

# Progressive Property & Construction Daily



22 September 2022: SFE | 14<sup>th</sup> Housing Minister since 2010

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

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## Company news

**Safestyle UK** (SFE, 26p, £36m mkt cap)

UK manufacturer, recycler and distributor of window, door and roofline PVC products. HY (Jun) results. Rev +7.2%, £78.3m; gross margin, 24.8% (H1 21, 32.2%); u-lying loss before tax, £1.4m (PBT, £5.1m); stat LBT, £2.8m (+£4.3m); EPS -1.5p (+2.6p); interim div, 0.4p (0p); net cash, £13.0m (£14.4m). *Trading:* U-lying profit hit by c £4m impact of a cyber-attack in Q1. Record temperatures in late July caused disruption to factory performance for c 2 weeks which impacted volumes during Q3; the factory is now operating normally. Order book +18%. £5m strategic investment programme introduced including TV advertising, new business development, training, customer service and efficiency. *Outlook:* H2 revenues forecast to accelerate to double-digit growth and will support gross margin percentages back above 30%. “The economic and consumer outlook will remain challenging in H2”. Energy efficiency benefits and “value proposition” of products to “mitigate what may be an uncertain consumer market in H2 and beyond”. U-lying profit expected for H2 and for the full year. Revenue to exceed expectations, with FY u-lying profit will be no lower than £1.0m. No reduction to the pace or quantum of investment following delays caused by “a prolonged period of turbulence”. Progressive dividend policy.

In other news ...

**Politics.** Lee Rowley has been named as the junior minister for housing and planning, the 14th Conservative to take on the role since 2010. The North East Derbyshire MP replaces Marcus Jones, who spent just two months in the role after replacing Stuart Andrew following a wave of mass resignations against PM Boris Johnson. Rowley, the former deputy chair of the Conservative Party, was made a junior minister at the Department for Business, Energy and Industrial Strategy, leading on construction, but resigned from Johnson's government alongside a number of colleagues. He tweeted "A big job ahead to further help raise standards and service across the sector, to improve how planning works for local communities, and, vitally, to empower more people achieve their dream of home ownership". **Viewpoint:** A dubious distinction of the office is that there have been twice as many Housing Ministers since 2010 as Italian PMs and almost as many Chelsea managers (11). Gravitational pull in Conservative housing policy seems to be swinging back to the party's strongly pro-home ownership pole. Tomorrow's 'mini-budget' is forecast to include Stamp Duty; housebuilding represents an effective way quickly to deliver economic growth, but Truss appears to have ditched the Government's 300,000 new homes a year target and has to placate the 'nimby' tendency in the 'blue wall'. Rowley seems to have at least as much a planning hot potato on his hands to juggle than any of his long line of predecessors.

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

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