

# Bovis Homes

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## Bovis is heading in right direction but the stock is "still not cheap enough"

The new management of house-builder Bovis Homes Group PLC (LON:BVS) is taking the rights steps but the stock is not yet cheap, in UBS's view.

The Swiss bank has nudged up its price target to 1,090p from 1,080p, but that's still comfortably below Bovis's share price of 1,174.5p and so the rating remains 'neutral'.

"In the context of an uncertain macro environment, we maintain our Neutral rating on Bovis as we see less execution risks elsewhere in the sector within the mid-cap space - we see a better risk-reward in peers such as Crest Nicholson, Bellway and Redrow, that are already delivering materially superior returns and at the same time trade on cheaper multiples," UBS explained.

While many sector peers trade on cheaper earnings multiples, none can match Bovis's projected dividend yield of around 8% but "this is mostly due to £180mln of planned asset disposals being returned to shareholders", UBS said.

"On other metrics, Bovis does not look cheap vs similar peers, even on more normalised levels (FY20) and considering higher execution risks," UBS concluded.

**Price:** 1386.77

**Market Cap:** £2.06 billion

### 1 Year Share Price Graph



### Share Information

**Code:** BVS

**Listing:** LSE

**52 week High Low**  
1394 818.6

**Sector:** Builders and building materials

**Website:** www.bovishomes.co.uk

### Company Synopsis:

*Bovis Homes Group PLC is a United Kingdom-based company engaged in designing, building and selling homes for both the private and public sector, operating in England and Wales.*

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