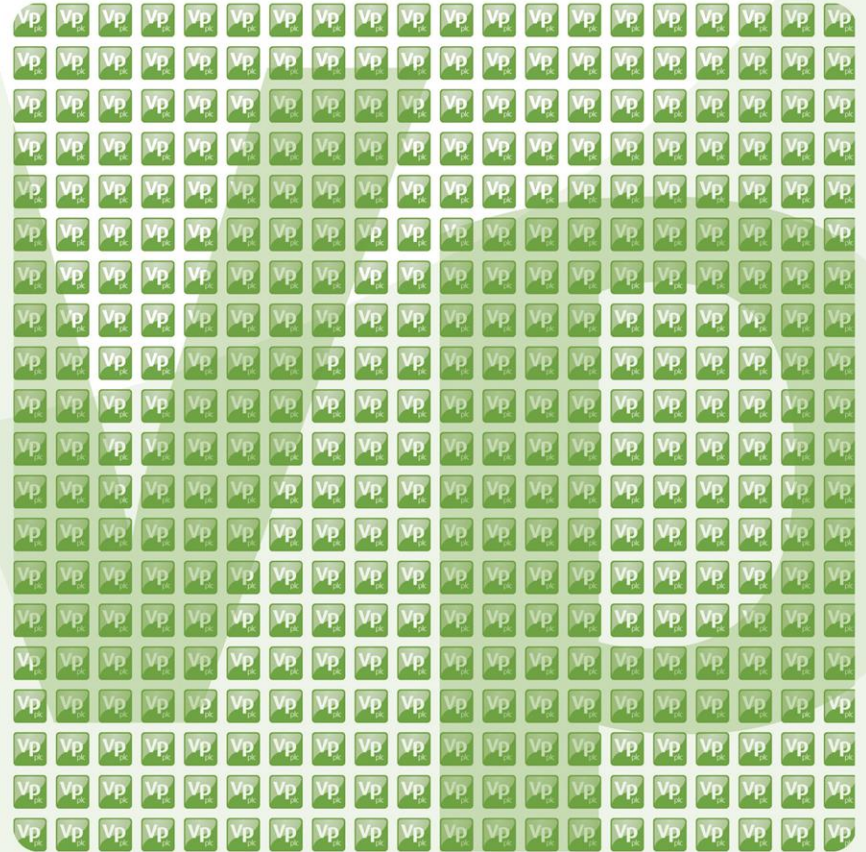




Results for the year ended 31 March 2022

The Equipment Rental Specialist



Agenda

1. Highlights

2. Market and Trading Review

3. Financial Review

Highlights

Market and Trading Review

Financial Review



Highlights



Highlights

- Material growth in profits +67%
- Quality of earnings (ROCE) back to pre-Covid levels at 14.5%
- Infrastructure strength from HS2 and Transmission: AMP7 and rail slower but improving
- General construction mixed – strong repair & maintenance, weaker new build
- Housebuilding held up well throughout the year
- International Division - steady profit recovery
- Capital investment in fleet +49% with emphasis on lower emission solutions for customers
- Significant progress on ESG implementation and digital innovation across the Group
- M&S Hire acquisition and exclusive, Watkin Jones partnership agreement

Headline Numbers

Revenues
£350.9m

14% growth on prior year

PBTA
£38.9m

**67% increase in profits
at improved margins**

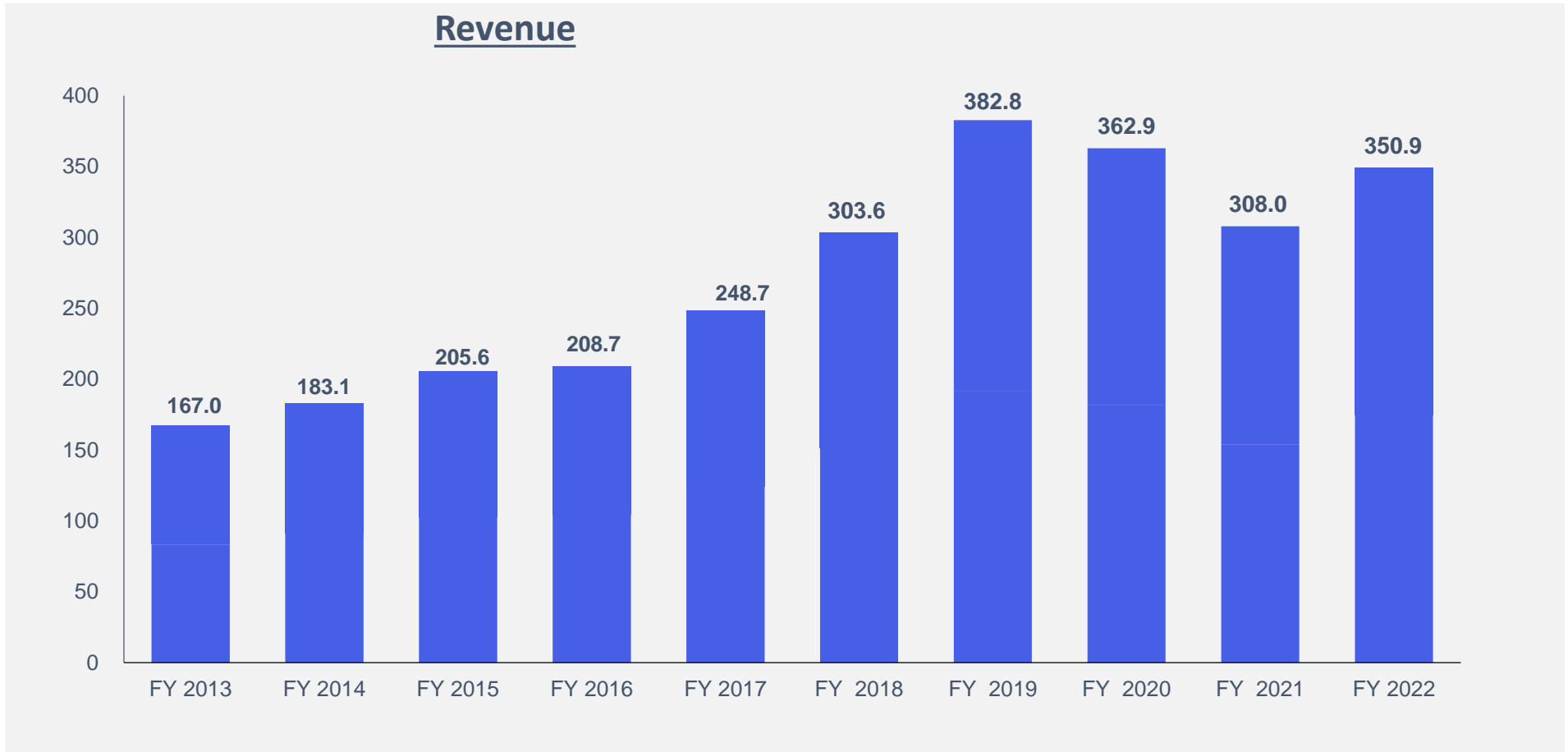
**Return on Average
Capital Employed**
14.5%

**Significant increase in quality of
earnings back to pre-Covid levels**

Net Debt
£130.6m
Increased by
£8.7m

After £59.8m investment in fleet

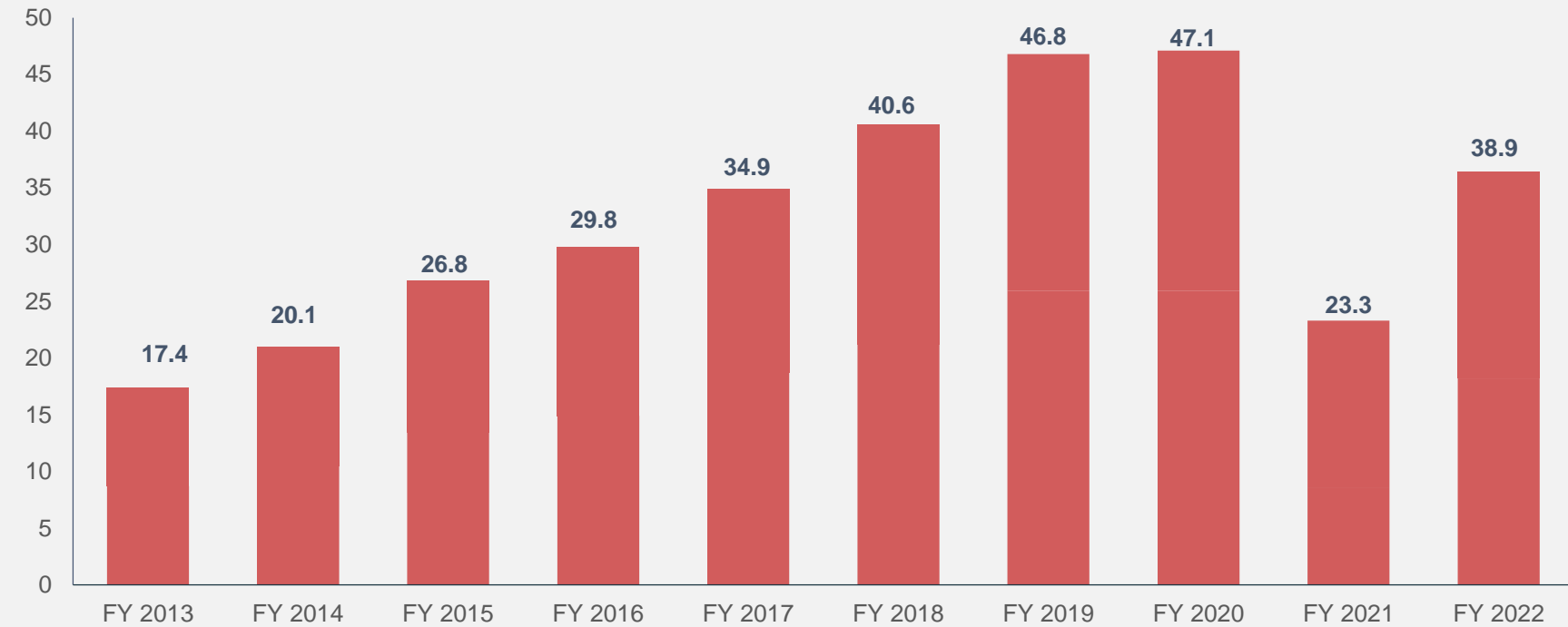
Restoration of long term growth trend underway



Restoration of long term growth trend underway

Profit before tax, amortisation and exceptional items

£millions





Market and Trading Review



Core Markets

Key market segments	Revenue			
	Market exposure	FY 2022 (£m)	FY 2021 (£m)	Growth on prior year
Infrastructure*	36%	129.3	115.0	12%
Construction	41%	144.0	126.6	14%
Housebuilding	7%	25.4	24.4	4%
Energy	9%	30.0	23.9	26%
Other	7%	22.2	18.1	23%
Total	100%	350.9	308.0	

* Utilities, Rail, Water, Transmission and Facilities management



Infrastructure

Mixed recovery - HS2 positive
- AMP / Rail slower



Construction

RMI strong, New build slower
Private Commercial and Public
non-residential weak



Housebuild

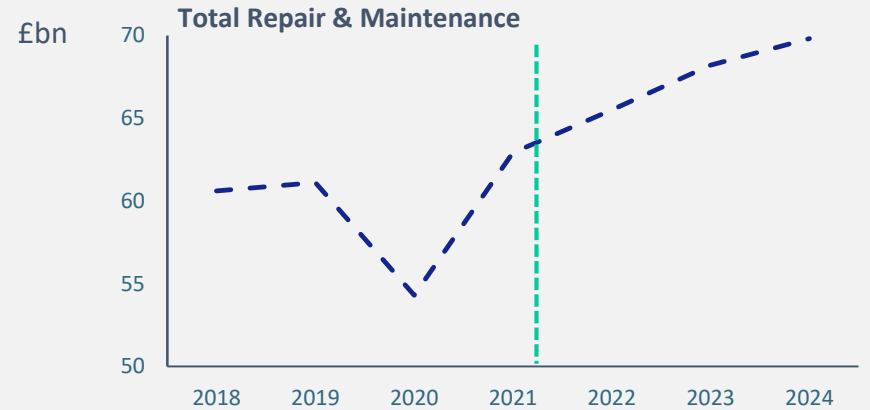
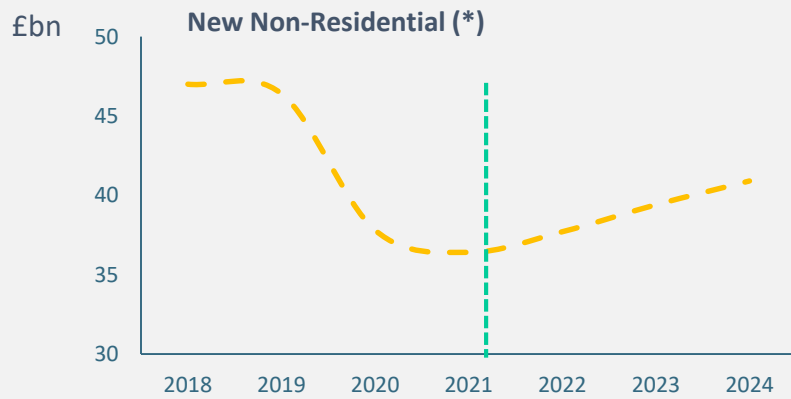
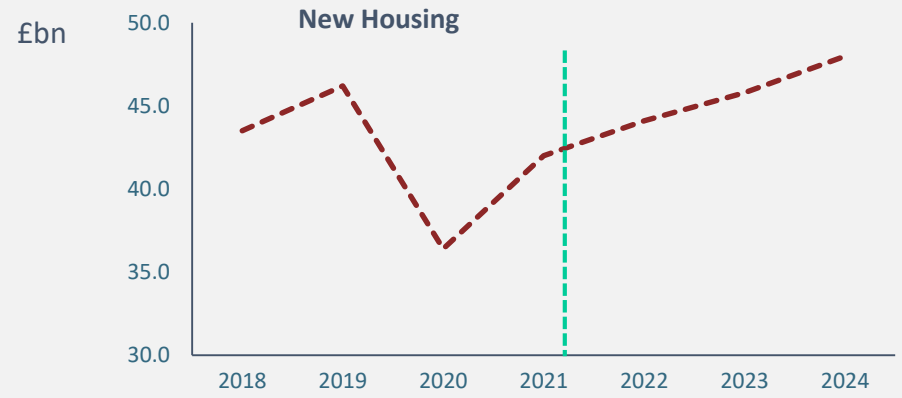
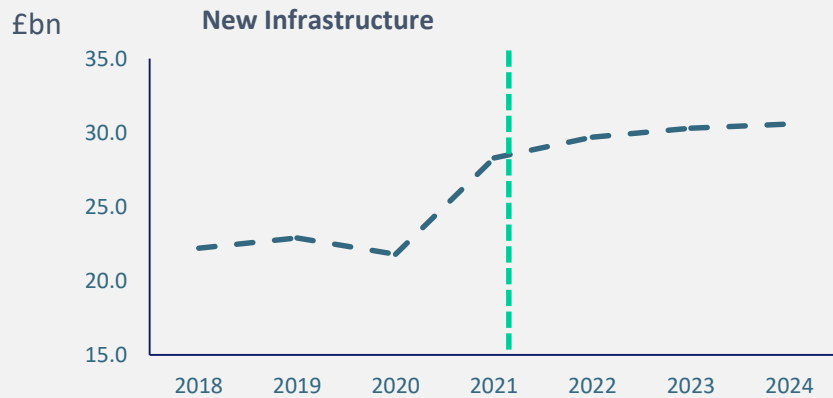
Sustained demand



Energy

Positive maintenance activity

UK Construction Output – Vp Core Markets Sectors



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

Source: Experian UK Construction Forecast Spring 2022



Business performance – *Group*

	FY 2022 (£m)	FY 2021 (£m)	
Revenue	350.9	308.0	+14%
PBITA	43.3	27.7	+56%
Operating margin	12.3%	9.0%	

Good revenue growth on Covid-19 affected prior year

Incremental Revenue
 → Profit 'drop through'
 @ 36% margin

Much improved result despite some markets not yet back to pre - Covid levels

Business performance – UK

	FY 2022 (£m)	FY 2021 (£m)	
Revenue	320.2	281.3	+14%
PBITA	41.8	27.1	+54%
Operating margin	13.1%	9.7%	

Infrastructure, HS2 & Transmission strong

AMP7, CP6 slower until Q4

Construction RMI busy

New build quieter

Housebuilding consistent demand

Margin improvement illustrates operational leverage



Business performance – *International*

	FY 2022 (£m)	FY 2021 (£m)	
Revenue	30.7	26.7	+15%
PBITA	1.5	0.6	+166%
Operating margin	4.9%	2.1%	

Australia, New Zealand and Asia markets lagged UK and Europe in opening up from lockdown

Pace of border openings slowed recovery but energy markets slowly improving



Rental fleet investment

	FY 2022 (£m)	FY 2021 (£m)
UK	55.2	35.6
International	4.6	4.6
Total fleet investment	59.8	40.2
Disposal proceeds	(17.8)	(17.5)
Net expenditure on fleet	42.0	22.7

Strong capex – mix of growth & pre-emptive investment to minimise supply chain issues

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

Capital commitments of £14.5m at 31 March - in the pipeline

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 'greener' 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
- 71% of Vp's rental fleet is zero emission at point of use
- Vehicle and Property emission reduction:
 - Lower emission commercial vehicle replacements
 - Company car fleet transitioning to sustainable vehicles
 - Renewable electricity at all UK locations
 - Solar panel installations
 - 96% of waste diverted from landfill
- Biodiversity
 - Committed to seven separate UK conservation projects with colleague engagement opportunities
- Shared Resource concept makes rental a fundamentally eco friendly option



Outlook

- Vp continues to deliver market leading quality of earnings measured by ROCE and margin
- The new financial year has started well
- Encouraging pick up in AMP7 (Water) and CP6 (Rail) activity into the new financial year
- HS2 remains a long term opportunity
- Residential construction stable and robust
- Supply chain delays and inflationary pressures matched by rental pricing improvement and cost efficiencies
- Investment in learning and development for colleagues
- Digital roadmap continues to evolve across the Group and providing a platform for further growth
- Excellent momentum in environmental initiatives and delivering sustainable solutions to our customers
- Formal sale process announced in April but remains 'business as usual'
- Vp is well positioned to make further good progress as we embrace the opportunities and manage through the inevitable challenges



Financial Review



Financial highlights

	FY 2022 £m	FY 2021 £m	% change
Revenue	350.9	308.0	+14%
EBITDA	88.9	72.7	+22%
Depreciation	(45.5)	(45.0)	-1%
EBITA *	43.3	27.7	+56%
Interest *	(4.4)	(4.4)	
PBTA (and exceptionals)	38.9	23.3	+67%
Net margin	11.1%	7.6%	

* Pre IFRS16

Earnings per share and dividends

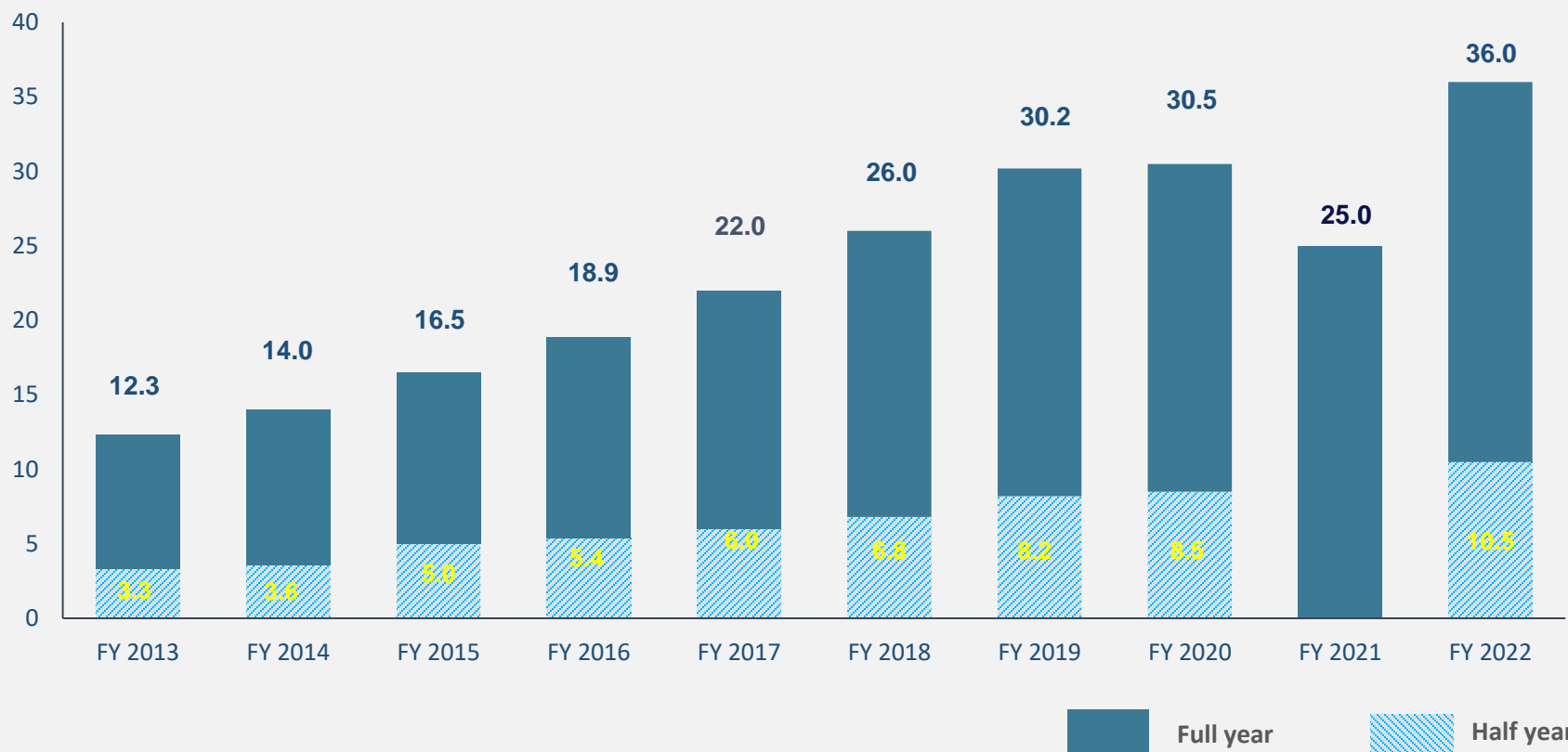
	FY 2022	FY 2021
Dividend per share pence	36.0	25.0
Dividend cover times	2.0x	1.9x
EPS adjusted * pence	71.2	46.8

* Pre amortisation and exceptionals IFRS16

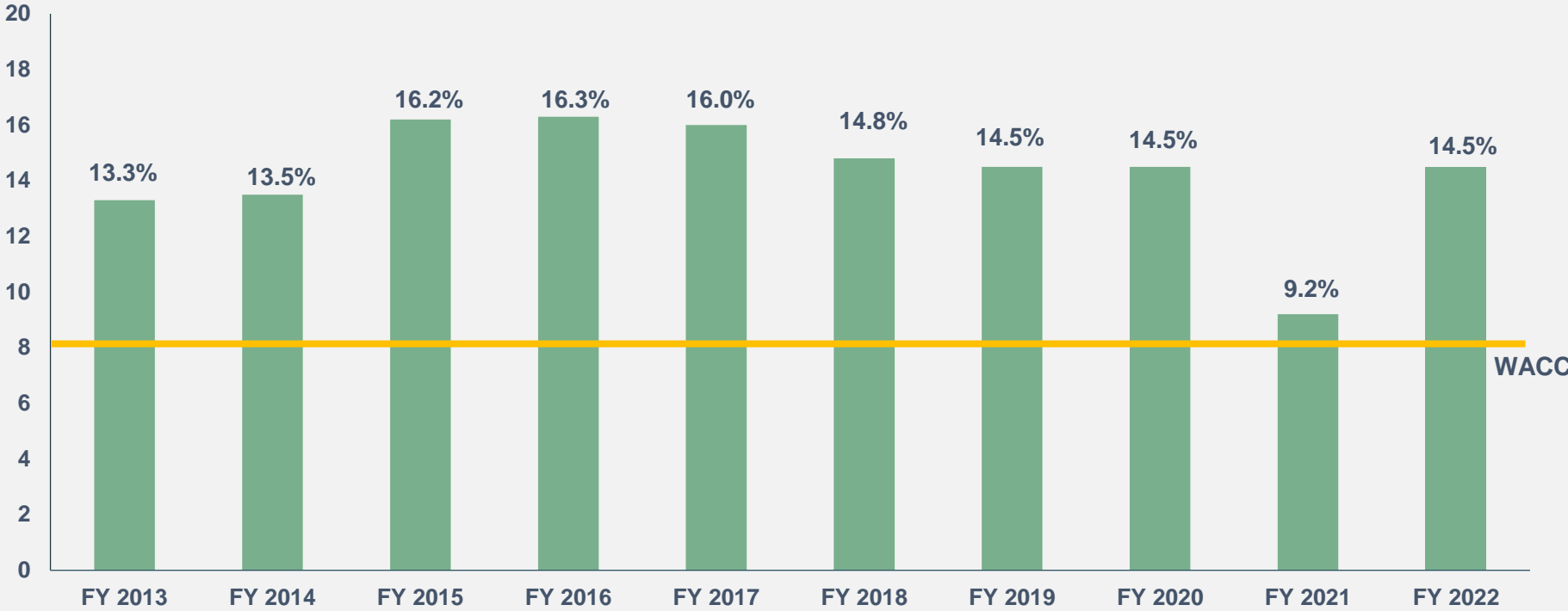
- Proposed final dividend 25.5 pence, making 36.0 pence full year
- Reflects rebasing towards 2x cover and more balanced interim / final split
- No interim dividend 2021 due to Covid uncertainty

Dividends – Long Term View

Dividend per share (pence)



ROCE – in line with long term target



- Strong recovery in Return on Capital Employed (ROCE)
- ROCE definition $PBIT / \text{Average (Net Assets + Net Debt)}$

Balance sheet – further strengthened

	FY 2022 £m	FY 2021 £m
Hire Fleet	216.6	206.0
Other fixed assets	30.9	27.9
Intangible assets / goodwill	62.4	64.4
IFRS16 net assets / liabilities	(3.5)	(4.3)
Working capital	1.8	(11.6)
Pension asset	2.7	2.2
Deferred tax liability/tax	(13.8)	(9.6)
Net debt	(130.6)	(121.9)
Net assets	166.5	153.1
Debtor days	55	56
Bad debt write off % revenue	0.6%	0.6%

➤ Net assets increased by £13.4m

➤ NBV of hire fleet grew by £10.6m

Strong cash generation continues

	FY2022 £m	FY 2021 £m
EBITDA	88.9	72.7
Working Capital	(12.5)	33.9
Profit on Sale	(7.0)	(4.3)
Exceptional items	-	(15.2)
Capital expenditure	(68.7)	(46.5)
Proceeds from disposals	17.8	17.5
Acquisitions	(2.7)	(-)
Interest	(4.5)	(4.7)
Tax	(6.3)	(2.9)
Dividends	(14.0)	(8.7)
Other	0.3	(3.9)
Movement in net debt	(8.7)	37.9

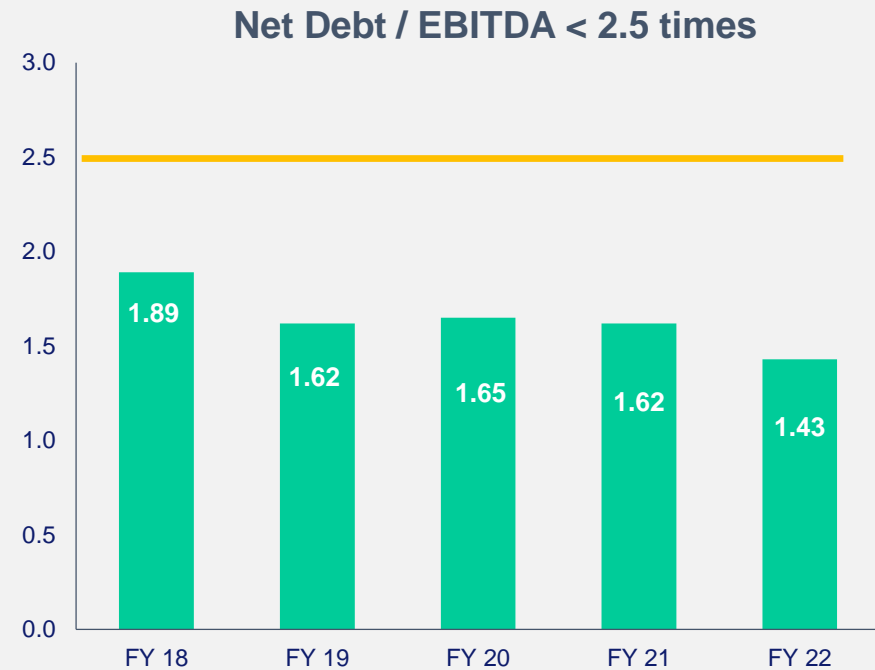
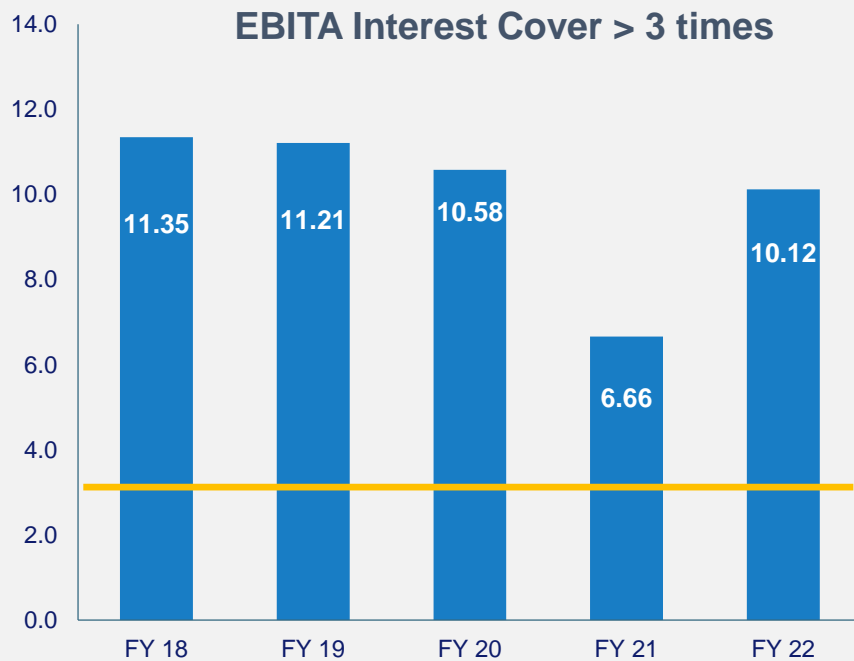
- Modest increase in net debt
- Unwinding of pandemic working capital inflows
- £22m increase in capital expenditure
- £2.7m acquisition of M&S

Net debt and facilities – refinanced during the year

	FY 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	130.6	121.9
Headroom against facilities	59.9	85.6

- RCF includes £20m accordion
- 51% of facilities at fixed rates & 5 - 6 years from maturity

Robust headroom against covenants



- Leverage reduced to 1.43x (Mar 21 - 1.62x)
- Well within covenants



Supplementary Schedules



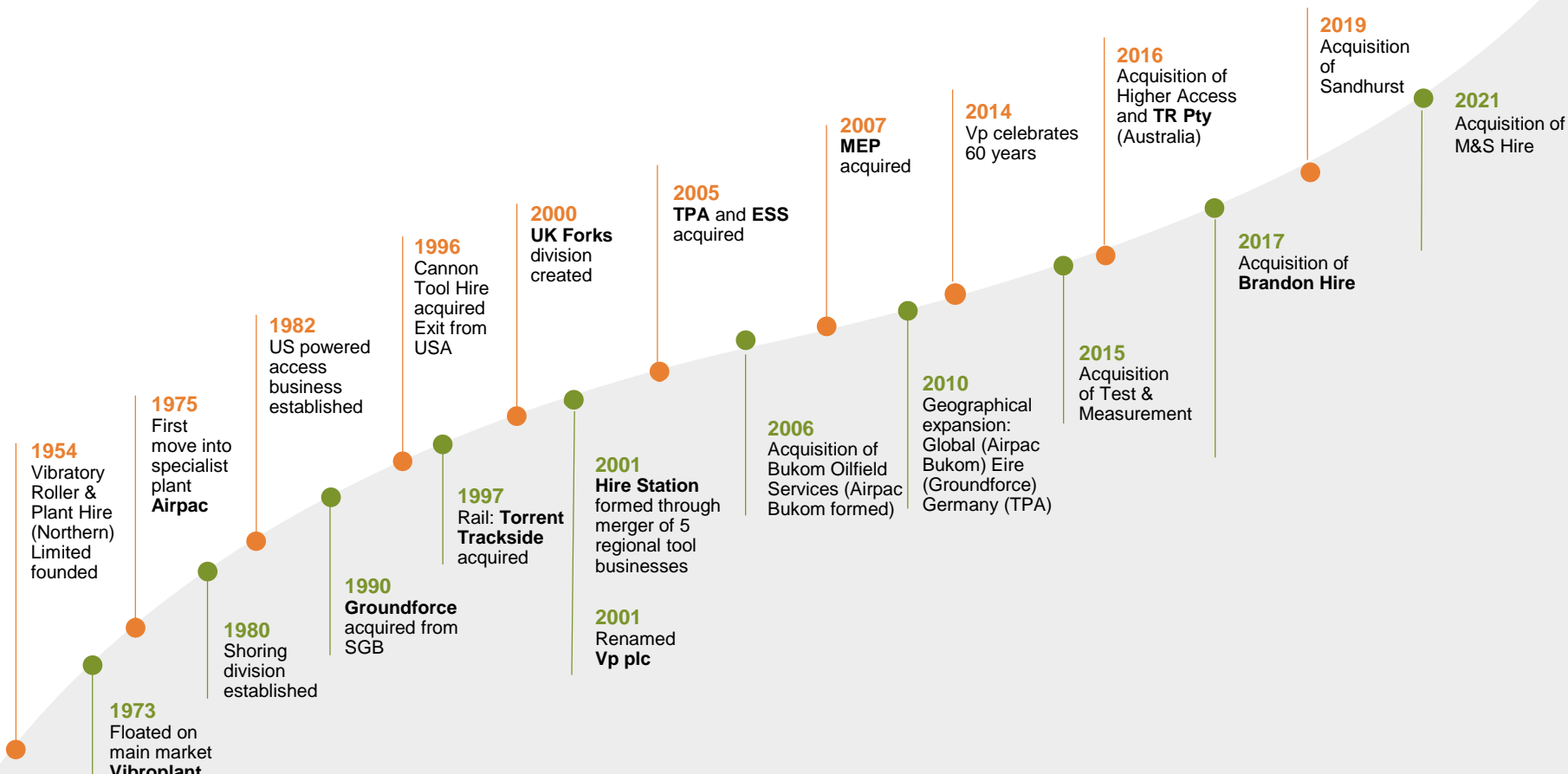
Net Working Capital

	FY 2022 £m	FY 2021 £m	FY 2022 Cashflow movement £m
Inventories	7.9	7.3	(0.6)
Trade and other receivables	76.1	66.5	(9.6)
Trade and other payables	(80.7)	(83.5)	(2.8)
Provisions	(1.5)	(1.9)	(0.4)
Net working capital	1.8	(11.6)	(13.4)
			Capital creditors movement
			0.6
			Other cashflow
			0.3
			Working capital per cashflow
			(12.5)

IFRS16 impact on profit

	FY 2022 excluding IFRS	FY 2022 IFRS impact	FY 2022 Reported	FY 2021 Reported
EBITDA £m	88.9	19.5	108.4	96.7
PBITA (and exceptionals) £m	43.3	3.0	46.3	30.9
Financial expense £m	(4.4)	(3.0)	(7.4)	(7.8)
PBTA (and exceptionals) £m	38.9	-	38.9	23.2
EPS (adjusted) pence	64.4	0.1	64.5	(11.6)

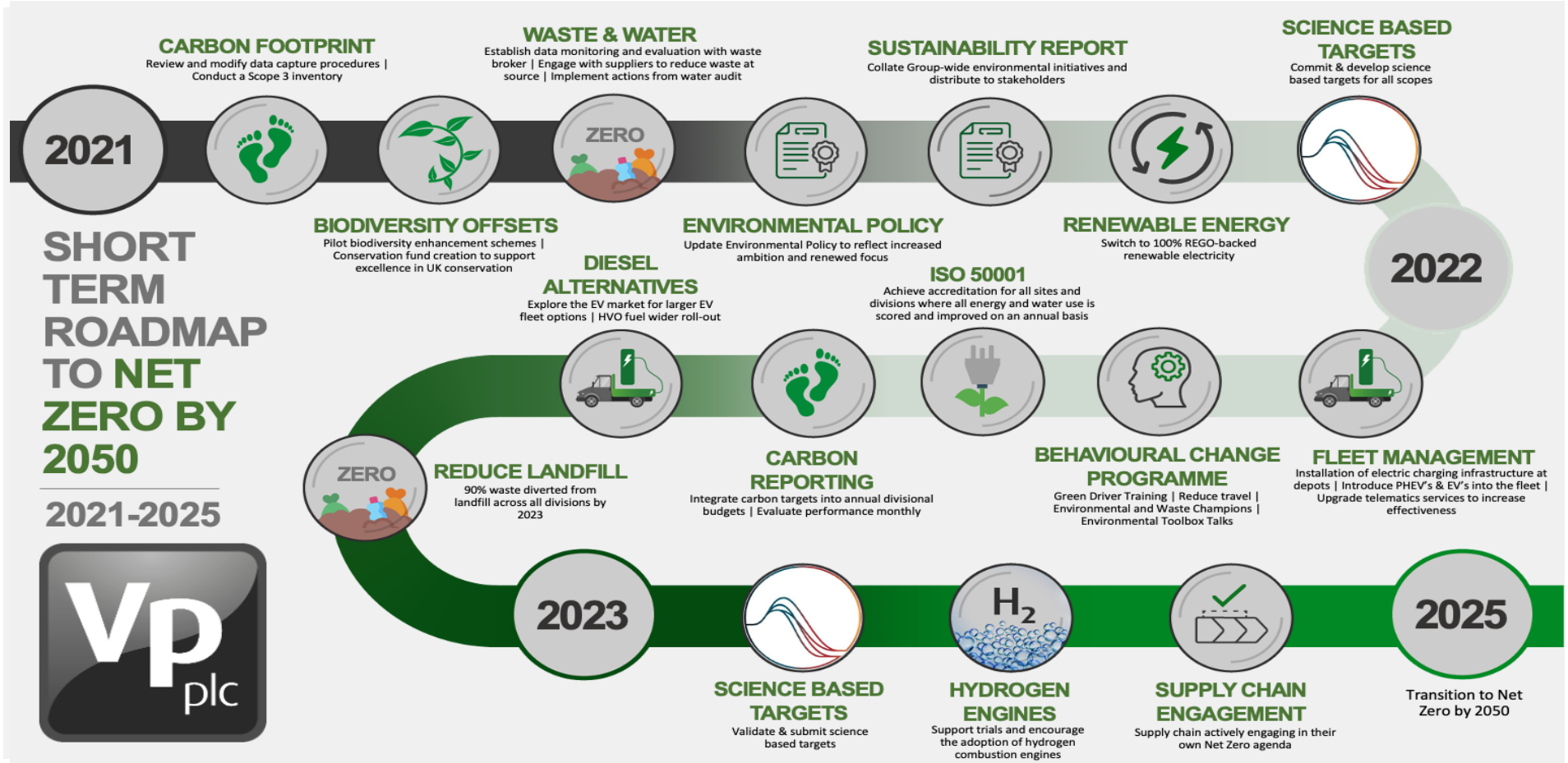
Group history – 1954 to date



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	2022: £351m
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Roadmap & Milestones





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

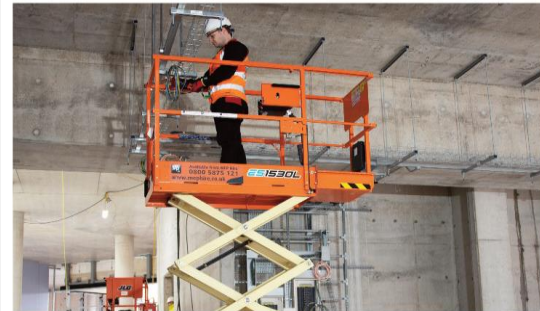




Group businesses



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**





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