

Unhelpful markets drive estimate downgrades

2 April 2026

Weaker than expected Q4 trading causes us to reduce our FY 26E EBITDA by 15% to the guided c.£90m with an inferred H2 outturn broadly in line with the prior year. This revision largely explains the increased year end net debt position to c.£159m versus our previous forecast; adjusting for ProService (asset and equity) investment made during the second half, there appears to have been a modest underlying cash outflow in H2. Speedy's expectations for ProService are as previously stated at inception. Our updated FY 27E and FY 28E PBT - reflecting FY 26 guidance and current market uncertainty - lower our previous estimates (that were above consensus) by around one third.

Tough H2 got tougher: H1 26 results were released on the same day as the Autumn Budget. An uncertain market outlook at that time persisted and, latterly, has been exacerbated by developments in the Middle East in the final month of the year. As noted elsewhere, general construction activity has remained subdued, and our sense is that new work has been slower to start given a deteriorating economic picture. We do not detect anything company-specific behind the disappointing year end update, it being more of a symptom of market conditions rather than an underlying concern.

Proservice – an encouraging start: While we will have to wait until the FY 26 results announcement for specific financial contributions from the newly-established PS tie up, confidence relating to the Agreements is palpable. The transfer of staff (in both directions) has settled down, and the integration of hire equipment and other assets (eg depots and vehicles) is also well-advanced we believe. As anticipated, acquired hire asset utilisation has ticked up slightly. Mutual system functionality (ie regarding Speedy's hire assets on the PS platform and Speedy's access to the PS re-hire database) is an important facilitator of the Agreements, and we expect more detail here with the FY26 results.

Valuation: Long-term value above current levels

Speedy's share price had largely traded in the 24p-26p range YTD prior to the Middle East conflict beginning at the end of February. Along with the wider equity market, Speedy's share price has drifted lower since then. Using our DCF methodology, the current share price is equivalent to long-term EBITDA generation beyond our estimate horizon of c.£107m.

We retain our 61p per share fair value at it is based on long-term EBITDA generation of c.£127m, a figure which is still below our revised FY 28 estimate.

Company Data

EPIC	SDY
Price (last close)	19.3p
52 weeks Hi/Lo	33.7p/17.6p
Market cap	£89m
ED Fair Value per share	61p
End FY 26 net debt	£(159m)
Pre IFRS16 basis	
Avg. daily volume	1.042m

Share Price, p



Source: Investing.com

Description

Speedy Hire (Speedy) is the UK and Ireland's leading provider of tools, specialist equipment and services operating from a nationwide depot network. Its activities comprise:

Hire (61% FY25 revenue); generated from a broad range of plant, equipment and tool assets as well as transportation & repair income), **Services (38%);** includes third party asset re-hire, training, testing and the sale of fuel & other consumables, and **Other (c.1%);** asset disposals.

SDY also has two JV operations: Speedy Zholdas (Kazakhstan, est 2013) & Speedy Hydrogen Services (UK, from H224).

Next event: FY 26 results – 17 June

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Financial summary

Year to March (£m)	2024	2025	2026E	2027E	2028E
Revenue £m	421.5	416.7	417.7	456.1	480.6
EBITDA £m	96.8	97.1	89.6	118.8	131.1
EBIT £m	24.5	23.6	14.4	39.3	50.4
PTP adjusted £m	14.7	8.7	(4.2)	20.2	32.1
EPS adjusted p	2.24	1.47	(0.72)	3.31	5.25
DPS p	2.60	2.60	1.00	1.05	1.10
P/E (x)	8.6	13.1	n/m	5.8	3.7
EV/EBITDA (x)	2.0	2.1	2.7	2.0	1.7
Dividend yield (%)	13.5%	13.5%	5.2%	5.4%	5.7%

Source: Company, Equity Development

Financials

Speedy Hire: Income Statement											
Year End: March	£m	2019*	2020**	2021**	2022	2023	2024	2025	2026E	2027E	2028E
		IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
Revenue		394.7	371.5	332.3	386.8	440.6	421.5	416.7	417.7	456.1	480.6
Gross Profit		214.4	214.3	184.9	221.1	239.4	230.0	236.1	246.0	287.8	306.1
EBITDA - SDY norm		103.6	103.4	90.6	100.1	103.9	96.8	97.1	89.6	118.8	131.1
EBIT - SDY norm		36.7	33.4	21.7	32.1	32.7	24.5	23.6	14.4	39.3	50.4
Net Bank Interest		(2.9)	(3.0)	(2.6)	(2.6)	(4.4)	(7.4)	(9.1)	(11.0)	(11.8)	(11.0)
IFRS16 Interest		(3.5)	(2.8)	(2.4)	(2.5)	(3.5)	(5.0)	(6.4)	(7.5)	(7.7)	(7.7)
Other financial		(0.8)	(0.4)	(0.4)	(0.6)	(0.7)	(0.3)	(0.4)	(0.2)	(0.2)	(0.2)
Associates/JVs		1.9	2.8	1.2	3.2	6.6	2.9	1.0	0.0	0.5	0.5
Profit Before Tax (SDY norm)		31.4	30.0	17.5	29.6	30.7	14.7	8.7	(4.2)	20.2	32.1
Intangible Amortisation		(0.7)	(1.3)	(0.8)	(0.5)	(0.4)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Other Non-Underlying Items		(2.0)	(12.6)	(8.4)	0.0	(28.5)	(9.0)	(9.6)	(11.0)	0.0	0.0
Profit Before Tax (reported)		28.7	16.1	8.3	29.1	1.8	5.1	(1.5)	(15.8)	19.6	31.5
Tax		(5.5)	(3.9)	(2.2)	(7.7)	(0.6)	(2.4)	0.4	2.4	(4.9)	(7.9)
Other		0.0	4.6	3.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Profit After Tax (reported)		23.2	16.8	9.5	21.6	1.2	2.7	(1.1)	(13.4)	14.7	23.6
EPS FD - SDY norm (p)		4.9	4.5	2.6	4.1	4.9	2.2	1.5	(0.7)	3.3	5.2
EPS FD - reported (p)		4.4	2.3	1.2	4.0	0.2	0.6	(0.2)	(2.9)	3.2	5.1
Dividend per share (p)		2.0	0.7	1.4	2.2	2.6	2.6	2.6	1.0	1.1	1.1
Shares - Basic Weighted Avge (m)		518.5	520.0	522.4	523.3	488.0	460.4	460.3	460.3	460.3	460.3
Shares - Period End (m)		525.3	526.8	528.2	518.2	517.0	517.0	517.0	517.0	517.0	517.0
Margins (%)											
Gross Profit		54.3	57.7	55.6	57.2	54.3	54.6	56.7	58.9	63.1	63.7
EBITDA - SDY norm		26.2	27.8	27.3	25.9	23.6	23.0	23.3	21.4	26.0	27.3
EBIT SDY norm		9.3	9.0	6.5	8.3	7.4	5.8	5.7	3.4	8.6	10.5

Source: Company, Equity Development *includes International, **continuing operations only

Speedy Hire: Cash Flow Statement

Year End: March	£m	2019*	2020*	2021*	2022	2023	2024	2025	2026E	2027E	2028E
		IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
EBITDA - SDY norm		103.6	103.4	90.6	100.1	103.9	96.8	97.1	89.6	118.8	131.1
Change in working capital		(4.6)	9.8	12.3	(13.6)	(6.2)	5.8	(5.3)	0.8	(7.4)	(6.8)
Purchase of hire equipment (net)		(36.5)	(41.9)	(24.2)	(57.9)	(36.8)	(25.2)	(36.8)	(53.0)	(35.0)	(35.0)
Other		(1.3)	(6.8)	(5.8)	0.0	(9.0)	(8.4)	(6.4)	(10.0)	1.1	1.2
Operating Cash Flow		61.2	64.5	72.9	28.6	51.9	69.0	48.6	27.4	77.5	90.5
Interest paid		(6.7)	(6.5)	(6.0)	(6.0)	(8.4)	(12.7)	(15.8)	(18.4)	(19.2)	(18.5)
Tax paid		(4.7)	(9.3)	(0.8)	(3.0)	(3.1)	(3.7)	0.6	2.4	(4.9)	(7.9)
Investing Activities		(36.2)	(3.5)	3.6	(14.1)	(3.4)	(24.2)	(4.6)	(14.0)	(8.0)	(7.5)
Associates & JV income		0.0	0.0	1.0	1.9	5.6	3.9	4.2	1.0	0.0	0.5
Tangible Fixed Assets purchased		(6.5)	(9.0)	(7.7)	(13.8)	(8.7)	(9.0)	(5.7)	(6.0)	(6.0)	(6.0)
Tangible Fixed Assets disposed		0.0	4.2	0.8	0.0	0.6	3.0	0.0	0.0	0.0	0.0
Intangibles		0.0	0.0	(3.5)	(2.2)	(0.9)	(1.9)	(2.5)	(2.0)	(2.0)	(2.0)
Acquisition consideration		(30.9)	0.0	0.0	0.0	0.0	(20.2)	0.0	0.0	0.0	0.0
Disposal proceeds		0.0	0.0	13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other business investments		1.2	1.3	0.0	0.0	0.0	0.0	(0.6)	(7.0)	0.0	0.0
Financing Activities		(7.6)	(32.8)	(81.3)	(15.9)	(38.0)	(25.4)	(29.5)	(28.1)	(36.6)	(36.9)
Change in loan capital		25.8	2.1	(58.2)	25.4	23.3	12.4	8.6	17.0	0.0	0.0
IFRS16 lease payments		(23.7)	(24.5)	(23.6)	(24.6)	(26.5)	(26.0)	(28.6)	(31.0)	(32.0)	(32.0)
Equity		(0.6)	0.5	0.5	(5.4)	(23.9)	0.0	0.0	0.0	0.0	0.0
Dividends paid		(9.1)	(10.9)	0.0	(11.3)	(10.9)	(11.8)	(11.8)	(9.9)	(4.6)	(4.9)
Other		0.0	0.0	0.0	0.0	0.0	0.0	2.3	(4.2)	0.0	0.0
Net Cash Flow		6.0	12.4	(11.6)	(10.4)	(1.0)	3.0	(0.7)	(30.7)	8.7	19.8
Opening net cash/(debt) - pre IFRS16		(69.1)	(89.1)	(79.3)	(33.2)	(67.5)	(92.4)	(101.3)	(113.1)	(157.8)	(149.2)
Change in net cash		6.0	12.4	(11.6)	(10.4)	(1.0)	3.0	(0.7)	(30.7)	8.7	19.8
Change in loan capital		(25.8)	(2.1)	58.2	(25.4)	(23.3)	(12.4)	(8.6)	(17.0)	0.0	0.0
Other		(0.2)	(0.5)	(0.5)	1.5	(0.6)	0.5	(11.1)	(14.0)	0.0	0.0
Closing net cash/(debt) - pre IFRS16		(89.1)	(79.3)	(33.2)	(67.5)	(92.4)	(101.3)	(113.1)	(157.8)	(149.2)	(129.3)
IFRS16 lease liabilities		(82.4)	(72.9)	(63.2)	(76.7)	(86.1)	(97.6)	(105.9)	(114.2)	(114.2)	(114.2)
Company Free Cash Flow:											
Net Cash Flow			12.4	(11.6)	(10.4)	(1.0)	3.0	(0.7)	(30.7)	8.7	19.8
Dividends paid			10.9	0.0	11.3	10.9	11.8	11.8	9.9	4.6	4.9
Equity			(0.5)	(0.5)	5.4	23.9	0.0	0.0	0.0	0.0	0.0
Change in loan capital			(2.1)	58.2	(25.4)	(23.3)	(12.4)	(8.6)	(17.0)	0.0	0.0
Acquisition consideration			0.0	0.0	0.0	0.0	20.2	0.0	0.0	0.0	0.0
Other			0.5	0.5	0.6	0.1	0.9	0.0	0.0	0.0	0.0
Free Cash Flow			21.2	46.6	(18.5)	10.6	23.5	2.5	(37.8)	13.3	24.7

Source: Company, Equity Development

Speedy Hire: Balance Sheet

Year End: March	£m	2019*	2020*	2021	2022	2023	2024	2025	2026E	2027E	2028E
		IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
Non-Current Assets		371.2	355.5	325.2	366.4	355.1	378.9	391.6	423.1	420.5	416.2
Intangible Assets - Goodwill		31.2	17.5	17.5	17.5	17.5	27.4	27.4	27.4	27.4	27.4
Intangible Assets - Other		9.9	5.6	7.2	8.4	7.5	12.3	11.0	9.2	7.4	5.6
Tangible Assets - Owned		253.3	257.6	233.1	257.7	237.7	233.1	243.3	269.4	268.2	265.7
Tangible Assets - RoU		66.4	64.7	59.1	73.3	83.2	97.3	104.2	105.7	105.7	105.7
JV/Associate Interests		7.6	7.3	6.2	7.8	9.2	8.8	5.7	11.4	11.9	11.9
Other Fixed Assets		2.8	2.8	2.1	1.7	(0.0)	0.0	(0.0)	0.0	0.0	0.0
Current Assets		118.8	135.3	114.3	119.3	121.3	121.3	121.4	132.3	138.7	147.4
Inventory		8.8	8.7	8.2	8.1	12.7	11.8	11.2	11.7	12.4	13.9
Trade Receivables		98.1	95.5	88.5	100.1	97.9	93.9	95.0	93.2	98.8	106.1
Other Debtors		6.6	8.3	5.9	8.6	9.6	11.6	13.1	11.1	11.1	11.1
Cash		5.3	22.8	11.7	2.5	1.1	4.0	2.1	16.3	16.3	16.3
Current Liabilities		(117.2)	(117.5)	(116.1)	(122.7)	(121.9)	(128.6)	(140.4)	(237.4)	(231.2)	(216.9)
Trade Payables		(54.2)	(52.3)	(49.8)	(45.3)	(39.1)	(44.9)	(54.1)	(54.5)	(53.4)	(55.3)
Other Creditors		(42.9)	(45.0)	(49.1)	(55.1)	(59.4)	(60.4)	(59.0)	(58.6)	(62.1)	(65.7)
IFRS16 Lease Liabilities		(20.1)	(20.2)	(16.7)	(20.6)	(22.1)	(22.1)	(25.0)	(25.2)	(25.2)	(25.2)
Short-term Borrowings		0.0	0.0	(0.5)	(1.7)	(1.3)	(1.2)	(2.3)	(99.1)	(90.5)	(70.6)
Non-Current Liabilities		(163.1)	(163.4)	(102.6)	(136.6)	(169.9)	(195.9)	(210.4)	(178.5)	(178.5)	(178.5)
Long-term Borrowings		(90.4)	(102.1)	(44.4)	(68.3)	(92.2)	(104.1)	(112.9)	(75.0)	(75.0)	(75.0)
IFRS16 Lease Liabilities		(55.0)	(52.7)	(46.5)	(56.1)	(64.0)	(75.5)	(80.9)	(89.0)	(89.0)	(89.0)
Other Long-term Liabilities		(17.7)	(8.6)	(11.7)	(12.2)	(13.7)	(16.3)	(16.6)	(14.5)	(14.5)	(14.5)
Net Assets		209.7	209.9	220.8	226.4	184.6	175.7	162.2	139.5	149.5	168.2

Source: Company, Equity Development *includes International

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