Interim Results for the period ended 30 September 2020

The Equipment Rental Specialist

Resilient trading performance despite unique challenges, debt reduced significantly

Agenda

1. Highlights
2. Market and Trading Review
3. Financial Review

Highlights

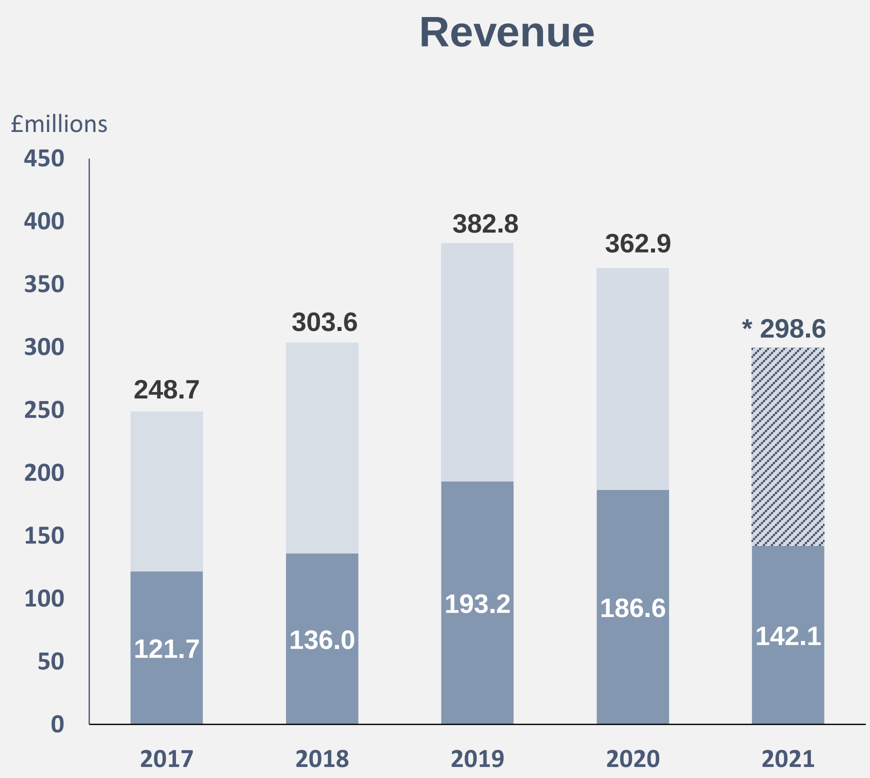
Headline Numbers in H1

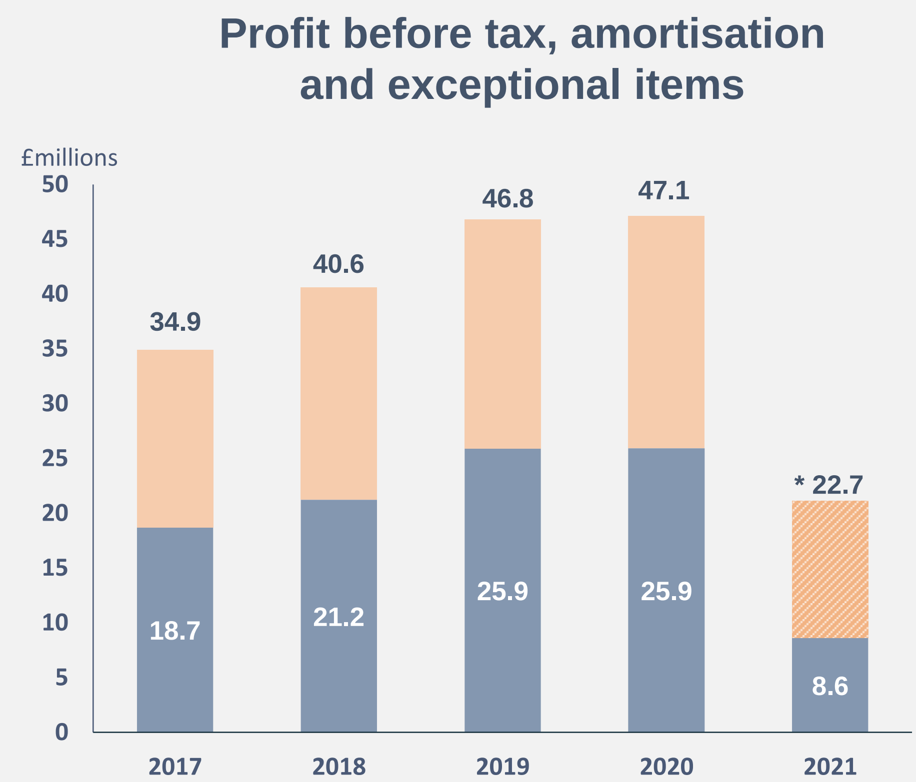
PBTA	ROACE
£8.6m	10.3%

Net Debt	Special Dividend
£118.7m	22.0p

- Profitable
- Double digit ROACE
- £41.1m reduction in debt
- Special Dividend
- No Interim Dividend

Covid driven pause - long term progress





* N + 1 Singer Forecast

Strategic Aim and Highlights

Market and Trading Review

Financial Review

Challenging but improving trading period

- Profitable in the six month period
- Robust lockdown response :
  - prioritising the safety of our employees
  - capex, recruitment, expenditure constraints
  - job retention scheme utilised
  - 23 branches merged or closed in the UK
  - 150 Group redundancies plus non replacement of vacancies
  - working capital discipline
  - cash generation strong
  - 'open for business'

- Infrastructure, Construction, Housebuilding and Oil & Gas all 'open'
  - HS2, AMP7, CP6, Hinkley Point, Transmission (UK & Europe)
- International markets (re-opening into H2)
- Special Dividend to reflect record results in year to 31 March 2020 and strong H1 cash generation.
- Group revenues back to 88% of prior year levels at the end of October

Massive effort by all colleagues to maintain the quality of services to our customer base throughout the lockdowns.

Market and Trading Review

Key market dynamics

Market segment	Market Exposure	Revenue **H1 2021 (£m)**	Revenue H1 2020 (£m)	**Reduction on prior year**
Infrastructure*	40%	**56.8**	72.1	**- 21%**
Construction	39%	**54.8**	74.3	**- 26%**
Housebuilding	9%	**12.3**	16.8	**- 27%**
Oil & Gas	7%	**9.8**	12.5	**- 22%**
Other	5%	**8.4**	10.9	**- 23%**
Total	100%	**142.1**	186.6	**- 24%**

* *Utilities, Rail, Water, Transmission and Facilities Management*

Infrastructure
- AMP7 / CP6 opportunity

Construction
- Improving but South East remains weaker

Housebuild
- Sharp recovery and now stable

Oil & Gas
- Covid related volatility

Business performance – *Group*

	H1 2021 (£m)	H1 2020 (£m)	
Revenue	**142.1**	186.6	**- 24%**
PBITA	**10.8**	28.3	**- 62%**
Operating margin	**7.6%**	15.2%	

Tough April / May trading

Progressive recovery
- Monthly profitability resumed in June

Costs / cash controlled
- Good debt management

Business performance – *UK*

	H1 2021 (£m)	H1 2020 (£m)	
Revenue	**128.9**	170.0	**- 24%**
PBITA	**9.7**	27.2	**- 65%**
Operating margin	**7.5%**	16.0%	

AMP7 (Water) & CP6 (Rail) slow start building into 2021

Brandon Hire Station strong online performance 10% of revenues

Quick recovery in Housebuild after sharp fall in April

Transmission demand good

UK & Europe

European Revenues now 19% of total

Brandon Hire Station — The UK's Tool and Equipment Hire Specialist
ESS Safeforce — Dedicated to your Safety
MEP Hire — Mechanical, Electrical & Plumbing Specialists
Torrent Trackside — Railway Plant. Railway People.
Groundforce — Specialist Construction Solutions
TPA — Portable Roadways
UK Forks — Materials Handling Specialists

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Business performance – *International*

	H1 2021 (£m)	H1 2020 (£m)	
Revenue	**13.2**	16.6	**- 20%**
PBITA	**0.9**	1.1	**- 18%**
Operating margin	**6.8%**	6.6%	

Oil and Gas markets disrupted by Covid 19 travel issues leading to delays
Asia strong, Australia weak

Severe lockdown in Australia and New Zealand
Prospective H2 recovery

Airpac Bukom Oilfield Services

TR Group

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Rental fleet investment

	H1 2021 (£m)	H1 2020 (£m)
UK	**13.1**	21.8
International	**1.5**	4.8
Total fleet investment	**14.6**	26.6
Disposal proceeds	**(8.5)**	(10.8)
Net expenditure on fleet	**6.1**	15.8

Capex levels restrained 45% below on prior year

Surplus equipment disposal generates cash

Modern fleet, well invested
Latent earning potential
No catch up required

Outlook – Recovery into 2021

- Tentative stability in overall UK market
- Strong UK infrastructure exposure is an opportunity
- Housebuilding stable and supportive
- Construction activity levels recovering but confidence remains fragile

- International markets re-opened
- Offshore oil & gas – short term weak, longer term improved
- Australia / New Zealand fully open

A sound platform for 2021

Leveraging a resilient business structure

Proven and resilient model

Highly Experienced Senior Management

Long Term Focus on Service and Product Excellence

Market diversity

- Geographic
- Product & Service offer
- End Markets

Financial Review

Financial highlights – recovery in Q2

	H1 2021 £m	H1 2020 £m	% change	FY 2020 £m
Revenue	142.1	186.6	- 24%	362.9
EBITDA	34.1	51.8	- 34%	98.1
Depreciation	(23.3)	(23.5)	0%	(46.2)
EBITA	10.8	28.3	- 62%	51.9
Interest	(2.2)	(2.4)		(4.8)
PBTA (and exceptionals)	8.6	25.9	- 67%	47.1
Net margin	6.1%	13.9%		13.0%

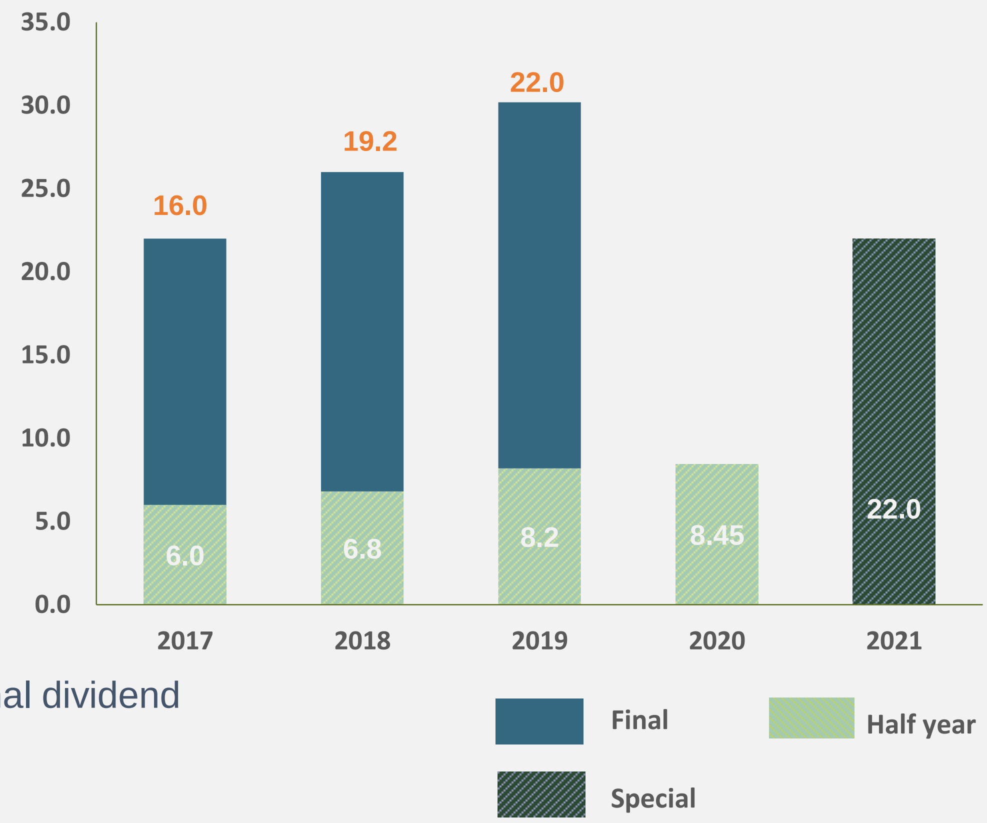
** Pre IFRS16*

Earnings per share and dividends

	H1 2021	H1 2020
Special dividend	**22.0p**	-
Interim dividend	**-**	8.45p
EPS adjusted *	**17.4p**	52.5p

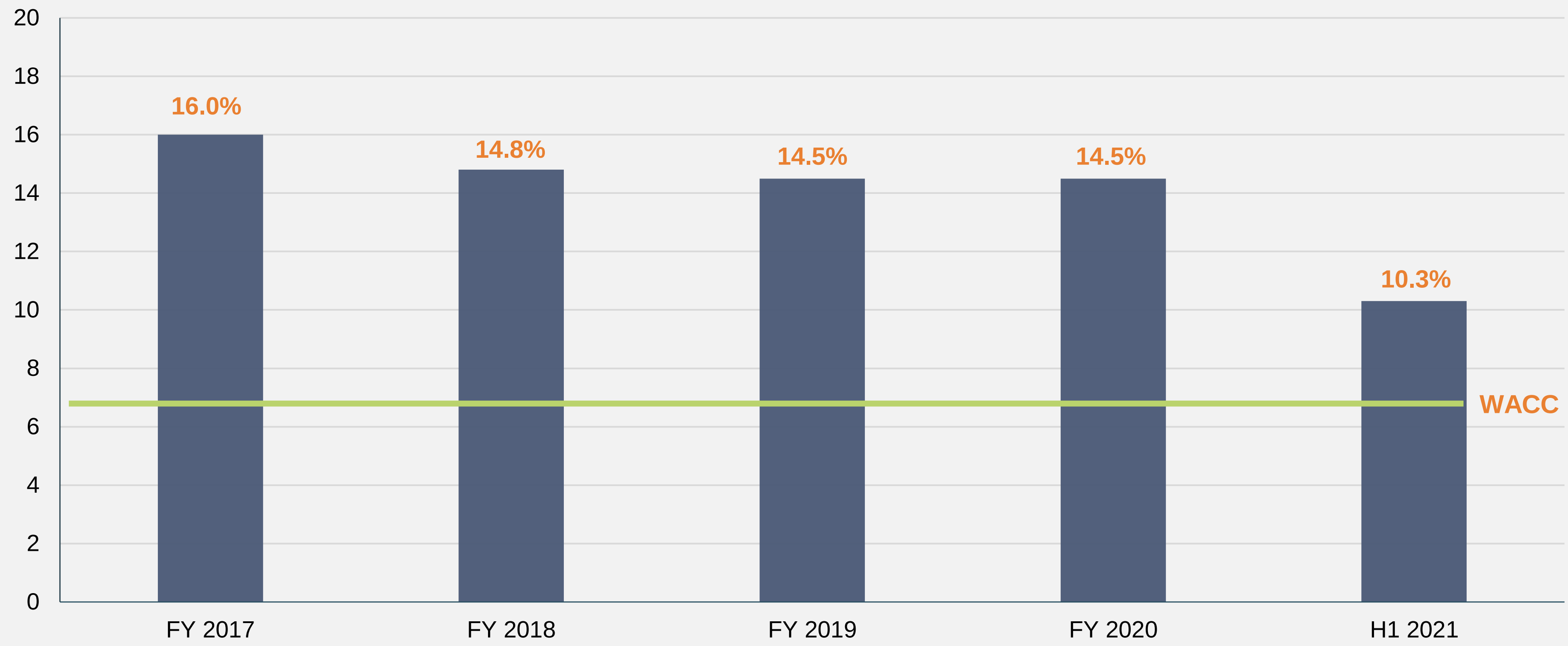
* Pre amortisation and exceptionals

Dividend per share (pence)



- ➢ Special dividend of 22.0 pence in lieu of 2020 final dividend
- ➢ No interim dividend
- ➢ Progressive dividend policy retained

ROACE – long term quality of earnings



- Covid temporary impact

Balance sheet - strength

	H1 2021 £m	FY 2020 £m
Hire Fleet	**209.1**	**222.6**
Other fixed assets	28.4	25.2
Intangible assets / goodwill	73.1	74.2
Working capital	**(16.2)**	**19.1**
Other	(7.8)	(8.2)
Net debt	**(118.7)**	**(159.8)**
IFRS16 net	(3.4)	(3.2)
Net assets	**164.5**	**169.9**

- Young, well managed hire fleet
- Robust working capital management

Exceptional items

	H1 2021 £m	H1 2020 £m	FY 2020 £m
Regulatory Review costs	11.1	-	0.8
Restructuring costs	1.7	0.7	0.7
Financing expenses	0.2	-	-
Total	**13.0**	**0.7**	**1.5**

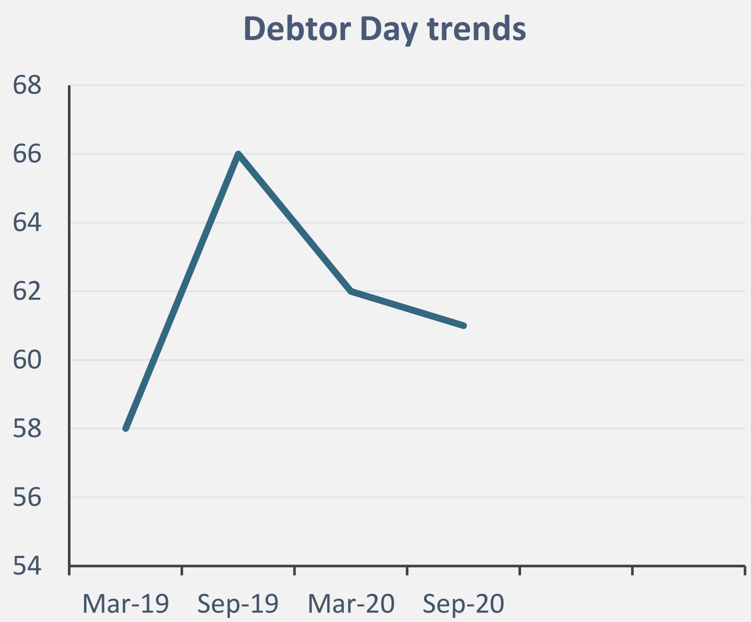
- CMA process on going since February 2017, no decision reached
- In accordance with IAS37 additional £10.9m provision, total £15.4m
- Further increase highly unlikely
- Restructuring costs of £1.7m and financing expenses mainly Covid related

Strong focus on cash management

£m	H1 2021 £m	H1 2020 £m	FY 2020 £m
EBITDA	**34.6**	**53.0**	**98.8**
Working capital	25.0	(21.3)	(15.5)
Profit on sale	(3.6)	(5.2)	(8.9)
Cash from operations	**56.0**	**26.5**	**74.4**
Net capital expenditure	(10.2)	(18.5)	(33.3)
Acquisitions	-	(3.3)	(3.3)
Interest	(2.3)	(2.4)	(4.5)
Tax	(1.2)	(7.2)	(10.7)
Dividends	-	(8.7)	(12.1)
Other	(1.2)	(2.0)	(2.7)
Cashflow	**41.1**	**(15.6)**	**7.8**

➢ **Net debt down £41.1m since year end**

Effective cash collection – during pandemic



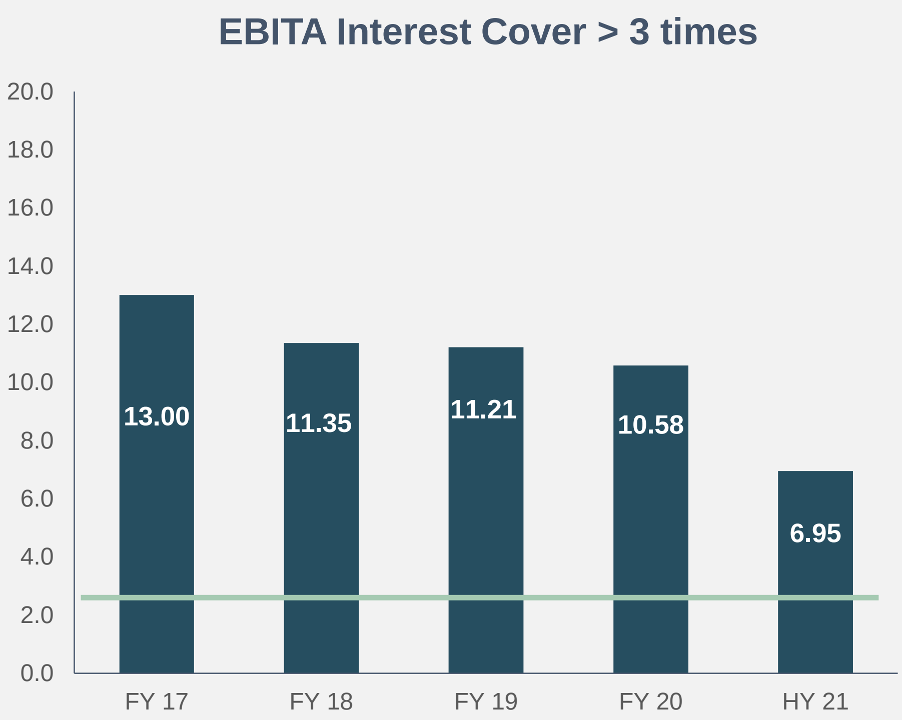
	H1 2021	FY 2020	H1 2020
Debtor days	61 days	62 days	66 days
Bad debt write off as % revenue	0.5% (£0.8m)	0.8% (£2.9m)	0.5% (£0.9m)

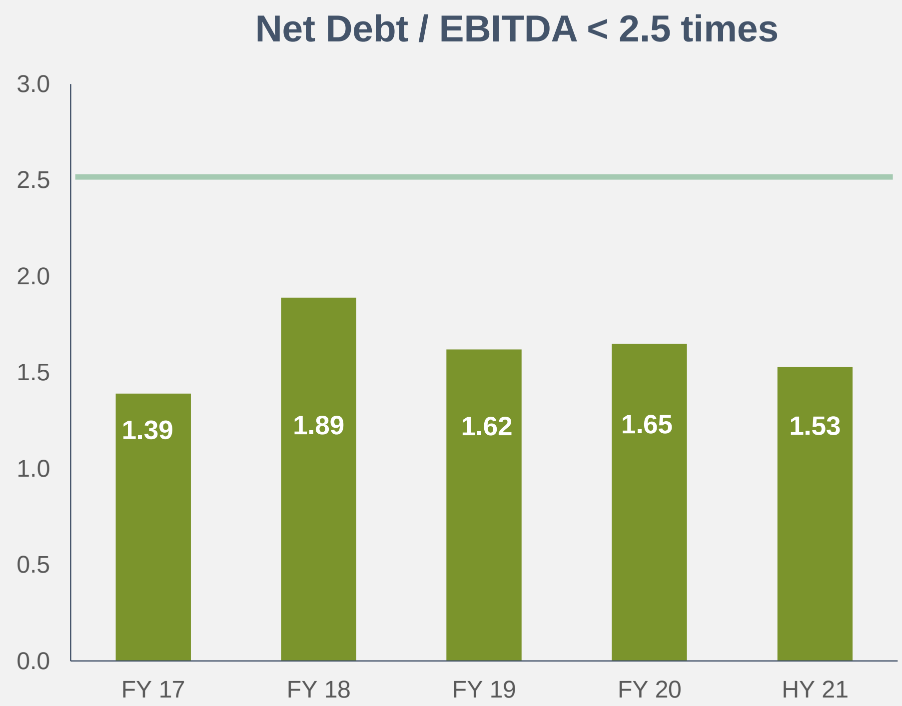
Net debt and facilities – headroom increased

	H1 2021 £m	FY 2020 £m
Private placement matures Jan 2027	**65.0**	65.0
RCF matures December 2021	**135.0**	135.0
Total committed facilities	**200.0**	200.0
Overdraft	**7.5**	7.5
Actual borrowing net debt	**118.7**	159.6
Headroom against facilities	**88.8**	47.9

- Net debt reduced by £41.1m in 6 months
- 85% increase in headroom against facilities

Robust headroom against existing covenants





- Leverage reduced to 1.53x (Mar 20 - 1.65x)
- Temporary covenant levels agreed June 2020, not required

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Supplementary Schedules

Net Working Capital

	H1 2021 £m	FY 2020 £m	Cashflow movement £m
Inventories	**7.8**	9.1	**1.3**
Trade and other receivables	**66.3**	84.3	**18.0**
Trade creditors, accruals, other	**(91.0)**	(75.2)	**15.8**
Net working capital	**(16.9)**	18.2	**35.1**
Exceptionals			**(12.7)**
Capital creditors movement			**2.5**
Other cashflow			**0.1**
Working capital cashflow			**25.0**

IFRS16 impact on profit

	H1 2021 excluding IFRS	H1 2021 IFRS impact	H1 2021 Reported	H1 2020 Reported
EBITDA £m	34.1	**13.3**	47.4	64.8
PBITA (and exceptionals) £m	10.8	**1.6**	12.4	30.2
Financial expense £m	(2.2)	**(1.7)**	(3.9)	(4.5)
PBTA (and exceptionals) £m	8.6	**(0.1)**	8.5	25.7
EPS (adjusted) pence	17.40	**(0.56)**	16.84	52.10

Group history – 1954 to date

1954
Vibratory Roller & Plant Hire (Northern) Limited founded

1973
Floated on main market Vibroplant plc

1975
First move into specialist plant Airpac

1980
Shoring division established

1982
US powered access business established

1990
Groundforce acquired from SGB

1996
Cannon Tool Hire acquired
Exit from USA

1997
Rail: Torrent Trackside acquired

2000
UK Forks division created

2001
Hire Station formed through merger of 5 regional tool businesses

2001
Renamed Vp plc

2005
TPA and ESS acquired

2006
Acquisition of Bukom Oilfield Services (Airpac Bukom formed)

2007
MEP acquired

2010
Geographical expansion: Global (Airpac Bukom) Eire (Groundforce) Germany (TPA)

2014
Vp celebrates 60 years

2015
Acquisition of Test & Measurement

2016
Acquisition of Higher Access and TR Pty (Australia)

2017
Acquisition of JMS M&E Zenith Survey Equipment

2017
Acquisition of Brandon Hire

2019
Acquisition of Sandhurst

Revenue: History	1970: £2m	1980: £14m	1990: £70m	2000: £55m	2010: £129m	2014: £183m	2015: £206m	2016: £209m	2017: £249m	2018: £304m	2019 £383m

Divisions

UK

UK Forks Materials Handling Specialists	Rough terrain material handling equipment and tracked access platforms
Groundforce Specialist Construction Solutions	Excavation support systems and specialist products
TPA Portable Roadways	Portable roadway and temporary access solutions
Brandon Hire Station The UK's Tool and Equipment Hire Specialist	Tool and equipment hire
ESS Safeforce Dedicated to your Safety	Specialist safety, survey, communications and test measurement
MEP Hire Mechanical, Electrical & Low Level Access Specialists	Mechanical, electrical and low level access
Torrent Trackside Railway Plant. Railway People.	Infrastructure equipment and services to the railway renewals and maintenance sector

International

Airpac Bukom Oilfield Services	Equipment and service providers to the international oil and gas exploration and development markets
TR Group	Test & measurement, communications and audio visual rental in Australia, New Zealand and Malaysia.

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