

4 June 2026

Bank debt eliminated and positive outlook

Springfield has issued a positive year-end update, the highlight of which is the strength of cash generation, which has eliminated bank debt ahead of schedule. The underlying business is performing well, reflecting the strong fundamentals of the Scottish market, whilst there is clear excitement about the scale of the opportunity in the North of Scotland, where Springfield is uniquely well positioned. Recent share price weakness no doubt reflects broader market uncertainty but today's update provides reassurance and a clear reminder of Springfield's differentiation and growth opportunity. We reiterate our 170p/share Fair Value estimate.

Elimination of bank debt, trading in line with expectations

Springfield ended the year with net cash of £1m (versus previous guidance of £10m net debt), a highly impressive achievement, given that debt peaked at £93m in Nov '23. Revenue and adjusted PBT are said to be in line with expectations, confirming growth in private and affordable housing, and no notable disruption from the Middle East conflict. We make no changes to our P&L forecasts but adjust FY26 year-end net debt to reflect today's guidance (FY27 and FY28 unchanged at this stage).

Housing market in Scotland demonstrating resilience

Housebuilder share prices have been under pressure since the onset of the Iran conflict, given concerns over the potential impact on demand and margins. This has tempered expectations for UK house price growth this year, but the Scottish market is proving more resilient than the wider UK (see charts on page 2). The fundamentals of the market in Scotland remain strong, and the newly formed Scottish Government has committed £4.9bn to affordable housing over the next five years, alongside the introduction of £10k interest free shared equity loans (similar to Help to Buy) for first time buyers.

Demand underpinned by major energy infrastructure upgrades

As previously announced, Springfield has signed an initial agreement with SSEN Transmission to commence the delivery of almost 300 homes in the North of Scotland. Negotiations for the build and lease contracts are at an advanced stage for the first phase of housing. This will accommodate workers on SSEN's £31bn programme to upgrade the electricity transmission network. This is a vital investment to enable the growth of renewable energy and deliver long-term economic benefits for communities, with new housing forming an important part of the project's legacy.

Company data

EPIC	SPR.L
Price (last close)	94p
52 weeks Hi/Lo	135p/89p
Market cap	£111m
ED Fair Value / share	170p
Net cash / (debt) 2025A	(£20.9m)
Avg. daily volume (3m)	179k

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

Full year results - September 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	-4.5	-26.0	-26.4
Net Cash/(Debt)**	-39.9	-20.9	1.0	-20.5	-20.9
P/E	13.9x	7.8x	12.4x	11.7x	8.2x
EV/EBITDA	7.6x	5.0x	6.3x	7.8x	5.9x
Price/ Book	0.8x	0.7x	0.7x	0.7x	0.6x
Dividend yield	1.1%	2.1%	3.2%	4.8%	5.3%

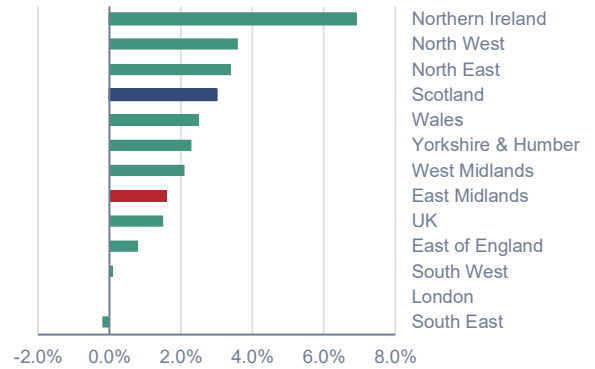
Source: Company data, Equity Development estimates, Priced at 03/06/26 *inc. leases ** exc. leases

Monthly UK house price index (Nationwide)



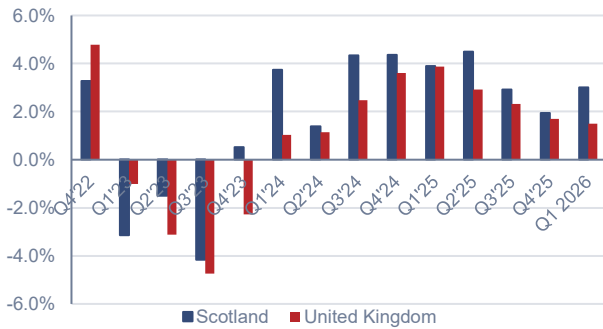
Source: Nationwide

April '26 house price index (Zoopla)



Source: Zoopla

Quarterly house price index (% change YOY)



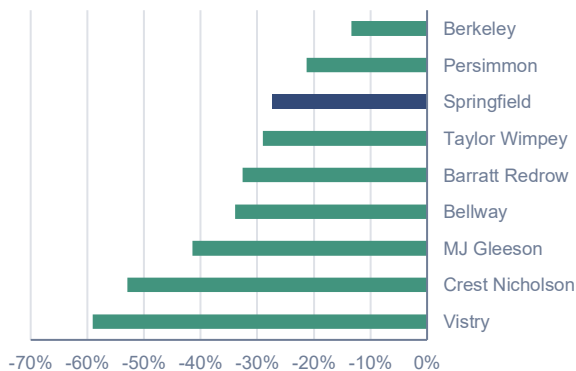
Source: Nationwide

Average house price/ earnings ratio (Q1'26)



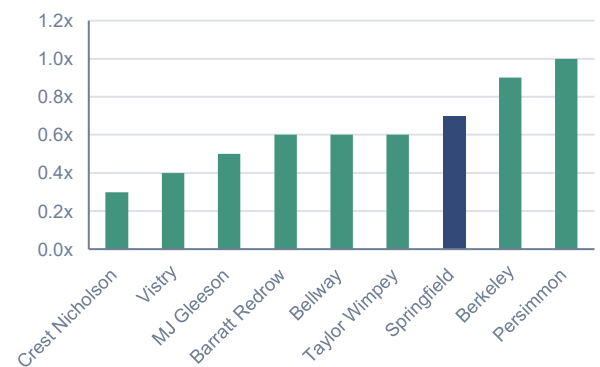
Source: Nationwide

Housebuilder share price performance (YTD)



Source: Koyfin

Housebuilder Price/ Book Valuations (LTM)



Source: Koyfin

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