Morning Wrap

Today’s Newsflow

Select headline to navigate to article

Barratt Redrow Weak outlook points to consensus downgrades, partially offset by £400m SBB

B&M European Value Retail Q1’27: In-line, led by France; UK LFLs remain subdued

Irish Banks Draft European Commission report proposes loosening leverage ratio requirements

Equity Research **15 Jul 2026**

08:36

Upcoming Events

Company Events

15-Jul	Barratt Redrow; FY26 Trading Update
16-Jul	Trustpilot Group; Q226 Trading Update
	Vistry Group; Q226 Trading Update
20-Jul	Ryanair; Q1 FY27
21-Jul	Compass Group; Q326 Trading Update
22-Jul	Greencore; Q326 Trading Update
	J D Wetherspoon; FY26 Trading Update

Economic Events

Ireland

15-Jul	Exports
	Imports
	Trade Balance
22-Jul	PPI
	Wholesale Price Index

United Kingdom

16-Jul	Construction Output
	GDP
	Industrial Production
	Manufacturing Production
	Trade Balance
21-Jul	ILO Unemployment Rate
22-Jul	CPI
	PPI
	Retail Price Index
	ONS House Price

Goodbody Capital Markets

Equity Research +353 1 6419221

Equity Sales +353 1 6670222

Bloomberg DS GDS<GO>

Barratt Redrow Weak outlook points to consensus downgrades, partially offset by £400m SBB

Recommendation: Hold
Closing Price: £2.78

Lewis Roxburgh
+353-1-603-2643
lewis.roxburgh@goodbody.co.uk

The in-line FY26 update was expected, with FY27 guidance the key focus and coming in below consensus (we estimate the average outcome of the guidance implies a c.10% downgrade, we are currently 12% below FY27 consensus). This is partially offset by an accelerated £400m SBB scheme, representing a net £100m uplift and a total capital return yield of c.10%. Overall, the update points to a continued subdued housing market and will be a negative read-across for the sector.

FY26 adjusted PBT is expected to come in line with market expectations of £559.9m (GbE: £562m). Completions increased 5% to 17,667, while sales rates remained flat at 0.63 (0.55 ex-bulk). ASPs rose 3.8% to £396k. Forward sales declined 3.5% to c.£2.8bn.
An accelerated £400m shareholder buyback has been confirmed following investor activist activity, with dividends temporarily replaced by the scheme. This represents a net £100m uplift (c.£100m SBB already in numbers and we had previously assumed c.£200m of dividends), equating to a total capital return yield of c.10.25%. This is supported by a strong balance sheet with the net cash position at year-end standing at £772m (FY26: £722m). The net cash position in FY26 has benefited from "reduced land spend and the delayed timing of legacy building remediation payments".

The outlook for FY27 remains challenging, with guidance of 17,200 to 18,200 completions (-2.6% to +3.0% volume growth), minimal house price inflation, build cost inflation of 3–4%, and synergies of £27m. We estimate this implies a PBT range of £424m to £531m, with an average of £477.5m. Our current estimate is £463.4m, 12% below FY27 consensus.

Home…

B&M European Value Retail Q1'27: In-line, led by France; UK LFLs remain subdued

Recommendation: Hold
Closing Price: £2.04

Fintan Ryan
+44 74 078 73369
fintan.ryan@goodbody.ie

BME has reported its Q1 FY27 trading with UK LFL sales -2.3% yoy (vs. GBYe -2% and VA -1.4%). Group sales were +2.0% to £1,433m (in-line with consensus of £1,431m) helped by France +12.3% c.FX and +5.3% LFLs. At this stage, no FY guidance being provided, though the statement notes higher UK General Merchandise margins yoy to continue into H2, with FMCG trading margins lower as B&M invested in pricing, and clean inventory levels exiting the gardening season. With Q1 having been flagged as softer already due to a tough comp and colder April/May weather yoy, the UK LFL outturn is not surprising, albeit with limited evidence so far of the "Back to B&M Basics" turnaround plan coming through. At this point we expect limited changes to consensus today (£476m pre-IFRS 16 adj EBITDA, +4% yoy), albeit shares may be softer on the lack of progress in LFLs following the better June weather that has continued into July.

No guidance is being given until the H1 results in November, post Spring/Summer selling season. For FY27, we currently model +3.9% group sales to £5,999m on +0.8% UK LFL with pre-IFRS 16 adj EBITDA +2.5% to £470m, post IFRS-16 adj EBIT +4.8% to £453m and adj EPS +6.5% to 22.6p. We note VA on £5,959m sales on +0.6% UK LFL, £476m pre-IFRS 16 adj EBITDA, £437m post IFRS-16 adj EBIT and 21.9p adj EPS.

Despite the uncertain macro, shares are +21% ytd, trading on 9x cal.26 P/E and 5.8x EV/EBITDA, supported by c.10% FCF yield. The "Back to B&M Basics" turnaround plan promises to return UK LFL sales to consistently positive growth, with still some work to do on ranges and price points to drive footfall/ transactions and, in time, return margins to >10%. This statement suggests the turnaround momentum is yet to be fully bedded in, which given the recent sunny weather and potential World Cup boost, may be a disappointment to some today.

B&M UK General Merchandise LFL sales grew yoy in May and June following a tough April comp while FMCG LFLs continued to decline. France LFL sales +5.3% with c.FX sales +12.3% with an encouraging mid-single digit growth in LFL transaction volumes. Heron Foods LFL sales +2.6% (total +2.8%) benefitting from range reviews and positive clearance contribution.

Home…

Irish Banks Draft European Commission report proposes loosening leverage ratio requirements

Denis McGoldrick
+353 1 603 2631
denis.mcgoldrick@goodbody.ie

It was reported across several media outlets yesterday, including the FT here , that the European Commission will propose loosening the leverage ratio requirements for European banks in a report to be published on Friday. The leverage ratio is a non-risk-based backstop, calculated as Tier 1 capital divided by total leverage exposure including assets and off-balance-sheet items, and the EU's 3% minimum has been binding since 28 June 2021. Regulators are revisiting the framework because leverage requirements can become a binding constraint rather than a backstop, especially for low-risk, balance-sheet-intensive activity. The reported European Commission draft would remove some Pillar 2 capital requirements linked to the leverage ratio for some banks, reduce reporting requirements, simplify additional buffers and review the EBA mandate, with the draft still subject to change. This follows US changes to the enhanced supplementary leverage ratio, effective 1 April 2026, and UK proposals to reduce the Tier 1 leverage minimum from 3.25% to 3.0%, remove the countercyclical leverage buffer and introduce a releasable 25bp general leverage buffer. Separately, the report also proposes an overhaul of the planned European Deposit and Insurance Scheme, reducing reporting requirements and reviewing the mandate of the EBA.

This is positive for the European banks sector overall, particularly for banks where the leverage ratio has become a binding constraint rather than a backstop, because the direction of travel increases capital flexibility and reduces duplication in the capital stack. For the Irish banks, we see limited impact because AIB, Bank of Ireland and PTSB already operate with strong FY25 leverage ratios and relatively high RWA density, leaving capital generation and distributions more important for the equity story than leverage relief.

.

Home…

Issuer & Analyst Disclosure

Analyst Certification

The named Research Analyst certifies that: (1) All of the views expressed in this research report accurately reflect my personal views about any and all of the subject securities and issuers. (2) No part of my remuneration was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by me in this report.

Regulatory Information

Goodbody Stockbrokers UC, trading as Goodbody, is regulated by the Central Bank of Ireland and Goodbody Stockbrokers UC is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Goodbody is a member of Euronext Dublin and the London Stock Exchange. Goodbody is a wholly owned subsidiary of Allied Irish Banks, p.l.c. This publication has been approved by Goodbody. The information has been taken from sources we believe to be reliable, we do not guarantee their accuracy or completeness and any such information may be incomplete or condensed. All opinions and estimates constitute best judgement at the time of publication and are subject to change without notice. The information, tools and material presented in this document are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities.

Conflicts of Interest

Goodbody has procedures and policies in place to identify and manage any potential conflicts of interest that arise in connection with its research business. Goodbody analysts and other staff who are involved in the preparation and dissemination of research operate and have a management reporting line that is independent to its business. Information barriers are in place between the Corporate Finance arm and the Research arm to ensure that any confidential and or price sensitive information is handled in an appropriate manner.

Our Investment Research Conflicts of Interest Policy is available at Conflicts of Interest

Investors should be aware, that, where appropriate, research may be disclosed to the issuer(s) in advance of publication, in order to correct factual inaccuracies only and not to materially amend the research in any way. Goodbody is satisfied that it has operational procedures in place, which ensure that such disclosures will not compromise the report's objectivity.

Goodbody Stockbrokers acts as corporate broker to AIB Group
Goodbody has provided investment banking services in the past 12 months to AIB Group, Permanent TSB

The list of companies for which Goodbody acts as market maker and on which it provides research, is available at Regulatory Disclosures

Other disclosures

A description of this company is available at Company Descriptions

All prices used in this report are as at close of business of the previous working day unless otherwise indicated.

The time of publication of the report is Irish Standard Time (UTC +1), which accounts for transitions between IST and GMT (i.e. daylight saving time).

A summary of our standard valuation methods are available at Valuation Methodologies

A summary of share price recommendations and whether material investment banking services have been provided to these companies is available at Regulatory Disclosures

Other important disclosures are available at Regulatory Disclosures

Goodbody updates its recommendations on a regular basis. A breakdown of all recommendations provided by Goodbody is available at Regulatory Disclosures Where Goodbody has provided investment banking services to an issuer, details of the proportion of buys, holds and sells attributed to that issuer will also be included. This is updated on a quarterly basis.

Recommendation Definitions
Goodbody uses the terms "Buy", "Sell" and "Hold. The term "Buy" means that the analyst expects the security to appreciate in excess of 10% over a twelve month period. The term "Sell" means that the security is expected to decline in excess of 10% over the next twelve months. The term "Hold" means that the analyst expects the security to neither appreciate more than 10%, or depreciate more than 10% over the next twelve months.

On 26th November, 2012, the terms "Add" and "Reduce" were removed from the Recommendation Definitions and both were replaced with the "Hold" recommendation. Any Previous Recommendation that refers to either an "Add" means that the analyst expected the security to appreciate by up to 15% over a twelve month period. Any Previous Recommendation to "Reduce" means that the analyst expected the security to decline by up to 15% over the next twelve months.

In the event that a stock is delisted the firm will automatically cease coverage. If however the firm ceases to cover a stock for any other reason the firm will disclose this fact.

Distribution of Research to US Investors
Goodbody Stockbrokers UC acts as a market maker and distributes investment research to US major institutional investors and all transactions by US persons involving securities of companies discussed in reports distributed by Goodbody Stockbrokers UC are to be effected via Goodbody Securities, Inc. ('GSI'), a member firm of FINRA and SIPC. GSI is an affiliate of Goodbody Stockbrokers UC and does not act as a market-maker or maintain any positions in any security.

Neither GSI nor its affiliates hold a proprietary position and/or controls on a discretionary basis more than 0.5% of the total issued share capital of the issuer(s) covered by this report.

Details of all such positions that are the subject of the research are disclosed in the research reports and at www.goodbody.ie/legal-and-regulatory-disclosures/. This information was current as of the last business day of the month preceding the date of the report.

An affiliate of GSI may have acted, in the past 12 months, as lead manager/co-lead manager of a publicly disclosed offer of the securities in this company. Investors should be aware that an affiliate of GSI may have provided investment banking or non-investment-banking services to, and received compensation from this company in the past 12 months or may provide such services in the next three months. The term investment banking services includes acting as broker as well as the provision of corporate finance services, such as underwriting and managing or advising on a public offer.

Estimates/forecasts developed by Goodbody Research may not be met. Additional information is available, upon request to Goodbody Research, about the bases and assumptions behind the conclusions reached in Research reports.

Disclaimer
While all reasonable care has been taken in the production and dissemination of this report it is not to be relied upon in substitution for the exercise of independent judgement. Nothing in this report constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you.

Private customers having access, should not act upon it in anyway but should consult with their independent professional advisors. The price, value and income of certain investments may rise or may be subject to sudden and large falls in value. You may not recover the total amount originally invested. Past performance should not be taken as an indication or guarantee of future performance; neither should simulated performance. The value of securities may be subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities.

Goodbody, 9-12 Dawson Street, Dublin 2, Ireland
T (+353 1) 6670400 **W** www.goodbody.ie **E** research@goodbody.ie