

Consensus Forecast Analysis

Sector: Industrial Suppliers

Ticker: SHI

Share Price Summary

Price (at close on 07 May)	144p
Consensus Target Price	146p
12 Month High/Low	154p/101p
No. of Shares	591.6m
Market Value	£849.5m
Net Debt/(Cash) - FY 2018	£189.4m
Enterprise Value	£1,038.9m
Brokers	Peel Hunt, Jefferies
Analysts Actively Covering	16
Free Float (%)	88.1%
Average Volume (3M)	1,308,744

	-1m	-3m	-12m
Absolute	-1.0%	19.3%	-0.8%
Relative to Allshare	-5.2%	11.7%	10.1%
Relative to Sector	-1.5%	13.3%	2.3%

Share Price Chart



Valuations

	2018	2019E	2020E
P/E	15.4x	13.1x	11.7x
EV/Revenue	0.4x	0.4x	0.4x
EV/Adj. EBITDA	9.1x	8.3x	7.7x
Div. Yield	2.6%	3.0%	3.3%

Financial Calendar

Trading Update	05 July 2019
HY Results	02 August 2019
Trading Update	20 November 2019

Listing & Peers

Index	FTSE250
Sector	Industrial Suppliers
Peers	Ferguson, Grafton, Travis Perkins
Analysts' forecasts used in this analysis	Berenberg, Canaccord, Cenkos, Citi Group, Davy, Jefferies, J.P. Morgan Cazenove, Liberum, Numis, Peel Hunt, Redburn, Shore Capital, Stifel, UBS

Directors

CEO	Meinie Oldersma
CFO	Nick Maddock
Chairman	Andrew Allner

SIG is a leading supplier of specialist building materials to trade customers across Europe, with strong positions in its core markets as a specialist distributor of insulation and interiors products, a merchant of roofing and exteriors products, and a provider of air handling solutions.

The Group provides a key service to the construction industry, ensuring that its customers receive the right product, in the right place at the right time. It operates across the UK, Ireland and Mainland Europe; employing around 8,000 people. The Group's strategy targets the creation of long term value through delivery of the operational and financial transformation of its businesses.

SIG is actively covered by 16 investment analysts, 14 of whom provide a full set of forecasts for 2019 and 2020. These are anonymised to form the basis of this analysis. The analysis provides detail on forecasts for the following four key financial metrics; PBT, EPS, DPS and Headline Financial Leverage. The level of adjusted PBT forecast in each year is used to set an order for the analysts (largest estimate to smallest), and this ordering is maintained in all charts so that it is easy to follow Analyst X's forecasts down the page.

SIG published its audited final results for the year ending 31 December 2018 on 8 March 2019. The annual report and accounts can be found [here](#). Further, the Group has provided a trading update this morning ahead of its Annual General Meeting, which can be found [here](#).

Medium Term Financial Targets*

	Target	2016	2017	2018
LFL Sales Growth	Market Growth/ Maintain Market Share	0.4%	3.5%	-2.1%
ROS (excl. prop. profits)	5%	3.3%	2.7%	3.3%
ROCE (Post-Tax)	15%	10.2%	9.3%	10.3%
Headline Fin. Leverage	<1.0x	2.4x	2.3x	1.7x

Financial Data*

Year End:	2016	2017	2018	2019E	2020E
December				<i>Bloomberg Mean</i>	
Revenue (£m)	2,587	2,716	2,683	2,628	2,676
EBITDA (£m)**	116.9	118.5	114.4	124.5	134.1
EBIT (£m)	89.7	85.6	90.6	100.8	110.6
PBT (£m)	75.9	69.4	75.3	85.8	95.8
PBT excl. prop. profits (£m)	72.6	58.1	72.7	Forecasts Unavailable	
Free Cash Flow (£m)	40.0	61.1	84.3	76.7	77.2
Net Debt/(Cash) (£m)	279.7	258.7	189.4	149.0	109.4
Headline Fin. Leverage	2.4x	2.3x	1.7x	1.2x	0.8x
Wt. Avg. Shares (m)	591.4	591.5	591.6	591.6	591.6
Adj. EPS (p)	9.7	8.6	9.3	11.0	12.3
Dividend (p)	3.7	3.8	3.8	4.3	4.7

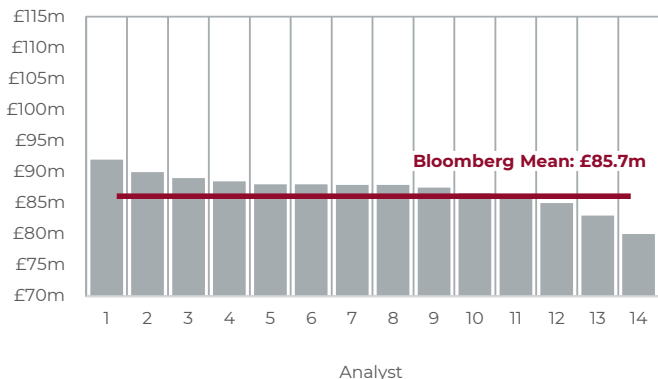
* Data as reported for underlying operations. 2016 & 2017 financials are restated, per the financial statements.

** As calculated for covenant purposes

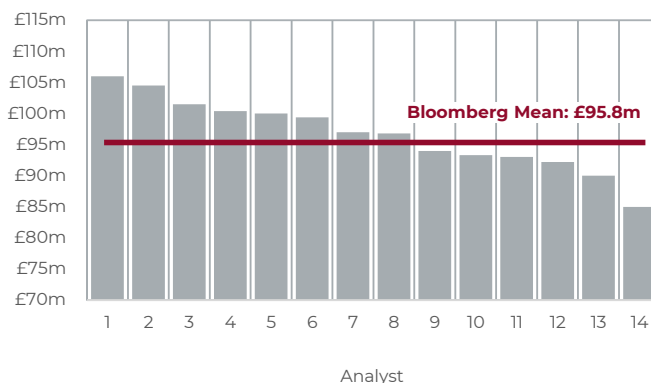
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Consensus Detail

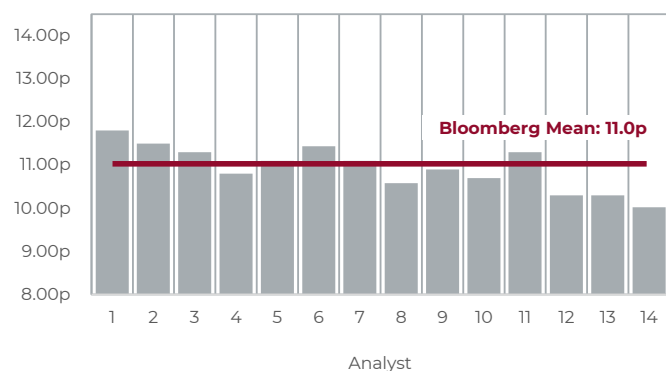
PBT 2019E



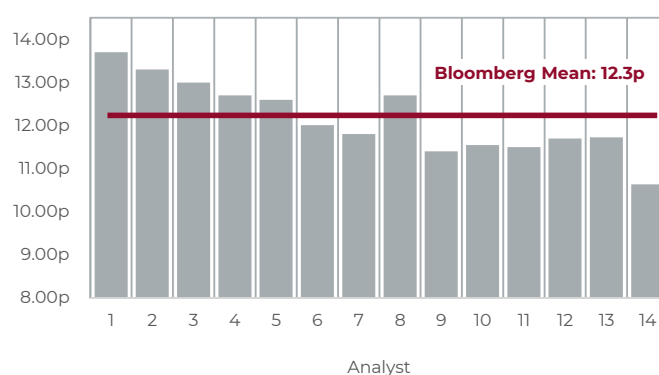
PBT 2020E



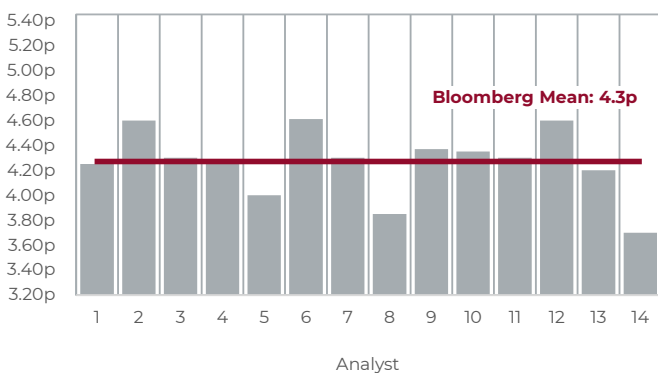
EPS 2019E



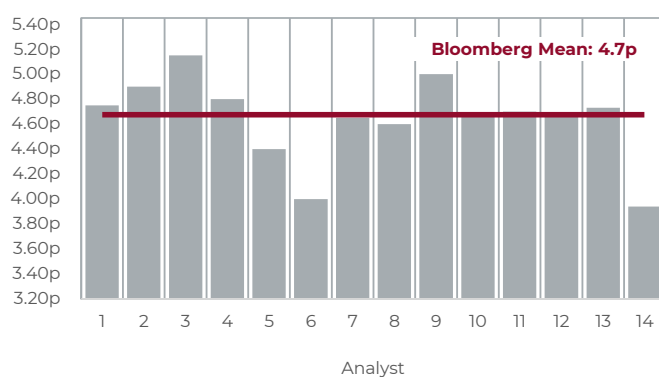
EPS 2020E



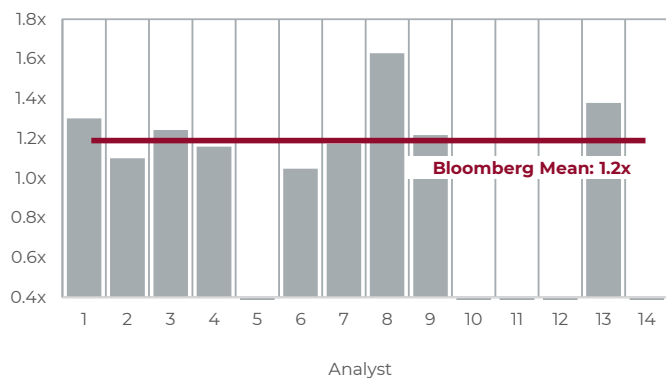
DPS 2019E



DPS 2020E



Headline Financial Leverage 2019E



Headline Financial Leverage 2020E

