

# Progressive Property & Construction Daily



26 April 2022: TW., BILN, SRC, LORD

## A round-up of market statements, news, economics and views from the property and construction sectors

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## Company news

### **Taylor Wimpey** (TW., 128p, £4,600m mkt cap)

UK number two housebuilder by volume. *Guidance:* “Trading is in line with expectations and we remain on track to deliver against our guidance set out at our 2021 full year results in March”. *Current trading:* net private sales rate for the year to 17 April 2022, 0.96 (2021 equivalent period, 1.00); cancellation rate, 14% (14%). As at 17 April 2022, total orders +5.8%, c. £2,972m (total homes, excluding legal completions to date, -0.3%, 10,957. “The UK housing market remains healthy. The recent increase in interest rates has not impacted customer appetite and the mortgage market remains competitive. We continue to see healthy levels of house price growth reflecting the strength of the market, that are offsetting labour and material cost inflation. We continue to make good progress on our priorities, including improving operating profit margin and opening new outlets to enable material volume growth in 2023. Our focus remains on delivering our operating profit margin target of 21-22% and we expect to see further progress towards this in 2022”. *Outlook:* “Despite the uncertainties, demand for new housing has remained resilient, demonstrating a high level of underlying demand for our homes. We continue to make progress towards our operational targets and remain confident of delivering enhanced shareholder returns”. Seminar for investors and analysts, 25 May, London.

### **Billington Holdings** (BILN, 223p, £229m)

UK structural steel fabrication and construction group. FY (Dec) results. Rev +25%, £82.7m; u-lying PBT, -24%, £1.3m; stat. PBT -88%, £0.2m; u-lying EPS -28%, 8.1p; div -29%, 3.0p; net cash, £9.4m (FY 20, £13.9m). Trading: "2021 was a year of partial recovery for our markets as the worst effects of the Covid-19 pandemic abated. However, the Group continued to face challenges from the continuing impact of the Covid-19 pandemic, raw material price increases, together with supply constraints for certain materials and labour. Despite these challenges we operated our facilities at full utilisation and remained profitable". *Outlook*: "The market remains challenging, but significant contracts secured for 2022, with a good pipeline of further opportunities. Whilst the market remains competitive, and market conditions and the macroeconomic environment remain challenging, Billington's order book continues at a consistently high level, comprising both delayed and new projects, and the group has good visibility of significant further prospects. [We] anticipate an improvement in the financial performance in 2022 and are confident about the future prospects for the group".

### **SigmaRoc** (SRC, 76p, £482m)

Heavy construction materials group active in the UK, Channel Islands and Benelux. AGM. *Guidance*: "The group is trading in line with management expectations". *Current trading*: Q1 rev +19% LFL Y/Y "supported by good end customer demand in all key Group markets. Headwinds in relation to energy and the Ukraine conflict [are being] actively managed". *Outlook*: "We are continuing to progress a number of strategic growth initiatives across the business and remain agile and responsive to the volatile backdrop. We approach the remainder of 2022 with confidence". Group's first ESG report published today on group website. The group aims to: provide option for 100% of manufactured products to utilise waste/recycled materials by 2025; utilise 100% of production materials by 2027; be free of fossil fuel use by 2032; and achieve net-zero by 2040".

### **Lords Group Trading** (LORD, 93p, £147m)

Building materials distributor. FY (Dec) trading update. *Guidance*: "FY 21 revenues to be in line with market expectations of £363m and profitability in line with or exceeding market expectations, with adjusted EBITDA of approximately £21.5m and adj EPS (basic) of not less than 5.4p. *Current trading*: Q1 total rev +14% Y/Y, £103m (-4.0% LFL); Merchanting rev +79%, £46m (+17% LFL); Heating & Plumbing -12%, £58m (-12%). "Since the year end, demand for the group's repairs, maintenance and improvement sector focused product offering has remained strong and, notwithstanding inflationary pressures and the current global macro-economic and geo-political outlook, the Merchanting division has continued to deliver growth in line with management expectations during Q1 FY22". Merchanting: "Revenue growth has been primarily driven by ongoing delivery of the Group's stated acquisition strategy". Heating & Plumbing: "Customer demand has also remained strong. However, APP Wholesale has not been immune to industry-wide boiler component shortages [which] has had a progressively negative effect on revenues throughout Q1. Whilst the impact is expected to be felt more acutely in revenue terms in the months of April and May, underlying customer demand remains strong and indications are that the boiler supply issues will ease later in FY22. In addition, the performance and integration of the seven businesses acquired by Lords during FY21 and following the year end continue in line with expectations". FY results, 24 May.

*Prices are as at the previous day's close.*

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