# Morgan Sindall shares surge as Fit Out division drives profits beyond expectations



Shares in Morgan Sindall surged by over 15 per cent following an announcement that its annual pre-tax profits are set to significantly surpass previous expectations. The construction group attributed this upbeat forecast primarily to strong trading activity within its Fit Out division, which includes Morgan Lovell and Overbury, along with robust performance in its construction segment where revenue is beating targets and operating margins remain within the desired range of 3 to 3.5 per cent. Other business segments are expected to perform broadly in line with prior estimates.

The impressive share price jump made Morgan Sindall the standout performer in the FTSE 250, with its stock climbing to £44.40, marking an extraordinary increase of around 72 per cent over the past year and more than tripling in value over the last five years. Founded in 1977, the group has established itself as a key player in residential builds, office renovations, and public infrastructure projects including railways, roads, and sewage systems. Notable projects have encompassed the Thames Tideway Tunnel, the Northumberland Line rail link, and the regeneration of Plymouth city centre.

Post-pandemic, Morgan Sindall has notably capitalised on a surge in demand for office retrofitting. This trend is driven by a "flight-to-quality" among major corporations seeking to create more employee-friendly and energy-efficient workspaces in compliance with tightening environmental regulations. The company has secured significant fit-out contracts this year from leading law firms such as Allen & Overy, Shearman & Sterling, Latham & Watkins, and Travers Smith. Additionally, professional services firm PwC, fintech platform Wise, and financial institutions including Standard Chartered and Lloyds Banking Group have engaged Morgan Sindall’s services. The group also won contracts to refurbish the roof of London's Liverpool Street station and completed several other key infrastructure and building projects, including new healthcare and fire station facilities.

Morgan Sindall’s latest full-year results underline this robust performance, with turnover rising 10 per cent to £4.55 billion and operating profits growing 15 per cent to £162.6 million. Profit before tax surged 19 per cent to £172.5 million, while adjusted earnings per share increased by 13 per cent to 278.8p. The firm also improved its net cash position substantially to £492 million and rewarded shareholders by raising its total dividend by 15 per cent to 131.5p per share.

The positive momentum at Morgan Sindall has attracted market and analyst attention amidst broader industry activity. Following the strong results, non-executive director Rosalind Morgan sold shares worth £1.1 million for tax planning purposes. This move is reflective of a wider pattern in the construction sector, where senior figures at companies such as Balfour Beatty, Galliford Try, and Foresight Group have engaged in significant share sales ahead of anticipated tax changes. Despite challenges faced since its 2021 stock market debut, Foresight Group executives have maintained confidence, with analysts suggesting its shares remain undervalued.

Industry analysts, including Andrew Nussey of Peel Hunt, have noted Morgan Sindall’s solid performance across its core construction markets and expect the Fit Out division to sustain near-term outperformance despite some anticipated medium-term normalisation in revenues and margins.

Morgan Sindall’s blend of infrastructure expertise, strong client relationships, and strategic positioning in the office retrofit market appears to be driving a period of record financial success, supported by a healthy order book and diversified revenue streams. This bodes well for the group’s prospects as it navigates ongoing economic and regulatory challenges in construction and property markets.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/money/markets/article-14820417/Morgan-Sindall-shares-soar-construction-group-ups-profit-forecast.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[3]](https://www.morgansindall.com/investors/latest-results), [[4]](https://www.morgansindall.com/investors/latest-results), [[5]](https://www.morgansindall.com/investors/latest-results), [[6]](https://www.morgansindall.com/investors/latest-results), [[7]](https://www.morgansindall.com/investors/latest-results)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/money/markets/article-14820417/Morgan-Sindall-shares-soar-construction-group-ups-profit-forecast.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[3]](https://www.morgansindall.com/investors/latest-results), [[4]](https://www.morgansindall.com/investors/latest-results)
* Paragraph 3 – [[1]](https://www.dailymail.co.uk/money/markets/article-14820417/Morgan-Sindall-shares-soar-construction-group-ups-profit-forecast.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
* Paragraph 4 – [[1]](https://www.dailymail.co.uk/money/markets/article-14820417/Morgan-Sindall-shares-soar-construction-group-ups-profit-forecast.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[3]](https://www.morgansindall.com/investors/latest-results), [[4]](https://www.morgansindall.com/investors/latest-results), [[5]](https://www.morgansindall.com/investors/latest-results)
* Paragraph 5 – [[2]](https://www.ft.com/content/c3411b25-7c76-42a4-b3e1-000ed470d4ff)
* Paragraph 6 – [[1]](https://www.dailymail.co.uk/money/markets/article-14820417/Morgan-Sindall-shares-soar-construction-group-ups-profit-forecast.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.ft.com/content/c3411b25-7c76-42a4-b3e1-000ed470d4ff)

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## Bibliography

1. <https://www.dailymail.co.uk/money/markets/article-14820417/Morgan-Sindall-shares-soar-construction-group-ups-profit-forecast.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.ft.com/content/c3411b25-7c76-42a4-b3e1-000ed470d4ff> - Morgan Sindall's shares reached an all-time high following a robust trading update, predicting full-year results significantly above expectations. Increased activity across various sectors, particularly in fit-out, drove this success. Subsequently, Rosalind Morgan sold shares worth £1.1 million for tax planning reasons. Other contractors also saw significant share sales ahead of proposed tax changes, with notable transactions from figures related to Balfour Beatty and Galliford Try. In related news, Foresight Group's executives, including heads of infrastructure and private equity, sold substantial shares as market confidence grew. Despite challenges since its 2021 listing, analysts argue Foresight is undervalued, predicting a potential price uplift.
3. <https://www.morgansindall.com/investors/latest-results> - Morgan Sindall Group plc reported record results for the year ending 31 December 2024. The group recorded a 10 per cent increase in revenue to £4.55bn, while adjusted operating profit rose 15 per cent to £162.6m. Adjusted profit before tax grew by 19 per cent to £172.5m, with adjusted earnings per share up 13 per cent to 278.8p. The company’s net cash position improved to £492m. Off the back of the numbers, Morgan Sindall increased its total dividend by 15 per cent to 131.5p per share.
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