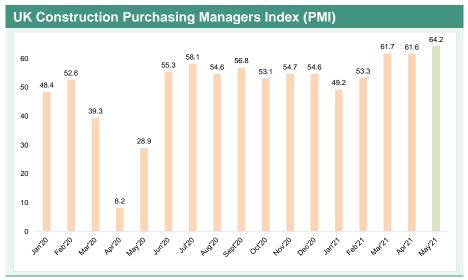
Vp plc



Upgrading forecasts as FY22 "starts strongly"

Today's **upbeat FY21 prelims** from equipment rental specialist Vp provided further evidence of its industry leading status, especially in terms of earning quality, ROCE and cashflow. Posting a better than expected **adjusted PBT** (pre IFRS16) & **diluted EPS of £23.3m** & **45.9p on sales of £308m**, alongside providing a "*positive*" outlook. Indeed in our opinion, the group's **through-cycle durability justifies a sector premium**, thanks to its consistent returns, adoption of all-things digital and exposure to systemically important verticals such as water, power, renewables, telecoms & rail.

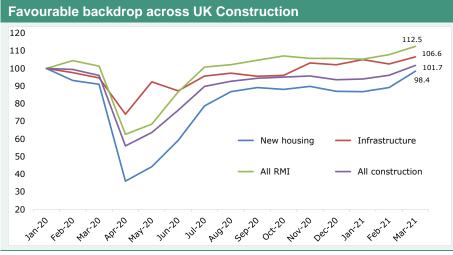
However, **superior performance** is not the only attraction. Elsewhere, UK construction is powering ahead with May'21 PMIs hitting 64.2 (see below), boosted by home building, commercial, home DIY, RMI and infrastructure.



Source: Equity Development (>50 indicates expansion)

Delayed infrastructure projects set to accelerate growth

Similarly, there's a mountain of new work coming down the track (eg fibre-to-the-home, HS2, offshore wind, rail CP6, Hinkley Point, Water AMP7 & the Lower Thames crossing), which should more than offset any possible 'air-pocket' in demand caused by the ending of the UK's stamp duty holiday.



Source: ONS

8th June 2021

Company Data

EPIC	LSE: VP.
Price (last close)	870p
52 weeks Hi/Lo	925p/605p
Market cap	£349m
Est. Mar22 net debt (ex IFRS16)	£123m
Share count	40.154m
ED valuation	1,130p/share



Description

Vp is a specialist equipment rental business providing equipment and services to a wide range of markets including civil engineering, rail, oil/gas exploration, construction, outdoor events and industry, primarily within the UK (91% of FY'20 turnover), but also overseas.

In terms of sector split: circa 40% sales is derived from infrastructure, 39% construction, 9% housing building, 7% oil & gas and 5% other.

Member of FTSE SmallCap Index.

Next news: AGM 22nd July 2021

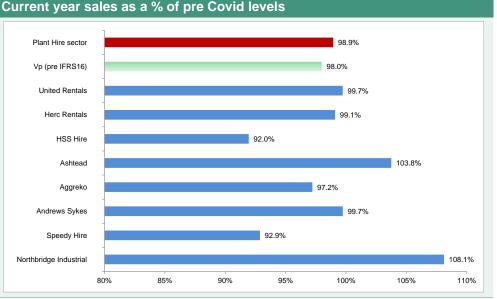
Paul Hill (Analyst) 0207 065 2690 paul.hill@equitydevelopment.co.uk



Favourable industry tailwinds

An optimistic view shared by not only the Construction Products Association, who reckon the industry will expand by 12.9% this year (vs -12.5% in 2020) and 5.2% next. But also the Bank of England, after recently lifting their 2021 GDP forecasts from 5% to 7.25% and 5.25% in 2022, due to pent-up demand, £200bn of excess household savings and the success of the NHS's vaccine rollout.

The only minor fly in the ointment being that global demand may actually be a little too hot, since it is causing material/labour shortages and hindering project activity.



Source: Equity Development

Profitable despite the "unprecedented challenges" of Covid

Nonetheless, these supply chain disruptions should subside in due course. Something that already appears to be happening at Vp, with H2'21 results being significantly ahead of H1 (see below), augmented by £37.9m of cash inflow over the 12 months period.

All told, **adjusted FY21 EBITDA & EBITA and ROCE** (see below, pre IFRS 16) **came in at £72.7m** (£98.1m), **£27.7m** (£51.9m) **and 9.2%** (14.5%) respectively, on turnover -15.5% lower at £308m due to the Covid induced lockdowns. Equally though EBIT margins were 9.0% vs 14.3%, reflecting tight cost control and other overhead savings. Elsewhere, £15.1m of exceptionals were taken relating to a CMA regulatory review and restructuring costs.

Resumption of dividends thanks to excellent cash generation

In relation to the balance sheet, **net bank debt fell to £121.9m** (1.7x EBITDA) benefitting from reduced fleet capex (£40.2m vs £49.1m) and lower debtor days. Leaving plenty of scope to reinstate **a progressive 25p dividend policy** (vs 22p) - equivalent to an **inflation beating 2.9% yield** – with the future payout ratio likely to rise from 33% to nearer 40% of EPS over time.



£'000s March yearend	Act H1'20	Act H1'21	%	Act H2'20	Act H2'21	%	Act FY20	Act FY21	%
UK sales International	170,016 16,569	128,880 13,209	-24.2% -20.3%	160,989 15,353	152,429 13,479	-5.3% -12.2%	331,005 31,922	281,309 26,688	-15.0% -16.4%
Group revenues Group EBITDA EBITDA % margin EBITDA (post IFRS 16)	186,585 51,840 27.8%	142,089 34,079 24.0% 47,444	-23.8% -34.3%	176,342 49,710 28.2%	165,908 48,340 29.1% 49,216	-5.9% -2.8%	362,927 98,050 27.0%	307,997 72,701 23.6% 96,660	-15.1% -25.9%
UK International Group EBITA EBITA (post IFRS 16)	27,245 1,070 28,315	9,921 879 10,800 12,417	-63.6% -17.9% -61.9%	22,945 630 23,575	49,210 17,235 -314 16,921 18,511	-24.9% -149.8% -28.2%	50,190 1,700 51,890	27,156 565 27,721 30,928	-45.9% -66.8% -46.6%
UK International EBIT % margin	16.0% 6.5% 15.2%	7.7% 6.7% 7.6%		14.3% 4.1% 13.4%	11.3% -2.3% 10.2%		15.2% 5.3% 14.3%	9.7% 2.1% 9.0%	
Interest	-2,383	-2,193	-8.0%	-2,359	-2,255	-4.4%	-4,742	-4,448	-6.2%
PBTA PBTA (post IFRS16)	25,932	8,607 8,477	-66.8%	21,167	14,666 14,699	-30.7%	47,099	23,273 23,176	-50.6%
Adj EPS - pre IFRS16 Adj EPS - post IFRS16 Dividend	52.5p 8.5p	17.4p 16.8p 22.0p	-66.8% 160.4%	37.8p 0.0p	29.2p 29.3p 25.0p	-22.5%	90.2p 8.5p	46.7p 46.2p 47.0p	-48.3%
Net debt (pre IFRS 16) Net debt : EBITDA	-183,746	-118,702	-35.4%	-159,806	-121,906	-23.7%	-159,806 1.6	-121,906 1.7	-23.7%
Group ROCE	14.5%	10.3%		14.5%	9.2%		14.5%	9.2%	

Source: Equity Development.

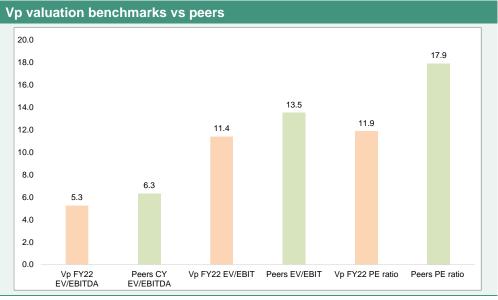
Ok, but what about the road ahead?

Well, despite the 3rd national lockdown prospects have improved dramatically over the past 6 months, with current trading described as "*strong*", which we have interpreted as being just below pre-Covid levels with Groundforce awaiting the usual upswing once AMP7 (water) becomes fully operational.

Consequently we have upgraded are FY22 forecasts to adjusted PBT of £36.9m (vs £33.5m B4) on turnover of £355.7m (£345m) – ending the year with £123m of net debt. The latter factoring in continued working capital control, offset by greater fleet capex (£50m).

Shares remain undervalued

Similarly **our valuation ticks up from £11.00 to £11.30/share**. Meaning the shares at 870p trade on modest 11.9x PER, 11.4x EV/EBIT and 5.3x EV/EBITDA multiples vs peer group averages.



Vp plc



What's more, further out we think the stock could readily migrate towards £16.08 by 2024 (see below) assuming 5% organic top line growth can be achieved across the economic cycle.



Plus, eventually Vp may even be able to surpass its own stretching 15% ROCE target (re operating leverage) thanks to a leaner cost base & favourable operating leverage, augmented by industry leading ESG credentials and digital solutions (eq online self-service ordering) to take advantage of the post-pandemic world.

"The market backdrop for Vp is very positive"

CEO Neil Stothard commenting: "We finished FY21 well [at 95% pre-covid levels] and I am pleased to confirm that we have maintained this into April and May of the new financial year, which has started strongly for us.

"Looking ahead, major infrastructure sectors, such as water, rail and transmission are primed for escalating growth in the coming year, added to which other major projects such as HS2 and Hinkley Point will continue to drive demand. We see the residential construction market continuing to be supportive as housebuilders maintain their build programmes. Whilst the general construction sector has been slightly slower to recover, we are seeing positive signs of a sustained improvement in this key and large market.

We are excited about the prospects for the coming year which we approach with increasing confidence."

Executive Chairman Jeremy Pilkington adding: "As we hopefully return to more normal trading conditions, uninhibited by Government restrictions, we feel the market backdrop for Vp is very positive. Particularly in the UK, major infrastructure and levelling up projects provide significant upside growth opportunities for the Group over the immediate and longer term. Internationally the prospects for our energy business look better now than they have for some time and the TR business appears set to benefit from effective local pandemic responses. Extended supply chains and shortages of certain construction materials provide some challenges in the short term and against which we have taken mitigation measures wherever possible."

Source: Equity Development hypothetical price estimates



Key risks

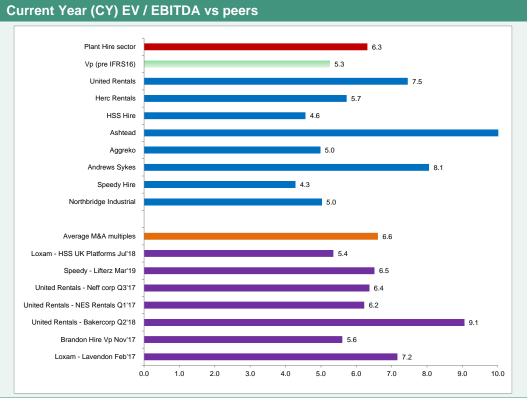
- COVID-19 related impacts to demand, customers and building investment.
- In light of Vp's operational gearing, if the economy stalled then this could impact earnings as costs are
 predominantly fixed. That said, investment in the hire fleet can be flexed as conditions change as
 occurred during the 2008/9 recession.
- Competitive pricing pressures and higher interest rates that could lift funding costs. Mitigated by c.70% of gross debt being fixed, although falling over the next 3 years (Re £65m fixed rate private placement).
- 50.26% of the equity is owned by a number of trusts connected to Exec-Chairman Jeremy Pilkington (re possible hypothetical impact on minority interests), although this should also help ensure the group is run to maximise shareholder value.

March year end) £000s	Summary projections							
Turnover 271,989 350,330 331,005 261,399 324,385 343,846 354,1 UK 11etranicinal 31,650 32,250 31,922 26,688 31,224 331,61 34,15 Total 303,639 382,830 362,927 307,997 355,688 377,009 386,30 View 22,41% 22,11% 22,81% -5,51% -16,0% 15,5% 6,0% 3,00 View 22,71% 2,71% -1,81% 15,5% 6,0% 3,00 International 10,27% 2,7% -1,81% 15,5% 6,0% 3,00 St Margin 27,7% 26,5% 27,0% 23,6% 25,3% 25,4% 26,5% 27,0% 23,6% 25,3% 25,4% 26,5% 27,71 89,860 113,849 119,839 122,8% 3,41 123,8% 13,41 10,71 1,733 1,700 555 2,503 2,503 2,485 51,52 51,55 51,580 2,772 41,44,29	Vp	2018 Act	2019 Act	2020 Act	2021 Act	2022 Est	2023 Est	2024 Est
UK 271,989 350,330 331,005 281,309 342,4365 343,0461 345,44 Total 303,639 382,830 362,927 307,997 355,668 377,009 388,3 % growth 22,1% 26,1% 5,2% -16,1% 15,5% 6,0% 3,0% UK 23,6% 28,6% -5,5% -15,0% 15,3% 6,0% 3,0% UK 23,6% 28,6% -16,4% 17,2% 6,0% 3,0% EBITDA 84,337 101,39 96,050 72,701 89,890 95,880 101,8 Kangin 27,6% 23,05% 25,3% 24,4% 24,2% <	(March year end)	£'000s						
UK 271,989 350,330 331,005 281,309 342,4365 343,046 454,4 Total 303,639 382,830 362,927 307,997 355,668 377,009 388,3 % growth 22,1% 26,1% 5,2% -16,1% 15,5% 6,0% 3,0% UK 23,6% 28,8% -5,5% -15,0% 15,3% 6,0% 3,0% UK 23,6% 28,8% -16,4% 17,2% 6,0% 3,0% BITDA 84,337 101,339 96,050 72,701 89,890 95,880 101,8 VK 10,2% 2.7% -1.8% -16,4% 17,2% 6,0% 3,0% Valued ElBT 10,2% 2.7% 2.65% 25,3% 2.4,4% 2.5% 3,44 4.5965 51,22 2.984 4.5965 51,22 2.987 3,44 3,44 3,44 4.500 -4,403 4.5,55 16,2% 3,44 4.5% 51,55 54,263 2.6,68 3,44<	Turnover							
Total 303,639 382,830 362,927 307,997 355,668 377,009 388,37 % growth 22,1% 26,1% 5.2% -15,1% 15,5% 6.0% 3.0% UK 23,6% 22,8% -5,5% -16,0% 15,3% 6.0% 3.0% BITDA 84,337 101,339 98,050 72,701 89,890 95,880 101,88 BITDA 84,337 101,339 98,050 72,701 89,890 95,880 122,817 86,660 123,817 86,820 22,6% 22,0% 22,5% 22,6% 22,0% 22,84% 32,826 42,091 47,833 International 1,077 1,733 1,700 656 2,003 2,984 46,753 51,585 14,3% 9,0% 11,6% 12,2% 13,25% 14,3% 9,0% 11,6% 12,2% 13,25% 14,3% 9,0% 11,6% 9,0% 10,0% 12,0% 12,5% 13,2% 12,0% 12,0% 12,0% 1		271,989	350,330	331,005	281,309	324,385	343,848	354, 163
% growth 22.1% 26.1% 4.2% 1.5.1% 15.5% 6.0% 3.0% UK 23.6% 28.8% -5.5% -15.0% 17.5% 6.0% 3.0% EBITDA 84.337 101.339 98.050 72.701 89.890 95.880 101.84 % Margin 27.8% 26.5% 27.0% 23.6% 25.3% 25.4% 26.2% Adjusted EBIT 12.3417 96.660 113.849 119.895 51.25 Margin 1.017 1.733 1.700 565 2.503 2.964 3.41 Total 44.018 51.571 51.890 27.712 41.429 45.955 51.55 % Margin 1.45% 1.35% 5.3% 5.3% 5.3% 5.3% 14.28 1.557 9.7% 12.0% 1.25% 1.557 WK 1.45% 1.25% 9.7% 12.0% 1.25% 9.7% 1.26% 1.557 WK 1.45% 1.25% 9.7%	International	,						34,155
UK 23.6% 28.8% 5.5% -15.0% 13.3% 6.0% 3.0% International 10.2% 2.7% -1.8% -16.4% 17.2% 6.0% 3.0% BITDA 84.337 101.339 98.050 72.701 86.800 95.800 101.839 Adjusted EIF 27.8% 26.5% 27.0% 23.6% 25.3% 25.4% 26.58 International 1.017 1.733 17.00 565 2.503 2.984 3.44 Total 44.018 51.571 51.890 27.721 41.429 45.965 51.25 EBIT (post IFRS16) 44.018 51.571 51.890 27.721 41.429 45.965 51.58 W Margin 15.5% 14.2% 15.2% 9.7% 12.6% 13.55 51.80 30.928 42.698 46.753 51.58 W Margin 2.2% 5.3% 5.3% 5.2% 9.7% 10.6% 9.0% 10.05 11.55% 14.2% 8.0	Total	303,639	382,830	362,927	307,997	355,668	377,009	388,319
UK 23.6% 28.8% 5.5% -15.0% 13.3% 6.0% 3.0% International 10.2% 2.7% -1.8% -16.4% 17.2% 6.0% 3.0% BITDA 84.337 101.339 98.050 72.701 86.800 95.800 101.839 Adjusted EIF 27.8% 26.5% 27.0% 23.6% 25.3% 25.4% 26.58 International 1.017 1.733 17.00 565 2.503 2.984 3.44 Total 44.018 51.571 51.890 27.721 41.429 45.965 51.25 EBIT (post IFRS16) 44.018 51.571 51.890 27.721 41.429 45.965 51.58 W Margin 15.5% 14.2% 15.2% 9.7% 12.6% 13.55 51.80 30.928 42.698 46.753 51.58 W Margin 2.2% 5.3% 5.3% 5.2% 9.7% 10.6% 9.0% 10.05 11.55% 14.2% 8.0	% growth	22.1%	26.1%	-5.2%	-15.1%	15.5%	6.0%	3.0%
International 10.2% 2.7% -1.8% -16.4% 17.2% 6.0% 3.0% EBITDA 84,337 101,39 98,050 72,701 88,890 95,880 101,83 Khargin 27.8% 26.5% 25.3% 25.4% 26.5% 25.3% 25.4% 26.5% 25.3% 25.4% 26.5% 26.3% 25.4% 26.5% 26.5% 25.3% 25.4% 26.5% 26.5% 26.3% 25.4% 26.5% 26.3% 25.4% 26.5% 26.3% 25.4% 26.5% 51.5%								3.0%
% Margin 27.8% 26.5% 27.0% 23.6% 25.3% 25.4% 26.2% EBITDA (post IFRS16) 43.001 49.838 50.190 27.156 88.926 42.981 47.81 International 1.017 1.733 1.700 565 2.503 2.984 3.41 Total 44.018 51.571 51.890 27.721 41.429 45.965 51.22 EBIT (post IFRS16) 14.5% 13.2% 14.3% 9.0% 11.6% 12.2% 13.25% X Margin 14.5% 13.2% 5.3% 5.3% 2.1% 8.0% 9.0% 10.03 International 3.2% 5.3% 5.3% 2.1% 8.0% 9.0% 10.03 Interest charge (pre IFRS16) -3.421 -4.742 -4.791 -4.448 4.500 -4.400 -4.30 Adjusted Basic EPS (p) - pre IFRS 16 49.9 95.1 90.2 46.7 73.2 82.0 87.0% 87.0% 87.0% 87.0% 87.0% <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>3.0%</td></td<>								3.0%
% Margin 27.8% 26.5% 27.0% 23.6% 25.3% 25.4% 26.2% EBITDA (post IFRS16) 43.001 49.838 50.190 27.156 88.926 42.981 47.81 International 1.017 1.733 1.700 565 2.503 2.984 3.41 Total 44.018 51.571 51.890 27.721 41.429 45.965 51.22 EBIT (post IFRS16) 14.5% 13.2% 14.3% 9.0% 11.6% 12.2% 13.25% X Margin 14.5% 13.2% 5.3% 5.3% 2.1% 8.0% 9.0% 10.03 International 3.2% 5.3% 5.3% 2.1% 8.0% 9.0% 10.03 Interest charge (pre IFRS16) -3.421 -4.742 -4.791 -4.448 4.500 -4.400 -4.30 Adjusted Basic EPS (p) - pre IFRS 16 49.9 95.1 90.2 46.7 73.2 82.0 87.0% 87.0% 87.0% 87.0% 87.0% <td< td=""><td>FRITDA</td><td>8/ 337</td><td>101 330</td><td>98.050</td><td>72 701</td><td>80 800</td><td>95 880</td><td>101 801</td></td<>	FRITDA	8/ 337	101 330	98.050	72 701	80 800	95 880	101 801
EBITDA (post IFRS 16) 123.817 96.660 113.849 119.839 125.81 Adjusted EBT UK 43.001 49.838 50.190 27,7156 38.926 42,981 34,11 International 1.017 1.733 1.700 565 2.503 2.984 3,41 International 1.017 1.733 1.700 565 2.503 2.984 3,41 EBIT (post IFRS 16) 51,571 55,480 30.928 42,698 46,753 51,58 Ying and the expendence of the expe				,				
Adjusted EBIT UK 43,001 49,838 50,190 27,156 38,926 42,981 47,641 International 1,017 1,733 1,700 565 2,503 2,984 3,441 Total 44,018 51,571 51,880 27,721 41,429 45,865 51,22 <i>EBIT (post IFRS16)</i> * 14,5% * 13,3% 54,800 27,721 41,429 45,865 51,23 <i>KMargin</i> * 14,5% * 13,3% 5,3% 2,3% 12,0% 12,2% 13,22% 13,25% 14,3% * 9,0% 10,0%	5	27.070	20.070					125,850
UK 43,001 49,838 50,190 27,166 38,926 42,981 47,911 International 1,017 1,733 1,700 565 2,503 2,984 3,41 Total 44,018 51,571 51,890 27,721 41,429 45,965 51,22 EBIT (post IFRS16) 14,5% 13,5% 14,3% 9,0% 11,6% 12,2% 13,25% VK 15,8% 14,2% 9,0% 11,6% 12,2% 13,25% UK 15,8% 14,2% 9,7% 12,0% 12,5% 13,5% International 3,2% 5,3% 5,3% 2,1% 8,0% 9,0% 10,00 Interest charge (pe IFRS 16) -3,421 -4,742 4,791 4,448 -4,500 -4,400 -4,30 Adjusted PBT (per anortisation) 40,597 46,629 47,099 23,176 36,822 41,468 46,683 Adjusted Easic EPS (p) - pre IFRS 16 84,9 95,1 90,2 46,7 73,2								
International 1,017 1,733 1,700 565 2,203 2,904 3,411 Total 44,018 51,571 51,890 27,721 41,429 45,965 51,22 EBIT (post IFRS 16) 51,870 51,890 27,721 41,429 45,965 51,22 VK 15,8% 14,2% 15,2% 9,7% 12,0% 12,2% 13,25 UK 15,8% 14,2% 15,2% 9,7% 12,0% 12,5% 13,55 Interest charge (pre IFRS 16) -3,421 -4,742 -4,791 -4,448 -4,500 -4,400 -4,303 Adjusted PBT (pre amortisation) 40,597 46,829 47,099 23,273 36,929 41,665 46,620 PBT (post IFRS 16) -34,21 -4,742 -4,701 36,832 41,468 46,833 Adjusted Basic EPS (p) - pre IFRS 16 84,9 95,1 90,2 46,7 73,2 82,0 87,6 Adjusted PS (j) - pre IFRS 16 83,9 92,9 88,8 <td< td=""><td></td><td>43 001</td><td>49 838</td><td>50 190</td><td>27 156</td><td>38 926</td><td>42 981</td><td>47 812</td></td<>		43 001	49 838	50 190	27 156	38 926	42 981	47 812
Total EBIT (post IFRS16) 44,018 51,571 51,800 30,928 42,698 46,753 51,525 K Margin ' 14,5% ' 13,5% ' 44,3% ' 9,0% ' 11,6% ' 12,2% ' 13,5% ' 14,2% ' 15,2% ' 12,0% ' 12,5% ' 13,5% ' 14,2% ' 15,2% ' 12,0% ' 12,5% ' 13,5% ' 14,2% ' 15,2% ' 12,0% ' 12,5% ' 13,5% ' 14,2% ' 15,2% ' 12,0% ' 12,5% ' 13,5% ' 14,2% ' 15,2% ' 12,0% ' 12,5% ' 13,5% ' 14,2% ' 15,2% ' 14,6% ' 44,400 ' 4,300 Adjusted PBT (per IFRS 16) '3,421 '4,742 '4,799 ' 23,73 ' 36,929 ' 41,668 ' 46,922 PBT (post IFRS 16) '34,520 '37,677 '35,740 '18,472 '29,137 '32,795 '35,193 Adjusted Basic CPS (p) - pre IFRS 16 84,9 95,1 '90,2 '46,77 '73,2 '82,0 '86,27 '73,0 '81,68 '74,19 '86,88 '75,0% '72,0% <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>3,416</td></t<>								3,416
EBIT (post IFRS 16) 55,480 30,928 42,698 46,753 51,58 % Margin 14,5% 13,5% 14,3% 9,0% 11,6% 12,2% 13,22 UK 15,8% 14,2% 15,2% 9,7% 11,6% 12,2% 13,55 UK 15,8% 14,2% 5,3% 2,1% 8,0% 9,0% 10,05 Interest charge (pre IFRS 16) -3,421 -4,742 -4,791 -4,448 -4,500 -4,400 -4,30 Adjusted PBT (pre amortisation) 40,597 46,629 47,099 23,273 36,929 41,565 46,92 Adjusted earnings 33,520 37,677 15,740 18,472 29,137 32,795 35,190 Adjusted Basic EPS (p) - pre IFRS 16 83.9 95.1 90.2 46,7 73.2 82.0 87.6 Adjusted Basic EPS (pot IFRS 16) 83.9 92.9 88.8 45.9 73.0 81.8 87.6 Dividend (pence) 26.0 30.2 8.5 47.0								51,228
% Margin 14.5% 13.5% 14.3% 9.0% 11.6% 12.2% 13.25 UK 15.8% 14.2% 15.2% 9.7% 12.0% 12.5% 13.55 International 3.2% 5.3% 5.3% 2.1% 8.0% 9.0% 10.05 Interest charge (pre IFRS 16) -3,421 -4,742 -4,791 -4,448 -4,500 -4,400 -4,30 Adjusted PBT (pre amortisation) 40,597 46,829 47,099 23,273 36,929 41,665 46,632 Adjusted PS (pre amortisation) 40,597 46,629 23,176 36,832 41,468 46,683 Adjusted PS (prote IFRS 16) 84.9 95.1 90.2 46.7 73.2 82.0 87.6 Adjusted PS (liuted 83.9 92.9 88.8 45.9 72.1 80.7 68.2 Pixidend (pence) 26.0 30.2 8.5 47.0 30.0 32.0 34.0 Dividend growth 18.2% 16.2% -72.0% <		,0.0	0.,0.1	,	,	,	,	51,584
UK 15.8% 14.2% 15.2% 9.7% 12.0% 12.5% 13.59 International 3.2% 5.3% 5.3% 5.3% 2.1% 8.0% 9.0% 10.09 Interest charge (pre IFRS 16) -3.421 -4.742 -4.791 -4.448 -4.500 -4.400 -4.30 Adjusted PBT (pre amortisation) 40,597 46,829 41,665 46,92 -4.67 36,832 41,468 46,833 Adjusted earnings 33,520 37,677 35,740 18,472 29,137 32,795 35,19 Adjusted FS biluted 83.9 92.9 88.8 45.9 72.1 80.7 66.29 Adjusted FS biluted 83.9 92.9 88.8 45.9 72.1 80.7 67.7% 63.9 Dividend (prone) 26.0 30.2 8.5 47.0 30.0 32.0 34.0 Dividend growth 18.2% 16.2% -72.0% 456.2% -36.2% 6.7% 6.3% EVEBITDA (prer IFRS 1	. ,	14 5%	13 5%	_	_	_	12 2%	_
International 3.2% 5.3% 5.3% 2.1% 8.0% 9.0% 10.09 Interest charge (pre IFRS 16) -3,421 -4,742 -4,791 -4,448 -4,500 -4,400 -4,300 Adjusted PBT (pre amortisation) 40,597 46,829 47,099 23,273 36,929 41,565 46,929 PBT (post IFRS 16) 33,520 37,677 35,740 18,472 29,137 32,795 35,190 Adjusted Basic EPS (p) - pre IFRS 16 84.9 95,1 90,2 46,7 73,2 82,0 87,6 CPS growth rate 22,1% 12,0% -5,2% -46,3% 57,70% 12,0% 68,9 Adjusted EPS (jo) rer IFRS 16) 83.9 92,9 88,8 45,9 72,1 80,7 86,2 Dividend (prone) 26,0 30,2 8,5 47,0 30,0 32,0 34,0 Dividend growth 18,2% 16,2% -72,0% 456,2% -36,2% 6,7% 6,3% VE ratio (pre IFRS 16) 10,	÷							
Interest charge (pre IFRS 16) -3,421 -4,742 -4,791 -4,448 -4,500 -4,400 -4,30 Adjusted PBT (pre amortisation) 40,597 46,829 47,099 23,273 36,929 41,665 46,92 PBT (post IFRS16) 36,832 41,468 46,640 23,176 36,832 41,468 46,642 Adjusted earnings 33,520 37,677 35,740 18,472 29,137 32,795 35,193 Adjusted Basic EPS (p) - pre IFRS 16 84.9 95.1 90.2 46.7 73.2 82.0 87.6 Adjusted FS diluted 83.9 92.9 88.8 45.9 72.1 80.7 86.7 Dividend growth 18.2% 16.2% -72.0% 456.2% -36.2% 6.7% 6.3% Valuation benchmarks 9.1 9.6 18.6 11.9 10.6 9.9 PIE ratio (pre IFRS 16) 10.2 9.1 9.8 18.8 11.9 10.6 10.0 PIE ratio (pro IFRS 16) <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
Adjusted PBT (pre amortisation) 40,597 46,829 47,099 23,273 36,929 41,565 46,629 PBT (post IFRS16) 33,520 37,677 35,740 18,472 29,137 32,795 35,199 Adjusted earnings 33,520 37,677 35,740 18,472 29,137 32,795 35,199 Adjusted PS (i)rued 83.9 95.1 90.2 46.7 73.2 82.0 87.6 Adjusted PS diluted 83.9 92.9 88.8 45.9 72.1 80.7 66.22 Basic EPS (post IFRS16) 83.9 92.9 88.8 45.9 72.1 80.7 66.23 Dividend (pence) 26.0 30.2 8.5 47.0 30.0 32.0 34.0 Dividend growth 18.2% 16.2% -72.0% 456.2% -36.2% 6.7% 6.3% VE ratio (per IFRS 16) 10.2 9.1 9.6 18.6 11.9 10.6 10.0 EV/E BITDA (per IFRS 16) 10.2 9.1								
PBT (post IFRS16) 46,640 23,176 36,832 41,468 46,833 Adjusted earnings 33,520 37,677 35,740 18,472 29,137 32,795 35,193 Adjusted Basic EPS (p) - pre IFRS 16 84,9 95,1 90,2 46,7 73,2 82,0 87,60 Adjusted Basic EPS (p) - pre IFRS 16 84,9 95,1 90,2 46,7 73,2 82,0 87,60 Adjusted PS diluted 83,9 92.9 88,8 45.9 72,1 80,7 80,7 68,7 Dividend (pence) 26,0 30,2 8,5 47,0 30,0 32,0 34,0 Dividend (powth 18,2% 16,2% -72,0% 456,2% -36,2% 6,7% 6,3% Valuation benchmarks 9,1 9,6 18,6 11.9 10,6 9,9 VP/E ratio (post IFRS 16) 10,2 9,1 9,6 18,6 11.9 10,6 9,9 V2/alation benchmarks 9,8 18,8 11.9 10,6 9,9 9,9 9,8 18,8 11.9 10,6 10,0 <th< td=""><td>Interest charge (pre IFRS 16)</td><td>-3,421</td><td>-4,742</td><td>-4,791</td><td>-4,448</td><td>-4,500</td><td>-4,400</td><td>-4,300</td></th<>	Interest charge (pre IFRS 16)	-3,421	-4,742	-4,791	-4,448	-4,500	-4,400	-4,300
Adjusted earnings 33,520 37,677 35,740 18,472 29,137 32,795 35,19 Adjusted Basic EPS (p) - pre IFRS 16 84.9 95.1 90.2 46.7 73.2 82.0 87.6 EPS growth rate 22.1% 12.0% -5.2% -48.3% 57.0% 12.0% 6.8% Adjusted EPS diluted 83.9 92.9 88.8 45.9 72.1 80.7 86.2 Basic EPS (post IFRS16) 26.0 30.2 8.5 47.0 30.0 32.0 34.0 Dividend (proce) 26.0 30.2 8.5 47.0 30.0 32.0 34.0 Dividend growth 18.2% 16.2% -72.0% 456.2% -36.2% 6.7% 6.3% Valuation benchmarks 9.1 9.6 18.6 11.9 10.6 10.0 EV/Sales 1.6 1.2 1.3 1.5 1.3 1.3 1.2 EV/EBITDA (prost IFRS 16) 5.6 4.7 4.8 6.5 5.3	Adjusted PBT (pre amortisation)	40,597	46,829	47,099	23,273	36,929	41,565	46,928
Adjusted Basic EPS (p) - pre IFRS 16 84.9 95.1 90.2 46.7 73.2 82.0 87.6 EPS growth rate 22.1% 12.0% -5.2% -48.3% 57.0% 12.0% 6.8% Adjusted EPS diluted 83.9 92.9 88.8 45.9 72.1 80.7 86.2 Basic EPS (post IFRS16) 26.0 30.2 8.5 47.0 30.0 32.0 34.0 Dividend growth 18.2% 16.2% -72.0% 456.2% -36.2% 6.7% 6.3% Valuation benchmarks 9.1 9.6 18.6 11.9 10.6 9.9 P/E ratio (pre IFRS 16) 10.2 9.1 9.6 18.6 11.9 10.6 9.9 P/E ratio (post IFRS 16) 9.8 18.8 11.9 10.6 9.9 EV/EBITDA (post IFRS 16) 5.6 4.7 4.8 6.5 5.3 4.9 4.6 EV/EBITDA (post IFRS 16) 9.5 17.1 12.4 11.3 10.3 </td <td>PBT (post IFRS16)</td> <td></td> <td></td> <td>46,640</td> <td>23,176</td> <td>36,832</td> <td>41,468</td> <td>46,831</td>	PBT (post IFRS16)			46,640	23,176	36,832	41,468	46,831
EPS growth rate 22.1% 12.0% -5.2% -48.3% 57.0% 12.0% 6.8% Adjusted EPS diluted 83.9 92.9 88.8 45.9 72.1 80.7 86.2 Basic EPS (post IFRS16) 26.0 30.2 8.5 47.0 30.0 32.0 34.0 Dividend growth 18.2% 16.2% -72.0% 456.2% -36.2% 6.7% 6.3% Valuation benchmarks 7 92.9 88.8 45.9 72.1 80.7 80.7 6.3% Valuation benchmarks 7 456.2% -36.2% 6.7% 6.3% Valuation benchmarks 9 9.1 9.6 18.6 11.9 10.6 9.9 P/E ratio (post IFRS 16) 10.2 9.1 9.6 18.6 11.9 10.6 9.0 EV/EBITDA (post IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITA (post IFRS 16) 10.7 9.2 9.1 17.0 11.4	Adjusted earnings	33,520	37,677	35,740	18,472	29,137	32,795	35,196
Adjusted EPS diluted Basic EPS (post IFRS16) 83.9 92.9 88.8 45.9 72.1 80.7 86.2 Dividend (pence) 26.0 30.2 8.5 47.0 30.0 32.0 34.0 Dividend growth 18.2% 16.2% -72.0% 456.2% -36.2% 6.7% 6.3% Valuation benchmarks P/E ratio (pre IFRS 16) 10.2 9.1 9.6 18.6 11.9 10.6 9.9 P/E ratio (post IFRS 16) 10.2 9.1 9.6 18.6 11.9 10.6 9.9 P/E ratio (post IFRS 16) 10.6 1.2 1.3 1.5 1.3 1.3 1.2 EV/EBITDA (pre IFRS 16) 5.6 4.7 4.8 6.5 5.3 4.9 4.6 EV/EBITDA (post IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITA (post IFRS 16) 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Dividend yield 3.0% 3.5%	Adjusted Basic EPS (p) - pre IFRS 16	84.9	95.1	90.2	46.7		82.0	87.6
Basic EPS (post IFRS16) 88.9 46.2 73.0 81.8 87.4 Dividend (pence) 26.0 30.2 8.5 47.0 30.0 32.0 34.0 Dividend growth 18.2% 16.2% -72.0% 456.2% -36.2% 6.7% 6.3% Valuation benchmarks -72.0% 456.2% -36.2% 6.7% 6.3% Valuation benchmarks 9.1 9.6 18.6 11.9 10.6 9.9 P/E ratio (pore IFRS 16) 10.2 9.1 9.6 18.6 11.9 10.6 10.0 EV/Sales 1.6 1.2 1.3 1.5 1.3 1.3 1.2 EV/EBITDA (pre IFRS 16) 5.6 4.7 4.8 6.5 5.3 4.9 4.6 EV/EBITA (post IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITA (post IFRS 16) 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Divide								6.8%
Dividend (pence) Dividend growth 26.0 30.2 8.5 47.0 30.0 32.0 34.0 Dividend growth 18.2% 16.2% -72.0% 456.2% -36.2% 6.7% 6.3% Valuation benchmarks 9.6 18.6 11.9 10.6 9.9 P/E ratio (post IFRS 16) 10.2 9.1 9.6 18.6 11.9 10.6 9.9 P/E ratio (post IFRS 16) 16.6 1.2 1.3 1.5 1.3 1.3 1.2 EV/EBITDA (pre IFRS 16) 5.6 4.7 4.8 6.5 5.3 4.9 4.6 EV/EBITDA (post IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITA (post IFRS 16) 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7% 3.9% Dividend yield 3.0% 3.5% 1.0% <t< td=""><td></td><td>83.9</td><td>92.9</td><td></td><td></td><td></td><td></td><td>86.2</td></t<>		83.9	92.9					86.2
Dividend growth 18.2% 16.2% -72.0% 456.2% -36.2% 6.7% 6.3% Valuation benchmarks P/E ratio (pre IFRS 16) 10.2 9.1 9.6 18.6 11.9 10.6 9.9 P/E ratio (post IFRS 16) 10.2 9.1 9.6 18.6 11.9 10.6 9.9 EV/Sales 1.6 1.2 1.3 1.5 1.3 1.3 1.2 EV/EBITDA (pre IFRS 16) 5.6 4.7 4.8 6.5 5.3 4.9 4.6 EV/EBITA (pre IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITA (post IFRS 16) 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7% 3.9% Dividend cover 3.3 3.2 10.7 1.2 11.3 10.3 Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7	Basic EPS (post IFRS16)			88.9	46.2	73.0	81.8	87.4
Valuation benchmarks Valuation benchmarks P/E ratio (pro IFRS 16) 10.2 9.1 9.6 18.6 11.9 10.6 9.9 P/E ratio (post IFRS 16) 9.8 18.8 11.9 10.6 10.0 EV/Esito (post IFRS 16) 1.6 1.2 1.3 1.5 1.3 1.3 1.2 EV/EBITDA (pre IFRS 16) 5.6 4.7 4.8 6.5 5.3 4.9 4.6 EV/EBITDA (post IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITA (post IFRS 16) 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7% 3.9% Dividend cover 3.3 3.2 10.7 1.0 2.4 2.6 2.6 Corporate tax rate -17.4% -19.5% -20.0% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1% </td <td>Dividend (pence)</td> <td>26.0</td> <td>30.2</td> <td>8.5</td> <td>47.0</td> <td>30.0</td> <td>32.0</td> <td>34.0</td>	Dividend (pence)	26.0	30.2	8.5	47.0	30.0	32.0	34.0
P/E ratio (pre IFRS 16) 10.2 9.1 9.6 18.6 11.9 10.6 9.9 P/E ratio (post IFRS 16) 9.8 18.8 11.9 10.6 10.2 EV/Sales 1.6 1.2 1.3 1.5 1.3 1.3 1.2 EV/Sales 1.6 1.2 1.3 1.5 1.3 1.3 1.2 EV/EBITDA (pre IFRS 16) 5.6 4.7 4.8 6.5 5.3 4.9 4.6 EV/EBITA (post IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITA (post IFRS 16) 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7% 3.9% Dividend cover 3.3 3.2 10.7 1.0 2.4 2.6 2.6 2.6 Corporate tax rate -17.4% -19.5% -20.0% -21.1% -21.1% -21.1% -21.1% -2	Dividend growth	18.2%	16.2%	-72.0%	456.2%	-36.2%	6.7%	6.3%
P/E ratio 9.8 18.8 11.9 10.6 10.0 EV/Sales 1.6 1.2 1.3 1.5 1.3 1.3 1.2 EV/EBITDA (pre IFRS 16) 5.6 4.7 4.8 6.5 5.3 4.9 4.6 EV/EBITDA (post IFRS 16) 5.6 4.7 4.8 6.5 5.3 4.9 4.6 EV/EBITDA (post IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITA (post IFRS 16) 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7% 3.9% Dividend cover 3.3 3.2 10.7 1.0 2.4 2.6 2.6 Corporate tax rate -17.4% -19.5% -20.0% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1% -21.1%	Valuation benchmarks							
EV/Sales 1.6 1.2 1.3 1.5 1.3 1.3 1.2 EV/EBITDA (pre IFRS 16) 5.6 4.7 4.8 6.5 5.3 4.9 4.6 EV/EBITDA (post IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITDA (post IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITA (post IFRS 16) 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7% 3.9% Dividend cover 3.3 3.2 10.7 1.0 2.4 2.6 2.6 2.6 Corporate tax rate -17.4% -19.5% -20.0% -21.1% -21.1% -21.1% 21.1% 24.1% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0% 14.0%	P/E ratio (pre IFRS 16)	10.2	9.1	9.6	18.6	11.9	10.6	9.9
EV/EBITDA (pre IFRS 16) 5.6 4.7 4.8 6.5 5.3 4.9 4.6 EV/EBITDA (post IFRS 16) 4.3 5.5 4.6 4.4 4.2 EV/EBITA (post IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITA (post IFRS 16) 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7% 3.9% Dividend cover 3.3 3.2 10.7 1.0 2.4 2.6 2.6 Corporate tax rate -17.4% -19.5% -20.0% -21.1% -21.1% -21.1% -25.0% Net debt / EBITDA (pre IFRS 16) 2.0 1.7 1.6 1.7 1.4 1.1 0.9 Return on average capital employed 14.8% 14.5% 9.2% 12.0% 14.0% 14.0% Fleet capital expenditure (gross) 64,900 63,800 49,100 40,200 50,000 55,000 <td>P/E ratio (post IFRS 16)</td> <td></td> <td></td> <td>9.8</td> <td>18.8</td> <td>11.9</td> <td>10.6</td> <td>10.0</td>	P/E ratio (post IFRS 16)			9.8	18.8	11.9	10.6	10.0
EV/EBITDA (post IFRS 16) 4.3 5.5 4.6 4.4 4.2 EV/EBITA (pre IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITA (post IFRS 16) 9.5 17.1 12.4 11.3 10.3 9.2 EV/EBITA (post IFRS 16) 9.5 17.1 12.4 11.3 10.3 9.2 PEG ratio 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7% 3.9% Dividend cover 3.3 3.2 10.7 1.0 2.4 2.6 2.6 Corporate tax rate -17.4% -19.5% -20.0% -21.1% -21.1% -21.1% -25.0% Net debt / EBITDA (pre IFRS 16) 2.0 1.7 1.6 1.7 1.4 1.1 0.9 Return on average capital employed 14.8% 14.5% 14.5% 9.2% 12.0% 14.0% 14.0% <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>								
EV/EBITA (pre IFRS 16) 10.7 9.2 9.1 17.0 11.4 10.3 9.2 EV/EBITA (post IFRS 16) 9.5 17.1 12.4 11.3 10.3 9.2 PEG ratio 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7% 3.9% Dividend cover 3.3 3.2 10.7 1.0 2.4 2.6 2.6 Corporate tax rate -17.4% -19.5% -20.0% -21.1% -21.		5.6	4.7					
EV/EBITA (post IFRS 16) 9.5 17.1 12.4 11.3 10.3 PEG ratio 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7% 3.9% Dividend cover 3.3 3.2 10.7 1.0 2.4 2.6 2.6 Corporate tax rate -17.4% -19.5% -20.0% -21.1% -21.1% -25.0% Net debt / EBITDA (pre IFRS 16) 2.0 1.7 1.6 1.7 1.4 1.1 0.9 Return on average capital employed 14.8% 14.5% 14.5% 9.2% 12.0% 14.0% 14.0% Net cash/(debt) - pre IFRS16 -179,172 -168,100 -159,806 -121,906 -123,000 -108,650 -96,100 Investment as % sales 21.4% 16.7% 13.5% 13.1% 14.1% 14.6% 15.5%								
PEG ratio 0.5 0.8 -1.9 -0.4 0.2 0.9 1.5 Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7% 3.9% Dividend cover 3.3 3.2 10.7 1.0 2.4 2.6 2.6 Corporate tax rate -17.4% -19.5% -20.0% -21.1% -21.1% -21.1% -25.0% Net debt / EBITDA (pre IFRS 16) 2.0 1.7 1.6 1.7 1.4 1.1 0.9 Return on average capital employed 14.8% 14.5% 14.5% 9.2% 12.0% 14.0% 14.0% Net cash/(debt) - pre IFRS16 -179,172 -168,100 -159,806 -121,906 -123,000 -108,650 -96,10 Fleet capital expenditure (gross) 64,900 63,800 49,100 40,200 50,000 55,000 60,000 Investment as % sales 21.4% 16.7% 13.5% 13.1% 14.1% 14.6% 15.5%	ů ,	10.7	9.2					
Dividend yield 3.0% 3.5% 1.0% 5.4% 3.4% 3.7% 3.9% Dividend cover 3.3 3.2 10.7 1.0 2.4 2.6 2.6 Corporate tax rate -17.4% -19.5% -20.0% -21.1% -21.1% -21.1% -21.1% -25.0% Net debt / EBITDA (pre IFRS 16) 2.0 1.7 1.6 1.7 1.4 1.1 0.9 Return on average capital employed 14.8% 14.5% 14.5% 9.2% 12.0% 14.0% 14.0% Net cash/(debt) - pre IFRS16 -179,172 -168,100 -159,806 -121,906 -123,000 -108,650 -96,10 Fleet capital expenditure (gross) 64,900 63,800 49,100 40,200 50,000 55,000 60,000 Investment as % sales 21.4% 16.7% 13.5% 13.1% 14.1% 14.6% 15.5%		0.5	0.0					
Dividend cover 3.3 3.2 10.7 1.0 2.4 2.6 2.6 Corporate tax rate -17.4% -19.5% -20.0% -21.1% -21.1% -21.1% -21.1% -25.0% Net debt / EBITDA (pre IFRS 16) 2.0 1.7 1.6 1.7 1.4 1.1 0.9 Return on average capital employed 14.8% 14.5% 14.5% 9.2% 12.0% 14.0% 14.0% Net cash/(debt) - pre IFRS16 -179,172 -168,100 -159,806 -121,906 -123,000 -108,650 -96,100 Fleet capital expenditure (gross) 64,900 63,800 49,100 40,200 50,000 55,000 60,000 Investment as % sales 21.4% 16.7% 13.5% 13.1% 14.1% 14.6% 15.5%								
Corporate tax rate -17.4% -19.5% -20.0% -21.1% -21.1% -21.1% -21.1% -21.1% -25.0% Net debt / EBITDA (pre IFRS 16) 2.0 1.7 1.6 1.7 1.4 1.1 0.9 Return on average capital employed 14.8% 14.5% 14.5% 9.2% 12.0% 14.0% 14.0% Net cash/(debt) - pre IFRS16 -179,172 -168,100 -159,806 -121,906 -123,000 -108,650 -96,100 Fleet capital expenditure (gross) 64,900 63,800 49,100 40,200 50,000 55,000 60,000 Investment as % sales 21.4% 16.7% 13.5% 13.1% 14.1% 14.6% 15.5%								
Net debt / EBITDA (pre IFRS 16) 2.0 1.7 1.6 1.7 1.4 1.1 0.9 Return on average capital employed 14.8% 14.5% 14.5% 9.2% 12.0% 14.0% 14.0% Net cash/(debt) - pre IFRS16 -179,172 -168,100 -159,806 -121,906 -123,000 -108,650 -96,16 Fleet capital expenditure (gross) 64,900 63,800 49,100 40,200 50,000 55,000 60,000 Investment as % sales 21.4% 16.7% 13.5% 13.1% 14.1% 14.6% 15.5%								-25.0%
Return on average capital employed 14.8% 14.5% 14.5% 9.2% 12.0% 14.0% 14.0% Net cash/(debt) - pre IFRS16 -179,172 -168,100 -159,806 -121,906 -123,000 -108,650 -96,10 Fleet capital expenditure (gross) 64,900 63,800 49,100 40,200 50,000 55,000 60,000 Investment as % sales 21.4% 16.7% 13.5% 13.1% 14.1% 14.6% 15.5%								
Fleet capital expenditure (gross) 64,900 63,800 49,100 40,200 50,000 55,000 60,000 Investment as % sales 21.4% 16.7% 13.5% 13.1% 14.1% 14.6% 15.5%								14.0%
Fleet capital expenditure (gross) 64,900 63,800 49,100 40,200 50,000 55,000 60,000 Investment as % sales 21.4% 16.7% 13.5% 13.1% 14.1% 14.6% 15.5%	Net cash/(debt) - pre IEBS16	-179 172	-168 100	-159 806	-121 906	-123 000	-108 650	-96 162
Investment as % sales 21.4% 16.7% 13.5% 13.1% 14.1% 14.6% 15.5%								-96,162 60,000
								15.5%
								40,192
Shareprice (p) 870	, , , , , , , , , , , , , , , , , , , ,		,		,	,	,	.,

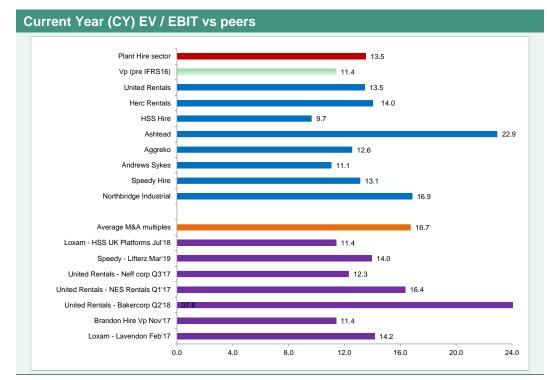
Source: Equity Development - FY21 includes special dividend of 22p/share



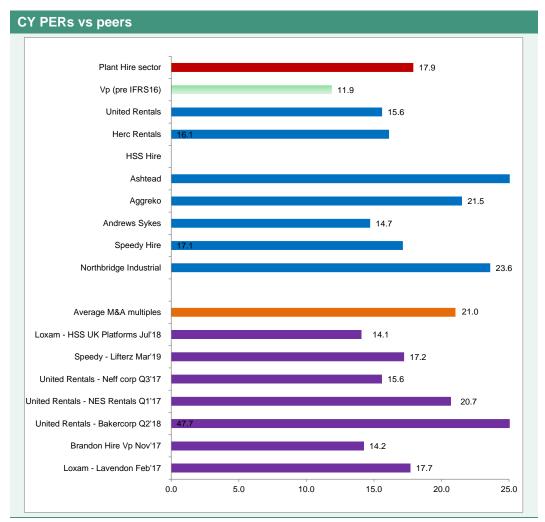
Appendices - sector valuation metrics and KPIs



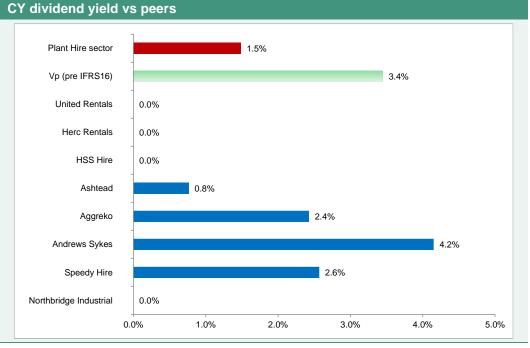
Source: Equity Development



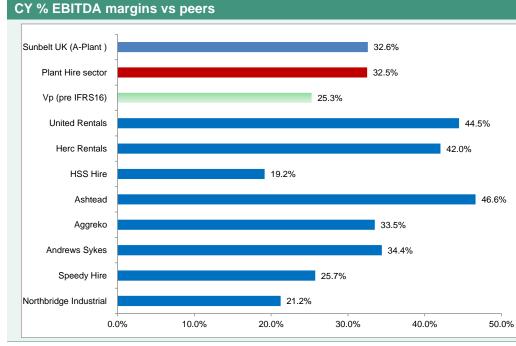




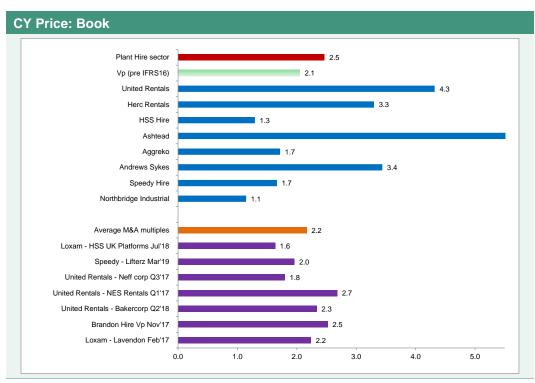
Source: Equity Development



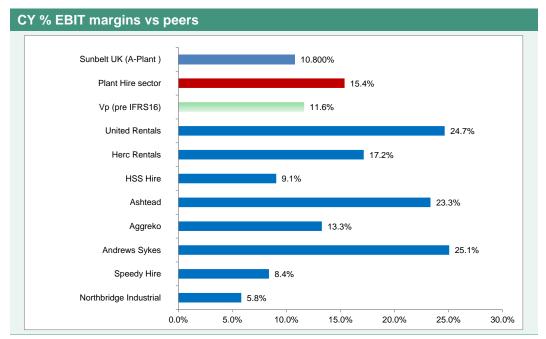




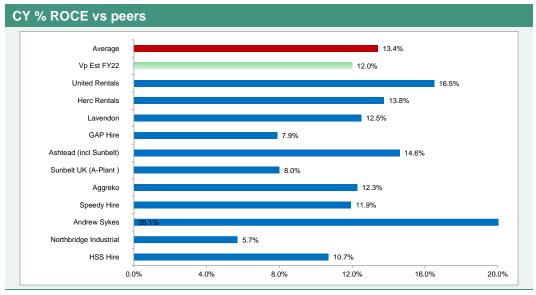
Source: Equity Development



EQUITY

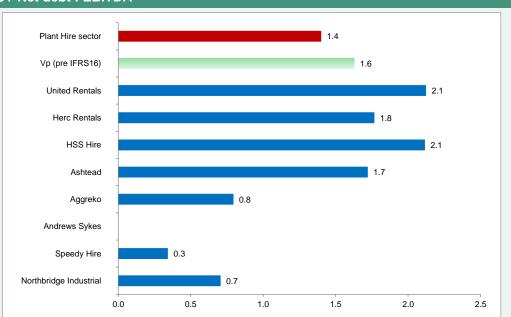


Source: Equity Development









Source: Equity Development

Market capitalisation of peers

	Shareprice	Mrk Cap (Ms)	CY net cash / (debt) Ms	Enterprise Value (Ms)
Northbridge Industrial	118.0p	£33.3	-£5.4	£38.8
Speedy Hire	72.0p	£383	-£33	£416
Andrews Sykes	530p	£224	£10	£214
Aggreko	865p	£2,206	-£419	£2,625
Ashtead	5,225p	£23,878	-£4,210	£28,088
HSS Hire	20.0p	£139.3	-£120.4	£259.7
Herc Rentals	\$113.0	\$3,300	-\$1,472	\$4,772
United Rentals	\$316.0	\$22,120	-\$8,811	\$30,931
Vp	870p	£349	-£123	£472



Contacts

Andy Edmond Direct: 020 7065 2691 Tel: 020 7065 2690 andy@equitydevelopment.co.uk

Hannah Crowe Direct: 0207 065 2692 Tel: 0207 065 2690 hannah@equitydevelopment.co.uk

Equity Development Limited is regulated by the Financial Conduct Authority

Disclaimer

Equity Development Limited ('ED') is retained to act as financial adviser for its corporate clients, some or all of whom may now or in the future have an interest in the contents of this document. ED produces and distributes research for these corporate clients to persons who are not clients of ED. In the preparation of this report ED has taken professional efforts to ensure that the facts stated herein are clear, fair and not misleading, but makes no guarantee as to the accuracy or completeness of the information or opinions contained herein.

This document has not been approved for the purposes of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom ('FSMA'). Any reader of this research should not act or rely on this document or any of its contents. This report is being provided by ED to provide background information about the subject of the research to relevant persons, as defined by the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005. This document does not constitute, nor form part of, and should not be construed as, any offer for sale or purchase of (or solicitation of, or invitation to make any offer to buy or sell) any Securities (which may rise and fall in value). Nor shall it, or any part of it, form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

Research produced and distributed by ED on its client companies is normally commissioned and paid for by those companies themselves ('issuer financed research') and as such is not deemed to be independent as defined by the FCA, but is 'objective' in that the authors are stating their own opinions. This document is prepared for clients under UK law. In the UK, companies quoted on AIM are subject to lighter due diligence than shares quoted on the main market and are therefore more likely to carry a higher degree of risk than main market companies.

ED may in the future provide, or may have in the past provided, investment banking services to the subject of this report. ED, its Directors or persons connected may at some time in the future have, or have had in the past, a material investment in the Company. ED, its affiliates, officers, directors and employees, will not be liable for any loss or damage arising from any use of this document, to the maximum extent that the law permits.

More information is available on our website www.equitydevelopment.co.uk

Equity Development, 15 Eldon Street, London, EC2M 7LD

Contact: info@equitydevelopment.co.uk | 020 7065 2690