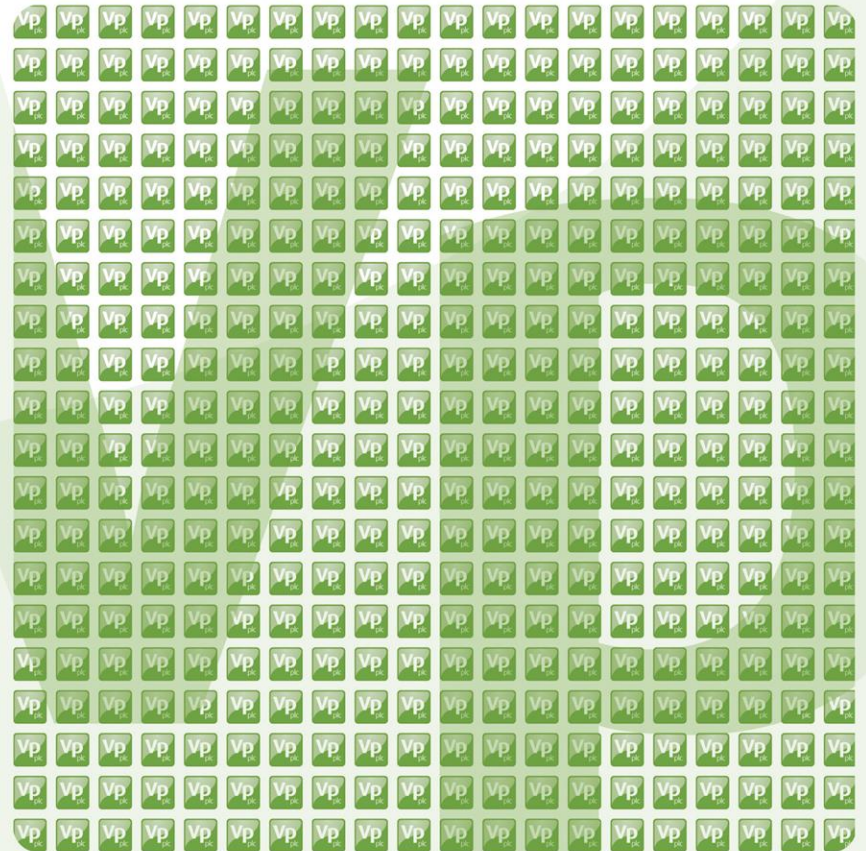




Interim Results

for the period ended
30 September 2021 (H1 2022)

The Equipment Rental Specialist



Agenda

1. Highlights

2. Market and Trading Review

3. Financial Review

Highlights

Market and Trading Review

Financial Review



Highlights



Highlights

- Market leading profit margins
- Strong recovery in trading catalysing profitable reinvestment into the fleet
- Excellent performance driven by infrastructure and buoyant house building market
- Overall demand in commercial construction and civil engineering has been solid
- International Division stable
- Substantial progress in ESG initiatives with new road map to net zero
 - Focus of capital investment heavily skewed towards eco-friendly solutions
- Current trading is positive and in line with expectations
- Reinstating progressive dividend policy reflecting confidence in future trading - interim dividend of 10.5p

Headline Numbers

Revenues
£176.1m

24% ahead of comparative period
Recovery momentum maintained

PBTA
£20.2m

Material improvement in profits
and margins

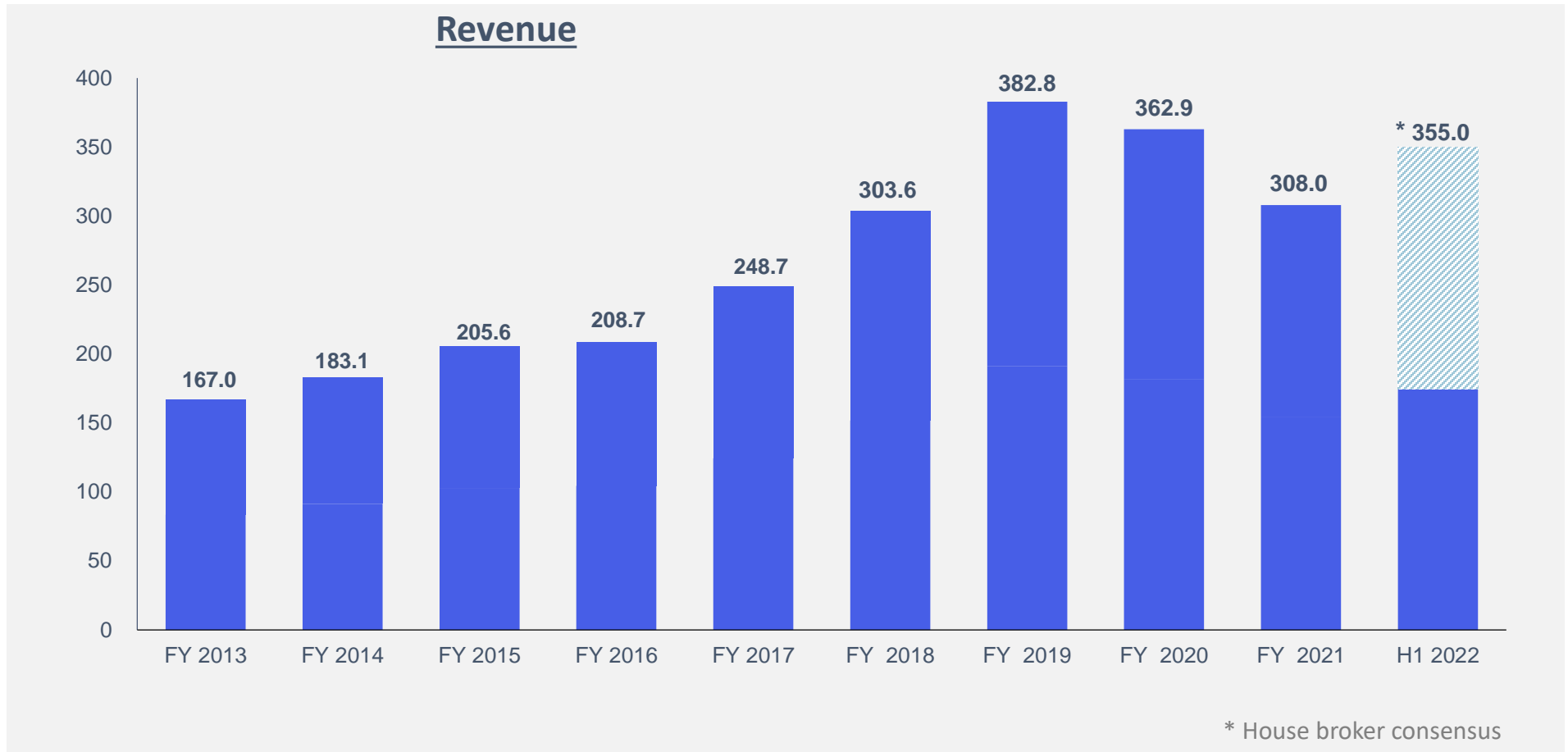
Return on Average
Capital Employed
13.5%

Earnings quality back
towards targeted levels

Net Debt
£131.7m
Increased by
£9.8m

After £31.7m investment in fleet

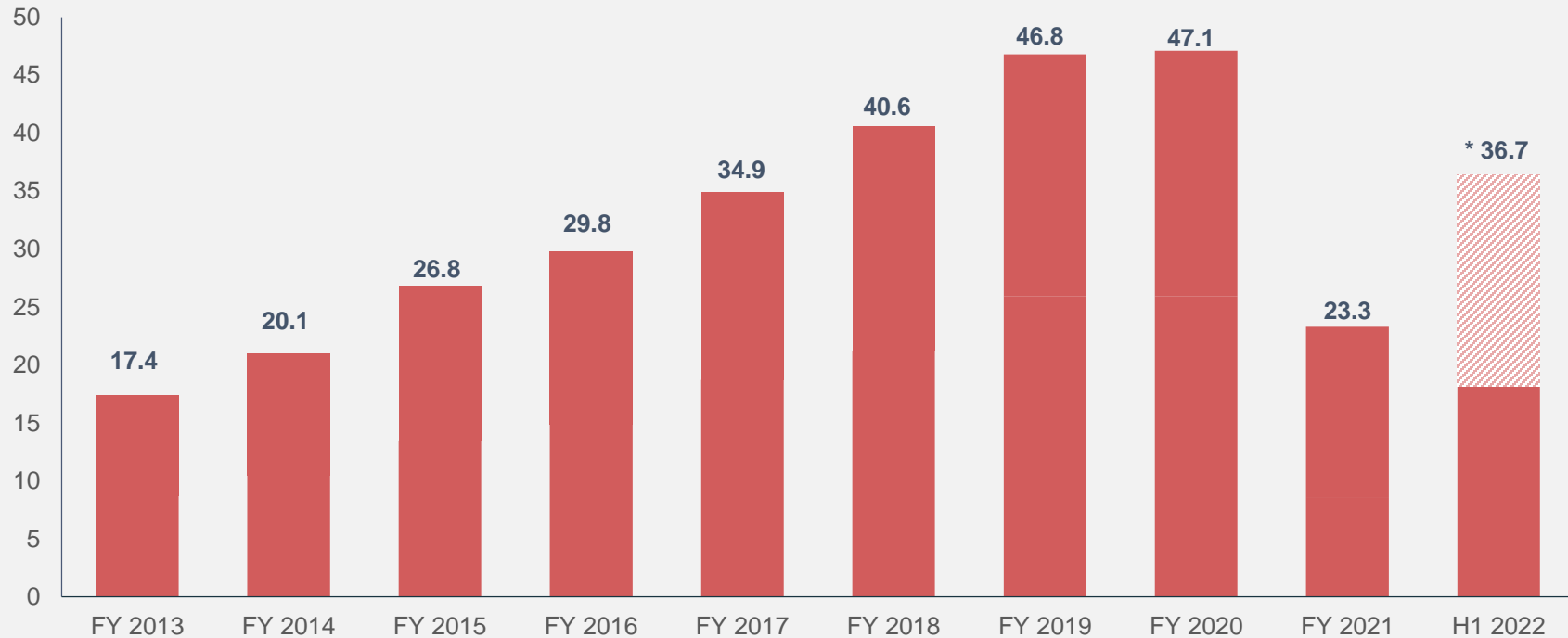
Restoration of long term growth trend underway



Restoration of long term growth trend underway

Profit before tax, amortisation and exceptional items

£millions



* House broker consensus



Market and Trading Review



Core markets

Key market segments	Market exposure	Revenue		
		H1 2022 (£m)	H1 2021 (£m)	Growth on prior year
Infrastructure*	40%	69.7	56.8	23%
Construction	39%	69.5	54.8	27%
Housebuilding	9%	15.0	12.3	22%
Energy	7%	11.7	9.8	19%
Other	5%	10.2	8.4	21%
Total	100%	176.1	142.1	

* Utilities, Rail, Water, Transmission and Facilities management



Infrastructure

Mixed recovery - HS2 positive
- AMP / Rail slower



Construction

RMI strong
New build slower



Housebuild

Sustained demand



Energy

Positive maintenance activity

Business performance – *Group*

	H1 2022 (£m)	H1 2021 (£m)	
Revenue	176.1	142.1	+24%
PBITA	22.5	10.8	+108%
Operating margin	12.8%	7.6%	

Good revenue growth on Covid 19 affected prior year

Incremental Revenue
 → Profit 'drop through'
 @ 35% margin

Strong performance with more potential as certain markets achieve fuller recovery

Business performance – UK

	H1 2022 (£m)	H1 2021 (£m)	
Revenue	160.8	128.9	+25%
PBITA	21.8	9.9	+120%
Operating margin	13.6%	7.5%	

Infrastructure
Strengths: HS2
Transmission
Weaker: AMP7, CP6

Construction
Strengths: RMI
Weaker: New build
civils

Housebuilding
: Busy sector

Cost savings in 2021
maintained into 2022
: Margin growth

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The UK's Tool and Equipment Hire Specialist

Vp **ESS**
Safety, Survey, Test & Measurement

Vp **MEP Hire**
Mechanical, Electrical & Plumbing Specialists

Vp **Torrent Trackside**
Railway Plant, Railway People.

Vp **Groundforce**
Specialist Construction Solutions

Vp **TPA**
Portable Roadways

Vp **UK Forks**
Materials Handling Specialists



Business performance – *International*

	H1 2022 (£m)	H1 2021 (£m)	
Revenue	15.3	13.2	+16%
PBITA	0.7	0.9	-22%
Operating margin	4.6%	6.8%	

Steady recovery in Australia,
New Zealand and Malaysia despite
extended lockdowns

Energy markets remain impacted by
cross border mobility challenges



Rental fleet investment

	H1 2022 (£m)	H1 2021 (£m)
UK	29.1	13.1
International	2.6	1.5
Total fleet investment	31.7	14.6
Disposal proceeds	(8.2)	(8.5)
Net expenditure on fleet	23.5	6.1

Strong capex – mix of growth and pre-emptive investment to minimize supply chain issues

Strong emphasis on eco friendly product substitution. Engaging with both manufacturers and customers

Capital commitments of £19.8m at 30 September reflecting further early investment

Environmental Initiatives

- ❖ Group commitment to Science Based Targets (SBTi)
- ❖ Short term (2021-2025) road map in place
- ❖ Wide range of new products introduced to the rental fleet including:
 - *Solar panel lighting fleet*
 - *Cordless Tools*
 - *Electric compressors, telehandlers and mini excavators*
 - *Hybrid service vehicles*
- ❖ Other initiatives : ISO 50001, *water recycling, solar panels, renewable electricity and hybrid cars*
- ❖ Biodiversity - *invested into 3 nature conservation projects*
- *colleague engagement opportunities*
- ❖ Large elements of existing hire fleet – e.g. portable roadways, shoring, aluminium tower are zero emission at point of use
- ❖ Rental – Fundamentally eco friendly – optimisation of shared resources



Outlook

- Vp continues to deliver market leading quality of earnings - ROCE and margin
- Acceleration of AMP7 (Water) and CP6 (Rail) activity provides large opportunity with further upside if commercial new build investment increases
- HS2 - long term opportunity
- Housebuilding has a positive outlook
- Sustainability initiative is understood across the business and is providing vital customer support
- Investment in technology – digital solutions for customers and operations alike
- Investing in our people – learning & development initiatives, apprenticeships and graduate recruitment
- Prospects in the UK and International divisions remain positive
- Combination of financial strength and our exceptional team will deliver results
- We remain confident of reporting another year of tangible progress for the Group



Financial Review



Financial highlights – continuing recovery

	H1 2022 £m	H1 2021 £m	% change	FY 2021 £m
Revenue	176.1	142.1	+24%	308.0
EBITDA	44.5	34.1	+30%	72.7
Depreciation	(22.0)	(23.3)	-6%	(45.0)
EBITA *	22.5	10.8	+108%	27.7
Interest *	(2.3)	(2.2)		(4.4)
PBTA (and exceptionals)	20.2	8.6	+135%	23.3
Net margin	11.5%	6.1%		7.6%

* Pre IFRS16

Earnings per share and dividends

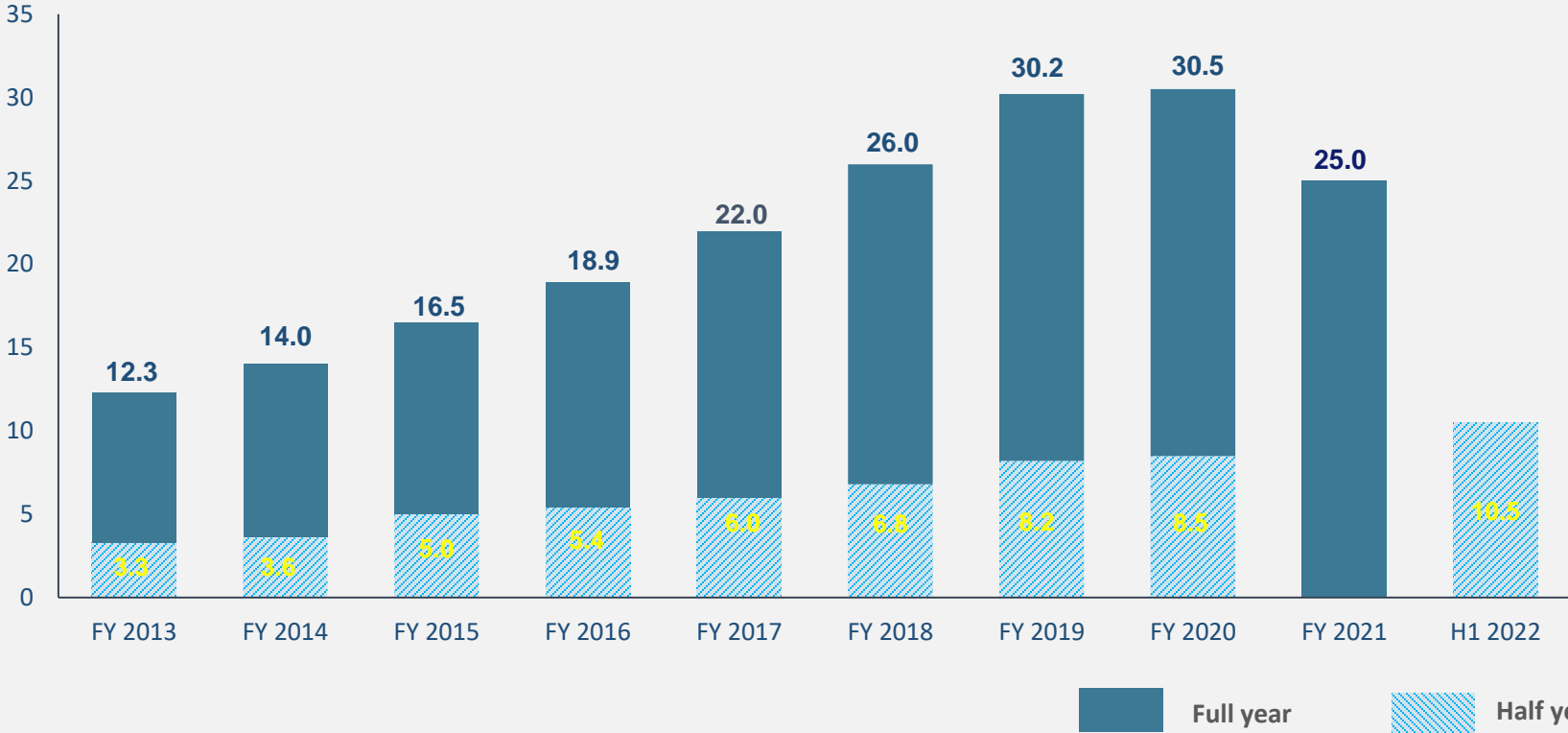
	H1 2022	H1 2021
Dividend per share pence	10.5	-
Dividend cover times	3.6x	-
EPS adjusted * pence	37.7	17.4

* Pre amortisation and exceptionals IFRS16

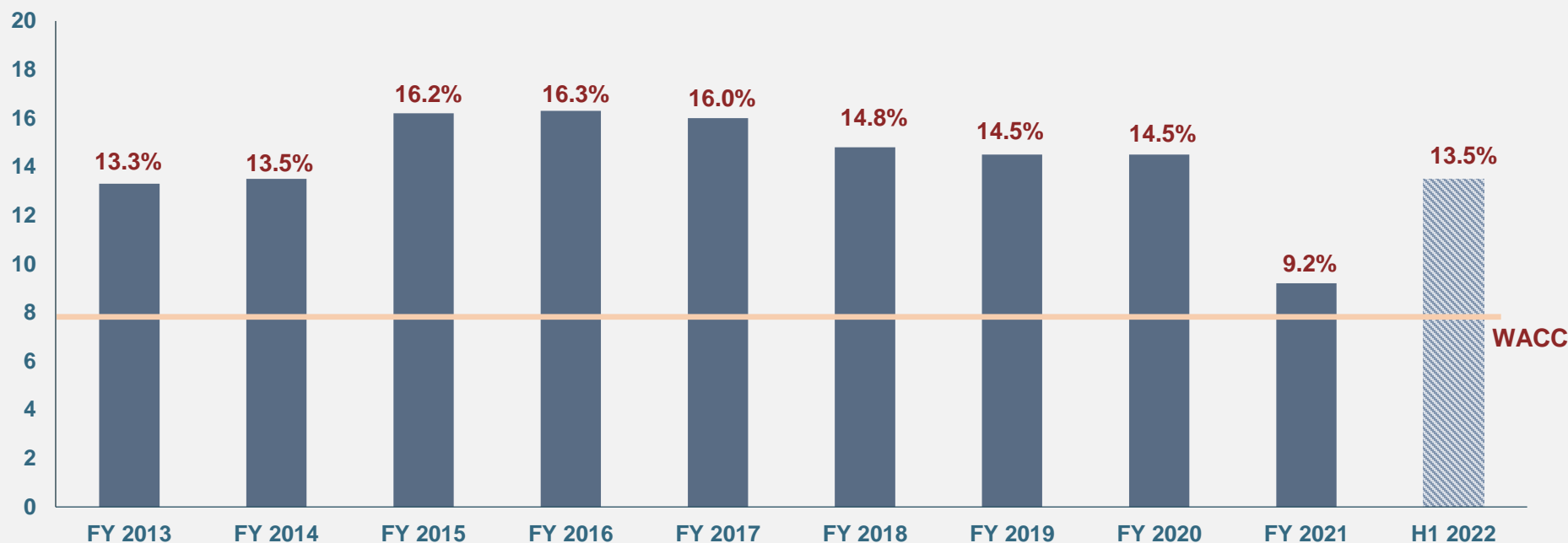
- **Interim dividend of 10.5 pence**
- **Reflects rebasing towards 2-2.5x cover and more balanced interim / final split**
- **No interim dividend H1 2021 due to Covid uncertainty**

Dividends – Long Term View

Dividend per share (pence)



ROACE – long term quality of earnings



- Temporary Covid impact, still above WACC
- Recovery to double digits
- ROACE definition $PBIT / \text{Average (Net Assets + Net Debt)}$

Balance sheet - strength

	H1 2022 £m	H1 2021 £m	FY 2021 £m
Hire Fleet	213.7	209.1	206.0
Other fixed assets	27.1	28.4	27.9
Intangible assets / goodwill	62.6	73.1	64.4
Working capital	(2.3)	(16.6)	(12.3)
Other	(9.3)	(8.2)	(8.6)
Net debt	(131.7)	(118.7)	(121.9)
IFRS16 net	(2.4)	(2.6)	(2.4)
Net assets	157.7	164.5	153.1
Debtor days	58	61	56
Bad debt write off % revenue	0.4%	0.5%	0.6%

- Young, well managed hire fleet
- Hire fleet grown in period

Strong cash generation

	H1 2022 £m	H1 2021 £m	FY 2021 £m
EBITDA	44.5	34.1	72.7
Working capital	(9.4)	25.5	20.2
Profit on sale	(3.4)	(3.6)	(4.3)
Capital expenditure	(34.9)	(18.7)	(46.5)
Proceeds from disposals	8.2	8.5	17.5
Interest	(2.3)	(2.3)	(4.7)
Tax	(2.9)	(1.2)	(2.9)
Dividends	(9.9)	-	(8.7)
Other	0.3	(1.2)	(5.4)
Cashflow	(9.8)	41.1	37.9

- Strong recovery in EBITDA
- Covid recovery inevitably led to increased working capital

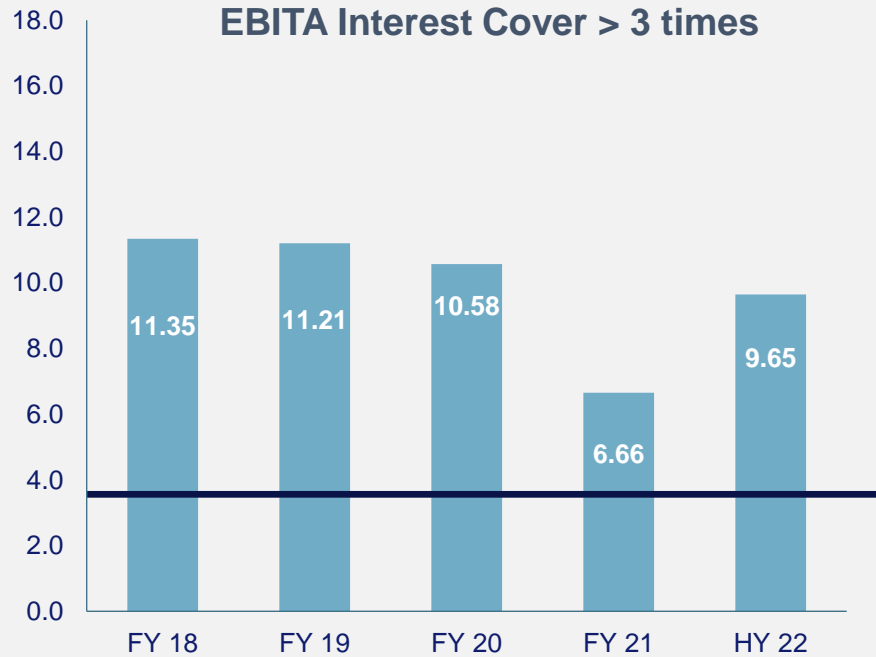
Net debt and facilities - generous headroom

	H1 2022 £m	FY 2021 £m
Private placement matures Jan 2027	65.0	65.0
Pricoa shelf matures April 2028	28.0	-
RCF matures June 2024 / December 2021	90.0	135.0
Total committed facilities	183.0	200.0
Overdraft	7.5	7.5
Total facilities	190.5	207.5
Net debt	131.7	121.9
Headroom against facilities	58.8	85.6

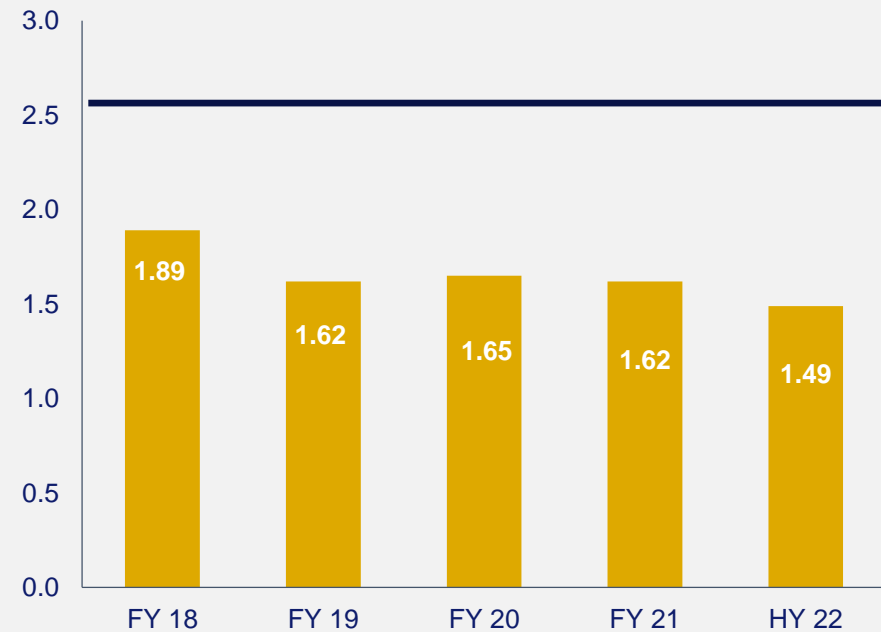
➤ RCF includes £20m accordion

Robust headroom against covenants

EBITA Interest Cover > 3 times



Net Debt / EBITDA < 2.5 times



- Leverage reduced to 1.49x (Mar 21 - 1.62x)
- Well within covenants



Supplementary Schedules



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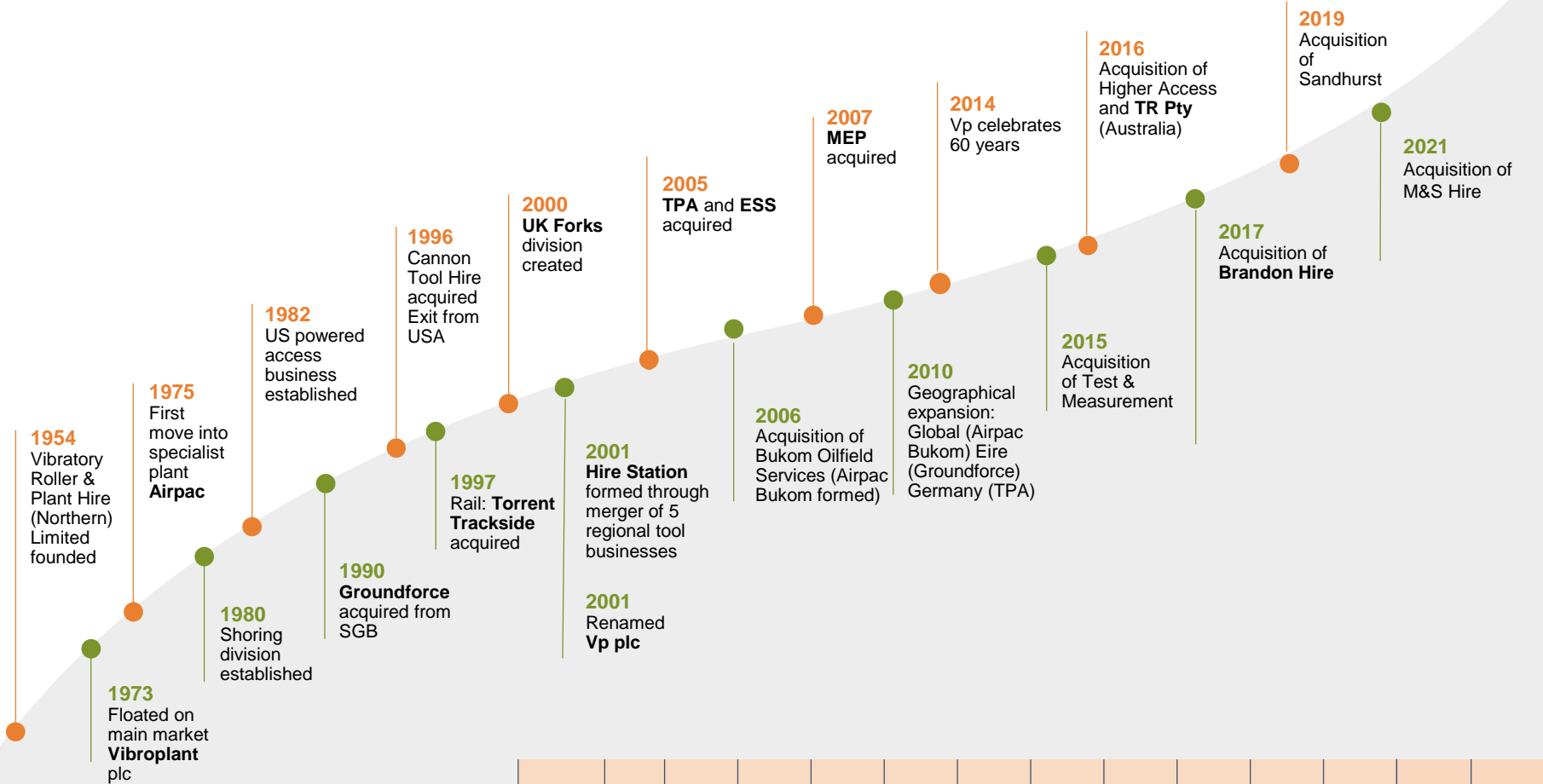
Net Working Capital

	H1 2022 £m	FY 2021 £m	Cashflow movement £m
Inventories	6.8	7.3	0.5
Trade and other receivables	79.6	66.8	(12.8)
Trade creditors, accruals, other	(88.3)	(87.0)	1.3
Net working capital	(1.9)	(12.9)	(11.0)
			<i>Capital creditors movement</i>
			1.1
			<i>Other cashflow</i>
			0.5
			<i>Working capital cashflow</i>
			(9.4)

IFRS16 impact on profit

	H1 2022 excluding IFRS	H1 2022 IFRS impact	H1 2022 Reported	H1 2021 Reported
EBITDA £m	44.5	10.0	54.5	47.4
PBITA (and exceptionals) £m	22.5	1.5	24.0	12.4
Financial expense £m	(2.3)	(1.5)	(3.8)	(3.9)
PBTA (and exceptionals) £m	20.2	(0.0)	20.2	8.5
EPS (adjusted) pence	37.7	(0.1)	37.6	16.8

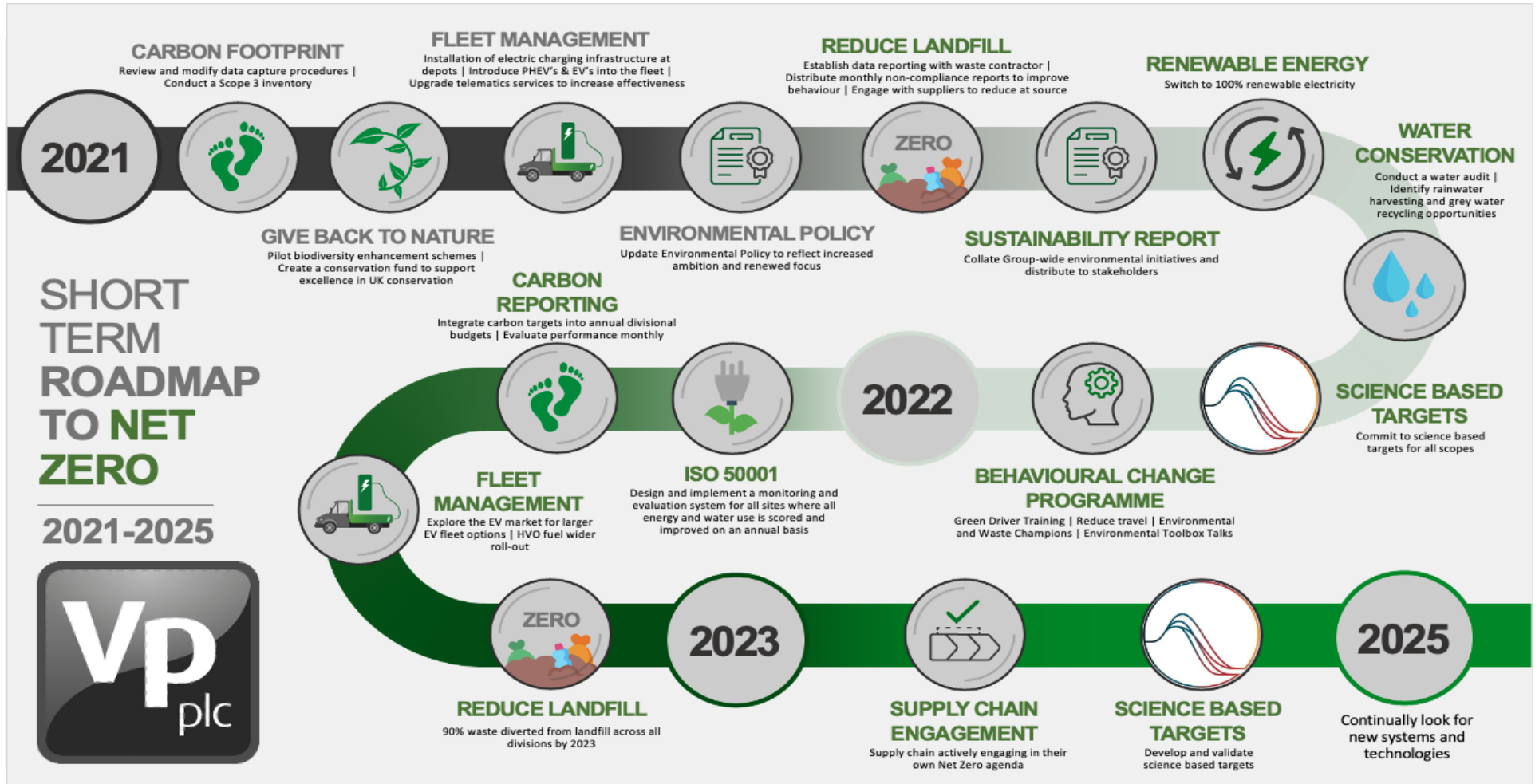
Group history – 1954 to date



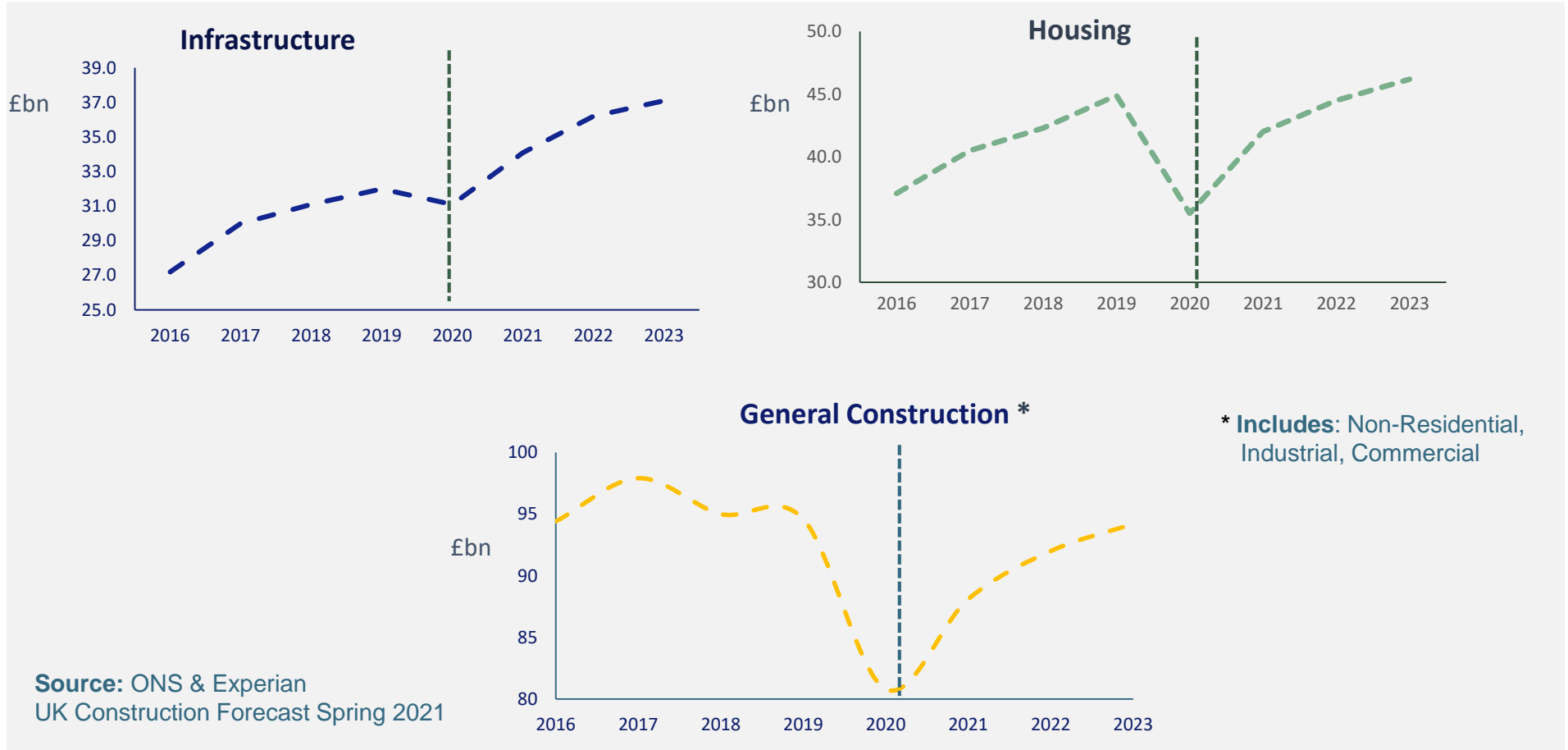
Revenue: History	1970: £2m	1980: £14m	1990: £70m	2000: £55m	2010: £129m	2014: £183m	2015: £206m	2016: £209m	2017: £249m	2018: £304m	2019: £383m	2020: £363m	2021: £308m
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Roadmap & Milestones



UK Construction Output – Vp Core Markets Sectors





Group businesses



Vp plc **Groundforce**
Specialist Construction Solutions



Vp plc **TPA**
Temporary Access Solutions



Vp plc **UK Forks**
Materials Handling Specialists



Vp plc **Brandon Hire Station**
The UK's Tool and Equipment Hire Specialist



Vp plc **ESS**
Safety, Security, Test & Measurement



Group businesses



Vp plc **Torrent Trackage**
Railway Plant. Railway People.



Vp plc **MEP Hire**
Mechanical, Electrical & Low Level Access Specialists



Vp plc **Airpac Rentals**
Energy Industry Solutions



Vp plc **TR Group**





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