

SPRINGFIELD PROPERTIES

HOME CONSTRUCTION

30 October 2025

SPR.L

111p

Market Cap: £131.7m

SHARE PRICE (p)



12m high/low

112p/82p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	£(20.9)m (at 31/05/25)
Enterprise value	£152.6m
Index/market	AIM
Next news	Trading update, Dec
Shares in issue (m)	119.0
Chairman	Sandy Adam
CEO	Innes Smith
CFO	Iain Logan

COMPANY DESCRIPTION

Scotland's only quoted housebuilder, developing private, affordable and rental homes focused on the North and Highlands

www.thespringfieldgroup.co.uk

SPRINGFIELD PROPERTIES IS A RESEARCH CLIENT
OF PROGRESSIVE

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Board move energises new Highlands strategy

Yesterday's AGM included the appointment of Alasdair Gardner as a Non-executive Director. We believe his experience in senior roles in Lloyds Banking Group, including in housing, renewable energy and finance, will align closely with Springfield's developing strategy to focus on the Highlands, where the economy and population numbers are set to be transformed by huge levels of investment in green industries.

- Strong banking record.** During his 36 years career in LBG, Mr Gardner worked in a variety of roles, including Managing Director of Commercial Banking, 2009-16; MD of Large Corporates North America, 2016-19 and CEO of Lloyds International Bank until 2023. He was involved with the merging of Bank of Scotland and Lloyds Commercial Business in 2009. He has been a member of Kelvin Capital Advisory Board since January 2025 and is a trustee of several Scottish charities.
- Closely aligned to new strategy.** Mr Gardner's corporate banking experience includes responsibility for the housebuilding sector at Lloyds Bank, as well as renewable energy. This aligns with Springfield's strategy, announced in February, to focus growth on the North of the country. The region is benefitting from initiatives including the Inverness & Cromarty Firth Green Freeport and major investment from infrastructure providers, including £20bn from SSEN for the upgrading of the power network, which will distribute offshore power to the rest of the country (page 2). Springfield Chairman Sandy Adam said: 'His strategic expertise and decades of experience of working with businesses to support their growth ambitions will be a great resource to us as we seek to capitalise on the unprecedented opportunities in the North of Scotland'.
- Rental evolution.** At the FY25 results on 16 September, Scotland's only quoted housebuilder further refined this strategy by announcing 'advanced discussions' with power infrastructure providers in the North of Scotland, which could open up a new multi-year income stream from renting out homes to workers expanding the grid ([Power grid deals to spark rental surge](#)).
- AGM.** At yesterday afternoon's AGM, all resolutions were passed. The Group does not normally issue AGM trading announcements.

FYE MAY (£M)	2024	2025	2026E	2027E	2028E
Revenue	266.5	280.6	244.2	220.7	204.8
Fully Adj PBT	10.6	20.1	12.4	13.2	18.9
Fully Adj EPS (p)	6.8	12.0	7.6	8.1	11.6
Dividend per share (p)	1.00	2.00	3.00	4.50	5.00
PER (x)	16.4x	9.2x	14.6x	13.7x	9.6x
Dividend yield (%)	0.9%	1.8%	2.7%	4.1%	4.5%
EV/EBITDA (x)	7.4x	5.5x	8.1x	8.3x	6.3x

Source: Company Information and Progressive Equity Research estimates.

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Scottish market underpinned by long-term growth prospects and a distinctive home-buying model. Springfield offers a differentiated and lower-risk model

Springfield in brief: unique model in resilient market

Springfield was founded as a housebuilder by current chairman Sandy Adam in Moray in the 1990s and it was admitted to AIM in October 2017. We continue to believe that economic and political dynamics are likely to support growth in housebuilding volumes and prices in Scotland, where values have lagged most of the UK. With a refocus on the North of Scotland and with significant land holdings in the area, Springfield is well placed to capitalise on the opportunities across the region. See our [Springfield research section](#) on Progressive's website.

- **Scottish Government commitment to housebuilding.** The Scottish Government remains committed to a target to build 110,000 affordable homes by 2031-32, reinforced by the Budget announcement for financial year 2025-26. The Scottish Government has announced a multi-year budget for affordable housing and all tenure target for 10% growth in housing supply. A dedicated Cabinet Secretary for Housing was appointed in June 2025 to put housing higher up the political agenda. In her first Parliamentary statement this month, Màiri McAllan confirmed the Scottish Government's intention to move forward with a legislative exemption for any rent caps introduced in local markets for Build to Rent homes. The Group envisages substantial growth in this tenure and intends to play a key role in the expansion of PRS to accommodate the incoming working population in the North.
- **Scottish missive system.** With buyers legally bound much earlier than in England and Wales, the missive system offers high revenue visibility and a secure income stream.
- **A differentiated model.** Springfield has a differentiated business model that focuses on two differing markets, both of which have high demand and, arguably, a lower risk profile: family housing and affordable housing (the latter is provided both as part of planning requirements in the private housing division as well as in its own right in the affordable housing division). Springfield buys land mainly 'off market' at more attractive prices than in the mainstream market, preferring more complex long-term projects, demonstrated particularly in its 'village' sites.
- **New strategy focuses on North.** Springfield unveiled a new strategy focusing on the North of Scotland at its 17 February interim results (see [Profits head north. Debt heading south](#)). It sold a large portion of its land in the 'Central Belt' to Barratt Redrow and the two groups are also in non-binding discussions regarding the sale of additional future land holdings on a number of sites. This will allow Springfield to focus its growth in the North, where it has significant land holdings and opportunities. The region stands to benefit from major economic growth brought by the Inverness & Cromarty Firth Green Freeport and major investment from infrastructure providers including £20bn from SSEN for the upgrading of the power network.
- **Distinctive village communities.** A cornerstone of Springfield's strategy is a focus on its mid-sized village communities. All of these are set in a rural context but close to fast-growing cities. The Group currently has three active Village developments in Dundee, Perth and Elgin. A factor in Springfield's success in securing these sites has been its close co-operation with local councils and other stakeholders; a key differentiator for the group, in our view. While the new strategy places a focus on the North, the Group remains committed to delivering its active villages, including Bertha Park in Perth and Dykes of Gray in Dundee.
- **Evolving ESG credentials.** Springfield has had a longstanding commitment to ESG and an inherent culture of looking after people and the environment. The Group published its first formal ESG Strategy in 2022 with updates reported annually

Financial Summary: Springfield Properties

Year end: May (£m unless shown)

PROFIT & LOSS	2024	2025	2026E	2027E	2028E
Revenue	266.5	280.6	244.2	220.7	204.8
Adj EBITDA	20.5	27.6	18.7	18.4	24.1
Adj EBIT	17.9	25.2	15.9	15.7	21.4
Reported PBT	9.7	19.0	11.4	10.7	18.1
Fully Adj PBT	10.6	20.1	12.4	13.2	18.9
NOPAT	14.2	18.9	11.9	11.8	16.1
Reported EPS (p)	6.4	11.9	7.2	6.8	11.4
Fully Adj EPS (p)	6.8	12.0	7.6	8.1	11.6
Dividend per share (p)	1.0	2.0	3.0	4.5	5.0
CASH FLOW & BALANCE SHEET	2024	2025	2026E	2027E	2028E
Operating cash flow	44.5	33.7	21.7	12.2	20.5
Free Cash flow	36.2	25.2	15.5	7.2	13.6
FCF per share (p)	30.6	21.2	13.0	6.0	11.4
Acquisitions	(12.1)	(2.9)	(1.0)	(13.0)	(8.0)
Disposals					
Net cash flow	6.0	(5.9)	10.9	(10.0)	0.0
Overdrafts / borrowings					
Cash & equivalents					
Net (Debt)/Cash, post-IFRS 16	(45.4)	(26.4)	(15.5)	(25.5)	(25.5)
Net (Debt)/Cash, pre-IFRS 16	(39.9)	(20.9)	(10.0)	(20.0)	(20.0)
NAV AND RETURNS	2024	2025	2026E	2027E	2028E
Net asset value	158.2	171.3	176.2	180.1	188.1
NAV/share (p)	133.3	143.9	148.0	151.3	158.0
Net Tangible Asset Value	152.5	165.8	171.5	176.0	184.6
NTAV/share (p)	128.5	139.3	144.1	147.8	155.1
Average equity	154.4	164.7	173.7	178.2	184.1
Post-tax ROE (%)	7.8%	4.6%	8.1%	4.8%	4.4%
METRICS	2024	2025	2026E	2027E	2028E
Revenue growth	29.2%	(19.8%)	5.3%	(13.0%)	(9.6%)
Adj EBITDA growth	(4.5%)	(11.6%)	34.7%	(32.2%)	(1.6%)
Adj EBIT growth	(8.4%)	(13.4%)	40.9%	(37.0%)	(1.3%)
Adj PBT growth	(23.1%)	(34.0%)	89.8%	(38.2%)	6.5%
Adj EPS growth	(31.6%)	(35.1%)	77.7%	(36.9%)	6.5%
Dividend growth	(100.0%)	N/A	100.0%	50.0%	50.0%
Adj EBIT margins	6.7%	9.0%	6.5%	7.1%	10.4%
VALUATION	2024	2025	2026E	2027E	2028E
EV/Sales (x)	0.6	0.5	0.6	0.7	0.7
EV/EBITDA (x)	7.4	5.5	8.1	8.3	6.3
PER (x)	16.4	9.2	14.6	13.7	9.6
Dividend yield (%)	0.9%	1.8%	2.7%	4.1%	4.5%
P/NAV (x)	0.83	0.77	0.75	0.73	0.70
FCF yield	27.5%	19.1%	11.7%	5.4%	10.3%

Source: Company information and Progressive Equity Research estimates

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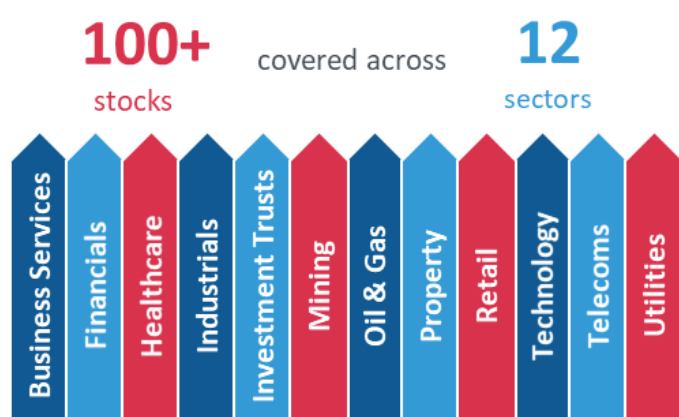
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