

# Progressive Property & Construction Daily



30 November 2021: CSP, VP., CREI

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

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## Company news

**Countryside Properties** (CSP, 440p, £2,266m mkt cap)

Leading mixed-tenure housebuilder. FY (Sep) results. Completions +33%, 5,385; adj rev +54%, £1,526m; adj EPS, 23.7p (FY 20, 7.4p); stat EPS, 13.8p (-0.8p); dividends, 0p (FY 20, final div 10.3p); net cash £41.0m (£98.2m). Tangible net asset value, £988m, of which 34% is Legacy Operations (FY 20, £952m, 55%). *Trading:* £450m legacy asset realisation programme on track with proceeds of £50m realised and £49m of share buybacks completed to date. Provision for building safety and quality of £41m; agreed voluntary undertakings with the CMA resulting in a £3.8m increase to the Ground Rent Assistance Scheme provision. Among legacy portfolio, one large site is not currently achieving expected financial hurdles. "Management continue to work to improve the financial performance of this scheme. If we are unable to achieve this, we may choose to exit from this particular site, which could result in a write-down of inventory of up to £20m". *Outlook:* "As the growth plans set out last year progress and our attractive market conditions are expected to continue, we expect to deliver adjusted operating profit in the range of £200m to £210m in the year to 30 September 2022, including a c. £40m contribution from legacy housebuilding operations. Excellent opportunities to invest in Partnerships, so the Board does not recommend a final dividend". Capital markets event this afternoon.

**Vp** (VP., 940p, £377m)

Equipment rental group. HY (Sep) results. Rev +24%, £176m; EBITDA +30%, £44.5m; adj and stat PBT +134%, £20.2m; adj EPS +117%, 37.7p; interim div, 10.5p (0p); net debt, £132m (HY 21, £119m); ROCE, 13.5% (10.3%). *Trading:* "Strong recovery in trading created opportunities for profitable reinvestment into the fleet. UK Division delivered excellent performance driven by infrastructure and buoyant house building. Overall demand in commercial construction and civil engineering has been solid. International Division stable". First strategic acquisition, of M&S Hire, since Covid. *Outlook:* "Current trading is positive and in line with Board expectations for the full year. UK and International divisions' prospects look positive with renewed confidence. Volumes in AMP7 [water] and CP6 [rail] expected to pick up in H2 and will provide significant upside potential for 2022. Efficiently managing inflationary pressures and supply chain constraints. Solid trading expected to continue given the positive momentum being seen across Infrastructure, Construction and Housebuilding".

### **Custodian REIT** (CREI, 97p, £428m)

UK commercial real estate investment trust (REIT). HY (Sep) results. EPRA EPS +15%, 3.0p; div +25%, 2.5p, EPRA TNAV per share +11%, 106p; net gearing, 19.6% (HY 21, 23.4%); vacancy rate, 8.4% (7.1%). Portfolio valuation, £565m (31 March, £552m). Since period end, £46.5m invested in a portfolio of 10 office, retail and industrial assets and three sold for £14.1m. Target quarterly dividend increased by 10% to 1.375p 31 December 2021, resulting in target dividends per share of no less than 5.25p for the year ending 31 March 2022 and 5.5p for FY 23. *Outlook:* "The pandemic has reinforced Custodian REIT's strategy which has always placed income and financial resilience at the heart of the company's objectives. When allied to the appropriate property strategy this focus underpins sustainable dividends, which in turn support long-term total return. The Board is confident that the portfolio is well placed to meet these objectives through income and valuation growth".

*Prices are as at the previous day's close.*

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