

Milestone agreement to deliver c.300 homes to SSEN

17 December 2025

Springfield has announced an initial agreement with SSEN Transmission for the delivery of almost 300 new homes in the North of Scotland. These homes will be leased to SSEN to accommodate workers on major energy upgrade projects over the coming years. This is Springfield's first agreement of this type, opening up a new income stream and unlocking the value of the landbank. This is a significant milestone for Springfield which clearly validates the strategic repositioning of the business to capitalise on the opportunity in the North of Scotland. An accompanying trading update confirms that H1 trading was in line with expectations. We increase our Fair Value estimate to 160p (from 150p).

Agreement with SSEN Transmission

Springfield has signed an initial agreement with SSEN Transmission towards the delivery of 293 homes at six sites across the Highlands, Moray and Aberdeenshire, with the homes to be leased for an initial four-year period to accommodate workers involved in SSEN's energy upgrade projects. Springfield will provide the enabling works to prepare selected sites for construction, and this will be funded by SSEN. A build and lease agreement is expected to follow in the near term. It is expected that homes will be delivered by Springfield on a phased basis over the next three years and will be leased for an initial four-year period. The Group continues to discuss further agreements with SSEN and other infrastructure providers to deliver new housing on a similar basis.

Supporting major energy upgrade projects in the North of Scotland

The new homes will accommodate SSEN's workforce as they deliver major projects to upgrade the national electricity transmission grid and to help to deliver UK energy security. This forms a substantial part of SSE's £33bn 2030 investment programme, which was launched last month (see page 2).

In-line trading update, upgrading Fair Value to 160p

Trading for H126 was in line with management expectations. The Group expects to report revenue of c.£106.0m (H125: £105.6m) and net bank debt of c.£40.0m (30th Nov '24: £62.9m), in line with expectations. Today's announcement provides strong underpinning for our FY27 and FY28 forecasts. We increase our Fair Value estimate to 160p (c.1.1x FY27 Price/ Book), reflecting the strategic importance of the deal and the unlocking of value in Springfield's landbank.

Company data

EPIC	SPR.L
Price (last close)	122p
52 weeks Hi/Lo	124p/80p
Market cap	£143m
ED Fair Value / share	160p
Net cash / (debt) 2025A	(£20.9m)
Avg. daily volume (3m)	333k

Share price, p



Source: investing.com

Description

Springfield Properties is one of Scotland's leading housebuilders. It has an enviable track record of growth and profitability and a reputation for building high quality homes in attractive locations. Springfield has a large, high quality landbank in Scotland, including significant holdings in the Highlands and Moray, which are expected to benefit from a significant increase in housing demand over the coming years.

Next event

Interim results - February 2026

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Key financials & valuation metrics

Year to 31 May (£m)	2024A	2025A	2026E	2027E	2028E
Sales	266.5	280.6	245.0	220.7	206.0
EBITDA	20.5	27.6	18.3	17.7	23.3
Adjusted PBT	10.6	20.1	12.6	13.4	19.0
FD EPS (p)	6.7	12.1	7.6	8.0	11.4
DPS (p)	1.0	2.0	3.0	4.5	5.0
Net Cash/(Debt)*	(45.4)	(26.4)	(15.5)	(26.0)	(26.4)
Net Cash/(Debt)**	(39.9)	(20.9)	(10.0)	(20.5)	(20.9)
P/E	18.1x	10.1x	16.1x	15.2x	10.7x
EV/EBITDA	9.2x	6.1x	8.6x	9.6x	7.3x
Price/ Book	1.0x	0.9x	0.9x	0.9x	0.8x
Dividend yield	0.8%	1.6%	2.5%	3.7%	4.1%

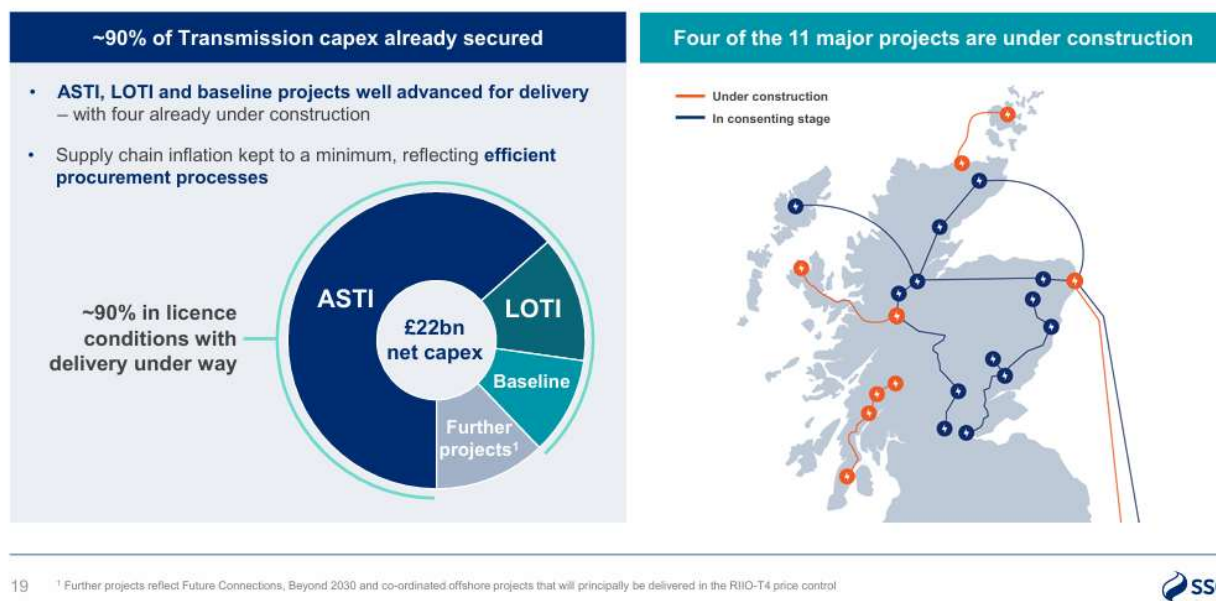
Source: Company data, Equity Development estimates, Priced at 12/12/25 *inc. leases ** exc. leases

New housing to support SSE's 2030 investment plan

SSE launched a £33bn 2030 investment plan last month alongside a £2bn equity raise. This is SSE's response to a "once-in-a-generation opportunity to upgrade the UK electricity network and build a cleaner, more secure and more affordable energy system". Of this, £22bn has been committed to SSE Networks (SSEN) Transmission to support 11 major projects across the North of Scotland (see slide extract below). More details are set out on SSE's investor slides ([SSE Investor Reports and Presentations](#)).

SSE Networks Transmission – Generational Investment Programme

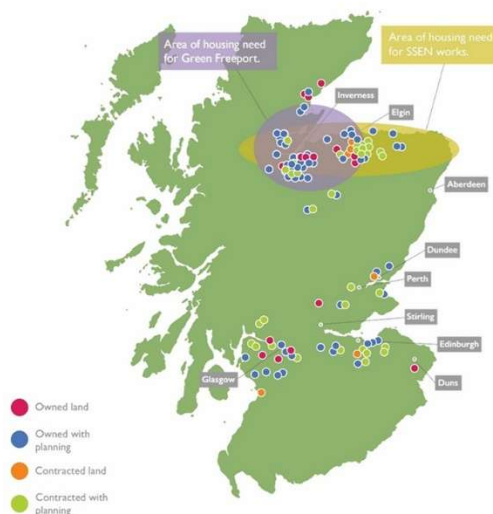
Transmission: Clear visibility of required investment



Source: SSE

The deal announced with Springfield is SSEN's largest housing deal to date, supporting the construction of 293 new homes across six sites in the Highlands, Aberdeenshire and Moray. SSEN's plans are very well aligned with Springfield's land holdings, as highlighted in the map of Springfield's sites below.

Springfield's land holdings (May '25)



Source: Springfield Properties

Subdued market conditions but Scotland outperforming

The trading update this morning confirms that trading was in line with management's expectations during H126. This represents a resilient performance in the context of fairly subdued market conditions.

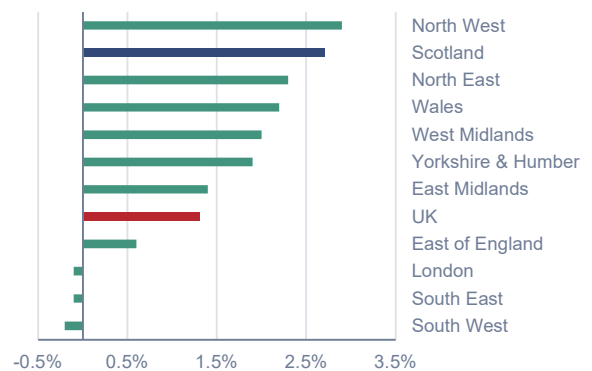
House price inflation has eased recently across the UK, particularly in London and the South East, reflecting a period of uncertainty in the run up to the recent Budget. We note that Scotland is a relative outperformer (see Zoopla data in chart on RHS below) and that today's agreement with SSEN Transmission reflects the significant need for an increase in housing delivery across the North of Scotland to support major infrastructure projects.

Monthly house price index (% change YOY)



Source: Nationwide, Equity Development

October '25 house price index (% change YOY)



Source: Zoopla, Equity Development

Quarterly house price index (% change YOY)



Source: Nationwide, Equity Development

Average house price/ earnings ratio (Q3'25)



Source: Nationwide, Equity Development

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