

Progressive Property & Construction Daily



23 August 2021: SRC, SUR, MTO | News - 'Stamp duty holiday did not cause UK house price boom'

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

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Company news

SigmaRoc (SRC, 101p, £284m mkt cap)

Heavy construction materials 'buy-and-build' group active in the UK, Channel Islands and northern Europe. HY (Jun) results. Rev +56%, £84.8m (+13% LFL); u-lying EBITDA +40% (+17% LFL); £15.2m; u-lying PBT +64%, £8.7m; stat. PBT +103%, £7.1m; u-lying EPS +35%, 2.7p; div, 0p (H1 20, 0p); net debt, £52.8m (£46.5m).

Outlook: "The enlarged group is expected to be significantly cash generative with a free cash flow target of £60m pa. We estimate that there are approximately 9,000 minerals producers and over 15,000 production sites located in the key countries that we are targeting, where there is currently a significant opportunity for consolidation and expansion of the group's European footprint and mineral resource base".

Sureserve Group (SUR, 91p, £147m) – *PERL provides research services to Shore Capital on this stock*

Gas and utilities safety compliance and energy efficiency provider, primarily to social housing. Contract extension. Successfully retention of a long-term gas servicing, repair and installation contract with long-standing existing client, The Guinness Partnership. The Contract term is a minimum of 5 years and capped at 10 years, commencing on 1st September 2021, and is expected to generate a combined sales revenue of

£140m over the full 10-year term. The Guinness Partnership is a large national provider of social housing who own and manage more than 65,000 homes throughout England.

Mitie Group (MTO, 71p, £1,015m)

UK facilities management group. Sale of document management business to Swiss Post Solutions Limited for £40m on a debt-free cash-free basis. Mitie Document Management delivered revenue of £48m and EBITDA of £4.2m for the twelve months to 31 March 2021. The sale continues Mitie's strategy of realising value from non-core businesses whilst allowing reinvestment in higher growth opportunities.

In other news ...

Rishi Sunak's temporary cut to stamp duty did not cause the house price boom over the past year, according to the Resolution Foundation, reported in the FT ([link](#)). Official data showed house prices rose 13.2% in the year to June, the fastest rate since 2004, but the think-tank's study published on Saturday found that the largest increases in prices had happened in areas that least benefited from the tax cuts.

Prices are as at the previous day's close.

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