

Share Review

Renew Holdings [RNWH] share price on 3 November 2014 £2.88

Renew Holdings plc is holding company. The Company is engaged in engineering services and specialist building. The main activities are carried out in the United Kingdom with some development activities in the United States. The Company has two segments: Engineering Services, which comprises the Company's engineering activities which are characterized by the use of the Company's skilled engineering workforce, supplemented by specialist subcontractors where appropriate, in a range of civil, mechanical and electrical engineering applications; and Specialist Building, which comprises the Company's building activities which are characterized by the use of a supply chain of subcontractors to carry out building works under the control of the Company's as principal contractor. In May 2014, the Company acquired the remaining interest in Clarke Telecom Ltd

Company Facts

Code	Market cap:	Sector	Exchange	Currency	Indices
RNWH	£194.65 mil	Support Services	LSE	GB £ Sterling	AIM

Renew Holdings [Web Site](#)

Key Features

- Renew Holdings plc has a history spanning over 200 years
- Today the Group delivers multidisciplinary civil, mechanical and electrical engineering services nationwide, concentrating on critical planned and reactive maintenance and asset renewal.
- operations focus on the key markets of Energy (including Nuclear), Environmental and Infrastructure, which are largely governed by regulation and benefit from non-discretionary spending programmes giving long-term visibility of committed funding
- The Group's Engineering Services now accounts for over 75% of Group revenue and 85% of operating profit
- Core Themes –**ENERGY**- Nuclear, renewables, traditional. **ENVIRONMENTAL** -Water, flood alleviation, river and coastal defence, land remediation **INFRASTRUCTURE** Rail, highways, industrial
- Subsidiary businesses include AMCO engineering, rail. SEL. VHE, Seymour civil engineering, Britannia construction
- Working with industrial clients provides partnership with Sellafield Ltd, Northumbrian Water, Network Rail [case study partnerships](#)
- Leading contractor in the South East of the UK - Relationships with 16 Housing Associations providing access to £700m annual spend
- **Brand strength** Directly employed multiskilled workforce/ Local experienced delivery teams /Long term relationships established through responsiveness
- 2014 Strong order book of £427m, increase of 18% 17% increase in Engineering Services order book to £306m. Engineering Services revenue up 53% to £169m Interim dividend increased by 36% to 1.5p (2013: 1.1p)
- The Group had no bank debt at 31 March 2014 and a strong cash position of £8.1m
- Year on year share performance increase 112% (22 Oct 2013 £1.50 22 Oct 2014 £3.18)
- Renew Holdings is an Aim Listed company.

Recent News

- Acquisition of Forefront Group Limited ("Forefront"), an engineering services business focused in the gas infrastructure market, for a cash consideration of £14.8m. The acquisition has been funded from the Group's cash resources and a four year term loan of £12m provided by HSBC Bank plc and will be earnings enhancing to Renew
- Acquisition of Clarke Telecom - Demand for mobile internet access and communications is outstripping capability and capacity of existing mobile network infrastructure. Strategic capture means indirectly diversifying into the growing Wireless telecoms infrastructure market

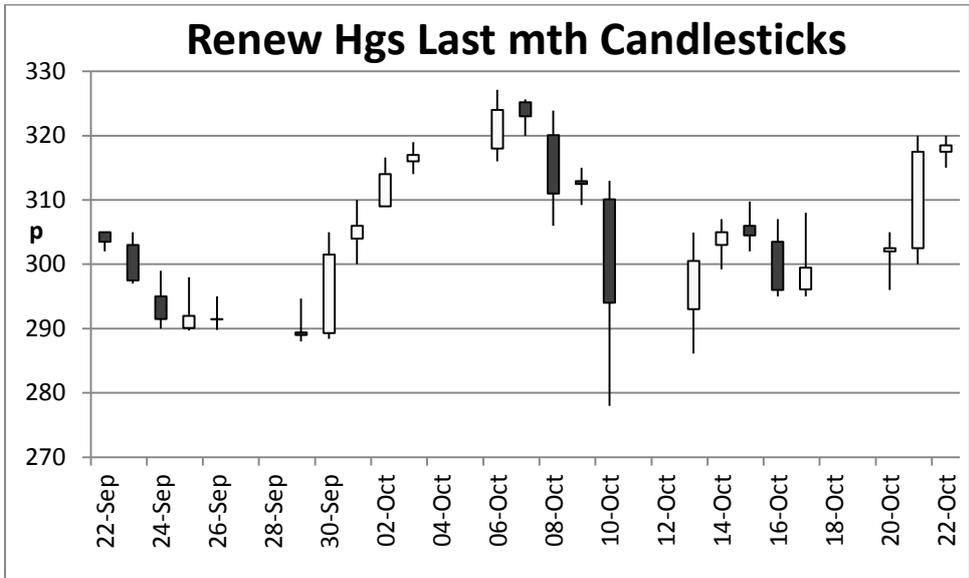
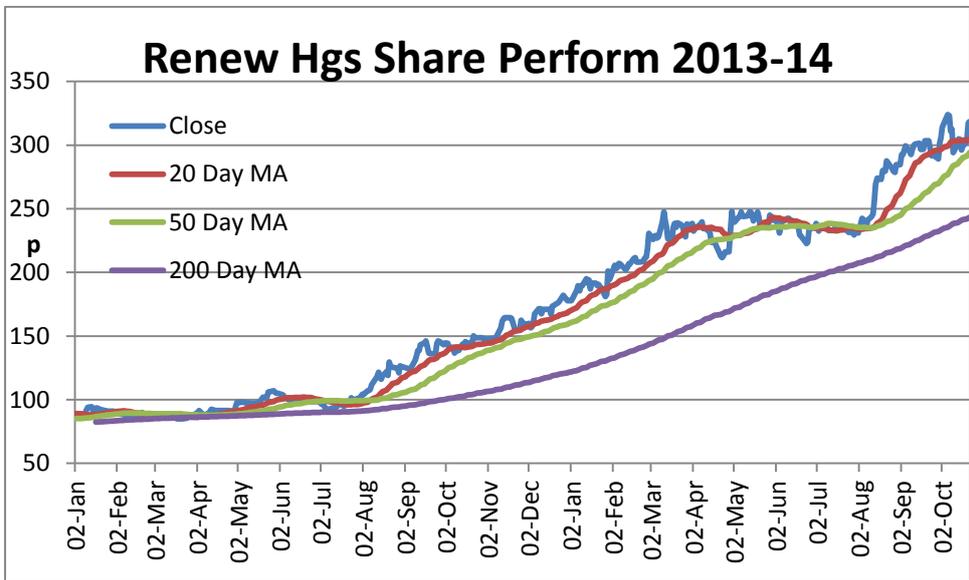
FUNDAMENTAL ANALYSIS

Company Statements [Interim Report and Accounts 2014](#) [2014 Interim results](#)

FINANCIAL PERFORMANCE

Interim Report and Accounts 2014	Year ended 31 Mar 2013 £m	Year ended 31 Mar 2014 £m	Year on Year Movement %
Total Equity	11.6	13.9	19.8
Revenue	152.4	225.8	48.2
Operating Profit	4.9	7.8	59.2
Profit before Tax	4.3	6.9	60.5
Net Assets	11.6	13.8	16.9
Groups Order Book	361	427	18.3
EPS	5.30p	8.84p	66.8
Proposed Dividend	1.10p	1.50p	36.4

TECHNICAL ANALYSIS - Renew Holdings [RNWH]. This is traded in the Aim listed market and readers should be made aware that Aim listed companies can be considered more risky than those traded on the main market. **Technical Diagnosis** – Moving averages give a good indication of the vitality of the share in the long run. Since August 2013 the share has seen rising momentum with the share price tracking closely above its 20, 50 and 200 Day Moving Averages. The 200 day has been on a steady incline indicating that for over a year it has gained investor approval. The continual upward 200 day moving average implies long term sustainability. Despite the lull in its share performance between May to July 2013 where after a wedge formation occurred. a breakout occurred and the share has been on a upwards climb since. The sustained share price growth has been exponential with year on year growth of 112% for one year and 297% for 2 years. This is a share that has shown gradual long term price appreciation in the past. Last months candlestick have in the main traded within a consolidation range. A significant Bearish candlestick appeared on the 10 October which coincided with the general downtrend in the market. Since then candlesticks have seen higher lows. A Doji that appeared on 20 October saw a bullish confirmation on 21 October suggesting that further short term upside potential; is possible but cannot be guaranteed. Readers must be aware that I have a vested interest in this share as I have already bought holdings in this share. I bought 1000 shares £2.32 on 1 Aug 14 and 749 shares at £3.02. I am currently in profit on this previous share purchase. This is not a dynamic share mover but has, over the last year been a positive growth stock. Its entry into wireless technology through its involvement in Clarke telecom could prove to be an interesting strategic move for long term potential. If current performance continues I may look at acquiring further holdings depending on market sentiment. **Please note this analysis is not advice but interpretation of potential market moves. Past performance is no guide to the future.** Share First Reviewed on 22 Oct 2014 £3.17. Current Price 3 November £2.88



Visitors are advised to conduct independent research