

## Investment Profile

1. Excellent and sustainable dividend return
2. Strong balance sheet with no bank debt
3. Strong forward pipeline underpins the reliable and resilient earning stream
4. Land poised to deliver best ever full year performance
5. Expanding renewable land portfolio with long term pipeline of sales opportunities
6. HRMS expected to be stronger in H2

## Share Information

<b>Ticker</b>	HSP
<b>Share Price</b>	490.0p
<b>Shares in issue</b>	32.5m
<b>Market Cap</b>	£160.3m
<b>12m Hi/Low</b>	490.0/378.0p

(Source: The London Stock Exchange, 07 February 2024)

## 12-Month Share Price



(Source: The London Stock Exchange, 07 February 2024)

## Major Shareholders (as of 07 February 2024)

Name	%
Harwood Capital	28.26
Canaccord Genuity Group	9.90
GB Holdings (2021) Limited	8.41
Downing	3.89

(Source: company website)

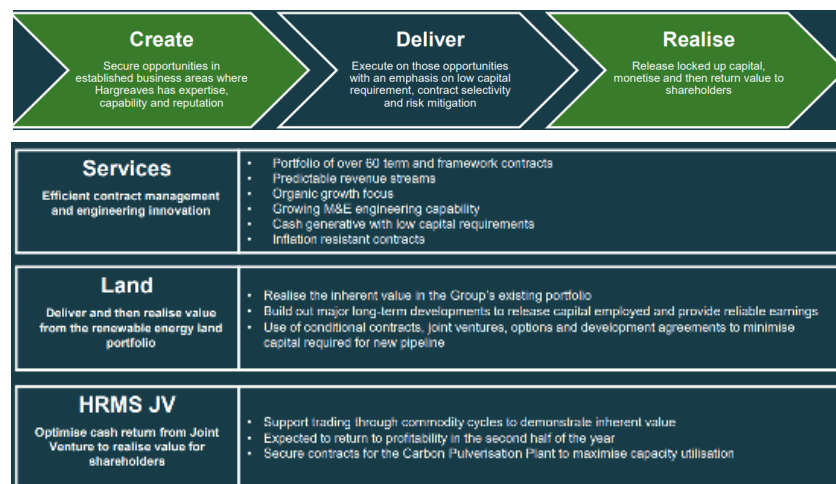
## Hargreaves Services - [AIM Rule 26](#)

## Company Overview

**Hargreaves Services plc (AIM:HSP)** is a diversified group delivering key projects and services to the industrial and property sectors. The Company's three business segments are:

- [Services](#)
- [Hargreaves Land](#)
- [German joint venture, Hargreaves Raw Materials Services GmbH \(HRMS\)](#)

## Strategic Value Proposition



## Full Year Dividend Soars 71% to 36p

As a result of two significant contributing factors, Hargreaves has indicated that it intends to increase its overall dividend by 71% to 36p, a near 8% yield at the 482p share price. This is a result of the progress made on the buy out of the pension scheme liability, for up to £9m, which will release an additional £2m a year to be returned to shareholders. In addition to this, due to the slowdown in Germany, Hargreaves anticipates an additional £7m annual cash repatriation to the Group. The Board believes this is an achievable quantum due to the performance of the HRMS Trading business, which is able to cover the amount even in low trading periods.

## Hidden Value of Renewables Portfolio Expands Further

Hargreaves outlined its plan to take the first tranche of its renewable energy land portfolio to market in FY 2025. The assets have been valued independently at **between £27.2m and £28.9m**, with proceeds to be returned to shareholders. Since then the portfolio has grown with a further 2,165MW of wind, solar and battery assets beyond 2025 subject to agreed terms and exchange of contracts.



## Hargreaves and ESG

The Group continues to make positive strides with regard to ESG and has recently appointed its **first Head of ESG**. This appointment will spearhead the Group's efforts to minimise its impact on the environment whilst also championing its ESG credentials, which will be crucial to unlocking new commercial opportunities.

Furthermore, the Group was awarded the prestigious HS2 EKFB sustainability award for the second year running as recognition of the Company's efforts to reduce carbon emissions through its Plant Idle Time campaign. **Read** more about Hargreaves' **ESG** initiatives [here](#)

## Services Division Continued Organic Growth

Hargreaves' Services division continued its strong momentum delivering 20% underlying growth in PBT to £7.8m, not factoring in the non-recurring gain of £2m related to an asset sale in the comparative period. Services boasts 60+ term and framework contracts, over 90% of revenue secured for the rest of the year and a strong pipeline of future growth opportunities. While HS2 will deliver at least another two years of work, the Company is confident in winning further major infrastructure project work at either Sizewell C or the Lower Thames Crossing. Hargreaves also has a strong contractual position at Tungsten West (TW), where work will commence depending on TW's receipt of further funding.

## Stronger Outlook in H2 for Land and HRMS

While sales within Hargreaves Land have been slow, several post period end completions mean that Land is poised to deliver its best full year result to date. A stronger H2 is also expected for HRMS, as pig iron prices react to new EU sanctions on Russian exports and DK Recycling increases gate fees for steel waste dust. These changes alone are expected to return the German JV to profitability in H2.

## Latest Corporate Video



## Upcoming Key Newsflow

**June'24:** Full year trading update

**Aug'24:** Full year results

**Oct'24:** AGM

**Dec'24:** Half year trading update

**Jan'25:** Half year results

## Management Team

The experienced management team led by **Chairman Roger McDowell** has a track record of executing strategic growth leading to substantial increases in shareholder value.

**CEO Gordon Banham** joined Hargreaves in 2001 and led a management buyout in 2004, with the Company's flotation on the LSE the following year.



**Stephen Craigen, Chief Financial Officer**, joined Hargreaves in 2013 and spent six years as Group Financial Controller, giving him a deep understanding of the Hargreaves business model. He was appointed to the Board in August 2023.

**David Anderson, Group Property Director**, joined Hargreaves in 2018. He was previously a Managing Director of Henry Boot Developments, the property development subsidiary of Henry Boot plc.

Additionally, the Board comprises three other non-executive directors in **Nigel Halkes**, a former senior partner at E&Y, **Christopher Jones**, an experienced property advisor and **Nicholas Mills**, employed by Harwood Capital LLP, the Group's largest shareholder.

## Hargreaves in the Media

[Investors' Chronicle - January 2024](#)

[Business Live - January 2024](#)

[UK Investor Magazine - January 2024](#)

[Stockopedia - January 2024](#)

### Forecasts (Source: Factset)

Target price 770p	FY'23 (Actual.)	FY'24 (Est.)	FY'25 (Est.)
Sales (£m)	211.5	219.0	224.1
EBITDA adj (£m)	26.5	30.8	22.8
PBT (£m)	27.3	16.1	17.1
adj. EPS (p)	86.2	39.6	44.5