

Severfield

First step in reshaping strategy

The renewed optimism at Severfield that we referred to in our December [note](#) appears to be playing out with the closure of the Modular Solutions business and the increasing momentum in the UK and European order book. Full-year expectations remain unchanged and investors can look forward to a revised strategy update from the new management team this year.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
3/24	463.5	36.5	8.85	3.70	3.3	12.8
3/25	450.9	18.1	4.28	1.40	6.8	4.8
3/26e	449.6	9.9	2.50	0.00	11.6	N/A
3/27e	458.6	18.3	4.62	0.00	6.3	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's new leadership team, under the guidance of new CEO Paul McNerney, has been undertaking a strategic review of the group's markets, operations and organisational structure. The board has decided that its Modular Solutions business is a sub-scale, non-core activity and, following consideration of the strategic options available to it, has decided to discontinue the operation. The Construction Metal Forming joint venture (JV) will continue to operate as a separate entity and is unaffected.

In the year to March 2025 Modular Solutions generated revenue of £24.2m and an operating profit of £0.4m. However, its markets have proved to be more challenging in the current financial year. The closure does not change management's full-year expectations for underlying PBT or net debt for the group. Modular Solutions will be treated as a discontinued operation at year-end and the cash impact is not expected to be material in the period.

The new CEO, who was appointed on 3 November 2025, stated in the closure announcement: 'I was clear that my priorities were to redefine our strategy, strengthen our manufacturing and delivery capabilities, drive greater efficiency, and reinforce our focus on engineering excellence for our customers... This marks an important early step in reshaping our strategy, and we will provide a broader update on the growth strategy for our core business during 2026.'

Severfield continues to focus on growth industries that exhibit high barriers to entry. These include transport infrastructure, nuclear power, commercial offices, industrial facilities and data centres. The signs are encouraging as the UK and European order book is gaining momentum. In February 2025 it stood at £403m, in November it had grown to £429m, and by 1 January 2026 it had expanded to £479m. In the group's half-year results in December, a similar growth pattern was reported for the group's Indian JV, which at that point had grown its order book from £240m in July 2025 to £286m on 1 November.

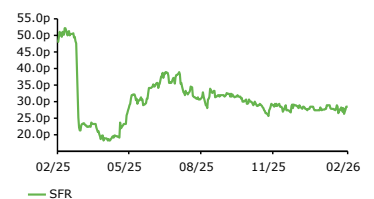
Closure of business unit

General industrials

4 February 2026

Price	29.00p
Market cap	£86m
Net (debt) at 30 September 2025	£(21.7)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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