

Progressive Property & Construction Daily



1 April 2021: VANL, GFRD, BLV, HWG, EBOX | Fortnight ahead

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

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Company news

Van Elle (VANL, 39p, £42m mkt cap)

Specialist ground engineering contractor. Acquisition of ScrewFast Foundations, an innovative helical piling and steel modular foundations company for a maximum consideration of £3.7m. An initial consideration of £1.8m is payable in cash on completion, with up to a further £1.9m of deferred and performance-based cash consideration payable in August 2023. According to Van Elle, the acquisition strengthens its market leading Specialist Piling segment across growth markets of infrastructure and housing while ScrewFast's helical piling and integrated foundation system captures more of the value chain through providing modular forms of construction and enabling cross-selling opportunities. It strengthens Van Elle's leading position in the highways sector ahead of Highways England's 5-10 year Smart Motorway Alliance and capabilities for provision of foundation solutions to the electrification and signalling programmes in the rail sector. It is anticipated to be modestly earnings enhancing during the first full year of operation. For the twelve months ended 30 May 2020, ScrewFast recorded revenues of £5.9m, EBITDA of £0.65m and PBT of £0.36m. Net assets at 31 March 2021 were £1.85m and the order book stood at £5.1m.

Galliford Try Holdings (GFRD, 127p, £141m)

UK construction and infrastructure services group, having sold its housing businesses to in January 2020 to former Bovis Homes Group, now **Vistry Group** (VTY). Appointed to Scottish Water investment programme, worth £700m over six years, and will see the 50:50 joint venture, known as ESD, support the capital delivery functions of the utility group, providing process design and build solutions for water and wastewater treatment works across Scotland. This extends Galliford's previous ESD joint venture, which delivered over 150 projects for Scottish Water during the six-year investment programme.

Belvoir Group (BLV, 199p, £70m)

Franchised lettings-focused property agency group. Acquisition of White Kite Holdings 2021 Ltd and its two subsidiaries, White Kite and Nicholas Humphreys Franchise, for a total consideration of £4.0m, from existing cash resources. Nicholas Humphreys operates a national network of estate and lettings agents trading through 18 franchised and three corporate-owned offices. In addition to offering professional lettings and property sales, Nicholas Humphreys specialises in student lettings, giving an overall revenue split of 87% lettings and 13% sales. Its portfolio of 6,510 managed units provides a strong underlying recurring revenue stream. The Nicholas Humphreys franchise network extends from Portsmouth to Durham, and across from Stoke-on-Trent to Norwich, providing lettings in mainly university towns. Its three corporate-owned offices are based in the East Midlands, relatively close to Belvoir's Central Office in Grantham. In the year to 31 March 2020, the acquired business generated revenue of £2.8m and operating profit of £1.0m. The acquisition is expected to be earnings accretive in 2021. Following the transaction, Belvoir will be operating through a network of 439 businesses across six distinct brands with a combined portfolio of 71,787 managed properties.

Harworth Group (HWG, 127p, £411m)

Land regeneration group, including in former coalfields. Acquisition of Towngate Business Park, a multi-let industrial estate in Widnes, Cheshire, from Towngate for £12.7m. The site comprises c. 262,000 sq ft of industrial space, divided into nine warehouse units and 3.8 acres of open storage. The asset is fully let and generates rental income of £958,000 pa with a weighted average unexpired lease term of 4.3 years. This reflects a net initial yield of 7.1% and a reversionary yield of c. 9.4%. Occupiers include Aggreko UK, Xpel Marketing, Initial Packaging and QA Flooring. The transaction "is in line with Harworth's strategy of growing its income portfolio to cover its overheads from recurring rental income from investments which also offer value enhancement opportunities".

Tritax EuroBox (EBOX, 101p, £618m)

Investor and manager of Continental European logistics real estate assets. Purchase of two logistics sites in Germany for a total consideration of €291m. The two transactions, near Nuremberg and Frankfurt, are structured as share deals and the combined rental income amounts to €11.4m pa, reflecting a combined net initial yield of 3.9%. The properties are built to high sustainability standards and "align with the Company's investment strategy, with a particular focus on achieving its near and long-term ESG targets in owning sustainable buildings, reducing energy and carbon emissions, enhancing biodiversity and creating quality workspaces for occupiers".

In other news ...

The new **Boomin** property portal, formed by former **Purplebricks Group** (PURP) founder Michael Bruce, is now live, Property Industry Eye ([link](#)). The new platform, which hopes to challenge the likes of Rightmove, Zoopla and OnTheMarket, has so far attracted more than 5,000 agency offices, supported by the new website's free listings offer under the portal's short-term introductory trial offer.

Fortnight ahead

Construction & property: company and economic news

8 Apr	RICS	Residential Market Survey
	IHS Markit	UK/UK Construction PMI
	M Winkworth (WINK)	FY results
9	Halifax	House Prices
12	Belvoir Lettings (BLV)	FY results
13	Northbridge Ind Services (NBI)	FY results
	ONS	Construction output
15	Epwin Group (EPWN)	FY results

Sources: Companies, Sharecast, Factset, Progressive Equity Research

Prices are as at the previous day's close.

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