

Severfield raises expectations thanks to record orders and low carbon work

A record order book has helped structural steel group Severfield to slightly upgrade its expectations about its financial performance.

The North Yorkshire-based firm, which employs about 1,800 across seven sites, told investors on the London Stock Exchange it had seen a strong second half which had contributed to record orders of £511m, of which £397m is for delivery over the next 12 months. Bosses described the orders as diverse and spanning Severfield's key markets with 32% coming from projects in continental Europe and Ireland.

Opportunities were said to be generated by the growth of the low carbon economy, including the development battery plants, energy efficient buildings, manufacturing facilities for renewable energy and offshore wind projects. The firm also pointed to last year's €24m acquisition of Dutch operator Voortman Steel Construction as having supported the growth.

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Output and profitability across the firm's Indian joint venture, JSSL, is set to rise in 2024 with production expected to top 100,000 tonnes. The firm's order book stood at £142m at the beginning of April, down from £165m at the beginning of November. Land in Gujarat has been secured for its expansion with bosses indicating their hope JSSL could take advantage of a strong Indian economy hungry for structural steel.

Meanwhile a £10m share buyback has been launched, subject to market conditions. The move was said to be backed by Severfield's highly cash generative position.

In a separate announcement, current Manchester Airports Group chair Charlie Cornish was revealed as Severfield's new non-executive chair. He replaces Kevin Whiteman, who is stepping down having completed a nine-year tenure.

Mr Cornish, chair designate, said: "It is a good time to be joining Severfield. The company is operating in markets with excellent long-term growth opportunities and has significant opportunities to continue to grow and develop. I am looking forward to working with the board and the management team to maximise Severfield's potential and continue to deliver value to all stakeholders."

Alan Dunsmore, chief executive officer, added: "On behalf of the board, and personally, I would like to thank Kevin for the enormous contribution he has made to Severfield. He has been an excellent chair, and he has played a crucial role in the successful development of the group. I also want to welcome Charlie to the group, I look forward to working with him."