Morgan Sindall issues dividend hike as annual revenue hits record

UK construction and regeneration group Morgan Sindall has announced record results for the year ending 31 December 2024.

The group saw a 10% rise in revenue to £4.55bn, while adjusted operating profit climbed 15% to reach £162.6m, as reported by City AM.

Adjusted profit before tax also increased by 19% to £172.5m, with adjusted earnings per share growing 13% to 278.8p. The company's net cash position improved to £492m.

Following these strong results, Morgan Sindall boosted its total dividend by 15% to 131.5p per share.

The firm, which offers construction, fit-out, property services, and urban regeneration for both public and private sector projects, reported a 28% expansion in its secured order book to £11.4bn.

This growth was largely driven by its Mixed Use Partnerships arm, which saw a 62% increase in secured orders to £6.3bn. The Fit Out division also experienced a 31% boost in its order book to £1.4bn.

Partnership Housing recorded an 18% increase in operating profit to £36.1m, with revenue up three per cent to £861m. Mixed Use Partnerships maintained steady revenue, though operating profit declined to £1.5m due to project completion phasing.

However, its secured order book grew by 124% to £4.1bn. The Fit Out division delivered a robust performance, with operating profit up 38% to £99m and revenue up 18% to £1.3bn.

The construction sector delivered robust performance for the company, with an eight per cent increase in revenue to £1.04bn and a notable 19 per cent climb in operating profit to £30.9m, aligning with its medium-term aspirations.

Infrastructure services also witnessed considerable growth, posting an 18 per cent rise in revenue to £1.05bn.

Operating profit reached £38.5m, even amidst project schedule fluctuations.

John Morgan, Morgan Sindall's chief executive, expressed his delight at the year's outcomes: "2024 was another record year, reflecting the high quality of our diverse operations and the commitment of our people. We achieved double-digit growth in adjusted profit before tax and increased the full-year dividend by 15 per cent, supported by our strong order book."

He commended the strategic advances and operational enhancements across the company, which position them favourably for aiding government initiatives: "Throughout the year, we made significant strategic and operational progress across the group and remain well positioned to support the government's affordable home and social infrastructure plans over the medium term."

Morgan then underscored the financial health of the firm and how it enables prudent decision-making for sustainable growth and shareholder returns: "As a result, we have upgraded medium-term targets for four out of six of the group's divisions. Our balance sheet, supported by a substantial average daily cash position, allowed us to make the right decisions to drive long-term sustainable growth while also supporting returns to shareholders."

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