

# Progressive Property & Construction Daily



15 September 2022: GLE, KIE

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

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*(A bit late and truncated today, on account of queueing to attend the lying in state of the late Queen.)*

## Company news

### **MJ Gleeson** (GLE, 464p, £271m mkt cap)

Low-cost housebuilder, focused on north of England, and strategic land enabler, focused on south. FY (Jun) results. Rev +27%, £373m (Homes +27%; Land, +70%); adj PBT +33%, £55.5m; stat PBT +22%, £42.6m; adj EPS +34%, 78.1p; div +20%, 18p; net cash, £33.8m (FY 21, £34.3m). *Market:* "Gleeson Homes is uniquely positioned to serve customers who might previously have been considering a more expensive property but who, in the current environment, will look at more affordable price points. We are already seeing interest from these value-driven customers. The market served by Gleeson Land for consented residential development land has also benefitted from strong demand from housebuilders looking to re-stock their immediate and short-term land pipelines". *Outlook:* "The Board has reviewed a range of macroeconomic forecasts and, notwithstanding the current outlook for the broader economy, remains confident that the Group, with its defensive qualities and unique position within the wider house building sector, is well-positioned to deliver further profitable growth in the current financial year".

### **Kier Group** (KIE, 75p, £335m)

Hybrid construction, property and services group. FY (Jun) results. Rev -2%, £3,257m, adj PBT +44%, £94.1m; stat PBT +184%, £15.9m; adj EPS -33%, 16.8p; div, 0p (FY 21, 0p); YE net cash, £2.9m (£3.0m); ave net debt, £216m (£432m). Exceptionals include £40m (£32m) restructuring charges. *Trading:* Orders +27%, £9.8bn.

"Strong financial performance despite ongoing inflationary pressures. Industry leading margin at 3.7%, higher than medium-term target of c.3.5%". The group generated £55m of free cash flow in FY22 (£93m). "Following the seasonal working capital outflow in H1 of £143m, as expected the full year showed a reversal of this situation". *Outlook:* "The Group is well positioned to continue benefiting from UK Government infrastructure spending commitments and we have a significantly increased order book of £9.8bn which gives us certainty against the market backdrop. The new financial year has started well and we are trading in line with our expectations despite continued inflationary pressure and see no change in the current market outlook. We remain focused on the delivery of a sustainable net cash position and sustainable dividend policy in-line with our medium-term value creation plan".

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

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