

Progressive Property & Construction Daily



11 July 2022: BBY, MSLH, GFTU, LSL, PURP

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

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Company news

Balfour Beatty (BBY, 264p, £1,634m mkt cap)

UK, US and Hong Kong construction and infrastructure group. Disposal. Sale of 67% interest in Aspire at Discovery Park, the on-campus student accommodation at Purdue University in West Lafayette, Indiana to Purdue Research Foundation. The transaction is expected to complete in August. The consideration for the Property is \$150 million, which is payable at completion. Balfour Beatty's share of the net proceeds is \$62.4m and will be used for general corporate purposes. The sale will generate a profit on disposal for Balfour Beatty of \$47.2m. The disposal proceeds are in excess of Balfour Beatty Directors' valuation as of 31 December 2021.

Marshalls (MSLH, 451p, £1,142m)

Leading manufacturer and supplier of paving and hard landscaping products. HY (Jun) trading update.

Guidance: "The Board confirms that its expectations for the Group for the current financial year are in line with market expectations". Group rev +17%, £348m including the benefit of the acquisition of Marley.

Trading: LFL group rev +7%. "Marley has traded strongly in the first two full months of Marshalls ownership, and its integration into the Group is progressing in line with the internal plans we put in place at the time of acquisition". HY results, 18 August; capital markets day, 22 September.

Grafton Group (GFTU, 764p, £1,790m)

UK, Irish, Dutch builders' merchant and products group. HY (Jun) trading update. *Guidance*: "No change to full year operating profit expectations". Group revenue +12.1% to £1.15bn, excluding the traditional merchanting business in Great Britain that was divested on 31 December 2021. *Trading*: Rev +13.9%; +3.4% LFL complemented by a significant contribution from acquisitions in Finland, the UK, Ireland and the Netherlands. "The distribution businesses in Ireland and the Netherlands performed strongly in good markets with performance in the UK Distribution business more subdued, against strong comparators in 2021". UK LFL - 0.2% (Q1 Y/Y +4.6%; Q2, -4.0%). HY results, 25 August.

LSL Property Services (LSL, 333p, £348m)

Estate, lettings and property/financial services agent. Acquisition. Pivotal Growth, LSL's JV with Pollen Street Capital, has made its fourth acquisition, The Buy to Let Broker, one of the largest specialist buy to let mortgage brokers in the UK.

In other news ...

Activist investor Adam Smith has called on **Purplebricks** chairman Paul Pinder to resign after taking a 4% stake in the online estate agency, Property Week ([link](#), paywall). Smith's Lecram Holdings has been building a stake in Purplebricks since last month and is nearing the minimum 5% level that will allow him to call on the board to convene an extraordinary general meeting to discuss his demand for Paul Pinder to step down from the chair. Since listing on Aim in 2015 shares in Purplebricks have plummeted 85% following a raft of profit warnings and operational missteps. The company's value has shrunk from £240m to £45m. In a letter to Pinder, Smith wrote "urgent action is now essential" to "restore the credibility of the company with investors".

Prices are as at the previous day's close.

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