

Belvoir Group PLC

22:25 02 Apr 2019

Belvoir Lettings confident of further opportunities for growth

Belvoir Lettings PLC (LON:BLV) shares rose on Tuesday as the group, which runs a network of more than 300 lettings and estate agencies, said it has made an encouraging start to 2019.

The board is confident that the year will see further opportunities for growth, both organically and through sector consolidation, despite the tenant fee ban, which will come into effect in June. The chairman, Mike Goddard, said the group has taken steps to mitigate the impact of the tenant fee ban.

WATCH: Belvoir builds on a flat market

This year, the company is looking to build on a strong performance in 2018 when profit before tax rose 40% to £5.5m from £3.9m the year before, continuing an unbroken string of 22 years of profit growth.

Group revenue rose 21% to £13.7m in 2018 from £11.3m in 2017, while management service fees (MSF) improved by 7% to £8.5m from £7.9m against the backdrop of a flat property market.

The number of high street offices within Belvoir's property network remains at 300 with the average MSF per franchise office up to £28,333 (2017: £26,333) compared to just £19,753 in 2014, noted chairman Mike Goddard.

Cash flow from operating activities was healthy at £4.6m, up from £3.7m the year before, and contributed to an increase in the year-end bank balance to £1.8m from £1.4m the year before.

Net debt rose to £9.6m from £5.1m a year earlier following the payment of £4.2m in earn-out fees relating to the Northwood acquisition and the £4.0m cash consideration for the acquisition of MAB Glos, the financial services firm.

READ: Belvoir Lettings revenues rise as rental market defies property wobble
The full-year dividend has been pumped up to 7.2p from 6.9p the year before as a result of the group declaring a final dividend of 3.8p (2017: 3.5p).

Dorian Gonsalves, the chief executive officer of Belvoir Lettings, said top-line growth outperformed both the sales and lettings elements of the housing market and the financial services market.

"The increase in our like-for-like lettings MSF of 2.6% outstripped the 1% rental index, and lettings were boosted further by a 4.5% uplift from our assisted acquisitions programme which performed ahead of our expectations," W Gonsalves noted.

"Meanwhile, our sales MSF increased by 8.4% against the backdrop of a flat sales market in which a 2% fall in the number of UK property transactions was compensated by a modest increase of 2.5% in house prices. Revenue from Brook, our 2017 financial services acquisition, increased by 20%, on a full year basis, compared with a 3.7% increase in the value of gross mortgage advances," he added.

Price: £1.13

Market Cap: £39.31 m

1 Year Share Price Graph



September 2018 March 2019 September 2019

Share Information

Code: BLV

Listing: AIM

52 week High Low
123 85

Sector: Real Estate

Website: www.belvoirgroup.com

Company Synopsis:

We are the UK's largest property franchise group delivering residential lettings and sales, and property-related financial services through 365 individual businesses nationwide. We operate through two divisions: a network of property franchisees and a network of financial advisers, which combine to support our customers throughout their property journey.

action@proactiveinvestors.com.au

"Belvoir is uniquely positioned within the property sector, benefiting from the agility of a franchise business model compared with the larger corporate players, whilst providing our networks with the Central Office systems and support, not available to the smaller independent agents.

"Belvoir is a strongly cash generative business with revenues underpinned by the recurring 'annuity-style' lettings income stream coupled with the diversification into complementary property-related services, which will enable the group to overcome changes and outperform in the sector over the coming year," Gonsalves said.

In early afternoon trading, shares in Belvoir Lettings were 2% higher at 102.50p.

-- Adds share price, video link --

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Belvoir Group PLC named herein, including the promotion by the Company of Belvoir Group PLC in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).