

Progressive Property & Construction Daily



20 August 2020: CRH, VANL

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

NOTE: This marketing communication has been produced by Progressive Equity Research Limited (PERL) and is a Minor Non-monetary Benefit. It does not contain investment recommendations. The views expressed are those of the research department of PERL. To view the Progressive Property & Construction Daily archive click [here](#). For Progressive research on Property & Construction companies click [here](#).

Company comments

CRH (CRH, 3,007p, £23,603m)

Irish-European-US building materials producer and distributor. HY (Jun) results. Rev -3%, \$12.2bn; EBITDA +2%, \$1.6bn; cont. EPS -25%, 51.3c; net debt \$7.8bn (HY 19, \$11.6bn). Proposed interim div maintained at 22c; buyback programme paused. LFL sales, Y/Y: America Materials -1%; Europe Materials, -11%; Building Products +2%. *Outlook:* "Q3 EBITDA is expected to be in line with prior year. The outlook for the rest of the year and into 2021 remains uncertain and is dependent on an improving health situation across our markets."

Van Elle (VANL, 37p, £39m)

Specialist ground engineering contractor. FY (Apr) results. Rev -4.6%, £84.4m; u-lying loss before tax £0.9m (FY 19, PBT £4.7m); statutory LBT £2.2m (PBT £4.0m); u-lying EPS -1.5p (+4.7p); net funds £0.9m (net debt £4.2m). Results "significantly impacted" by reduced overhead recovery due to Covid-19; non-underlying costs include goodwill write-off, property revaluation and restructuring costs. Transformation programme "progressing well"; multiple cost reduction initiatives and focus on cash preservation during period; share placing in April raised net £6.3m. *Current trading:* "FY 21 has started encouragingly, with activity levels

improving slightly ahead of board expectations” during Q1 FY 21; advanced stage discussions with lenders in relation to enhanced funding facilities. *Outlook*: “Improving order levels and important contract awards in target markets”, including first contract award on HS2. End markets include residential and infrastructure, which are Government priority areas, and regional construction, including growth areas of distribution and logistics. Group expected to return to full operational capacity by the end of Q3 21.

Prices are as at the previous day’s close.

Copyright 2020 Progressive Equity Research Limited (“PERL”). All rights reserved. PERL provides professional equity research services. All information used in the publication of this communication has been compiled from publicly available sources that are believed to be reliable; however, PERL does not guarantee their accuracy or completeness. Opinions contained in this communication represent those of the research department of PERL at the time of publication. PERL is authorised and regulated by the Financial Conduct Authority (FCA) of the United Kingdom (registration number 697355).

This communication is provided for information purposes only, and is not a solicitation or inducement to buy, sell, subscribe, or underwrite securities or units. Investors should seek advice from an Independent Financial Adviser or regulated stockbroker before making any investment decisions. PERL does not make investment recommendations. Any valuation given in a research note is the theoretical result of a study of a range of possible outcomes, and not a forecast of a likely share price. PERL does not undertake to provide updates to any opinions or views expressed in this document.

This communication has not been approved for the purposes of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. It is not subject to any prohibition on dealing ahead of the dissemination of investment research.

PERL does not hold any positions in the securities mentioned in this email. However, PERL’s directors, officers, employees and contractors may have a position in any or related securities mentioned in this email. PERL or its affiliates may perform services or solicit business from any of the companies mentioned in this email.

The value of securities mentioned in this communication can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of the shares mentioned in this communication may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. It may be difficult to obtain accurate information about the value of securities mentioned in this email. Past performance is not necessarily a guide to future performance