

Progressive Property & Construction Daily



26 February 2021: SFR, RMV, MRL, RDI | Fortnight ahead

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

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Company research

Severfield (SFR, 72p, £220m mkt cap) – *SFR is a client of PERL*

Britain's leading structural steel group, with sales to Europe and a rapidly growing Indian JV. Acquisition of DAM structures. Link to Progressive Equity Research note, [Acquisition gives first class ticket for rail spend](#).

Britain's leading structural steel specialist has acquired specialist fabricator DAM Structures for £12m and up to £15m in deferred and contingent considerations. This should take Severfield further up the value chain in major infrastructure programmes such as HS2 and rail electrification over the next decade and Severfield expects it to become earnings-accretive in FY 2022E. We raise adj EPS estimates for FY 2022E and 2023E by 6.2% and 5.6% respectively and expect the Group to remain in net cash both years.

Company news

Rightmove (RMV, 606p, £5,291m)

UK's leading residential property portal. FY (Dec) results. Rev -29% £206m; op profit -37%, £135m; EPS -36%, 12.6p; final div 4.5p (2019, 0p); YE net cash £96.7m (£36.3m), after returning £30.1m in share buybacks during 2020. Membership numbers down 3% at YE, 19,197, with 425 fewer agency branches and 187 fewer new homes developments. Average rev per advertiser (ARPA) -28%, £778 per month, with December 2020 ARPA, £1,103. Over one million UK residential properties advertised, with growth in traffic of 31%. *Current trading and outlook:* "The UK housing market has, for the most part, shaken off pandemic-related challenges to forge an optimistic start to 2021. In the absence of further economic shocks, we think it is likely that the current shortage of new listings will correct once the immediate lockdown is lifted and will have no lasting impact on estate agency branch numbers. We expect to see a modest short-term decrease in development numbers, given the ongoing high sales rate being seen across developments. Overall, we anticipate membership numbers for the year to be broadly in line with 2020. Currently, we expect ARPA to increase from the December 2020 level at a rate of growth towards that seen in 2019. Whilst there is clearly still significant macro uncertainty, with record traffic levels, a strong product suite and our ongoing commitment to delivering more innovation, the Board is confident in the resilience of our business and the outlook for 2021 and beyond".

Marlowe (MRL, 683p, £427m)

Safety and compliance provider to commercial properties. Board appointment. Adam Councill announced as Chief Financial Officer, currently CFO of pub and hotels group Fuller, Smith & Turner, to succeed Mark Adams, who has indicated his intention to retire during the second half of the Group's FY 22 financial year.

RDI REIT (RDI, 91p, £347m)

Income-focused UK real estate investment trust. Recommended £468m cash offer Starwood Funds for the entire share capital of RDI REIT, at 121.4p, a 33% premium to yesterday's close. This is a 16.8% discount to the last reported EPRA NNAV of 145.9p per share at 31 August 2020.

Fortnight ahead

Construction & property: company and economic news

1 Mar	Driver Group (DRV)	AGM
	Bank of England	Mortgage approvals
2	Taylor Wimpey (TW.)	FY results
	Travis Perkins (TPK)	FY results
	Supermarket Income (SUPR)	HY results
3	Persimmon (PSN)	FY results
	Great Portland Est. (GPE)	Sustainability statement

	Budget	
4	Galliford Try (GFRD)	HY results
	Cairn Homes (CRN)	HY results
	HIS Markit	UK/UK Construction PMI
5	Halifax	House prices
9	Keller Group (KLR)	FY results
	Forterra (FORT)	FY results
	Costain Group (COST)	FY results
	LSL Property Services (LSL)	FY results
	Capital & Counties Properties (CAPC)	FY results
10	Balfour Beatty (BBY)	FY results
	Ibstock (IBST)	FY results
	Tritax Big Box REIT (BBOX)	FY results
	Foxtons Group (FOXT)	FY results
11	Eurocell (ECEL)	FY results
	Savills (SVS)	FY results
	Marshalls (MSLH)	FY results
	Derwent London (DLN)	FY results
12	Eurocell (ECEL)	FY results
	ONS	Construction output

Sources: Companies, Sharecast, Factset, Progressive Equity Research

Prices are as at the previous day's close.

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