EDISON

Severfield

New banking facilities announced

Banking refinancing with benefits

General industrials

12 June 2026

Severfield announced this morning that it has signed a new three-year banking facility with its existing lending syndicate. This comes with multiple benefits: a longer three-year term with improved commercial characteristics, including two one-year extension options (a significant improvement from Severfield's previous one-year term), a reduced margin, more favourable covenant terms, a new accordion option of up to an additional £30m and, consequently, greater financial flexibility with a stronger platform to support future growth opportunities. We expect the next catalyst for the stock to be the full-year results and strategy update on 23 June. We make no changes to our estimates and, as noted in our April 2026 update note, at 7.9x the valuation remains undemanding.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
3/24	463.5	36.5	8.85	3.70	3.0	14.0
3/25	450.9	18.1	4.28	1.40	6.2	5.3
3/26e	437.4	10.2	2.57	0.00	10.3	N/A
3/27e	472.4	13.2	3.35	0.00	7.9	N/A

Note: PBT and EPS are on an underlying, diluted, company basis, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Severfield announced that it had signed a new three-year banking facility agreement with its existing lending syndicate on 11 June. The key elements of the new agreement are: a renewed £60m revolving credit facility (RCF); a continuation of the £7.6m term loan facility, amortising through to December 2027; and a new accordion option of up to an additional £30m, subject to lender consent. All facilities are unsecured and provided by a strong syndicate of relationship banks. The new agreement brings significant benefits, including:

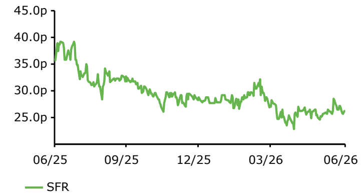
- An extended term. The new agreement is for an initial three-year term to June 2029 with two one-year extension options on the RCF subject to lender consent. This is a significant extension of maturity compared to the previous one-year term and is more in line with corporate lending standards.
- Better commercial characteristics, including a reduced margin and more favourable covenant terms.
- A stronger liquidity position and enhanced financial flexibility.
- A strong platform for future growth opportunities.

Better commercial terms imply a small positive financial benefit, more details of which may be included with Severfield's full-year results and strategy update on 23 June. FY26 guidance has been met, as stated in the March trading update, and the company has issued cautious guidance for FY27. The management team will host a webcast for retail investors at 9.30am on Friday 26 June via the Engage Investor platform. Investors can register for Engage Investor at no cost and follow Severfield via their personalised investor hub.

Severfield's valuation remains undemanding at 7.9x FY27. A re-rating could be driven by potential medium-term margin improvement supported by the execution of projects with better profitability and management initiatives stemming from the strategic review. Risks include the macroeconomic and geopolitical environment, direct cost pressures, tighter pricing in end markets and execution risk.

Price	**26.50p**
Market cap	**£78m**
Net cash/(debt)at FY26e	£(28.0)m
Shares in issue	296.2m
Free float	100.0%
Code	SFR
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



Business description

Severfield is a market-leading UK structural steelwork fabricator operating across a broad range of market sectors, now with a Dutch subsidiary. An Indian facility undertakes structural steelwork projects for the local market in a joint venture with India's largest steel producer, JSW Steel.

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