

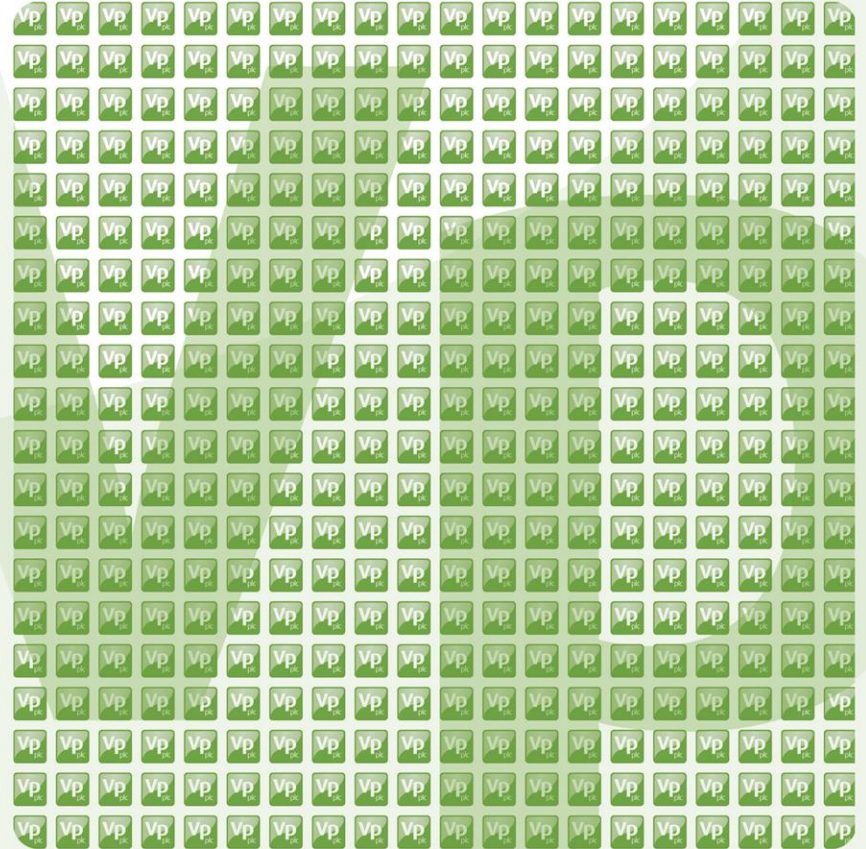


Interim Results

for the period ended

30 September 2022 (H1 2023)

The Equipment Rental Specialist



Agenda

1. Highlights

2. Financial Review

3. Market and Trading Review

Highlights

Market and Trading Review

Financial Review



Highlights



Highlights – Resilient H1 Performance

- **Earnings quality** – profits maintained with strong return on capital and margins
- **Recovery** - Revenue growth includes hire rate increase contributions
- **Markets** - Supportive infrastructure and housebuild sectors against an inflationary back drop
- **Geography** - Good International progress and mainland Europe positive
- **Capacity** – Fleet investment levels maintained
- **ESG** – Focus undiminished in support of sustainability initiatives
- **Net Debt** – 62% at fixed interest rates
- **Dividend** – 5% increase in interim dividend to 11.0 pence per share



Financial Review

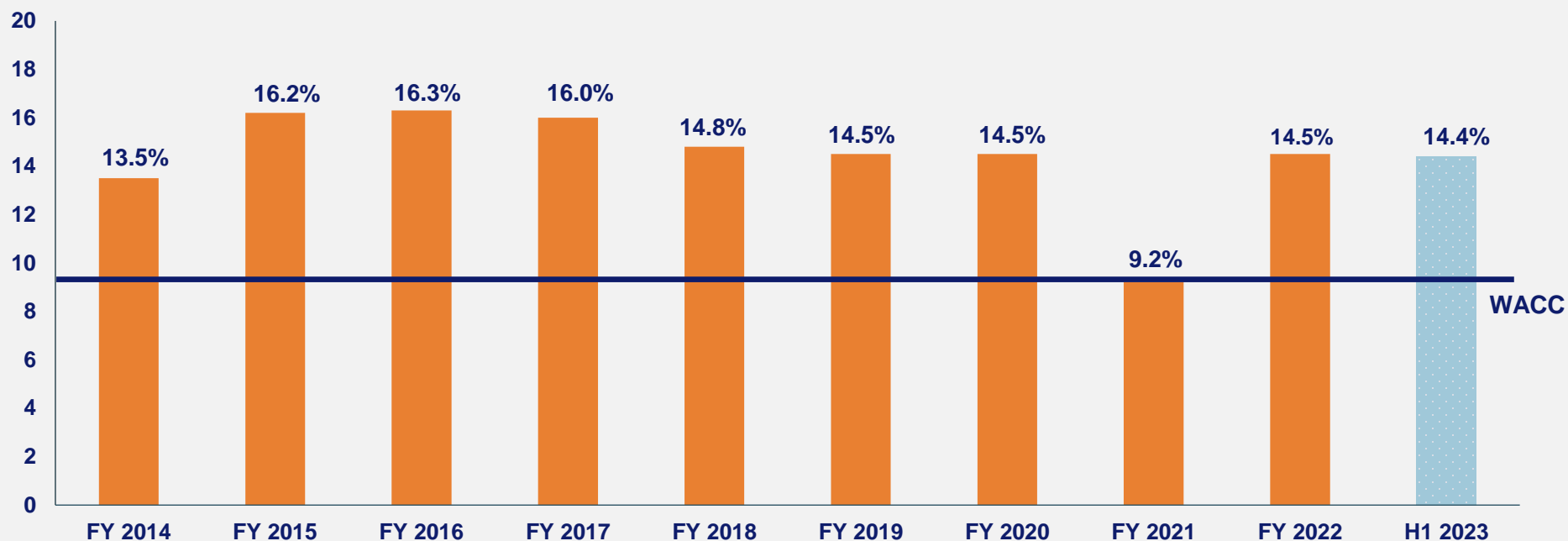


Financial highlights - further progress

	H1 2023 £m	H1 2022 £m	% change	FY 2022 £m
Revenue	186.5	176.1	+6%	350.9
EBITDA *	47.8	44.5	+7%	88.8
Depreciation*	(23.8)	(22.0)	+8%	(45.5)
EBITA *	24.0	22.5	+7%	43.3
Interest *	(2.5)	(2.3)	+9%	(4.4)
PBTA (and exceptionals)	21.5	20.2	+6%	38.9
Net margin	11.5%	11.5%		11.1%

* Pre IFRS16

ROACE – long term quality of earnings



- Interest rate changes have increased WACC
- ROACE definition $\text{PBIT} / \text{Average (Net Assets + Net Debt)}$

Growth in dividends and EPS

	H1 2023	H1 2022
Dividend per share	11.0 pence	10.5 pence
Dividend cover times	3.9x	3.6x
EPS adjusted *	42.5 pence	37.7 pence

* Pre amortisation, exceptionals and IFRS16

➤ **Interim dividend of 11.0 pence – 5% increase**

Balance sheet strength

	H1 2023 £m	H1 2022 £m	FY 2022 £m
Hire Fleet	223.6	213.7	216.6
Other assets / liabilities	80.7	80.4	82.0
Working capital	18.7	(2.3)	0.9
Net debt	(148.9)	(131.7)	(130.6)
IFRS16 net	(2.5)	(2.4)	(2.3)
Net assets	171.6	157.7	166.6
Debtor days	61	58	55
Bad debt write off % revenue	0.9%	0.4%	0.6%

- Young, well managed hire fleet
- Hire fleet grown in period
- Working capital swing impacted net debt

Strong EBITDA

	H1 2023 £m	H1 2022 £m	FY 2022 £m
EBITDA	47.8	44.5	88.8
Exceptional items	(1.9)	-	-
Working capital	(19.7)	(9.4)	(13.0)
Profit on sale	(5.0)	(3.4)	(7.0)
Capital expenditure	(36.0)	(34.9)	(68.7)
Proceeds from disposals	12.2	8.2	17.8
Acquisitions	-	-	(2.7)
Interest / Tax / Dividends / Other	(15.7)	(14.8)	(24.0)
Movement in net debt	(18.3)	(9.8)	(8.8)

- Interest rate impact in second half

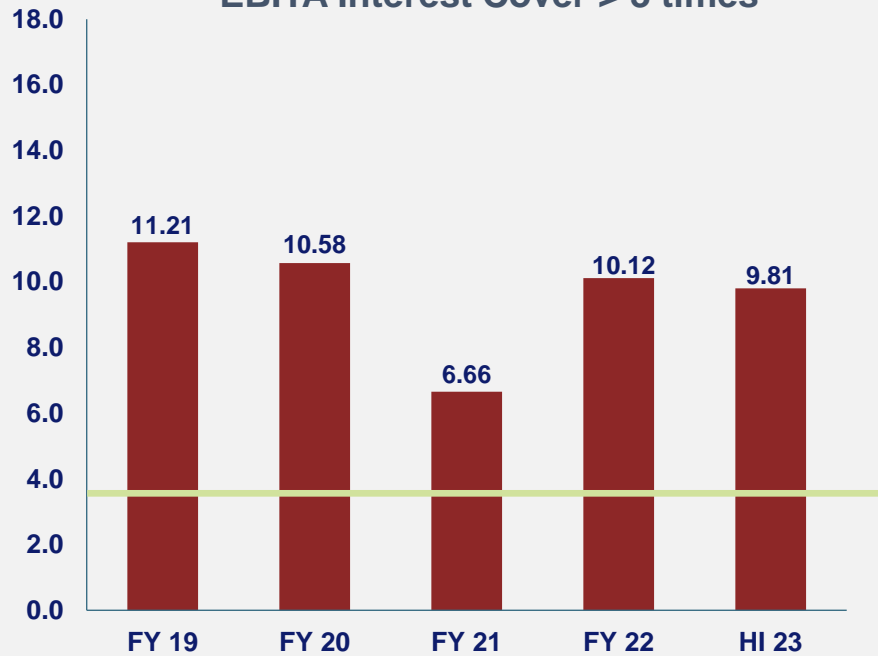
Net debt and facilities - 62% at fixed rate

	H1 2023 £m	FY 2022 £m
Private placement matures Jan 2027 (fixed rates)	65.0	65.0
Private placement matures April 2028 (fixed rates)	28.0	28.0
RCF matures June 2024	90.0	90.0
Total committed facilities	183.0	183.0
Overdraft	7.5	7.5
Total facilities	190.5	190.5
Net debt	148.9	130.6
Headroom against facilities	41.6	59.9

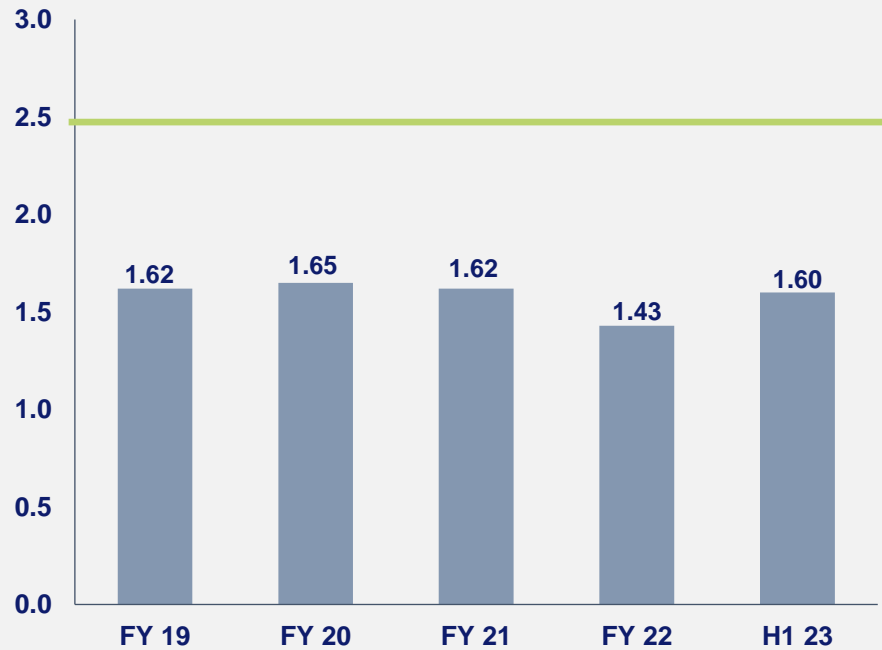
➤ RCF includes £20m accordion

Good headroom against covenants

EBITA Interest Cover > 3 times



Net Debt / EBITDA < 2.5 times



- Leverage increased to 1.6x (Mar 22 - 1.43x)
- Well within covenants



Market and Trading Review



Markets – Growth in core sectors

Key market segments	Market exposure	Revenue		Growth on prior year
		H1 2023 (£m)	H1 2022 (£m)	
Infrastructure*	38%	70.5	66.2	7%
Construction	41%	76.0	69.5	9%
Housebuilding	8%	15.8	15.0	5%
Energy	6%	11.0	15.2	- 28%
Other	7%	13.2	10.2	29%
Total	100%	186.5	176.1	

* Utilities, Rail, Water, Transmission and Facilities management



Infrastructure

AMP7 picking up
Rail improved - industrial action disruption
. HS2 stalled on Phase 2



Construction

RMI & civils good
Flat elsewhere



Housebuild

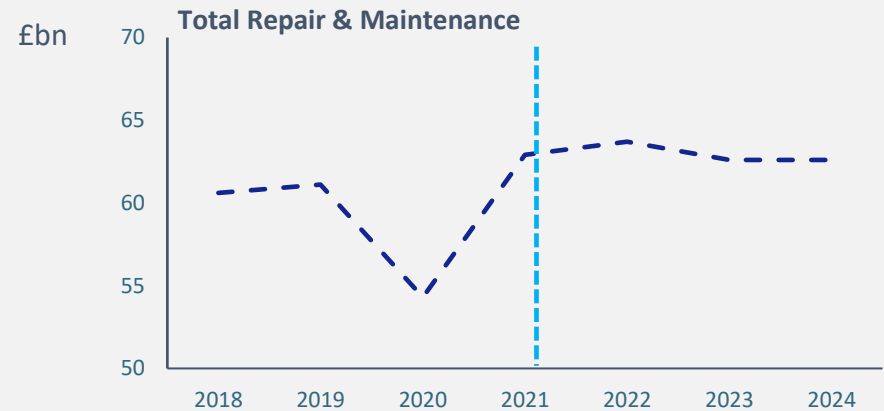
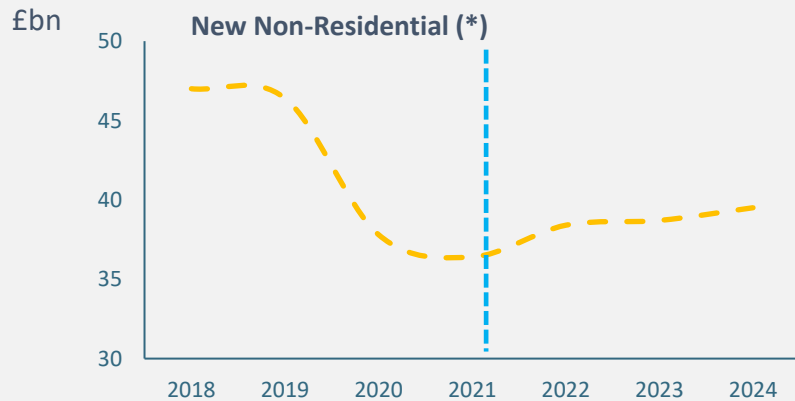
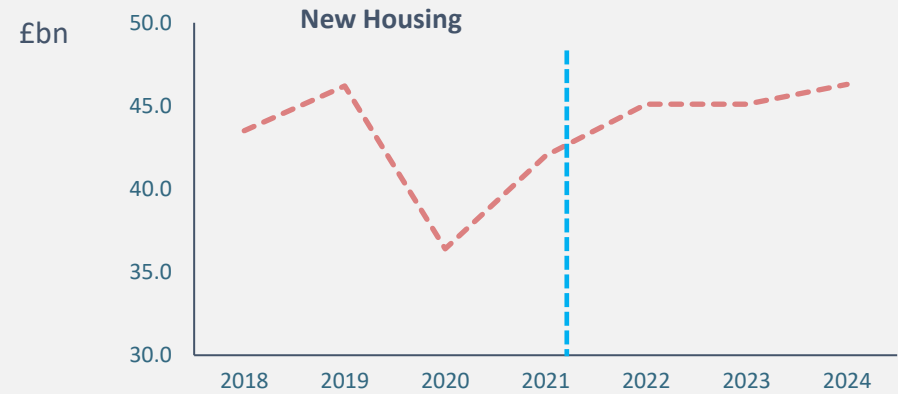
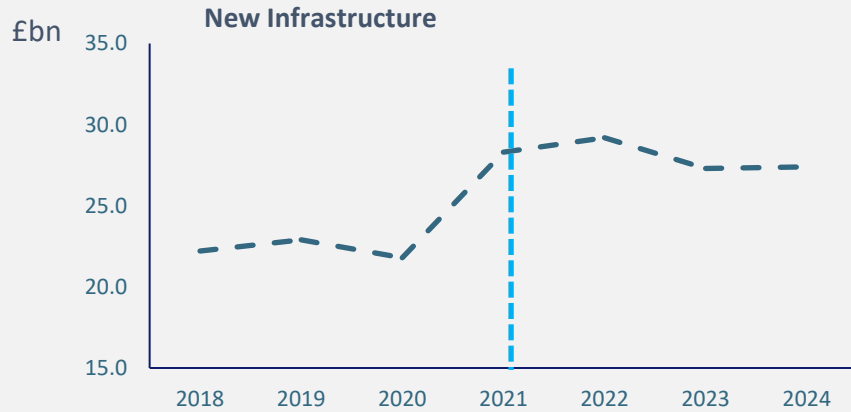
Sustained demand
Limited supply



Energy

Overall positive
No shutdown

UK Construction Output – Vp Core Market Sectors



* Includes: Public Non-residential, Private Industrial & Private Commercial

Source: Experian UK Construction Forecast Autumn 2022



Business performance – *Group*

	H1 2023 (£m)	H1 2022 (£m)	
Revenue	186.5	176.1	+6%
PBITA	24.0	22.5	+6%
Operating margin	12.8%	12.8%	

Good revenue growth

Mix of pricing uplift and activity

Margins maintained against inflationary challenges

Business performance – UK

	H1 2023 (£m)	H1 2022 (£m)	
Revenue	166.9	160.8	+4%
PBITA	22.5	21.8	+3%
Operating margin	13.5%	13.6%	

Infrastructure
Strengths: AMP7
 Transmission
Weaker: HS2, Rail

Construction
Strengths: RMI & Civils
Weaker: New build

Housebuilding
 - Stable

**Margins maintained in
 lower growth period**

Vp **Brandon Hire Station**
 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 2022 (£m)	
Revenue	19.6	15.3	+28%
PBITA	1.5	0.7	+114%
Operating margin	7.7%	4.6%	

Good recovery in International markets

Easing of Australia / New Zealand lockdown

Positive energy market including oil & gas



Rental fleet investment

	H1 2023 (£m)	H1 2022 (£m)	
UK	30.6	29.1	+5%
International	3.2	2.6	+23%
Total fleet investment	33.8	31.7	+7%
Disposal proceeds	(12.2)	(8.2)	+49%
Net expenditure on fleet	21.6	23.5	-8%

Substitutional investment in green equipment solutions to support customers

Some accelerated investment to combat supply chain delays

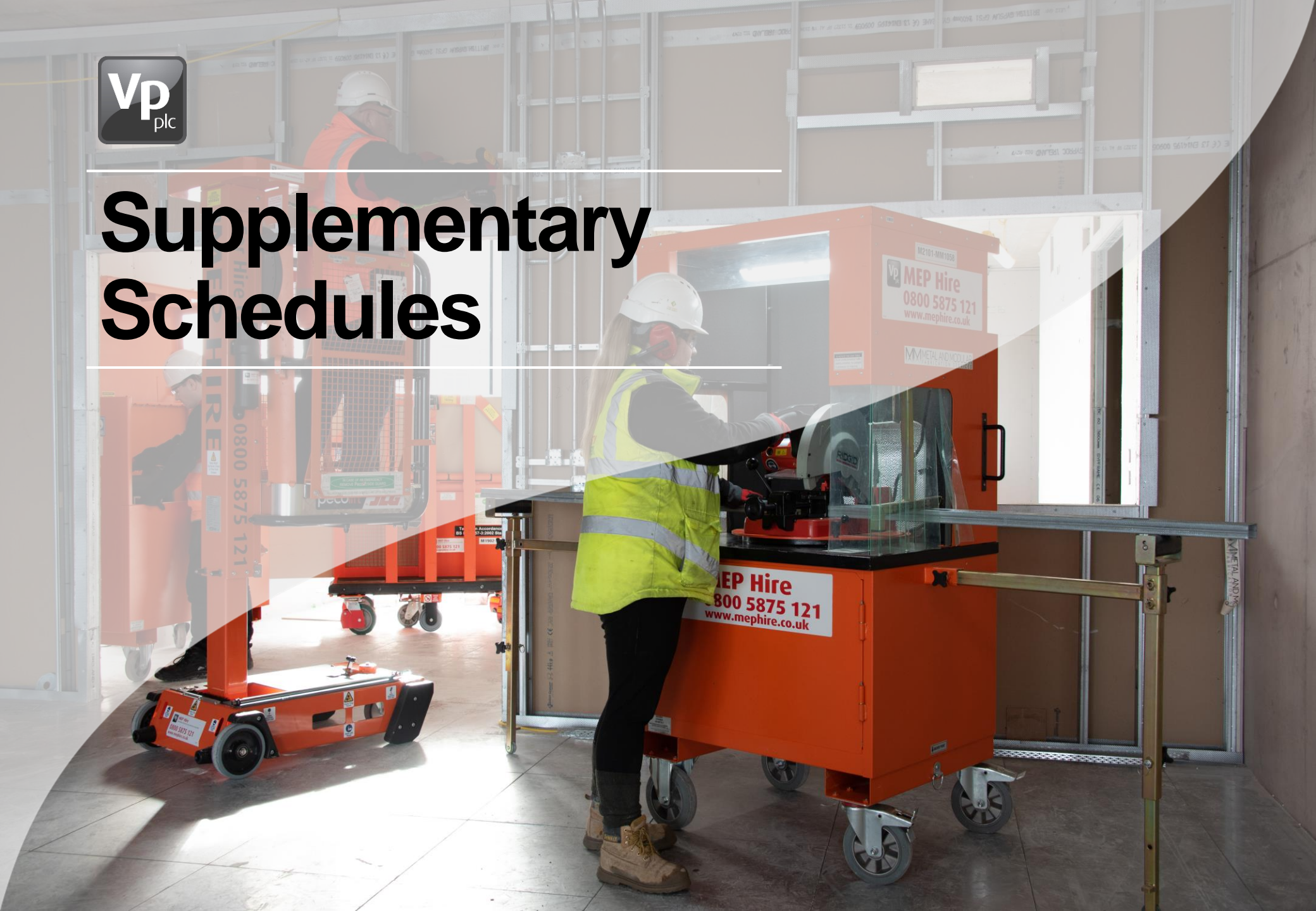
Disposals growth as increased focus on any excess fleet and substitutional products

Outlook

- Lower growth environment
 - Efficient management of costs
 - Supply chain inflation mitigated by hire rate increases
 - Higher hurdle rate for investment
- In the UK – strength in infrastructure, stability in housebuilding and flat construction sector
- Further good progress in International markets
- Driving own sustainability strategy and supporting customer aspirations
- Investing in technology and our people
- Trading continues in line with the Board's expectations
- Resilient and proven business model operating in diversified end markets
- Confident of continuing to deliver outstanding, long term, returns to shareholders



Supplementary Schedules



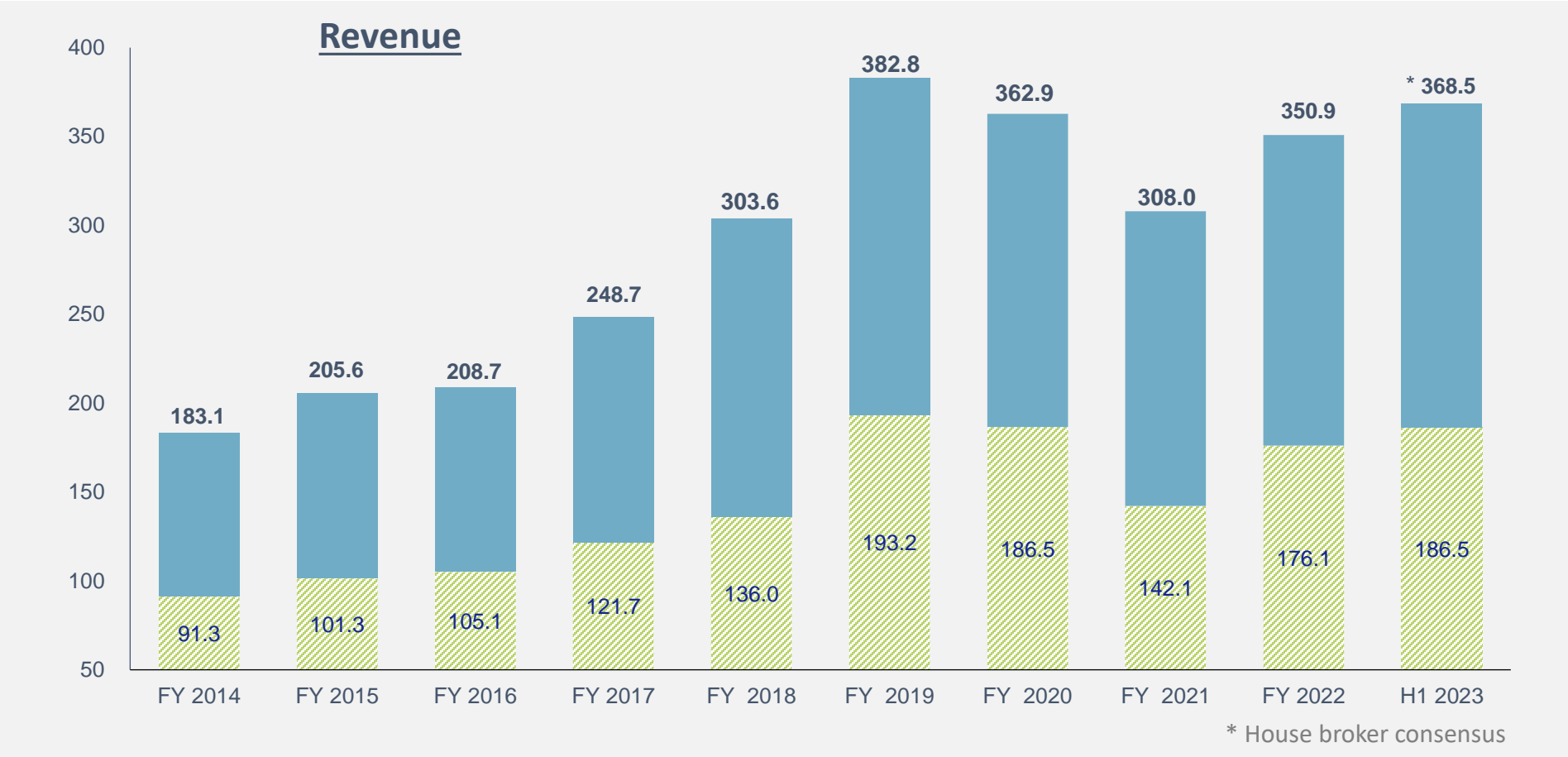
Net Working Capital

	H1 2023 £m	FY 2022 £m	Cashflow movement £m
Inventories	8.7	8.0	(0.7)
Trade and other receivables	87.7	76.7	(11.0)
Trade creditors, accruals, other	(77.7)	(83.8)	(6.1)
Net working capital	18.7	0.9	(17.8)
			<i>Capital creditors movement</i>
			(1.1)
			<i>Other cashflow</i>
			(0.8)
			<i>Working capital cashflow</i>
			(19.7)

IFRS16 impact on profit

	H1 2023 excluding IFRS	H1 2023 IFRS impact	H1 2023 Reported	H1 2022 Reported
EBITDA £m	47.8	9.5	57.3	54.5
PBITA (and exceptionals) £m	24.0	1.4	25.4	24.0
Financial expense £m	(2.5)	(1.5)	(4.0)	(3.8)
PBTA (and exceptionals) £m	21.5	(0.1)	21.4	20.2
EPS (adjusted) pence	42.5	(0.2)	42.3	37.6

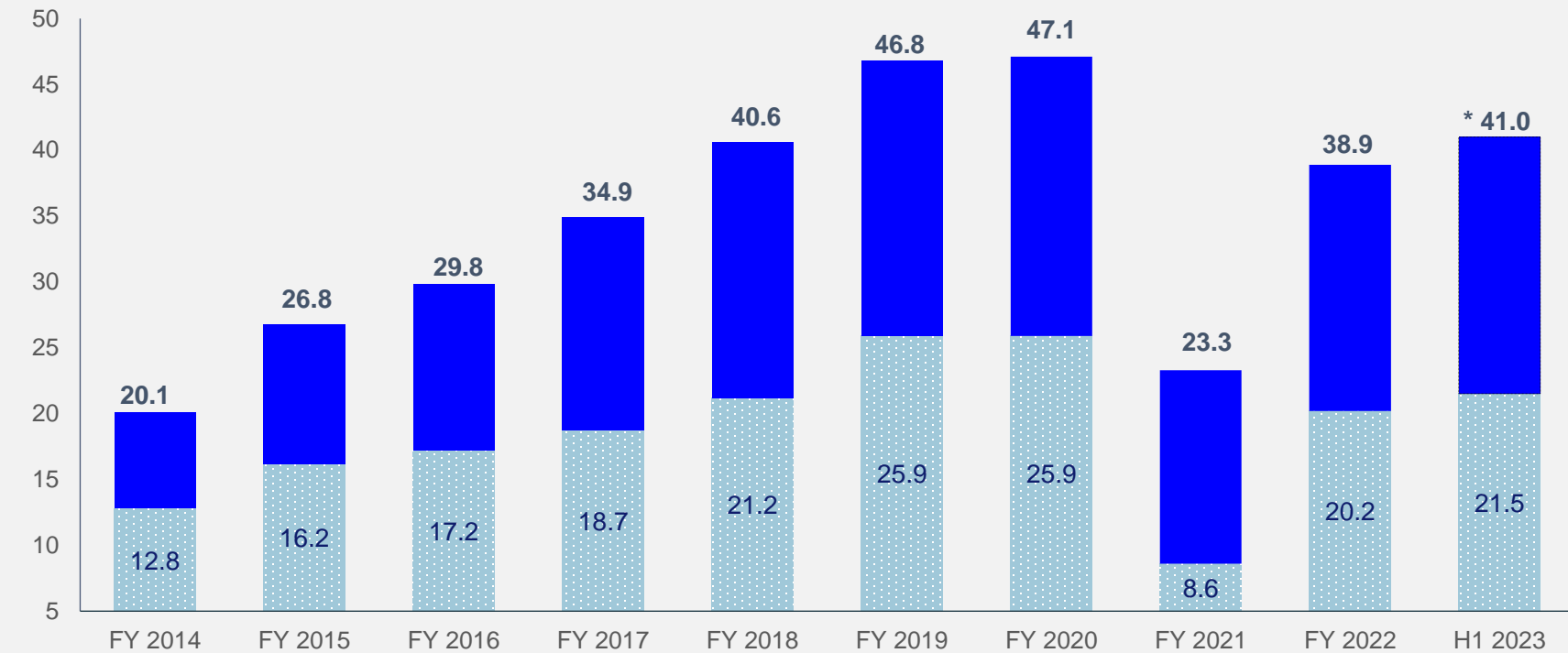
Revenues approaching Pre-Covid peak



Long Term Profit Trend

Profit before tax, amortisation and exceptional items

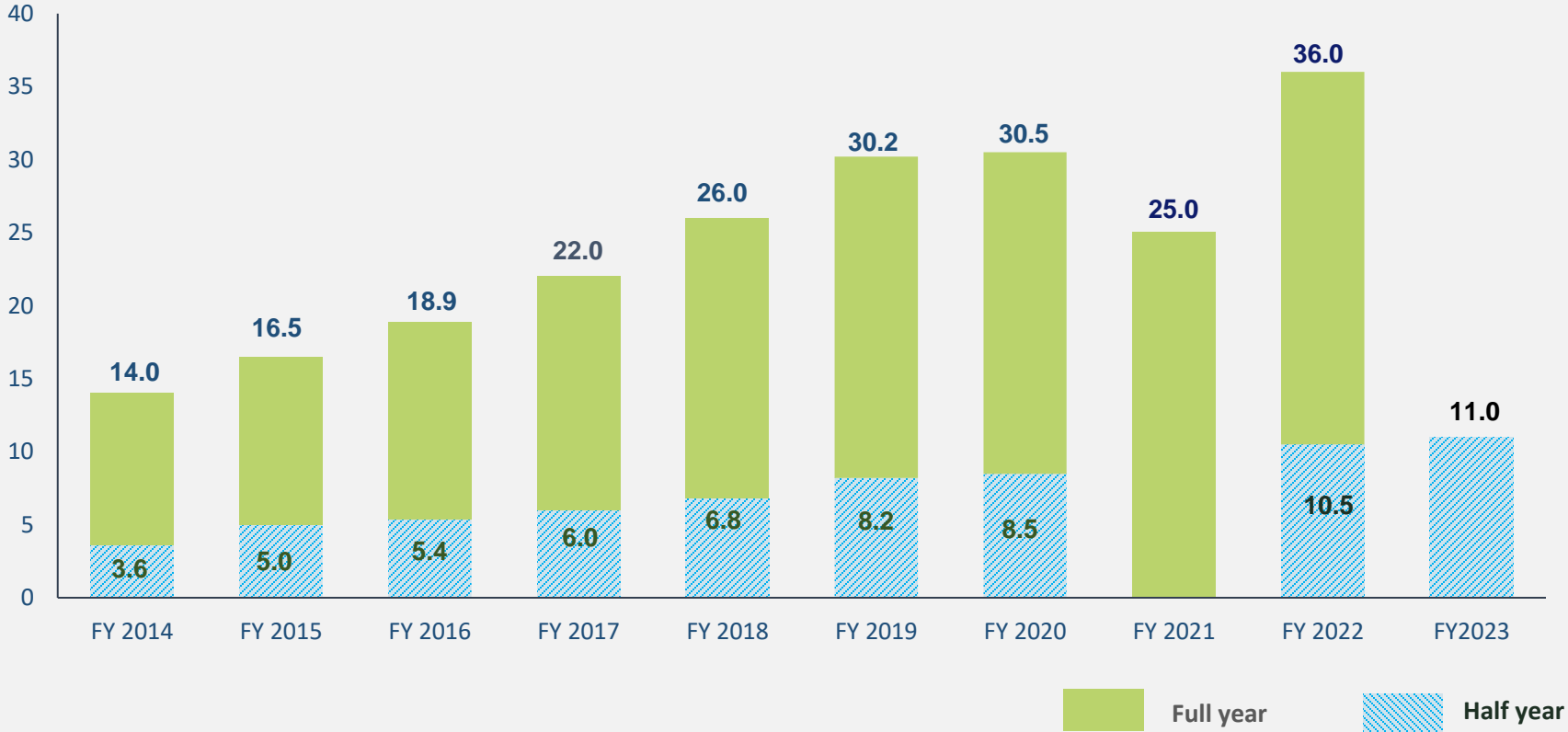
£millions



* House broker consensus

Dividends – Long Term View

Dividend per share (pence)

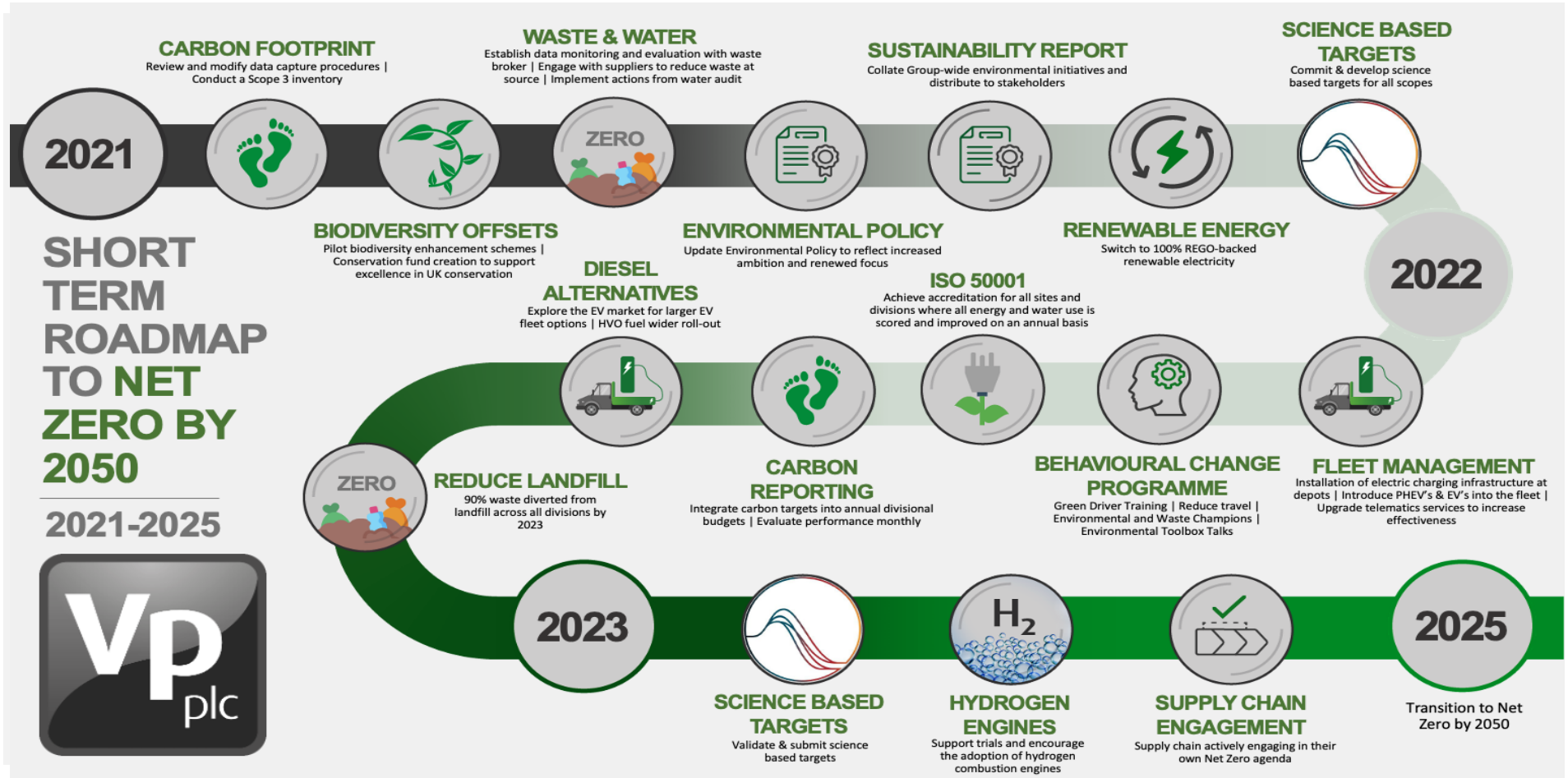


ESG Initiatives

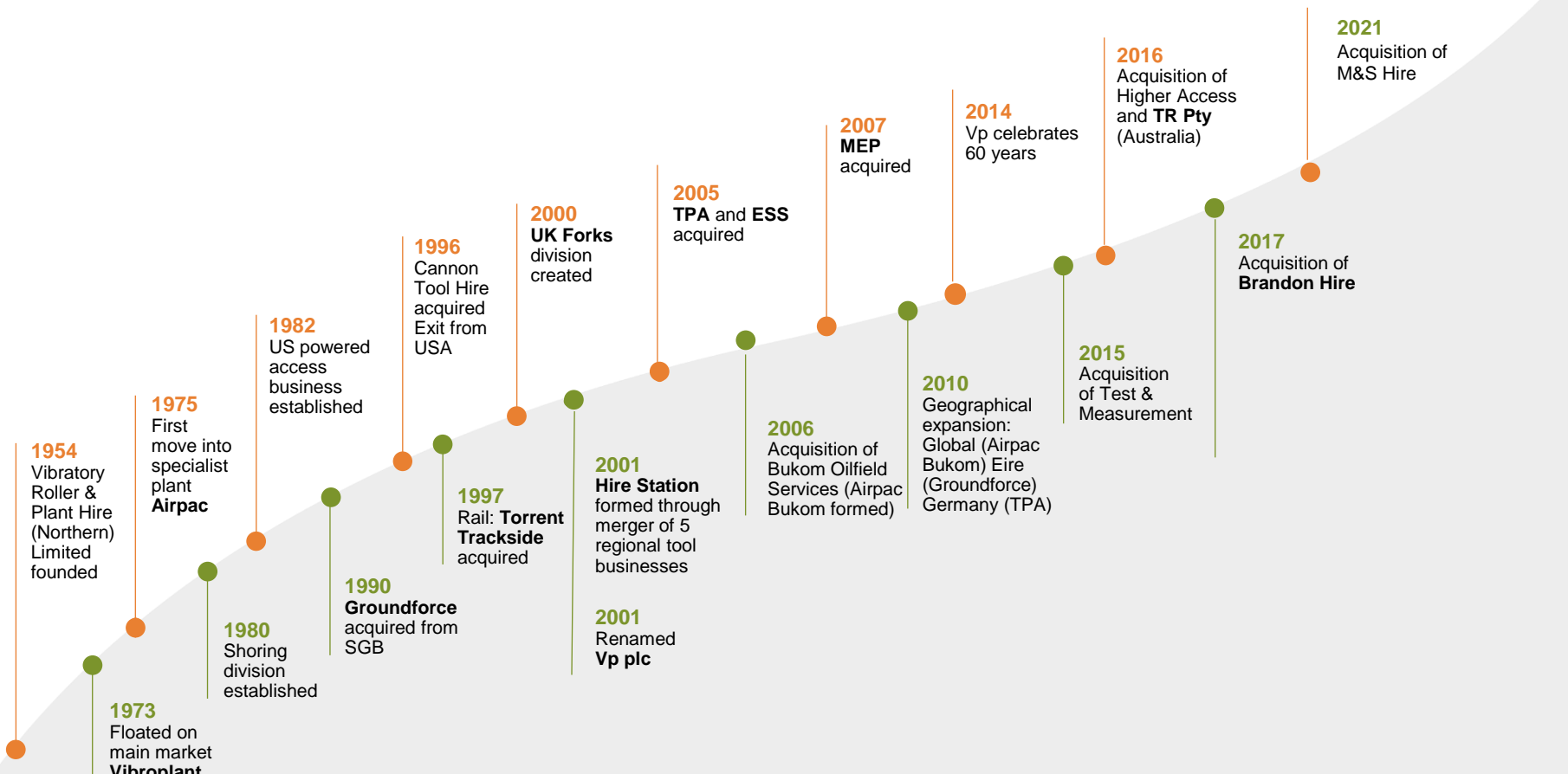
- Group commitment to Science Based Targets (SBTi) underpins our plan
- Short term (2021-2025) road map adopted and being delivered
- Investment in new rental fleet focused on low emission equipment solutions:
 - ✓ Solar panel lighting fleet and charge pods
 - ✓ Wide and increasing range of battery powered tools
 - ✓ Electric fleet of compressors, telehandlers and mini excavators
- Over 60% of Vp's rental fleet is zero emission at point of use
- Vehicle and Property emission reduction:
 - ✓ Greener commercial vehicle solutions
 - ✓ Company car fleet transitioning to sustainable vehicles
 - ✓ Renewable electricity at all UK locations
 - ✓ Solar panel installations
 - ✓ 96% of waste diverted from landfill
- Developing supplier engagement strategy – Scope 3
- Biodiversity
 - ✓ Committed to seven separate UK conservation projects with colleague engagement opportunities
- Shared Resource concept makes rental a fundamentally eco friendly option



Roadmap & Milestones



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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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, Survey, Test & Measurement

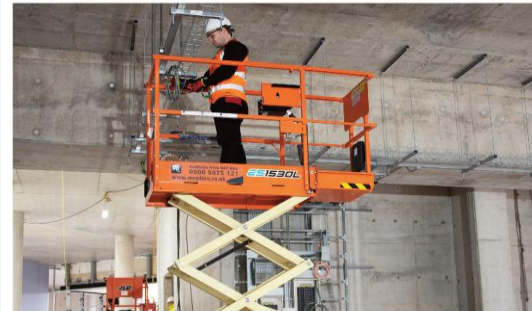




Group businesses



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**



Central House, Beckwith Knowle
Otley Road, Harrogate
North Yorkshire, HG3 1UD

T 01423 533400

www.vpplc.com
