

Progressive Property & Construction Daily



24 April 2024: BREE

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

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Company news

Breedon Group (BREE, 380p, £1,303m mkt cap)

UK, Irish and US aggregates group. AGM. *Guidance:* “Trading during the first quarter was impacted by the ongoing macroeconomic uncertainty and reduced construction activity due to wet weather conditions. This led to softer volumes which were partially offset by resilient pricing ... Whilst there were fewer trading days due to the timing of Easter, and it was impacted by exceptionally wet weather, seasonally it is the least significant trading period for Breedon and our industry. Although the economic landscape remains uncertain, we are confident our discipline and focus, coupled with our strong customer relationships, will see us deliver against our unchanged expectations for 2024”. *Trading:* Q1 (Mar) rev -5% Y/Y (-9% LFL). GB – “trading conditions were particularly affected by the wet weather”. Two bolt-on acquisitions completed: Eco-Asphalt, an asphalt plant in the North West; and Phoenix Surfacin in the Midlands. Ireland – “had a strong tendering season and is well positioned for the rest of the year, supported by healthy housing and infrastructure markets and the return of the governing Assembly to Stormont”. Cement – two scheduled kiln maintenance shutdowns delivered on time and within budget; further expansion in the use of alternative fuels and the provision of lower clinker content products. USA – third platform launched with the acquisition of BMC, which completed on 7 March. “The first weeks of trading under our ownership have been encouraging, the integration is progressing well and the outlook is positive”. HY results, 24 July. **Viewpoint:** Breedon is a good proxy for demand in the wider construction economy; the impact of wet weather was highlighted in the February construction output data (12 Apr), which showed a 1.9% M/M decline, containing GDP growth to only +0.1%.

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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