

Company Summary

Investment Profile

1. High yielding 6% progressive dividend underpinned by continued organic growth
2. Strong debt free balance sheet; cash generative business
3. Robust contracts portfolio (65+) provides high level of secured revenues in Services
4. Renewable energy land assets being primed for sale over the medium term
5. HRMS returns to profit with positive near term growth drivers supporting improved outlook
6. Clear focus on realising and delivering value

Share Information

Ticker	HSP
Share Price	662.0p
Shares in issue	32.9m
Market Cap	£222.2m
12m Hi/Low	690.0/470.0p

(Source: The London Stock Exchange, 11 February 2025)

12-Month Share Price



(Source: The London Stock Exchange, 11 February 2025)

Major Shareholders (as of 11 February 2025)

Name	%
Harwood Capital	27.97
Canaccord Genuity Group	9.90
GB Holdings (2021) Limited	8.46
Downing	4.00

(Source: company website)

Company Overview

Hargreaves Services plc (AIM:HSP) is a diversified group delivering key projects and services to the environmental, industrial and property sectors. The company's three business segments are:

- [Services](#)
- [Hargreaves Land](#)
- [German joint venture, Hargreaves Raw Materials Services GmbH \(HRMS\)](#)

Strategic Overview



Progressive Dividend with 6% Yield

Hargreaves has announced a progressive dividend with continued organic growth driving further increases, with the interim dividend up 3% to 18.5p - this represents 50% of the Board's expected increased full year dividend of 37.0p. The recent dividend increases are underpinned by the additional free cash flow available following the [buy-in of the pension scheme](#) at a lower than anticipated cost, and corresponding release of an £1.8m annual liability, as well as a **material** cash receipt from HRMS. The management team of HRMS expects to maintain a minimum cash return to the Group of £7m per annum.

Hidden Value of Renewables Portfolio

The first tranche of Hargreaves' renewable energy land portfolio went to market in FY2025. The assets have been valued independently at **between £27.0m and £28.8m**, with proceeds to be returned to shareholders over time. The group expects to receive £10m+ for the first tranche sale, which is expected to complete in calendar year 2025.

ESG and Net Zero Strategy

The group continues to make positive strides with regard to ESG and has recently appointed its **first Head of ESG and Marketing**. This appointment will spearhead Hargreaves' efforts to minimise its impact on the environment whilst also championing its ESG credentials, which will be crucial to unlocking new commercial opportunities.

Furthermore, the group has published its first **Net Zero Strategy**, outlining ambitious goals to become Net Zero by 2030 at a corporate level, with a scale of targets through all its activities up to 2050. You can read the plan on Hargreaves' website [here](#).

Services Division Shows Continued Growth

Hargreaves' Services division continued its strong momentum delivering 12.8% growth in PBT to £8.8m in the six months to 30 November 2024. Services boasts **65+ term and framework contracts**, with 90% of revenue secured under contract for the current financial year. Combining this with the additional earthmoving volumes underpins management's expectation for Services of outperforming market revenue expectations for the current financial year by approximately 10%, with upgrades to the next two financial years as well. While HS2 will deliver at least another two years of work, the company has also stepped up enabling earthworks at Sizewell C. Hargreaves also has a strong contractual position at Tungsten West (TW), where work will commence depending on TW's receipt of further funding.

HRMS Returns to Profit

HRMS benefited from continued stronger performance in H1 as pig iron prices reacted to EU sanctions on Russian exports and DK Recycling increased gate fees for steel waste dust. Looking forward, coke has been secured at lower prices and the increased gate fees will contribute to HRMS's recovery.

Latest Corporate Video



Key Newsflow

June'25: Pre-close trading update

July'25: Full year results

Oct'25: AGM

Dec'25: Half year trading update

Jan'25: Half year results

Management Team

The experienced management team led by **Chair Roger McDowell** has a track record of executing strategic growth leading to substantial increases in shareholder value.

CEO Gordon Banham joined Hargreaves in 2001 and led a management buyout in 2004, with the company's flotation on the LSE the following year.



Stephen Craigen, Chief Financial Officer, joined Hargreaves in 2013 and spent six years as Group Financial Controller, giving him a deep understanding of the Hargreaves business model. He was appointed to the Board in August 2023.

David Anderson, Group Property Director, joined Hargreaves in 2018. He was previously a Managing Director of Henry Boot Developments, the property development subsidiary of Henry Boot plc.

Additionally, the Board comprises three other non-executive directors in **Nigel Halkes**, a former senior partner at E&Y, **Christopher Jones**, an experienced property advisor and **Nicholas Mills**, employed by Harwood Capital LLP, the Group's largest shareholder.

Hargreaves in the Media

[Investors' Chronicle - January 2025](#)

[MIDAS, The Daily Mail - August 2024](#)

[Questor, The Telegraph - April 2024](#)

[MIDAS, The Mail on Sunday - February 2024](#)

Forecasts (Source: Factset)

TP: 803.5p	<i>FY'24 (Actual.)</i>	<i>FY'25 (Est.)</i>	<i>FY'26 (Est.)</i>	<i>FY'27 (Est.)</i>
<i>Sales (£m)</i>	211.1	247.6	253.4	248.7
<i>EBITDA adj (£m)</i>	29.4	27.6	30.9	29.4
<i>PBT (£m)</i>	16.9	16.5	20.4	18.8
<i>adj. EPS (p)</i>	37.4	42.0	50.9	47.4