

# Company Summary

## Investment Profile

- High quality asset backed income**
- Excellent and sustainable progressive dividend** - providing a 5% yield in 2025 (37p)
- Strong debt free balance sheet** - a solid foundation for growth
- Robust forward work pipeline** and good visibility - c.70% secured revenues in services
- Managed realisations** - c.£28m Renewable energy land assets primed for sale over the medium-term
- Clear focus on realising and delivering value** across the three business pillars

## Share Information

|                        |              |
|------------------------|--------------|
| <b>Ticker</b>          | HSP          |
| <b>Share Price</b>     | 748.0p       |
| <b>Shares in issue</b> | 33.0m        |
| <b>Market Cap</b>      | £246.8m      |
| <b>12m Hi/Low</b>      | 770.3/479.5p |

(Source: The London Stock Exchange, 04 August 2025)

## 12-Month Share Price



(Source: The London Stock Exchange, 05 August 2025)

## Major Shareholders (as at 09 June 2025)

| <b>Name</b>                | <b>%</b> |
|----------------------------|----------|
| Harwood Capital            | 27.9     |
| Canaccord Genuity Group    | 9.8      |
| GB Holdings (2021) Limited | 8.5      |
| Downing                    | 4.0      |

(Source: company website)

## Company Overview

**Hargreaves Services plc (AIM:HSP)** is a diversified Group delivering key projects and services to the environmental, infrastructure and property sectors. The company's three business segments are:

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

## Strategic Overview



## Progressive Dividend with 5% Yield

Hargreaves has maintained a progressive dividend with continued organic growth driving further increases, with the final dividend increasing 2.8% to 18.5p. The full year dividend was worth 37.0p. The recent dividend increases are underpinned by the growth in the Services business, with an increasing confidence in the future pipeline within infrastructure services opportunities. The management team of HRMS expects to maintain a cash return to the Group of c.£7m per annum.

## Hidden Value of Renewables Portfolio

The renewable energy land asset portfolio remains a key source of value creation for the Group. The portfolio consists of 11 schemes - a mixture of wind farms, battery energy storage and solar farms with a combined generation capacity of 1,148 MW - on land owned by the Group. These assets have been valued independently at between £27.1m and £29.2m. The Group remains committed to realising the value from these assets through disposal, with the first tranche brought to market in the financial year just ended.

## ESG and Net Zero Strategy

The Group continues to advance its [ESG strategy](#), overseen by the recently appointed Head of ESG and Marketing. This appointment will spearhead Hargreaves' efforts to minimise its impact on the environment whilst also championing its ESG credentials, which will be crucial to unlocking new commercial opportunities. Hargreaves recently secured PAS 2080 accreditation, demonstrating its commitment to carbon reduction within the Group's Earthworks operations, and attained a Gold rating from the Supply Chain Sustainability School. The Group aims to identify new ways to add value to the Company's services provided through increasingly sustainability-focused operations that benefit all stakeholders.

## Services Division Shows Continued Growth

Hargreaves' Services division continued its strong momentum delivering a **fourth consecutive year of growth**, with PBT increasing 39.5% to £15.9m in the year to 31 May 2025. This was primarily driven by an increase in activity on major infrastructure projects as well as growth in Hong Kong and Logistics operations. Services boasts **70+ framework and term contracts**, with 70% of revenue secured under contract for the coming year (as at 31 May 25). Coming off the back of two recent guidance upgrades, the order book is strong as is the outlook.

While HS2 will deliver at least another two years of work, the Company has also stepped up enabling earthworks at Sizewell C. Hargreaves also has a strong contractual position at Tungsten West (TW), where work will commence depending on TW's receipt of further funding. In the longer-term, Government positivity suggests further infrastructure opportunity with the Lower Thames Crossing, reservoir building programme, and plans for Heathrow and Luton airports.

## HRMS Returns to Profit

**HRMS post-tax profits experienced a significant turnaround**, totalling £4.1m (2024: £1.3m), driven by DK Recycling as it benefitted from procurement of low-cost fuels for the blast furnace, successful renegotiation of waste dust gate fee contracts, and favourable zinc pricing.

Looking forward, pig iron pricing, which was impacted by Russian sanctions, is expected to improve. This should drive DK back to delivering a profit above the current close to breakeven result.

Coke has been secured at lower prices and the increased gate fees will maintain the HRMS recovery, while the trading side of the joint venture has continued to perform well and has maintained good volumes and solid margins despite weakness in the German economy.

## Key Newsflow

**Jul:** [Preliminary results to 31 May '25](#)

**Jun:** [Pre-close trading update](#)

**Jun:** [Confirmation of Board Changes](#)

**Jan:** [Appointment of Chief Operating Officer](#)

## Management Team

The experienced management team led by **Chair 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**, an experienced chartered accountant with over 20 years experience. Having joined Hargreaves in 2013, Stephen was appointed to the Board in August 2023.



**Simon Hicks, Chief Operating Officer**, is highly experienced and has held roles in infrastructure, energy, utilities, and construction. He was appointed in June 2025 to drive value in the services business.



Additionally, the Board comprises **Nigel Halkes**, a former senior partner at E&Y, **Christopher Jones**, an experienced property advisor and **Nicholas Mills**, employed by Harwood Capital LLP.

## Hargreaves in the Media

[Questor, The Telegraph - July 2025](#)

[Investors' Chronicle - June 2025](#)

[MIDAS, The Mail on Sunday - June 2025](#)

[Watch the latest Company video HERE.](#)

## Forecasts (Source: Factset)

| Average TP: 892p | FY'24<br>(Act.) | FY'25<br>(Act.) | FY'26<br>(Est.) | FY'27<br>(Est.) | FY'28<br>(Est.) |
|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sales (£m)       | 211.1           | 264.4           | 270.9           | 273.7           | 280.1           |
| EBITDA adj (£m)  | 29.4            | 34.2            | 34.7            | 34.3            | 34.9            |
| PBT (£m)         | 16.9            | 17.6            | 21.4            | 20.8            | 21.3            |
| adj. EPS (p)     | 37.4            | 44.5            | 53.6            | 52.4            | 53.6            |