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J. Murphy & Sons Limited
(“Murphy”, “the Group” or “the business”)

Sustained progress against strategic objectives with steady, incremental financial growth

J. Murphy & Sons Limited, a leading specialist engineering and construction company, announces financial results for the year ended 31 December 2021.

Financial and Operational Highlights

- Total Group revenue up 14% in 2021 to £1,270.0m (2020: £1,114.0m), driven by strengthened relationships with key clients across the UK, Ireland and Canada
- Year-on-year increase in underlying operating profit up 67% to £21.7m (2020: £13.0m) with strong contributions from all sectors of the business
- Group net assets increased by 20% during the year to £248.6m (2020: £206.6m) due to strong operating performance and improvements in property valuations
- Solid improvement in net cash reserves at £216.6m (2020: £173.8m), an increase of £42.8m
- Succession of contract wins across all areas of the business driven by the Group’s self-delivery model and the ongoing focus on its core sectors of energy, transport, water, and construction and property
- Increased total global headcount from 3,449 to 3,579, including the appointment of 46 graduates and 68 apprentices as well as 66% of Kickstarters accepting a role or apprenticeship

Sustainability Highlights

- Ongoing delivery against the Group’s sustainability roadmap as part of our “Greener Murphy” climate action strategy:
 - o £21.5m invested in environmentally friendly plant including electric, hybrid and hydrogen powered equipment, helping to deliver a 30% reduction in fuel usage year-on-year
 - o 98.2% of waste now diverted from landfill through a focus on resource productivity, generating less waste and energy usage
 - o More than 10,000 trees planted or preserved as part of the Murphy Roots campaign
 - o Renewable energy now being used for all UK office locations with a plan in place for 100% renewable energy usage across the business by 2025
 - o Renewed commitment to biodiversity, contributing to the Building and Infrastructure section of DEFRA’s Council for Sustainable Business handbook

Outlook

- Despite wider market challenges, Murphy has delivered a positive start to 2022 with a robust order book of £2.239bn at year-end, up 28% on the previous year and providing strong visibility over the coming years
- Ongoing growth plans remain focused on a disciplined and sustained approach to broadening capabilities in chosen sectors and delivering value for all stakeholders

Commenting on the results, CEO John Murphy said;

“These results reflect the strengthening resilience across the Group and the benefits of actions we have taken in recent years to improve contract selectivity, enhance relationships with our key client base, and to focus on generating a strong cash position.

“We have made significant progress during 2021 in delivering against our ‘Greener Murphy’ climate action strategy and in supporting our clients on the journey to net zero, with continued investment in our operating model, enabling future transitional benefits to be achieved.

“The quality of our people, client base and the delivery of our secured workload, together with maintaining discipline in contract selectivity irrespective of economic conditions, remains core to our ongoing success. At the year end, we had a high quality and growing order book of more than £2.239bn, up 28% from the previous year, giving us an exciting pipeline of opportunities which underpin our confidence for the years to come, as we look to deliver on our ambition of being the leading family-owned construction business.”

2021 Overview

Safeguards put in place to protect colleagues, clients and projects in the immediate aftermath of the pandemic in 2020 meant that Murphy was able to continue to deliver with minimal disruption to the business during 2021.

While the year started against a difficult backdrop of ongoing restrictions as a result of COVID-19, Murphy’s renewed focus on our core sectors of energy, transport, water, and construction and property meant that the Group was able to successfully navigate the challenges presented by the pandemic.

Total Group revenue during 2021 increased by 14% to £1270.0m (2020: £1,114.0m), driven by a succession of contract wins across the business alongside strengthened relationships with key clients across the UK, Ireland and Canada.

The business delivered a year-on-year increase in underlying operating profit up 67% to £21.7m (2020: £13.0m) with strong contributions from across all sectors and markets. 2021 also saw the business generate a solid improvement in net cash reserves at £216.6m (2020: £173.8m), an increase of £42.8m as we maintained our strong commercial disciplines.

Sustainability

The Group made strong progress against the sustainability roadmap outlined last year in its inaugural climate action strategy, “Greener Murphy”.

During 2021, Murphy invested £21.5m in environmentally friendly plant including electric, hybrid and hydrogen powered equipment which helped to deliver a 30% reduction in fuel usage year on year.

Alongside this, our focus on waste management throughout the year means that 98.2% of our waste is now diverted from landfill through our focus on resource productivity, generating less waste and energy usage. Longer term, we remain committed to our 2025 target of delivering zero waste to landfill, increasing our commitment to a circular economy.

As part of this commitment, renewable energy is now being used for all UK office locations with a plan in place for 100% renewable energy usage across the business by 2025.

Separately, more than 10,000 trees were planted or preserved during 2021 as part of the Murphy Roots campaign, while the Group also renewed its commitment to biodiversity and developing a “nature positive” business ethos, contributing to the Building and Infrastructure section of DEFRA’s Council for Sustainable Business handbook.

People

We successfully grew the Murphy team and invested in our colleagues during 2021, increasing our total global headcount from 3,449 to 3,579. This included 46 graduates and 68 apprentices as well as 66% of Kickstarters accepting a role or apprenticeship with us. We also reduced the accident frequency rate from 0.06 in 2020 to 0.04 in 2021.

Alongside this, following a survey by Best Companies, a leading employee engagement specialist, we were delighted to be recognised as the UK's 20th Best Big Company to Work For, and 6th in Construction and Engineering.

John Murphy also became chair of the first National Prison Advisory Board, and, working with Her Majesty's Prison Service, the Group is now rolling out a long-term, sustainable training and employment programme designed to give prison leavers a second chance. The recruitment of prison leavers is now a core part of Murphy's ongoing talent pipeline, with a commitment to recruit in skills shortage areas.

Current trading

Despite wider market challenges, Murphy has delivered a positive start to 2022 with a robust order book of £2.239bn at year-end, up 28% on the previous year and providing us with strong visibility over the coming years.

While we are mindful of the well-publicised headwinds facing the global economy, the focus and commitment of our employees, as well as the resilience of our business model, the support of our partners and the quality of our client relationships, means that Murphy is well placed to deliver on its sustainable growth plans.

Furthermore, as the global energy sector shifts from fossil-based systems of production and consumption to renewable energy sources, Murphy is seeing increasing opportunities to support all its customers to deliver net carbon zero through the energy transition.

Outlook and strategy

The Group's strategy remains consistent, supporting Murphy's vision to be the leading family-owned construction business in the three geographies in which we work when we celebrate our 75th anniversary in 2026.

The strategy is founded on our people and social value, collaboratively working with our clients, being safe and sustainable, driving continuous improvement in delivery excellence, and enabling consistently strong financial performance.

Although the general economic backdrop remains challenging in the face of supply chain and inflationary pressures as well as wider materials shortages, the performance of the Group in 2021, alongside our strong start to 2022, means that Murphy remains confident in delivering on these longer-term ambitions.

-ENDS-

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Notes to Editors:

J. Murphy & Sons Limited is a leading global, specialist engineering and construction company founded in 1951 that improves lives by delivering world-class infrastructure.

Operating in the United Kingdom, Ireland and Canada, Murphy provides better engineered solutions to infrastructure sectors including transportation; water; power; natural resources; and construction & property. Headquartered in London, we

also have a number of related businesses – Ground Engineering; Utility Connections; Murphy Plant; Highways & Streetworks; Murphy Process Engineering; Pipeline Testing Services; Specialist Welding Services; and Electrical Services. We are specialists in delivering pipelines, design, marine, structural steel, tunnelling, fabrication, bridges and piling, and invest heavily in our substantial holding of plant, equipment and facilities.

Murphy employs over 3,500 engineers, professional managers and skilled operatives around the world. Together, we work as ‘One Murphy’ by directly delivering the people, plant and expertise needed to make projects a success.

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