Springfield Properties

Cash generation accelerating shareholder returns

21 August 2026

Springfield has announced a share buyback programme, for the on-market purchase of up to c.6m ordinary shares (c.5% of issued share capital), subject to shareholder approval at a General Meeting. Share buybacks are being announced with increasing frequency amongst UK housebuilders, with Barratt Redrow notably launching a £400m programme last month. For Springfield, this follows a period of strong cash generation and, in our view, represents an effective use of capital, given that the shares currently trade at a c.25% discount to NAV. We expect buybacks to complement the Group's existing dividend policy.

Next scheduled news is FY26 results on 15 September, and we also look forward to contract news in the North of Scotland, following the earlier agreement with SSEN Transmission. In our view, Springfield has positive momentum and we reiterate our 170p Fair Value estimate.

Proposed share buyback programme

Springfield's Board is proposing the buyback of up to 5,957,372 ordinary shares, with flexibility to extend this up to the existing authority limit of 11,904,240. Because Springfield's Chairman Sandy Adam and connected shareholders (the 'Concert Party') already own 41% of Springfield's ordinary shares, the buyback programme would (absent the consent of the Takeover Panel) trigger an obligation for the Concert Party to make a mandatory offer for all remaining ordinary shares. The Group has therefore obtained Takeover Panel consent, and is seeking shareholder approval, for a waiver via a General Meeting (full details here).

We make no changes to our EPS forecasts at this stage, pending the outcome of the General Meeting, but note that, indicatively, the buyback of c.6m ordinary shares would prompt a c.5% EPS upgrade on an annualised basis.

Culmination of three years of highly impressive cash generation

The proposed buybacks represent the culmination of three years of impressive cash generation. Just this week, Springfield announced the £12m sale of 170 plots at one of its sites in Central Scotland. This followed a strong conclusion to FY26, which saw the Group end the year in a net cash position for the first time (from a net debt peak of £93m in Nov' 23). The charts on the following page highlight the debt reduction of recent years and the discount to NAV that supports the buyback programme.

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	15.9x	8.9x	14.1x	13.3x	9.4x
EV/EBITDA	8.4x	5.6x	7.2x	8.7x	6.6x
Price/ Book	0.9x	0.8x	0.8x	0.8x	0.7x
Dividend yield	0.9%	1.9%	2.8%	4.2%	4.7%

*Source: Company data, Equity Development estimates, Priced at 20/08/26 *inc. leases ** exc. leases*

Company data

EPIC	SPR.L
Price (last close)	107p
52 weeks Hi/Lo	135p/89p
Market cap	£127m
ED Fair Value / share	170p
Net cash / (debt) 2025A	(£20.9m)
Avg. daily volume (3m)	165k

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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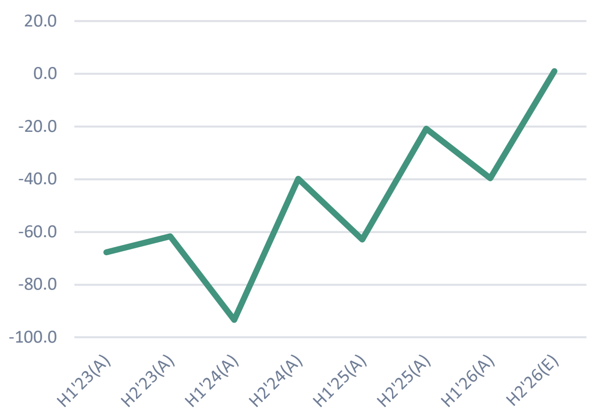
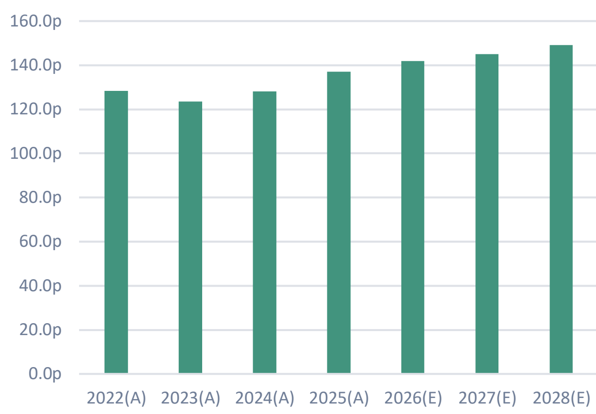
Net debt to net cash £m (H1'23 to H2'26)



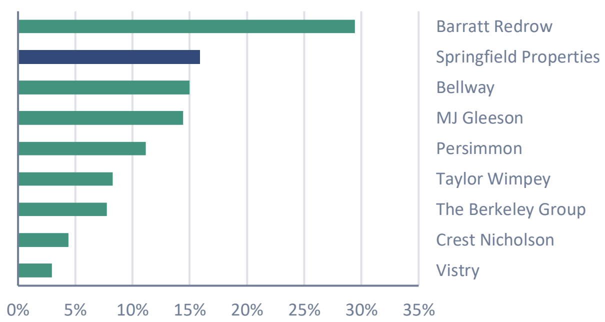
Source: Company historic data, Equity Development forecasts

NAV per share (p, fully diluted)



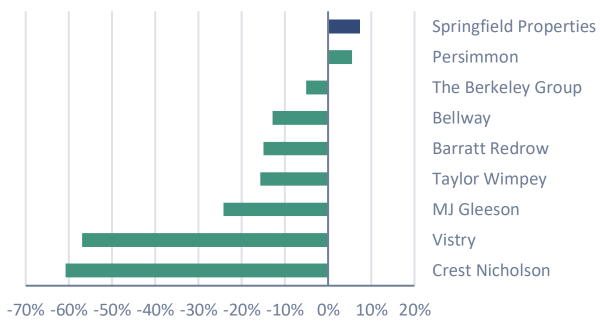
Source: Company historic data, Equity Development forecasts

Housebuilder share price performance (3 Mths)



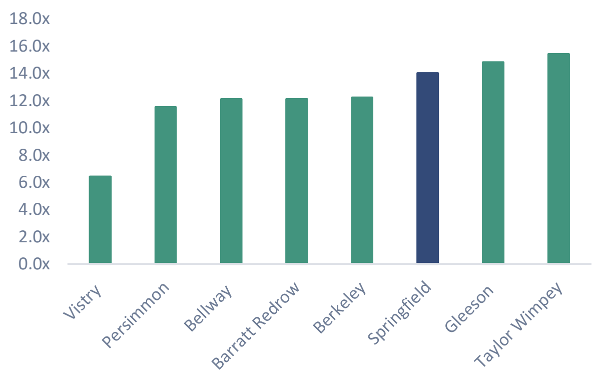
Source: Koyfin, priced at 18/08/26

Housebuilder share price performance (1 Yr)



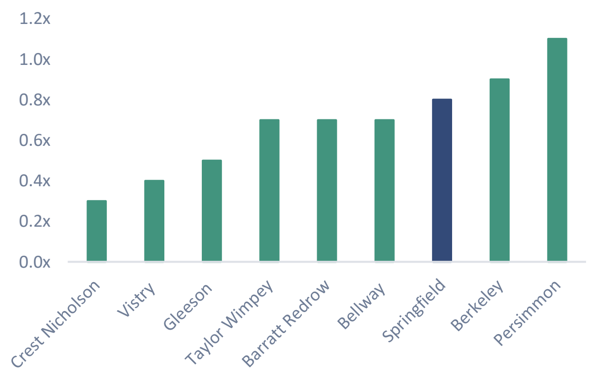
Source: Koyfin, priced at 18/08/26

Housebuilder Price/ Earnings Ratio (NTM)



Source: Koyfin, priced at 18/08/26

Housebuilder Price/ Book Ratio (LTM)



Source: Koyfin, priced at 18/08/26

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