Results for the year ended 31 March 2020

The Equipment Rental Specialist

Agenda

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

Strategic Aim and Highlights

Our aim is to create sustainable value

Resilient and proven model

First class asset management

UK & International Specialist Rental

Building on core attributes

Very satisfactory performance against a difficult backdrop

Profits

+1%

Profits maintained despite March covid-19 impact

Operating Margins

+ 6%

Improvement

Rental Fleet Investment

£ 49m

Tailored to market conditions

Return on Average Capital Employed

14.5 %

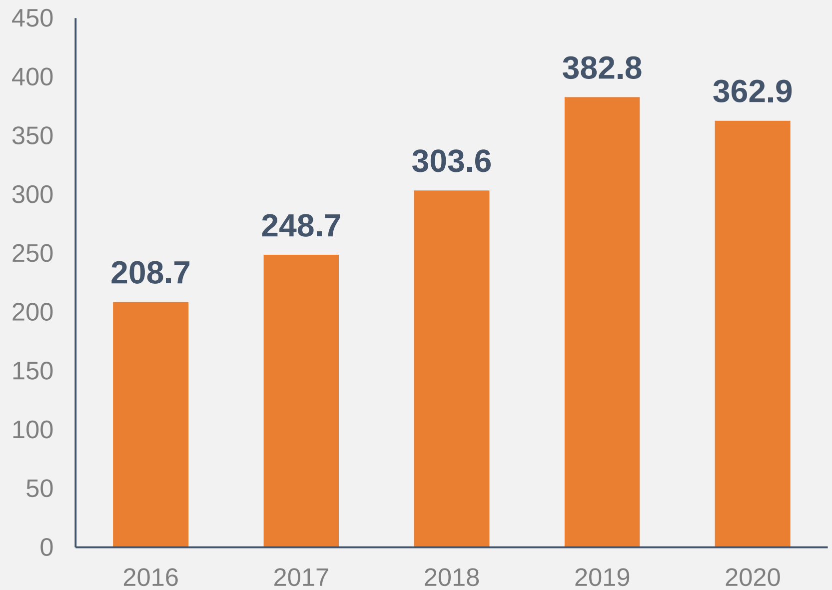
Robust performance

- Revenues held back by UK Construction downturn
- Final month of year disrupted by Covid-19 impact

Best in sector profit performance

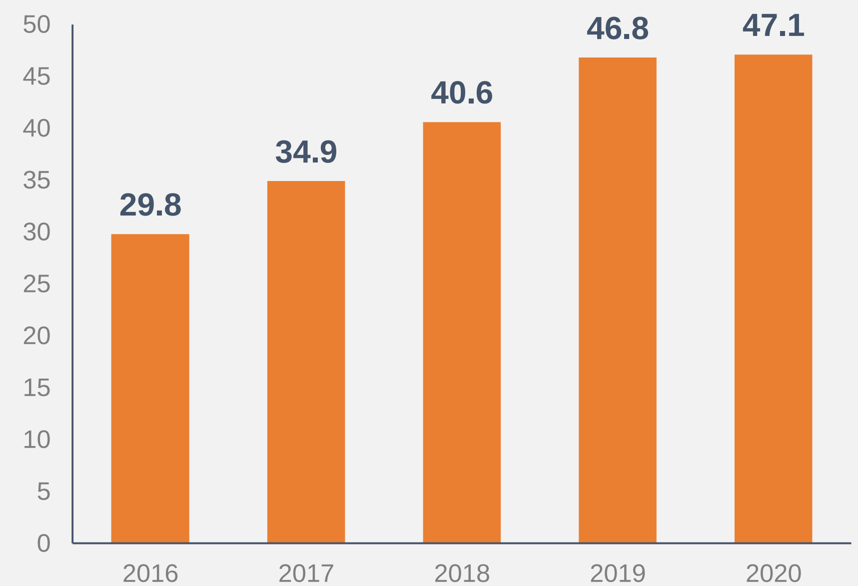
Revenue

12% compound growth over 5 years



Profit before tax, amortisation and exceptional items

10% compound growth over 5 years



Market and Trading Review

Key markets

Infrastructure

Construction

Housebuilding

Oil & Gas

Market dynamics

Market segment	Revenue 2020 (£m)	Revenue 2019 (£m)	Growth on prior year
Infrastructure*	**139.2**	137.3	**+ 1%**
Construction	**143.9**	159.0	**- 9%**
Housebuilding	**34.2**	35.0	**- 2%**
Oil & Gas	**25.2**	32.2	**- 22%**
Other	**20.4**	19.3	**+ 5%**
Total	**362.9**	382.8	**- 5%**

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

Infrastructure
- Broadly stable

Construction
UK market downturn
- Brexit

Housebuild
- Broadly stable

Oil & Gas
- Shutdown contract

Business performance – *Group*

	2020 (£m)	2019 (£m)	
Revenue	**362.9**	382.8	**- 5%**
PBITA	**51.9**	51.6	**+1%**
Operating margin	**14.3%**	13.5%	

UK Construction Weaker

Improved Margins

Resilient Profits

Business performance – *UK*

	2020 (£m)	2019 (£m)	
Revenue	**331.0**	350.3	**-6%**
PBITA	**50.2**	49.9	**+1%**
Operating margin	**15.2%**	14.2%	

AMP6 final year

Rail positive

Construction weaker

Stable housebuilding

Cost efficiencies helped protected margins

European growth - Groundforce/TPA Netherlands shutdown contract not repeated

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

Business performance – *International*

	2020 (£m)	2019 (£m)	
Revenue	**31.9**	32.5	**- 2%**
PBITA	**1.7**	1.7	**-1%**
Operating margin	**5.4%**	5.3%	

Airpac Bukom
- Europe / Asia improved
- Australia weak

Solid progress in TR

Strategic Aim and Highlights
Market and Trading Review
Financial Review

Rental fleet investment

	2020 (£m)	2019 (£m)
UK	**41.0**	57.4
International	**8.1**	6.4
Total fleet investment	**49.1**	63.8
Disposal proceeds	**(21.4)**	(20.0)
Net expenditure on fleet	**27.7**	43.0

Overall fleet investment reduced to match market demand

Capital investment maintained for supportive markets

Fleet refreshment programme generating cash

Covid-19 Response

- Post lockdown during March, Group revenues reduced severely to c.55% of normal levels
- We continued to provide support to essential service providers
- April was the low point in activity
- Housebuilding and construction returned in May – revenues continuing to grow in June
- Robust cost response
  - mothballing some locations / furloughing employees
  - salary freeze / reduced hours
  - capex freeze
  - only essential recruitment
- Global issue for the Group impacting all geographies
- Cash management / Stressed forecasts/Bank covenant relaxation
- Ample headroom on bank facilities
- Dividend recommendation decision delayed until better visibility of the recovery

Outlook

- Slow, incremental recovery over the coming months
- Severe revenue reduction in April
- Maintained focus on cost control
- Cash management has been excellent into the new year
- Recovery is to a degree, dependent on markets re-opening
- Strong experienced senior management to steer through the crisis
- Fundamentally sound business proposition
- Fresh, but increasingly positive challenges ahead

We have the financial and structural strength to return the business to historically strong performance levels

Financial Review

Financial highlights – satisfactory performance

	2020 (£m)	2019 (£m)	
Revenue	**362.9**	382.8	-5%
EBITDA	**98.1**	101.4	-3%
Depreciation	**(46.2)**	(49.8)	-7%
EBITA pre IFRS 16	**51.9**	51.6	+1%
Interest excluding IFRS 16	**(4.8)**	(4.8)	
PBTA (and exceptionals)	**47.1**	46.8	+1%
Exceptional items	**1.5**	8.6	
Net margin	**13.0%**	12.2%	
IFRS 16 impact on operating profit	**3.5**	-	
IFRS 16 impact on interest	**(4.1)**	-	
Net effect	**(0.5)**	-	

Strategic Aim and Highlights

Market and Trading Review

Financial Review

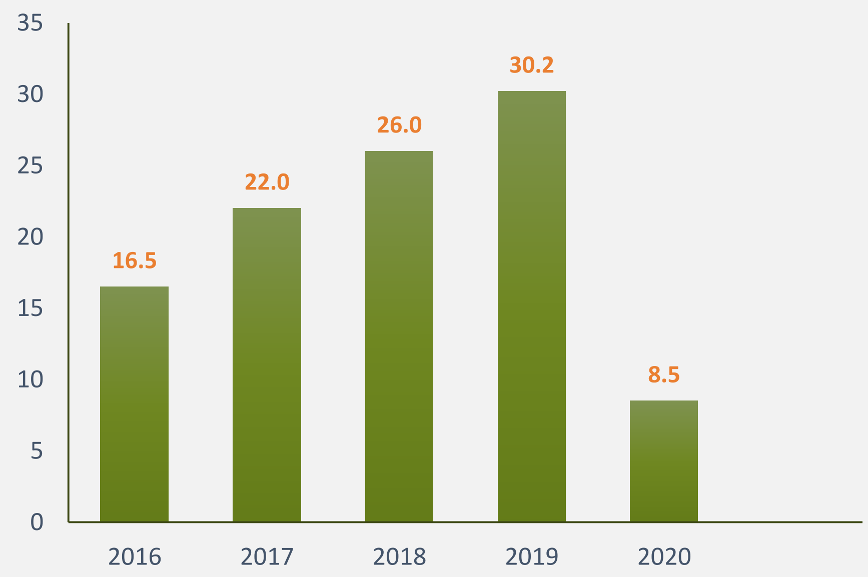
Earnings per share and dividends

	2020	2019	
EPS pre amortisation, exceptionals and IFRS 16	**91.0p**	95.1p	+5%

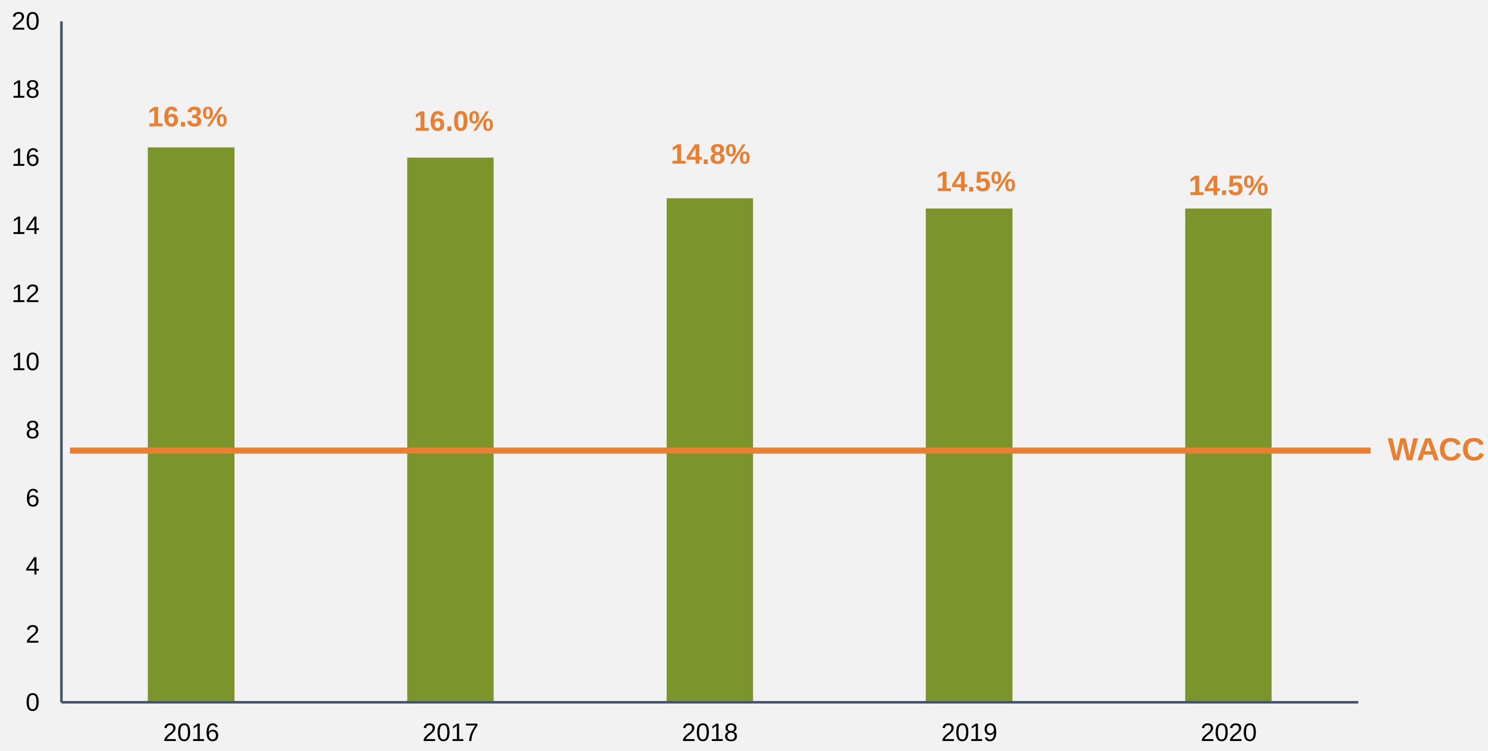
Due to Covid 19 dividend decision delayed.

Interim dividend 8.45 pence per share paid in January 2020

Dividend per share (pence)



ROACE – robust



Strategic Aim and Highlights
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Financial Review

Balance sheet

	2020 (£m)	2019 (£m)
Property, plant and equipment	**247.8**	248.7
Intangible assets/goodwill	**74.3**	89.7
Net working capital	**19.1**	3.9
Other	**(8.2)**	(5.7)
Net debt	**(159.8)**	(167.7)
Net assets pre IFRS 16	**173.2**	168.9
IFRS Right of use asset	**68.6**	-
Lease liabilities	**(71.9)**	-
Net assets post IFRS16	**169.9**	168.9

Strategic Aim and Highlights

Market and Trading Review

Financial Review

Strong cash generation

	2020 (£m)	2019 (£m)
EBITDA (pre IFRS16)	**98.1**	101.4
Cash from operations (pre IFRS 16)	**74.3**	92.7
Net capital expenditure	**(33.3)**	(54.6)
Interest	**(4.5)**	(4.9)
Tax	**(10.7)**	(7.9)
Acquisitions	**(3.3)**	-
Dividends	**(12.1)**	(10.9)
Other	**(2.5)**	(2.9)
Debt acquired	**-**	-
Change in net debt	**7.9**	11.5

Strategic Aim and Highlights

Market and Trading Review

Financial Review

Net debt and facilities - headroom

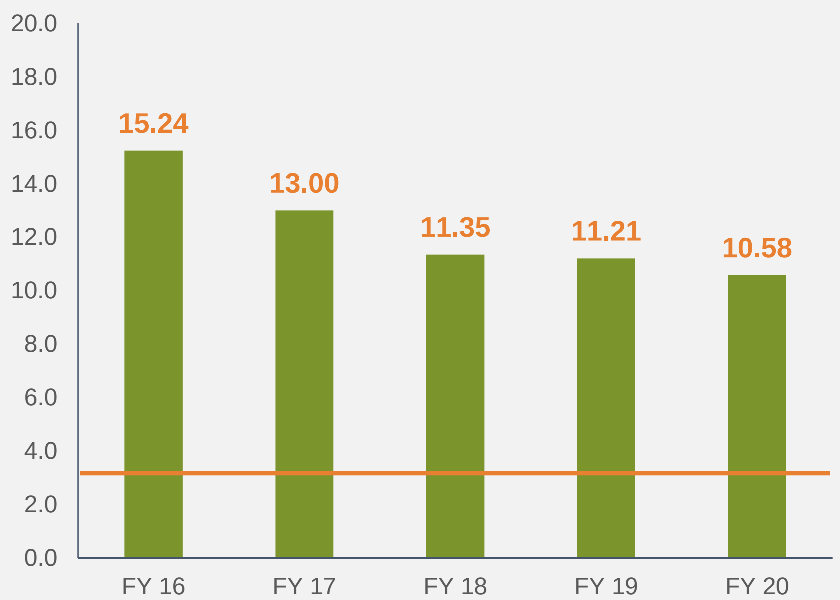
	Facilities	
	FY 2020 (£m)	FY 2019 (£m)
Private placement matures Jan 2027	**65.0**	-
RCF matured May 2020	-	65.0
RCF matures December 2021	**135.0**	135.0
Total RCF	**200.0**	200.0
Overdraft	**7.5**	7.5
Actual borrowing net debt	**159.8**	167.7
Headroom	**47.7**	39.8

£65m RCF refinanced with £65m fixed rate 7 year private placement

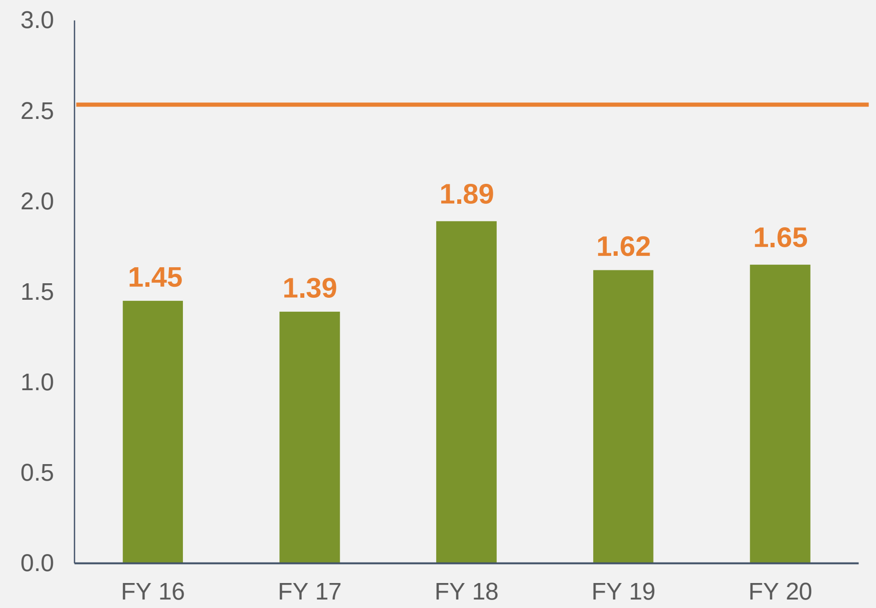
As at 31st May 2020 net debt improved further to £150.2m headroom £57.3m

Headroom against covenants

EBITA Interest Cover > 3 times



Net Debt / EBITDA < 2.5 times



Covid-19 amended covenants agreed

Quarter ended	June 20	Sep 20	Dec 20	Mar 21	June 21
Net debt to EBITDA < existing 2.5x	2.50	3.25	3.50	3.75	2.50
Interest cover > existing 3x	3.00	2.25	0.50	(1.0)	3.00

- Stress scenarios considered (material revenue reductions on conservative budget)
- All scenarios below budget revenues
- All scenarios fall within revised covenants
- Revenue reductions mitigated by immediate management action

COVID-19 - actions

- Deferral annual pay review
- Participation in Job Retention Scheme
- Frozen non essential capex and recruitment
- Senior management voluntary salary reductions
- Rent payment holidays
- Rates and tax relief utilised

Vp plc

Supplementary Schedules

Effective rate of tax reconciliation

	2020 (%)	2019 (%)
Standard rate	**19.0**	19.0
Impact of tax rate changes	**4.1**	0.3
Permanent disallowables	**1.0**	3.1
Chattels	**(1.4)**	(1.2)
Prior year adjustments	**1.3**	(0.6)
Non-qualifying depreciation and amoritsation	**1.4**	1.2
Overseas tax rate	**1.3**	0.9
Impairment of intangibles	**7.8**	0.4
Effective rate	**34.5**	23.1

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**	2015: **£206m**	2016: **£209m**	2017: **£249m**	2018: **£304m**	**2019 £383m**	**2020 £363m**

Divisions

UK

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

International

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

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