.0m) includes the cash impact of non-underlying items reflected in the income statement in the current and prior periods. The outflow in the period includes £3.4m cash outflow (H1 2024: £2.4m) for ERP costs and £0.6m outflow (H1 2024: £2.6m) for the finance transformation project.

Financing facilities and net debt
The Group's total net debt of £153.5m (H1 2024: £199.0m) comprises loans and borrowings of £217.0m (H1 2024: £296.8m), lease liabilities of £93.1m (H1 2024: £98.7m) net of cash and cash equivalents of £156.6m (H1 2024: £196.5m).

The Group's term debt and committed facilities principally comprise US private placement notes repayable in August 2030 ($120m) and in August 2033 ($180m). In addition, the Group has a £400m committed multi-currency syndicated revolving credit facility, originally a five-year facility with the option to extend for a further two years. The first extension option was approved in the period, extending the term to June 2030. The revolving credit facility was undrawn at the period end.

At 30 June 2025, the Group had undrawn committed and uncommitted borrowing facilities totalling £445.5m, comprising £400m of the unutilised revolving credit facility and undrawn uncommitted borrowing facilities of £45.5m, as well as cash and cash equivalents of £156.6m.

The most significant covenants in respect of the main borrowing facilities relate to the ratio of net debt to underlying EBITDA, underlying EBITDA interest cover and the Group's net worth. The covenants are required to be tested at the half year and the year end. The Group operates comfortably within all of its covenant limits. Net debt to underlying EBITDA leverage, calculated excluding the impact of IFRS 16, was 0.2x (H1 2024: 0.3x), well within the limit of 3.0x and below the leverage target range of between 0.5x–1.5x. Calculated on a statutory basis, including the impact of IFRS 16, net debt to EBITDA leverage was 0.5x at 30 June 2025 (H1 2024: 0.6x). Underlying EBITDA, excluding the impact of IFRS 16, to net finance charges for the period to 30 June 2025 was 20.9x (H1 2024: 17.0x).

On an IFRS 16 basis, gearing at 30 June 2025 was 27% (H1 2024: 36%).

The average month-end net debt during the period ended 30 June 2025, excluding IFRS 16 lease liabilities, was £39.2m (H1 2024: £112.4m) and the Group's revolving credit facility has been undrawn during the period. The Group had no material discounting or factoring in place during the period. Given the relatively low value and short-term nature of the majority of the Group's projects, the level of advance payments is typically not significant.

At 30 June 2025, the Group had drawn upon uncommitted overdraft facilities of £1.7m (H1 2024: £2.3m) and had drawn £225.3m of bank guarantee facilities (H1 2024: £203.0m).

Retirement benefit liabilities

The Group has defined benefit retirement obligations in Germany and Austria and a number of end of service schemes in the Middle East that follow the same principles as a defined benefit scheme. There is also a defined benefit scheme in the UK, which is fully funded on an IAS 19 accounting basis. The Group's net defined benefit liabilities as at 30 June 2025 were £15.3m (H1 2024: £16.0m). The net defined liability for the Keller Group Pension Scheme in the UK as at 30 June 2025 is £nil (H1 2024: £0.2m), as there are no further contribution requirements to the scheme.

Currencies

The Group is exposed to both translational and, to a lesser extent, transactional foreign currency gains and losses through movements in foreign exchange rates as a result of its global operations. The Group's primary currency exposures are US dollar, Canadian dollar, euro and Australian dollar.

As the Group reports in sterling and conducts the majority of its business in other currencies, movements in exchange rates can result in significant currency translation gains or losses. This has an effect on the primary statements and associated balance sheet metrics, such as net debt and working capital.

A large proportion of the Group's revenues are matched with corresponding operating costs in the same currency. The impacts of transactional foreign exchange gains or losses are consequently mitigated and are recognised in the period in which they arise.

The following exchange rates applied during the current and prior half year period:

	H1 2025		H1 2024	
	Closing	**Average**	Closing	Average
USD	**1.37**	**1.30**	1.26	1.27
CAD	**1.87**	**1.83**	1.73	1.72
EUR	**1.17**	**1.19**	1.18	1.17
AUD	**2.09**	**2.05**	1.90	1.92

Principal risks

The Group operates globally across many geotechnical market sectors and in varied geographic markets. The Group's performance and prospects may be affected by risks and uncertainties in relation to the industry and the environments in which it undertakes its operations around the world. The Group is alert to the challenges of managing risk and has systems and procedures in place across the Group to identify, assess and mitigate major business risks.

The principal risks and uncertainties are as follows:

- Financial risks
    - Inability to finance our business
- Market risk
    - A rapid downturn in our markets
- Strategic risk
    - Losing our market share

    - Ethical misconduct and non-compliance with regulations
    - Inability to maintain our technological product advantage
    - Climate change
- Operational risk
    - Ineffective management of our projects
    - Causing a serious injury or fatality to an employee or member of the public
    - Not having the right skills to deliver
    - Information Technology, cyber security and assurance

For a more detailed description of these risks, uncertainties and other factors, please see the Principal risks and uncertainties section of the Strategic report in the 2024 Annual Report and Accounts.

Overall, our risk environment has remained stable during the first half of 2025, and we have only seen some minor changes to the previously disclosed principal risks and mitigations. Key points to note are:

- Seven-year £400m RCF secured (initial five years with two one-year extensions). The first RCF one year extension request was submitted to the RCF agent. Acceptance of the extension has been given extending the RCF maturity to June 2030. This along with continued strong operational performance in H1 2025, demonstrates a clear ability to manage both existing and future financial risks.
- Supply chains have in the whole returned to normal, including both scarcity of certain materials (steel, cement and energy) and the pricing impact. The one exception to this has been Suncoast, where the wider impact of the conflict in Gaza has been putting some pressure on shipping rates for steel. They are also being negatively impacted by the steels tariffs that have been imposed by the US government.
- Political instability in key areas where Keller operates remains under constant review and will do so until we see a significant de-escalation in those areas. Inflation has fallen back to just above central bank targets and interest rates have seen consecutive cuts in the US, Europe and the UK. Current projections are for inflation to increase again through the rest of 2025 due to tariff uncertainty, before falling back again in 2026. Interest rates are expected to continue to fall in 2025. This potentially creates uncertainty for our customers and close attention will be paid to order intake. We will maintain a very close watch on both inflation and interest rates, especially in the US as the impact of the tariff policy becomes clearer over H2 2025. Should these changes impact the current trajectory of inflation and interest rates, we will take appropriate mitigating actions.

The important developments in managing our principal risks during 2025 are as follows:

- Continued focus on managing a robust risk management process across all parts of the organisation to enable better and more responsive decision making, supported by our Governance, Risk Management and Compliance (GRC) tool.
- Regularly reviewing our principal risks and the mitigating actions we are taking to ensure they accurately reflect the risks we are facing and how we are responding to those risks.
- Continuing to review risk trends, including the consideration of risks across the medium and long term via horizon scanning and reviewing emerging legislation to ascertain how they may impact Keller.

The key areas of focus for the remainder of 2025 are as follows:

- Continued tailored business unit training on the GRC tool.
- We will continue to monitor the following items through the regular review of risks across the business and any impact they may have on our principal risks for 2025 year-end reporting:
    - Supply chain issues, specifically transportation, where the impacts of the conflict in Gaza continue to put some pressure on shipping rates.
    - Recruitment and retention issues have eased slightly, but focus will remain where hotspots exist around specific roles. Increased focus on retaining and training staff will remain a priority.
    - Inflation rates have started to creep up with uncertainty around the impact of tariffs coming out of the US. Interest rates are still falling, if a little slower than anticipated and will be closely tracked in the markets in which we operate. We will also monitor whether this leads to customers beginning to restart projects that were put on hold.

Statement of Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the Disclosure Guidance and Transparency Rules (DTR) of the United Kingdom's Financial Conduct Authority (FCA).

The DTR require that the accounting policies and presentation applied to the half yearly figures must be consistent with those applied in the latest published annual accounts, except where the accounting policies and presentation are to be changed in the subsequent annual accounts, in which case the new accounting policies and presentation should be followed, and the changes and the reasons for the changes should be disclosed in the interim report, unless the FCA agrees otherwise.

The Directors confirm that to the best of their knowledge the condensed set of financial statements, which have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting', give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, as required by DTR 4.2 and in particular include a fair review of:

- the important events that have occurred during the first half of the financial year and their impact on the interim condensed consolidated set of financial statements as required by DTR 4.2.7R;
- the principal risks and uncertainties for the remaining half of the year as required by DTR 4.2.7R; and
- related party transactions that have taken place in the first half of the current financial year and changes in the related party transactions described in the previous annual report that have materially affected the financial position or performance of the Group during the first half of the current financial year as required by DTR 4.2.8R.

The Directors of Keller Group plc are listed in the 2024 Annual Report and Accounts.

Approved by the Board of Keller Group plc and signed on its behalf by:

David Burke
Chief Financial Officer

4 August 2025

INDEPENDENT REVIEW REPORT TO KELLER GROUP PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 which comprises the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated balance sheet, condensed consolidated statements of changes in equity, condensed consolidated cash flow statement and the related explanatory notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London
4th August 2025

Interim condensed consolidated income statement (unaudited)

For the half year ended 30 June 2025

		30 June 2025			30 June 2024		
	Note	**Underlying £m**	**Non-underlying items (note 7) £m**	**Statutory £m**	Underlying £m	Non-underlying items (note 7) £m	Statutory £m
Revenue	4,5	**1,457.7**	**–**	**1,457.7**	1,489.8	–	1,489.8
Operating costs		**(1,358.3)**	**(4.7)**	**(1,363.0)**	(1,379.6)	(6.6)	(1,386.2)
Net impairment loss on trade receivables and contract assets		**(0.6)**	**–**	**(0.6)**	(2.8)	–	(2.8)
Amortisation of acquired intangible assets		**–**	**(0.8)**	**(0.8)**	–	(1.5)	(1.5)
Other operating income		**3.9**	**0.2**	**4.1**	6.3	0.8	7.1
Share of post-tax results of joint ventures		**(0.1)**	**–**	**(0.1)**	(0.5)	–	(0.5)
Operating profit/(loss)	4	**102.6**	**(5.3)**	**97.3**	113.2	(7.3)	105.9
Finance income		**2.8**	**–**	**2.8**	3.2	–	3.2
Finance costs		**(12.7)**	**–**	**(12.7)**	(13.8)	–	(13.8)
Profit/(loss) before taxation		**92.7**	**(5.3)**	**87.4**	102.6	(7.3)	95.3
Taxation	8	**(21.3)**	**0.8**	**(20.5)**	(26.7)	1.0	(25.7)
Profit/(loss) for the period		**71.4**	**(4.5)**	**66.9**	75.9	(6.3)	69.6
Attributable to:							
Equity holders of the parent		**70.9**	**(4.5)**	**66.4**	75.8	(6.3)	69.5
Non-controlling interests		**0.5**	**–**	**0.5**	0.1	–	0.1
		71.4	**(4.5)**	**66.9**	75.9	(6.3)	69.6
Earnings per share							
Basic	10	**99.7p**		**93.4p**	104.8p		96.1p
Diluted	10	**98.1p**		**91.8p**	103.3p		94.7p

Interim condensed consolidated statement of comprehensive income (unaudited)

For the half year ended 30 June 2025

	30 June 2025 £m	30 June 2024 £m
Profit for the period	**66.9**	69.6
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange movements on translation of foreign operations	**(34.7)**	(5.0)
Exchange movements on translation of non-controlling interests	**(0.1)**	–
Transfer of translation reserve on disposal of subsidiaries	**–**	(0.6)
Cash flow hedge transfers to income statement	**(0.1)**	(0.1)
Remeasurements of defined benefit pension schemes	**(0.1)**	–
Other comprehensive income/(loss) for the period, net of tax	**(35.0)**	(5.7)
Total comprehensive income for the period	**31.9**	63.9
Attributable to:		
Equity holders of the parent	**31.5**	63.8
Non-controlling interests	**0.4**	0.1
	31.9	63.9

Interim condensed consolidated balance sheet (unaudited)
As at 30 June 2025

	Note	**As at 30 June 2025 £m**	As at 30 June 2024 £m	As at 31 December 2024 £m
Assets				
Non-current assets				
Goodwill and intangible assets		**102.1**	113.3	111.2
Property, plant and equipment	11	**440.9**	461.7	461.4
Investments in joint ventures		**4.8**	3.9	4.8
Deferred tax assets		**46.2**	45.5	61.5
Other assets		**72.8**	76.8	88.3
		666.8	701.2	727.2
Current assets				
Inventories		**104.3**	91.5	81.6
Trade and other receivables		**794.7**	796.6	759.1
Current tax assets	8	**3.8**	6.3	5.9
Cash and cash equivalents	12	**156.6**	196.5	207.7
Assets held for sale	13	**1.1**	13.0	9.2
		1,060.5	1,103.9	1,063.5
Total assets		**1,727.3**	1,805.1	1,790.7
Liabilities				
Current liabilities				
Loans and borrowings		**(29.1)**	(88.6)	(27.5)
Current tax liabilities	8	**(11.9)**	(36.2)	(33.0)
Trade and other payables		**(605.9)**	(615.7)	(608.7)
Provisions		**(84.0)**	(68.9)	(85.2)
		(730.9)	(809.4)	(754.4)
Non-current liabilities				
Loans and borrowings		**(281.0)**	(306.9)	(307.1)
Retirement benefit liabilities	14	**(15.3)**	(16.0)	(15.2)
Deferred tax liabilities		**(9.3)**	(7.9)	(9.4)
Provisions		**(94.1)**	(86.4)	(89.3)
Other liabilities		**(18.0)**	(23.4)	(18.6)
		(417.7)	(440.6)	(439.6)
Total liabilities		**(1,148.6)**	(1,250.0)	(1,194.0)
Net assets		**578.7**	555.1	596.7
Equity				
Share capital	16	**7.3**	7.3	7.3
Share premium account		**38.1**	38.1	38.1
Capital redemption reserve	16	**7.6**	7.6	7.6
Translation reserve		**(18.5)**	24.2	16.2
Other reserve	16	**56.9**	56.9	56.9
Hedging reserve		**1.7**	1.6	1.8
Retained earnings		**482.2**	416.6	465.8
Equity attributable to equity holders of the parent		**575.3**	552.3	593.7
Non-controlling interests		**3.4**	2.8	3.0
Total equity		**578.7**	555.1	596.7

Interim condensed consolidated statement of changes in equity (unaudited)

For the half year ended 30 June 2025

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Translation reserve £m	Other reserve £m	Hedging reserve £m	Retained earnings £m	Non-controlling interests £m	Total equity £m
At 31 December 2024	**7.3**	**38.1**	**7.6**	**16.2**	**56.9**	**1.8**	**465.8**	**3.0**	**596.7**
Total comprehensive income for the period	**–**	**–**	**–**	**(34.7)**	**–**	**(0.1)**	**66.3**	**0.4**	**31.9**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(23.3)**	**–**	**(23.3)**
Purchase of own shares for ESOP trust	**–**	**–**	**–**	**–**	**–**	**–**	**(3.6)**	**–**	**(3.6)**
Purchase of own shares							**(25.2)**	**–**	**(25.2)**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**2.2**	**–**	**2.2**
At 30 June 2025	**7.3**	**38.1**	**7.6**	**(18.5)**	**56.9**	**1.7**	**482.2**	**3.4**	**578.7**

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Translation reserve £m	Other reserve £m	Hedging reserve £m	Retained earnings £m	Non-controlling interests £m	Total equity £m
At 31 December 2023	7.3	38.1	7.6	29.8	56.9	1.7	373.9	2.7	518.0
Total comprehensive income for the period	–	–	–	(5.6)	–	(0.1)	69.5	0.1	63.9
Dividends	–	–	–	–	–	–	(22.6)	–	(22.6)
Purchase of own shares for ESOP trust	–	–	–	–	–	–	(6.5)	–	(6.5)
Share-based payments	–	–	–	–	–	–	2.3	–	2.3
At 30 June 2024	7.3	38.1	7.6	24.2	56.9	1.6	416.6	2.8	555.1

Interim condensed consolidated cash flow statement (unaudited)

For the half year ended 30 June 2025

	Note	**30 June 2025 £m**	30 June 2024 £m
Cash flows from operating activities			
Profit before taxation		**87.4**	95.3
Non-underlying items		**5.3**	7.3
Finance income		**(2.8)**	(3.2)
Finance costs		**12.7**	13.8
Underlying operating profit	4	**102.6**	113.2
Depreciation/impairment of property, plant and equipment		**52.6**	53.9
Amortisation of intangible assets		**–**	0.1
Share of underlying post-tax results of joint ventures		**0.1**	0.5
Profit on sale of property, plant and equipment	11	**(3.9)**	(6.3)
Other non-cash movements (including charge for share-based payments)		**2.2**	2.5
Operating cash flows before movements in working capital and other underlying items		**153.6**	163.9
(Increase)/decrease in inventories		**(27.7)**	1.0
Increase in trade and other receivables		**(73.1)**	(75.9)
Increase in trade and other payables		**22.6**	72.4
Increase in provisions, retirement benefit and other non-current liabilities		**10.2**	10.0
Cash generated from operations before non-underlying items		**85.6**	171.4
Cash outflows from non-underlying items: contract dispute		**–**	(0.1)
Cash outflows from non-underlying items: ERP costs		**(3.4)**	(2.4)
Cash outflows from non-underlying items: restructuring costs		**(0.6)**	(2.5)
Cash generated from operations		**81.6**	166.4
Interest paid		**(8.0)**	(10.2)
Interest element of lease rental payments		**(3.2)**	(2.9)
Income tax paid		**(28.6)**	(34.4)
Net cash inflow from operating activities		**41.8**	118.9
Cash flows from investing activities			
Interest received		**3.0**	2.7
Proceeds from sale of property, plant and equipment		**9.2**	14.5
Proceeds from sale of other non-current assets		**2.7**	–
Acquisition of businesses, net of cash acquired		**(0.5)**	(0.7)
Disposal of businesses	6	**0.2**	(4.9)
Acquisition of property, plant and equipment	11	**(36.5)**	(37.6)
Net cash outflow from investing activities		**(21.9)**	(26.0)
Cash flows from financing activities			
Debt issuance costs		**(0.5)**	(3.2)
Repayment of borrowings		**(0.2)**	(0.1)
Payment of lease liabilities		**(15.1)**	(14.1)
Purchase of own shares for ESOP trust		**(3.6)**	(6.5)
Purchase of own shares	16	**(25.2)**	–
Dividends paid	9	**(23.3)**	(22.6)
Net cash outflow from financing activities		**(67.9)**	(46.5)
Net (decrease)/increase in cash and cash equivalents		**(48.0)**	46.4
Cash and cash equivalents at beginning of period		**207.7**	149.0
Effect of exchange rate movements		**(4.8)**	(1.2)
Cash and cash equivalents at end of period	12	**154.9**	194.2

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1. Corporate information

The interim condensed consolidated financial statements of Keller Group plc and its subsidiaries (collectively, the 'Group') for the half year period ended 30 June 2025 were authorised for issue in accordance with a resolution of the Directors on 04 August 2025.

Keller Group plc (the 'company') is a limited company, incorporated and domiciled in the United Kingdom, whose shares are publicly traded on the London Stock Exchange. The registered office is located at 2 Kingdom Street, London W2 6BD. The Group is principally engaged in the provision of specialist geotechnical engineering services.

2. Basis of preparation

The condensed financial statements included in this interim financial report have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2024. The interim report does not constitute statutory accounts. The financial information for the year ended 31 December 2024 does not constitute the Group's statutory financial statements for that period as defined in section 435 of the Companies Act 2006 but is instead an extract from those financial statements. The Group's financial statements for the year ended 31 December 2024 have been delivered to the Registrar of Companies. The auditor's report on those financial statements contained an unqualified opinion, did not draw attention to any matters by way of emphasis and did not contain any statement under section 498 of the Companies Act 2006. The annual financial statements for the year ended 31 December 2025 will be prepared in accordance with UK adopted international accounting standards.

The Group has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025 but does not have an impact on the interim condensed consolidated financial statements of the Group.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025.

Going concern

As part of the interim going concern review, management ran a series of downside scenarios on the latest forecast profit and cash flow projections to assess covenant headroom against available funding facilities for the period to 31 December 2026. This is a period of at least 12 months from when the interim financial statements are authorised for issue and aligns with the period in which the Group's banking covenants are tested.

This process involved constructing scenarios to reflect the Group's current assessment of its principal risks, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and uncertainties modelled by management align with those disclosed within the 2024 Annual Report and Accounts.

The following severe but plausible downside assumptions were modelled:

- Rapid downturn in the Group's markets resulting in up to a 10% decline in revenues.
- Ineffective execution of projects reducing profits by 1.5% of revenue.
- A combination of other principal risks and trading risks materialising together reducing profits by up to £28.2m over the period to 31 December 2026. These risks include changing environmental factors, costs of ethical misconduct and regulatory non-compliance, occurrence of an accident causing serious injury to an employee or member of the public, the cost of a product or solution failure and the impact of a previously unrecorded tax liability.
- Deterioration of working capital performance by 5% of six months' sales.

The financial and cash effects of these scenarios were modelled individually and in combination. The focus was on the ability to secure or retain future work and potential downward pressure on margins. Management applied sensitivities against projected revenue, margin and working capital metrics reflecting a series of plausible downside scenarios.

Even in the most extreme downside scenario modelled, including an aggregation of all risks considered, which showed a decrease in operating profit of 55.1%, the adjusted projections do not show a breach of covenants in respect of available funding facilities or any liquidity shortfall. Consideration was given to scenarios where covenants would be breached and the circumstances giving rise to these scenarios were considered extreme and remote.

This process allowed the Board to conclude that the Group will continue to operate on a going concern basis for the period through to the end of December 2026, a period of at least 12 months from when the interim financial statements are authorised for issue. Accordingly, the interim financial statements are prepared on a going concern basis. At 30 June 2025, the Group had undrawn committed and uncommitted borrowing facilities totalling £445.5m, comprising £400m of the unutilised portion of the revolving credit facility and undrawn uncommitted borrowing facilities of £45.5m, as well as cash and cash equivalents of £156.6m. At 30 June 2025, the Group's net debt to underlying EBITDA ratio (calculated on an IAS 17 covenant basis) was 0.2x, well within the limit of 3.0x.

Significant accounting judgements, estimates and assumptions

During the half year to 30 June 2025, there have not been any changes in the significant accounting judgements, estimates and assumptions disclosed in the 2024 Annual Report and Accounts.

The Group's policy is to test for goodwill impairment annually, or if there are major changes to events and circumstances which would indicate an impairment to the carrying value of goodwill for the cash-generating units (CGUs). For the half year to 30 June 2025, the Group has reviewed each of its CGUs for indicators of impairment in accordance with IAS 36. No indicators of impairment were identified during the period. The Group continues to monitor the performance of all CGUs, including the carrying value of goodwill in Norway, where trading during the period was impacted by the timing of project activity. However, based on current expectations, there is no evidence of a significant change in the long-term outlook that would require a full impairment review at this time.

3. Foreign currencies

The exchange rates used in respect of principal currencies are:

	Average for period			**Period end**		
	Half year to 30 June 2025	Half year to 30 June 2024	Year to 31 December 2024	**As at 30 June 2025**	As at 30 June 2024	As at 31 December 2024
US dollar	**1.30**	1.27	1.28	**1.37**	1.26	1.25
Canadian dollar	**1.83**	1.72	1.75	**1.87**	1.73	1.80
Euro	**1.19**	1.17	1.18	**1.17**	1.18	1.21
Singapore dollar	**1.72**	1.70	1.71	**1.75**	1.71	1.71
Australian dollar	**2.05**	1.92	1.94	**2.09**	1.90	2.02

4. Segmental analysis

In accordance with IFRS 8, the Group has determined its operating segments based upon the information reported to the Chief Operating Decision Maker. The Group comprises of three geographical divisions which have only one major product or service: specialist geotechnical services. North America, Europe and Middle East, and Asia-Pacific continue to be managed as separate geographical divisions. This is reflected in the Group's management structure and in the segment information reviewed by the Chief Operating Decision Maker.

	Half year to 30 June 2025		Half year to 30 June 2024	
	Revenue £m	**Operating profit £m**	Revenue £m	Operating profit £m
North America	**867.8**	**82.1**	883.8	105.8
Europe and Middle East	**408.3**	**14.6**	418.9	3.0
Asia-Pacific	**181.6**	**13.9**	187.1	11.1
	1,457.7	**110.6**	1,489.8	119.9
Central items and eliminations	**–**	**(8.0)**	–	(6.7)
Before non-underlying items	**1,457.7**	**102.6**	1,489.8	113.2
Non-underlying items (note 7)	**–**	**(5.3)**	–	(7.3)
	1,457.7	**97.3**	1,489.8	105.9

	As at 30 June 2025					
	Segment assets £m	**Segment liabilities £m**	**Capital employed £m**	**Capital additions £m**	**Depreciation and amortisation[2] £m**	**Tangible and intangible assets[3] £m**
North America	**911.6**	**(332.4)**	**579.2**	**18.4**	**28.1**	**316.1**
Europe and Middle East	**421.7**	**(282.1)**	**139.6**	**11.1**	**17.4**	**156.9**
Asia-Pacific	**154.3**	**(104.4)**	**49.9**	**7.0**	**5.5**	**66.5**
	1,487.6	**(718.9)**	**768.7**	**36.5**	**51.0**	**539.5**
Central items and eliminations[1]	**239.7**	**(429.7)**	**(190.0)**	**–**	**1.6**	**3.5**
	1,727.3	**(1,148.6)**	**578.7**	**36.5**	**52.6**	**543.0**

	As at 30 June 2024					
	Segment assets £m	Segment liabilities £m	Capital employed £m	Capital additions £m	Depreciation and amortisation[2] £m	Tangible and intangible assets[3] £m
North America	965.2	(344.4)	620.8	23.9	27.4	348.7
Europe and Middle East	393.0	(290.1)	102.9	9.6	19.0	153.7
Asia-Pacific	169.3	(104.6)	64.7	4.1	7.0	67.8
	1,527.5	(739.1)	788.4	37.6	53.4	570.2
Central items and eliminations[1]	277.6	(510.9)	(233.3)	–	0.6	4.8
	1,805.1	(1,250.0)	555.1	37.6	54.0	575.0

	As at 31 December 2024					
	Segment assets £m	Segment liabilities £m	Capital employed £m	Capital additions £m	Depreciation and amortisation[2] £m	Tangible and intangible assets[3] £m
North America	974.7	(357.7)	617.0	46.3	56.8	348.3
Europe and Middle East	380.4	(282.8)	97.6	28.2	36.2	151.8
Asia-Pacific	153.0	(100.5)	52.5	13.9	13.7	68.4
	1,508.1	(741.0)	767.1	88.4	106.7	568.5
Central items and eliminations[1]	282.6	(453.0)	(170.4)	—	2.1	4.1
	1,790.7	(1,194.0)	596.7	88.4	108.8	572.6

1 Central items include net debt and tax balances, which are managed by the Group.
2 Depreciation and amortisation excludes amortisation of acquired intangible assets.
3 Tangible and intangible assets comprise goodwill, intangible assets and property, plant and equipment.

5. Revenue

The Group's revenue is derived from contracts with customers. In the following table, revenue is disaggregated by primary geographical market, being the Group's operating segments (see note 4) and timing of revenue recognition:

	Half year to 30 June 2025			Half year to 30 June 2024		
	Revenue recognised on performance obligations satisfied over time £m	**Revenue recognised on performance obligations satisfied at a point in time £m**	**Total revenue £m**	Revenue recognised on performance obligations satisfied over time £m	Revenue recognised on performance obligations satisfied at a point in time £m	Total revenue £m
North America	**717.7**	**150.1**	**867.8**	707.5	176.3	883.8
Europe and Middle East	**408.3**	**–**	**408.3**	418.9	–	418.9
Asia-Pacific	**181.6**	**–**	**181.6**	187.1	–	187.1
	1,307.6	**150.1**	**1,457.7**	1,313.5	176.3	1,489.8

6. Acquisitions and disposals

Acquisitions

There were no acquisitions during the half year ended 30 June 2025 or 2024.

Disposals

There were no disposals during the half year ended 30 June 2025.

On 28 June 2024, the Group disposed of its South African operation, being 100% of the issued share capital of Keller Geotechnics SA (Pty) Ltd, for a cash consideration received of £2.3m (ZAR55m). A non-underlying loss on disposal of £0.8m (ZAR19.9m) was recognised. The business disposal cash outflow of £4.9m relates to the disposal of the cash held by the South African subsidiary on the disposal date of 28 June 2024. The sale proceeds of £2.3m were received in the first week of July 2024 and were therefore not reflected in the cash flow statement for the half year period to 30 June 2024.

7. Non-underlying items

Non-underlying items include items which are exceptional by their size and/or are non-trading in nature, including amortisation of acquired intangibles, restructuring costs and other non-trading amounts, including those relating to acquisitions and disposals. Tax arising on these items, including movement in deferred tax assets arising from non-underlying provisions, is also classified as a non-underlying item. These are detailed below.
As underlying results include the benefits of restructuring programmes and acquisitions but exclude significant costs (such as major restructuring costs and the amortisation of acquired intangible assets) they should not be regarded as a complete picture of the Group's financial performance, which is presented in its total statutory results. The exclusion of non-underlying items may result in underlying earnings being materially higher or lower than total statutory earnings. In particular, when significant impairments and restructuring charges are excluded, underlying earnings will be higher than total statutory earnings.

	Half year to 30 June 2025 £m	Half year to 30 June 2024 £m
ERP implementation costs	**(4.1)**	(2.5)
Exceptional restructuring costs	**(0.6)**	(3.3)
Loss on disposal of business	**–**	(0.8)
Non-underlying items in operating costs	**(4.7)**	(6.6)
Amortisation of acquired intangible assets	**(0.8)**	(1.5)
Change in fair value of contingent consideration	**–**	0.8
Contingent consideration received	**0.2**	–
Non-underlying items in other operating income	**0.2**	0.8
Total non-underlying items in operating profit and before taxation	**(5.3)**	(7.3)
Taxation	**0.8**	1.0
Total non-underlying items after taxation	**(4.5)**	(6.3)

Non-underlying items in operating costs

ERP implementation costs
The Group is continuing the strategic project to implement a new cloud computing enterprise resource planning (ERP) system across the Group. Due to the size, nature and incidence of the relevant costs expected to be incurred, the costs are presented as a non-underlying item, as they are not reflective of the underlying performance of the Group. As this is a complex implementation, project costs are expected to be incurred for a further three years. Non-underlying ERP costs of £4.1m (H1 2024: £2.5m) include only costs relating directly to the implementation, including external consultancy costs and the cost of the dedicated implementation team. Non-underlying costs does not include operational post-deployment costs such as licence costs for businesses that have transitioned.

Exceptional restructuring costs
Exceptional restructuring costs comprise £0.6m in respect of the Group's finance transformation project.

In 2024, the exceptional restructuring costs comprised £3.5m in respect of the Group's finance transformation project, which will move certain finance activities into internal shared service centres, and a £0.2m credit from a reduction in a restructuring provision recognised as a non-underlying cost in a prior period.

The Group exercises judgement in assessing whether restructuring items should be classified as non-underlying. This assessment covers the nature of the item, cause of the occurrence and scale of impact of that item on the reported performance. Typically, management will categorise restructuring costs incurred to exit a specific geography as non-underlying. In addition, restructuring programmes which are incremental to normal operations undertaken to add value to the business are included in non-underlying items.

Loss on disposal of business
The loss on disposal of business in the prior period arises from the Group's disposal of its South African operation in June 2024, resulting in a loss on disposal of £0.8m.

Amortisation of acquired intangible assets
Amortisation of acquired intangible assets of £0.8m relates to the amortisation charge on assets acquired in the RECON acquisition. The amortisation for the half year ended 30 June 2024 of £1.5m related to the RECON, Moretrench, GKM and NWF acquisitions.

Non-underlying items in other operating income

Change in fair value of contingent consideration
The non-underlying other operating income of £0.8m from a change in fair value of the contingent consideration in the prior period related to the GKM Consultants acquisition.

Contingent consideration received
The first instalment of contingent consideration of £0.2m in respect of the South African business disposal in 2024 was received in the period.

Non-underlying taxation
The credit relates to the tax benefit of amounts which are expected to be deductible for tax purposes.

8. Taxation

The effective tax rate on the Group's underlying profit of 23% (H1 2024: 26%) is calculated using management's best estimate of the average annual effective income tax rate expected for the full year. The average is calculated using the weighted average profit at jurisdictional rates which differ from the tax rate in the UK of 25%. The tax rate is in line with the full year rate for FY 2024 of 23%, reflecting the expected tax rate based on the forecasted full year profit mix across the Group.

The tax credit on non-underlying items has been calculated by assessing the tax impact of each component of the charge to the income statement in the interim accounts and applying the jurisdictional tax rate that applies to that item.

The decrease in deferred tax assets from 31 December 2024 to 30 June 2025 is largely as a result of the change in US law as enacted under the One Big Beautiful Bill Act which now allows for full expensing of R&D expenditure (previously R&D expenditure was required to be capitalised for tax purposes and amortised over five years). The deferred tax asset previously resulting from the capitalised R&D expenditure is expected to fully unwind over the next four years.

The Group is subject to taxation in over 40 countries worldwide and the risk of changes in tax legislation and interpretation from tax authorities in the jurisdictions in which it operates. The assessment of uncertain positions is subjective and subject to management's best judgement of the probability of the outcome in reaching agreement with the relevant tax authorities. Where tax positions are uncertain, provision is made where necessary based on interpretation of legislation, management experience and appropriate professional advice. Management does not expect the outcome of these estimates to be materially different from the position taken.

The UK government enacted Finance (No 2) Act 2023 on 11 July 2023, which includes the Pillar Two legislation introducing a multinational top-up tax and a domestic minimum top-up tax in line with the minimum 15% rate in the OECD's Pillar Two rules. The rules have applied to the Group since 1 January 2024. As Keller Group plc constitutes the ultimate parent entity ("UPE") of the entities consolidated within its consolidated financial statements, it is required to calculate the jurisdictional effective tax rates for the constituent entities within the Group in accordance with the multinational top-up tax rules. As the UPE, Keller Group plc will be required to pay a top-up tax in the UK on any excess profits, as defined, of its subsidiaries that are taxed at an effective rate of less than 15%. The UK legislation has also adopted the OECD's transitional Pillar Two safe harbour rules which, if applicable, will deem the top-up tax for a jurisdiction to be nil based on available Country-by-Country Reporting data.

The Group has performed an assessment of the potential exposure to multinational top-up tax, and specifically the application of the transitional safe harbour rules based on the actual performance to 31 May 2025 and the forecasted financial data for the balance of FY 2025 (i.e. the 5+7 forecast). Based on the assessment, the transitional safe harbour rules apply for most of the jurisdictions in which the Group operates. There are however a limited number of jurisdictions where the transitional safe harbour relief may not apply, and the effective tax rate is below the 15% threshold. The Group does not expect a material exposure to multinational top-up taxes for these jurisdictions.

The Group has applied the exemption in the amendments to IAS 12 (issued in May 2023) and has neither recognised nor disclosed information about deferred tax assets or liabilities relating to Pillar Two income taxes.

9. Dividends

Ordinary dividends on equity shares:

	Half year to 30 June 2025 £m	Half year to 30 June 2024 £m	Year to 31 December 2024 £m
Amounts recognised as distributions to equity holders in the period:			
Interim dividend for the year ended 31 December 2024 of 16.6p per share	**–**	–	12.0
Final dividend for the year ended 31 December 2024 of 33.1p per share	**23.3**	–	–
Final dividend for the year ended 31 December 2023 of 31.3p per share	**–**	22.6	22.6
	23.3	22.6	34.6

The 2024 final dividend of £23.3m was paid on 20 June 2025. The 2023 final dividend of £22.6m was paid on 25 June 2024.

In addition to the above, an interim ordinary dividend of 18.3p per share (H1 2024: 16.6p) will be paid on 12 September 2025 to shareholders on the register at 15 August 2025. This proposed dividend has not been included as a liability in these financial statements and will be accounted for in the period in which it is paid.

10. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

When the Group makes a profit, diluted earnings per share equals the profit attributable to equity holders of the parent divided by the weighted average diluted number of shares. When the Group makes a loss, diluted earnings per share equals the loss attributable to the equity holders of the parent divided by the basic average number of shares. This ensures that earnings per share on losses is shown in full and not diluted by unexercised share awards.

Basic and diluted earnings per share are calculated as follows:

	Underlying earnings attributable to the equity holders of the parent		Statutory earnings attributable to equity holders of the parent	
	Half year to 30 June 2025	Half year to 30 June 2024	**Half year to 30 June 2025**	Half year to 30 June 2024
Profit available for equity holders (£m)	**70.9**	75.8	**66.4**	69.5
Weighted average number of shares (m)[1]				
Basic number of ordinary shares outstanding	**71.1**	72.3	**71.1**	72.3
Effect of dilution from:				
Share options and awards	**1.2**	1.1	**1.2**	1.1
Diluted number of ordinary shares	**72.3**	73.4	**72.3**	73.4
Earnings per share				
Basic earnings per share (p)	**99.7**	104.8	**93.4**	96.1
Diluted earnings per share (p)	**98.1**	103.3	**91.8**	94.7

[1] The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year. The weighted average number of shares excludes those held in the Employee Share Ownership Plan Trust and those held in treasury, which for the purpose of this calculation are treated as cancelled.

11. Property, plant and equipment

Property, plant and equipment comprises owned and leased assets.

	As at 30 June 2025 £m	As at 30 June 2024 £m	As at 31 December 2024 £m
Property, plant and equipment – owned	**355.5**	370.0	371.5
Right-of-use assets – leased	**85.4**	91.7	89.9
	440.9	461.7	461.4

During the period to 30 June 2025, the Group acquired owned property, plant and equipment with a cost of £36.5m (30 June 2024: £37.6m; 31 December 2024: £89.0m). Right-of-use asset additions during the period were £9.4m (30 June 2024: £14.1m; 31 December 2024: £26.4m).

Owned assets with a net book value of £4.6m were disposed of during the half year to 30 June 2025 (30 June 2024: £8.2m; 31 December 2024: £13.8m), resulting in a net gain on disposal of £3.9m (30 June 2024: £6.3m; 31 December 2024: £12.8m).

12. Analysis of closing net debt

	As at 30 June 2025 £m	As at 30 June 2024 £m	As at 31 December 2024 £m
Bank balances	**114.0**	112.9	116.1
Short-term deposits	**42.6**	83.6	91.6
Cash and cash equivalents in the balance sheet	**156.6**	196.5	207.7
Bank overdrafts	**(1.7)**	(2.3)	–
Cash and cash equivalents in the cash flow statement	**154.9**	194.2	207.7
Bank and other loans	**(215.3)**	(294.5)	(236.6)
Lease liabilities	**(93.1)**	(98.7)	(98.0)
Closing net debt	**(153.5)**	(199.0)	(126.9)

Cash and cash equivalents include £7.2m (30 June 2024: £6.8m, 31 December 2024: £5.0m) of the Group's share of cash and cash equivalents held by joint operations.

13. Assets held for sale

	As at 30 June 2025 £m	As at 30 June 2024 £m	As at 31 December 2024 £m
Assets held for sale	**1.1**	13.0	9.2

At 30 June 2025, assets held for sale comprised of various cranes and equipment in Saudi Arabia costing £1.0m and various cranes and equipment in Australia costing £0.1m. During the period, assets previously classified as held for sale with a carrying amount of £4.5m were reclassified back to property, plant and equipment, as the criteria for classification as held for sale were no longer met. This included £3.8m comprising four rigs in Keller Arabia, and the residual balance held in Keller Austral.

14. Retirement benefit liabilities

The Group operates pension schemes in the UK and overseas, including a defined benefit scheme in the UK. The Group also has defined benefit retirement obligations in Germany and Austria and a number of end of service schemes in the Middle East that follow the same principles as a defined benefit scheme. For further information on the Group's pension schemes, refer to note 33 of the Group's financial statements for the year ended 31 December 2024.

The Group's net defined benefit liabilities as at 30 June 2025 were £15.3m (30 June 2024: £16.0m; 31 December 2024: £15.2m). The net charge to the income statement was £nil (30 June 2024: £0.1m) and no significant actuarial change was recognised in the comprehensive income during the period to 30 June 2025 (30 June 2024: £nil).

The net defined liability for the Keller Group Pension Scheme in the UK as at 30 June 2025 was £nil (30 June 2024: £0.2m; 31 December 2024: £nil), being the minimum funding requirement, calculated using the agreed contributions.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation notice. The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court's decision. The Keller Group Pension Scheme was contracted out of the additional state pension between 1997 and 2016. Following a review of the scheme amendments during the relevant period, the Group has not identified any amendments where further investigation is required as a result of that Court of Appeal judgement.

15. Financial assets and financial liabilities

Set out below is an overview of financial assets and liabilities held by the Group:

	As at 30 June 2025 £m	As at 30 June 2024 £m	As at 31 December 2024 £m
Financial assets measured at fair value through profit or loss			
Non-qualifying deferred compensation plan	**19.3**	22.0	23.2
Financial assets measured at amortised cost			
Trade receivables	**559.1**	593.3	575.1
Contract assets	**154.8**	135.2	119.2
Cash and cash equivalents	**156.6**	196.5	207.7
Financial liabilities at fair value through profit or loss			
Contingent consideration payable	**(2.4)**	(8.5)	(3.2)
Forward contracts	**(0.4)**	(0.3)	(0.7)
Financial liabilities measured at amortised cost			
Deferred consideration payable	**–**	(0.6)	–
Trade payables	**(183.6)**	(199.7)	(168.0)
Contract liabilities	**(92.3)**	(119.6)	(115.2)
Bank and other loans and bank overdrafts	**(217.0)**	(296.8)	(236.6)
Lease liabilities	**(93.1)**	(98.7)	(98.0)

Fair values

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values. The following summarises the major methods and assumptions used in estimating the fair values of financial instruments, being derivatives, interest-bearing loans and borrowings, contingent and deferred consideration and payables, receivables and contract assets, cash and cash equivalents.

Contingent and deferred consideration
Fair value is calculated based on the amounts expected to be paid, determined by reference to forecasts of future performance of the acquired businesses discounted using appropriate discount rates prevailing at the balance sheet date and the probability of contingent events and targets being achieved. The valuation methods of the Group's contingent consideration carried at fair value are categorised as Level 3. Level 3 assets are financial assets and liabilities that are considered to be the most illiquid. Their values have been estimated using available management information including subjective assumptions. There are no individually significant unobservable inputs used in the fair value measurement of the Group's contingent consideration as at 30 June 2025.

On 29 August 2023, the Group acquired the 35% interest in the voting shares of Keller Turki Company Limited. A contingent consideration is payable annually until 2027, dependent on the qualifying revenue generated by the business for each of those years. During the period to 30 June 2025, £0.5m (30 June 2024: £0.7m; 31 December 2024: £0.7m) contingent consideration was paid.

During the period to 30 June 2024, the contingent consideration relating to the acquisition of GKM Consultants Inc. of £0.8m was released.

Payables, receivables and contract assets
For payables, receivables and contract assets with an expected maturity of one year or less, the carrying amount is deemed to reflect the fair value.

Non-qualifying deferred compensation plan
The value of both the employee investments and those held in trust by the company are measured using Level 1 inputs per IFRS 13 ('quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date') based on published market prices at the end of the period. Adjustments to the fair value are recorded within net finance costs in the consolidated income statement. Refer to note 18 of the Group's financial statements for the year ended 31 December 2024 for further information on the non-qualifying deferred compensation plan.

16. Share capital and reserves

	As at 30 June 2025 £m	As at 30 June 2024 £m	As at 31 December 2024 £m
Allotted, called up and fully paid equity share capital			
73,099,735 ordinary shares of 10p each			
(30 June 2024 and 31 December 2024: 73,099,735)	**7.3**	7.3	7.3

The company has one class of ordinary shares, which carries no rights to fixed income. There are no restrictions on the transfer of these shares.

The capital redemption reserve of £7.6m is a non-distributable reserve created when the company's shares were redeemed or purchased other than from the proceeds of a fresh issue of shares.

The other reserve of £56.9m is a non-distributable reserve created when merger relief was applied to an issue of shares under section 612 of the Companies Act 2006 to part-fund the acquisition of Keller Canada. The reserve becomes distributable should Keller Canada be disposed of.

At 30 June 2025, the total number of shares held in treasury was 1,811,768 (30 June 2024: 123,153; 31 December 2024: 123,153). Following the share buyback programme launched on 31 March 2025, 1,694,970 shares have been purchased (£25.2m), which are held in treasury and have not been cancelled. Additionally, 6,355 shares were issued to satisfy vested share awards.

During the period to 30 June 2025, 253,175 ordinary shares were purchased by the Keller Group Employee Benefit Trust (30 June 2024: 422,863), to be used to satisfy future obligations of the company under the Keller Group plc Long Term Incentive Plan, and 654,533 shares were utilised to satisfy the obligation in the period (30 June 2024: 250,736). This brings the total number of ordinary shares held by the Keller Group Employee Benefit Trust to 1,163,322 (30 June 2024: 709,298). The cost of the market purchases in the period was £3.6m (30 June 2024: £6.5m).

17. Related party transactions

Transactions between the parent, its subsidiaries and joint operations, which are related parties, have been eliminated on consolidation.
There are no other material related party transactions.

18. Post balance sheet events

There were no material post balance sheet events between the balance sheet date and the date of this report.

Adjusted performance measures

The Group's results as reported under International Financial Reporting Standards (IFRS) and presented in the interim condensed consolidated financial statements (the 'statutory results') are significantly impacted by movements in exchange rates relative to sterling, as well as by exceptional items and non-trading amounts including those relating to acquisitions and disposals.

Adjusted performance measures have been used throughout this report to describe the Group's underlying performance. The Board and Executive Committee use these adjusted measures to assess the performance of the business as they consider them more representative of the underlying ongoing trading result and allow more meaningful comparison to prior periods.

Underlying measures

The term 'underlying' excludes the impact of items which are exceptional by their size and/or are non-trading in nature, including amortisation of acquired intangible assets and other non-trading amounts relating to acquisitions and disposals (collectively 'non-underlying items'), net of any associated tax. Underlying measures allow management and investors to compare performance without the potentially distorting effects of one-off items or non-trading items. Non-underlying items are disclosed separately in the interim financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group.

Constant currency measures

The constant currency basis ('constant currency') adjusts the comparative to exclude the impact of movements in exchange rates relative to sterling. This is achieved by retranslating the 2024 results of overseas operations into sterling at the 2025 average exchange rates.

A reconciliation between the underlying results and the reported statutory results is shown on the face of the condensed consolidated income statement, with non-underlying items detailed in note 7. A reconciliation between the 2024 underlying result to the 2024 constant currency result is shown below and compared to the underlying 2025 performance:

Revenue by segment

	Statutory 2025	Statutory 2024	Impact of exchange movements 2024	Constant currency 2024	**Statutory change**	**Constant currency change**
	£m	£m	£m	£m	**%**	**%**
North America	**867.8**	883.8	(22.9)	860.9	**-2%**	**+1%**
Europe and Middle East	**408.3**	418.9	(7.1)	411.8	**-3%**	**-1%**
Asia-Pacific	**181.6**	187.1	(10.7)	176.4	**-3%**	**+3%**
Group	**1,457.7**	1,489.8	(40.7)	1,449.1	**-2%**	**+1%**

Underlying operating profit by segment

	Underlying 2025	Underlying 2024	Impact of exchange movements 2024	Constant currency 2024	**Underlying change**	**Constant currency change**
	£m	£m	£m	£m	**%**	**%**
North America	**82.1**	105.8	(2.5)	103.3	**-22%**	**-21%**
Europe and Middle East	**14.6**	3.0	(0.3)	2.7	**+387%**	**+441%**
Asia-Pacific	**13.9**	11.1	(0.9)	10.2	**+25%**	**+36%**
Central items	**(8.0)**	(6.7)	–	(6.7)	**+19%**	**+19%**
Group	**102.6**	113.2	(3.7)	109.5	**-9%**	**-6%**

Underlying operating margin

Underlying operating margin is underlying operating profit as a percentage of revenue.

Other adjusted measures

Where not presented and reconciled on the face of the interim condensed consolidated income statement, balance sheet or cash flow statement, the adjusted measures are reconciled to the IFRS statutory numbers below:

EBITDA (statutory)

	30 June 2025 £m	30 June 2024 £m
Underlying operating profit	**102.6**	113.2
Depreciation and impairment of owned property, plant and equipment	**37.1**	39.0
Depreciation and impairment of right-of-use assets	**15.5**	14.9
Amortisation of intangible assets	**–**	0.1
Underlying EBITDA	**155.2**	167.2
Non-underlying items in operating costs	**(4.7)**	(6.6)
Non-underlying items in other operating income	**0.2**	0.8
EBITDA	**150.7**	161.4

EBITDA (IAS 17 covenant basis)

	30 June 2025 £m	30 June 2024 £m
Underlying operating profit	**102.6**	113.2
Depreciation and impairment of owned property, plant and equipment	**37.1**	39.0
Depreciation and impairment of right-of-use assets	**15.5**	14.9
Legacy IAS 17 operating lease charges	**(18.5)**	(17.2)
Amortisation of intangible assets	**–**	0.1
Underlying EBITDA	**136.7**	150.0
Non-underlying items in operating costs	**(4.7)**	(6.6)
Non-underlying items in other operating income	**0.2**	0.8
EBITDA	**132.2**	144.2

Net finance costs

	30 June 2025 £m	30 June 2024 £m
Finance income	**(2.8)**	(3.2)
Finance costs	**12.7**	13.8
Net finance costs (statutory)	**9.9**	10.6
Finance charge on lease liabilities[1]	**(3.2)**	(2.9)
Lender covenant adjustments	**–**	0.1
Net finance costs (IAS 17 covenant basis)	**6.7**	7.8

1 Excluding legacy IAS 17 finance leases.

Net capital expenditure

	30 June 2025 £m	30 June 2024 £m	31 December 2024 £m
Acquisition of property, plant and equipment	**36.5**	37.6	89.0
Acquisition of intangible assets	**–**	–	–
Proceeds from sale of property, plant and equipment	**(9.2)**	(14.5)	(29.0)
Net capital expenditure[1]	**27.3**	23.1	60.0

1 Net capital expenditure excludes right-of-use assets.

Net debt

	30 June 2025 £m	30 June 2024 £m	31 December 2024 £m
Current loans and borrowings	**29.1**	88.6	27.5
Non-current loans and borrowings	**281.0**	306.9	307.1
Cash and cash equivalents	**(156.6)**	(196.5)	(207.7)
Net debt (statutory)	**153.5**	199.0	126.9
Lease liabilities[1]	**(92.0)**	(98.3)	(97.4)
Net debt (IAS 17 covenant basis)	**61.5**	100.7	29.5

1 Excluding legacy IAS 17 finance leases.

Leverage ratio

The leverage ratio is calculated as net debt to underlying EBITDA.

Statutory	**30 June 2025 £m**	30 June 2024 £m	31 December 2024 £m
Net debt	**153.5**	199.0	126.9
Underlying EBITDA (last 12 months)	**309.4**	339.2	321.4
Leverage ratio (x)	**0.5**	0.6	0.4

IAS 17 covenant basis	**30 June 2025 £m**	30 June 2024 £m	31 December 2024 £m
Net debt	**61.5**	100.7	29.5
Underlying EBITDA (last 12 months)	**273.8**	304.9	287.1
Leverage ratio (x)	**0.2**	0.3	0.1

Order book

The Group's disclosure of its order book is aimed to provide insight into its backlog of work and future performance. The Group's order book is not a measure of past performance and therefore cannot be derived from its financial statements. The Group's order book comprises the unexecuted elements of orders on contracts that have been awarded. Where a contract is subject to variations, only secured variations are included in the reported order book.

IFRS 16 gearing

	30 June 2025 £m	30 June 2024 £m	31 December 2024 £m
Net debt (statutory)	**153.5**	199.0	126.9
Net assets	**578.7**	555.1	596.7
Gearing	**27%**	36%	21%

Free cash flow

The calculation of free cash flow is set out in the Chief Financial Officer's section of the Strategic report and is reconciled to movements in the consolidated cash flow statement and other movements in net debt as set out below.

	30 June 2025 £m	30 June 2024 £m	31 December 2024 £m
Net cash inflow from operating activities	**41.8**	118.9	265.9
Net cash outflow from investing activities	**(21.9)**	(26.0)	(57.7)
Exclude:			
Cash inflows from non-underlying items – contract dispute	**–**	0.1	(1.4)
Cash inflows from non-underlying items – ERP costs	**3.4**	2.4	4.9
Cash inflows from non-underlying items – restructuring costs	**0.6**	2.5	4.9
Acquisition of subsidiaries, net of cash acquired	**0.5**	0.7	0.9
Disposal of subsidiaries	**(0.2)**	4.9	2.6
Include:			
Increase in net debt from new leases	**(9.4)**	(14.2)	(26.4)
Increase in net debt from amortisation of deferred finance costs	**(0.5)**	(0.7)	(1.1)
Free cash flow	**14.3**	88.6	192.6