

Progressive Property & Construction Daily



14 June 2023: SFR | Upwards trend in construction output stutters in April

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

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Company research

Severfield (SFR, 61p, £189m mkt cap) – *SFR is a client of PERL*

Britain's leading structural steel group, with sales to Europe and a rapidly growing Indian JV. FY (Mar) results. Link to Progressive Equity Research note, [FY23 margins and cash beat expectations](#).

“Severfield’s adjusted PBT for the year to 25 March 2023 rose by 20%, beating our estimate by 4.1%, and there was significantly stronger cashflow. For now, we maintain our estimates. However, as discussed in our April note, the Project Horizon digitisation and other initiatives, plus growth potential in Europe and India, suggest upside to our FY25E forecasts. We also argue that greater revenue transparency offers the potential for a re-rating.”

Economic data

Construction output. Monthly construction output fell by 0.6% M/M in volume terms in April but, on a rolling three-month basis the period experienced the eighth consecutive increase, according to latest data from the ONS ([link](#)). The decrease in monthly output came from a 1.0% decrease in new work, slightly offset by a 0.1%

increase in repair and maintenance. Five out of the nine sectors covered saw a fall, with the main contributors private housing repair and maintenance (-5.7%) and private housing new work (-3.0%). Output rose 1.6% in the three months to April, coming solely from a rise in repair and maintenance (5.7%), as new work saw a decrease of 0.9%.

Prices are as at the previous day's close. Where quoted, net debt is pre-IFRS16 (excluding leases) unless otherwise stated.

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