

CRH PLC

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CRH bumps up buyback and continues review of distribution arm

CRH PLC (LON:CRH) has extended its share buyback programme as the building materials giant got off to a good start to 2019, sold off one small unit and continues to ponder options for its Europe Distribution arm.

Boosted by price rises across its product lines and mild weather in many markets, like-for-like group sales swelled 7% in the first quarter compared to the same period last year.

READ: CRH posts strong 2018 earnings growth thanks to good performance in both the Americas and Europe

As the first six months of the year are seasonally less important to the business than later in the year, the FTSE 100 group made no change to its full-year guidance.

The share buyback was bumped up €350mIn "in light of our strong balance sheet and cash generation", which was buttressed by a deal to sell the European Shutters & Awnings unit for "in excess of €0.3bn", while €200m was spent on bolt-on acquisitions.

Directors continue to work through a strategic review of the European Distribution division, saying they were considering "all options to maximise shareholder value" as a counter to recent press articles suggesting a disposal process had already been launched.

For the first half, group underlying earnings (EBITDA) are expected to top €1.5bn, up 33% on the €1.13bn, thanks in part to last June's acquisition of Ash Grove, a Kansas-based cement manufacturer.

EBITDA in the second half of the year is also anticipated to be ahead of the second half of 2018, CRH said, given normal weather and other market conditions.

Ash Grove was said to be performing in line with expectations and beginning to generate the acquisition synergies delivery "as planned", contributing to an Americas Materials division where sales climbed 4%.

Strongest growth in the quarter came from Europe Materials, where LFL sales were up 12%, though the UK appeared to be the exception with weaker-than-expected volumes going into the second quarter. Sales from the global Building Products arm were up 5%.

Analysts at UBS noted that full year EBITDA will be positively impacted by €190m from the new IFRS-16 accounting changes, €130m net M&A contribution, €50m of currency changes and organic growth, seeing the benefits of last year's reorganisation happening in the second half of the year.

The Swiss bank sees trading in Europe as "strong", the US "solid" and said "a well-timed winterfill programme could

Price: 2874

Market Cap: £22.55 billion

1 Year Share Price Graph



Share Information

Code: CRH

Listing: LSE

52 week	High	Low
	3116	1500

Sector: Builders and building materials

Website: www.crh.ie

Company Synopsis:

CRH plc is a diversified building material company, which manufactures and distributes building material products from the fundamentals of heavy materials and elements to construct the frame, through exterior products that complete the building envelope, to distribution channels, which service construction fit-out and renewal.

action@proactiveinvestors.com.au

help asphalt margins in the light of rising oil prices" but observed that CRH's own view of 2019 outlook has not changed since results in February.

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

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