Speedy Hire plc

Making revenue progress in challenging markets

10 September 2026

Speedy is demonstrating an ability to grow in lacklustre markets but is not immune to wider near-term conditions. The company's AGM statement points to 4.6% revenue growth in the first four months of FY27 driven by larger accounts and new business wins, though initial ramp up rates and mix have, in some cases, lagged earlier aspirations. While the net result is lower estimates, longer-term prospects are undiminished in our view.

Building larger account momentum: The flagged 4.6% top-line growth has been driven by national accounts and new business wins (including the ProService agreement), though the similarly sized regional account segment is understood to be flat. Mobilisation rates amongst these accounts have perhaps lagged earlier expectations, but the hard yards have now been won and higher business levels are anticipated as the year progresses. Speedy has invested in operations (through Velocity) and hire fleet to facilitate higher business levels; conversion into profitable progress will validate its strategy.

Downward estimate revisions reflecting growth rate and mix: Noting that we were towards the upper end of the consensus PBT range, we have trimmed our revenue growth rate with a modest change in mix towards Service. The resulting adverse gross profit impact of c.£12m (as Hire margin is materially above that generated from Service revenues) feeds through to our c.70% reduction in our FY27E PBT estimate. With no major improvement in underlying markets projected, we have also elected to carry these revisions through into subsequent years' estimates (PBT FY28E -c.50%, FY29E -40%). Even in this scenario, we still expect opex to continue to fall as a proportion of revenue compared to recent years, reflecting the impact of the Velocity strategy on the company's operating cost base. Operational gearing works in both directions, and we would expect upward pressure on our outer year estimates should UK economic growth prospects become more favourable.

Valuation: downbeat rating given longer-term potential

Speedy's share price fell below its established 19-20p trading range at the end of August and is now trading at YTD (and 16-year) lows. Our DCF approach suggests that the current share price equates to c.£97m of steady state EBITDA, i.e. below our FY27E estimate and extending beyond our forecast horizon. On the same basis, our existing **61p per share fair value** requires c.£132m EBITDA, i.e. slightly above our FY29 estimate. While the near-term earnings revisions are unwelcome, they do not necessarily change the long-term profit potential of Speedy under its Velocity strategy in our view.

Financial summary

Year to March (£m)	2025	2026	2027E	2028E	2029E
Revenue £m	416.7	416.1	453.6	477.7	499.8
EBITDA £m	97.1	85.4	107.7	115.8	127.1
EBIT £m	23.6	7.6	26.7	33.5	43.6
PTP adjusted £m	8.7	(11.4)	5.5	13.0	24.1
EPS adjusted p	1.47	(1.80)	0.91	2.15	3.94
DPS p	2.60	1.00	1.05	1.10	2.60
P/E (x)	10.9	(8.9)	17.5	7.5	4.1
EV/EBITDA (x)	1.9	2.7	2.2	2.0	1.7
Dividend yield (%)	16.3%	6.3%	6.6%	6.9%	16.3%

Source: Company, Equity Development

Company Data

EPIC	SDY
Price (last close)	16.0p
52 weeks Hi/Lo	30.5p/16.0p
Market cap	£74m
ED Fair Value per share	61p
End FY26 net debt Pre IFRS16 basis	£(159m)
Avg. daily volume	1.919m

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% FY26 revenue); generated from a broad range of plant, equipment and tool assets as well as transportation & repair income), **Services (36%)**; includes third party asset re-hire, training, testing and the sale of fuel & other consumables, and **Other (c.3%)**; asset disposals.

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

Next event: H127 end - September

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Financials

Speedy Hire: Income Statement											
Year End: March	**£m**	**2020****	**2021****	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**	**2029E**
		IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
Revenue		**371.5**	**332.3**	**386.8**	**440.6**	**421.5**	**416.7**	**416.1**	**453.6**	**477.7**	**499.8**
Gross Profit		214.3	184.9	221.1	239.4	230.0	236.1	230.5	251.0	267.3	284.5
EBITDA - SDY norm		**103.4**	**90.6**	**100.1**	**103.9**	**96.8**	**97.1**	**85.4**	**107.7**	**115.8**	**127.1**
EBIT - SDY norm		**33.4**	**21.7**	**32.1**	**32.7**	**24.5**	**23.6**	**7.6**	**26.7**	**33.5**	**43.6**
Net Bank Interest		(3.0)	(2.6)	(2.6)	(4.4)	(7.4)	(9.1)	(11.2)	(13.8)	(13.0)	(12.0)
IFRS16 Interest		(2.8)	(2.4)	(2.5)	(3.5)	(5.0)	(6.4)	(7.5)	(8.0)	(8.0)	(8.0)
Other financial		(0.4)	(0.4)	(0.6)	(0.7)	(0.3)	(0.4)	0.0	0.0	0.0	0.0
Associates/JVs		2.8	1.2	3.2	6.6	2.9	1.0	(0.4)	0.5	0.5	0.5
Profit Before Tax (SDY norm)		**30.0**	**17.5**	**29.6**	**30.7**	**14.7**	**8.7**	**(11.4)**	**5.5**	**13.0**	**24.1**
Intangible Amortisation		(1.3)	(0.8)	(0.5)	(0.4)	(0.6)	(0.6)	(1.6)	(3.6)	(3.6)	(3.6)
Other Non-Underlying Items		(12.6)	(8.4)	0.0	(28.5)	(9.0)	(9.6)	(19.3)	0.0	0.0	0.0
Profit Before Tax (reported)		**16.1**	**8.3**	**29.1**	**1.8**	**5.1**	**(1.5)**	**(32.3)**	**1.9**	**9.4**	**20.5**
Tax		(3.9)	(2.2)	(7.7)	(0.6)	(2.4)	0.4	5.7	(1.2)	(3.1)	(5.9)
Other		4.6	3.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit After Tax (reported)		**16.8**	**9.5**	**21.6**	**1.2**	**2.7**	**(1.1)**	**(26.6)**	**0.6**	**6.3**	**14.6**
EPS FD - SDY norm (p)		**4.5**	**2.6**	**4.1**	**4.9**	**2.2**	**1.5**	**(1.8)**	**0.9**	**2.1**	**3.9**
EPS FD - reported (p)		**2.3**	**1.2**	**4.0**	**0.2**	**0.6**	**(0.2)**	**(5.8)**	**0.1**	**1.4**	**3.2**
Dividend per share (p)		**0.7**	**1.4**	**2.2**	**2.6**	**2.6**	**2.6**	**1.0**	**1.1**	**1.1**	**2.6**
Shares - Basic Weighted Avge (m)		520.0	522.4	523.3	488.0	460.4	460.3	460.5	460.5	460.5	460.5
Shares - Period End (m)		526.8	528.2	518.2	517.0	517.0	517.0	517.0	517.0	517.0	517.0
Margins (%)											
Gross Profit		***57.7***	***55.6***	***57.2***	***54.3***	***54.6***	***56.7***	***55.4***	***55.3***	***56.0***	***56.9***
EBITDA - SDY norm		***27.8***	***27.3***	***25.9***	***23.6***	***23.0***	***23.3***	***20.5***	***23.7***	***24.2***	***25.4***
EBIT SDY norm		***9.0***	***6.5***	***8.3***	***7.4***	***5.8***	***5.7***	***1.8***	***5.9***	***7.0***	***8.7***

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

Speedy Hire: Cash Flow Statement

Year End: March	**£m**	**2020***	**2021***	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**	**2029E**
		IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
EBITDA - SDY norm		103.4	90.6	100.1	103.9	96.8	97.1	85.4	107.7	115.8	127.1
Change in working capital		9.8	12.3	(13.6)	(6.2)	5.8	(5.3)	3.5	(14.4)	(6.7)	(7.1)
Purchase of hire equipment (net)		(41.9)	(24.2)	(57.9)	(36.8)	(25.2)	(36.8)	(25.6)	(35.0)	(40.0)	(40.0)
Other		(6.8)	(5.8)	0.0	(9.0)	(8.4)	(6.4)	(13.8)	1.9	2.1	2.3
Operating Cash Flow		**64.5**	**72.9**	**28.6**	**51.9**	**69.0**	**48.6**	**49.5**	**60.2**	**71.2**	**82.2**
Interest paid		**(6.5)**	**(6.0)**	**(6.0)**	**(8.4)**	**(12.7)**	**(15.8)**	**(16.3)**	**(21.8)**	**(21.0)**	**(20.0)**
Tax paid		**(9.3)**	**(0.8)**	**(3.0)**	**(3.1)**	**(3.7)**	**0.6**	**3.6**	**(1.2)**	**(3.1)**	**(5.9)**
Investing Activities		**(3.5)**	**3.6**	**(14.1)**	**(3.4)**	**(24.2)**	**(4.6)**	**(42.4)**	**(5.2)**	**(4.7)**	**(4.7)**
Associates & JV income		0.0	1.0	1.9	5.6	3.9	4.2	0.0	0.0	0.5	0.5
Tangible Fixed Assets purchased		(9.0)	(7.7)	(13.8)	(8.7)	(9.0)	(5.7)	(3.2)	(3.2)	(3.2)	(3.2)
Tangible Fixed Assets disposed		4.2	0.8	0.0	0.6	3.0	0.0	0.0	0.0	0.0	0.0
Intangibles		0.0	(3.5)	(2.2)	(0.9)	(1.9)	(2.5)	(2.4)	(2.0)	(2.0)	(2.0)
Acquisition consideration		0.0	0.0	0.0	0.0	(20.2)	0.0	(29.7)	0.0	0.0	0.0
Disposal proceeds		0.0	13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other business investments		1.3	0.0	0.0	0.0	0.0	(0.6)	(7.1)	0.0	0.0	0.0
Financing Activities		**(32.8)**	**(81.3)**	**(15.9)**	**(38.0)**	**(25.4)**	**(29.5)**	**17.9**	**(35.5)**	**(35.8)**	**(38.1)**
Change in loan capital		2.1	(58.2)	25.4	23.3	12.4	8.6	61.1	0.0	0.0	0.0
IFRS16 lease payments		(24.5)	(23.6)	(24.6)	(26.5)	(26.0)	(28.6)	(29.9)	(30.9)	(30.9)	(30.9)
Equity		0.5	0.5	(5.4)	(23.9)	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid		(10.9)	0.0	(11.3)	(10.9)	(11.8)	(11.8)	(9.7)	(4.6)	(4.9)	(7.2)
Other		0.0	0.0	0.0	0.0	0.0	2.3	(3.6)	0.0	0.0	0.0
Net Cash Flow		**12.4**	**(11.6)**	**(10.4)**	**(1.0)**	**3.0**	**(0.7)**	**12.3**	**(3.5)**	**6.5**	**13.5**
Opening net cash/(debt) - pre IFRS16		**(89.1)**	**(79.3)**	**(33.2)**	**(67.5)**	**(92.4)**	**(101.3)**	**(113.1)**	**(159.0)**	**(162.5)**	**(156.0)**
Change in net cash		12.4	(11.6)	(10.4)	(1.0)	3.0	(0.7)	12.3	(3.5)	6.5	13.5
Change in loan capital		(2.1)	58.2	(25.4)	(23.3)	(12.4)	(8.6)	(61.1)	0.0	0.0	0.0
Other		(0.5)	(0.5)	1.5	(0.6)	0.5	(2.5)	2.9	0.0	0.0	0.0
Closing net cash/(debt) - pre IFRS16		(79.3)	(33.2)	(67.5)	(92.4)	(101.3)	(113.1)	(159.0)	(162.5)	(156.0)	(142.5)
IFRS16 lease liabilities		**(72.9)**	**(63.2)**	**(76.7)**	**(86.1)**	**(97.6)**	**(105.9)**	**(114.4)**	**(114.4)**	**(114.4)**	**(114.4)**
Company Free Cash Flow:											
Net Cash Flow		**12.4**	**(11.6)**	**(10.4)**	**(1.0)**	**3.0**	**(0.7)**	**12.3**	**(3.5)**	**6.5**	**13.5**
Dividends paid		10.9	0.0	11.3	10.9	11.8	11.8	9.7	4.6	4.9	7.2
Equity		(0.5)	(0.5)	5.4	23.9	0.0	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)	(61.1)	0.0	0.0	0.0
Acquisition consideration		0.0	0.0	0.0	0.0	20.2	0.0	29.7	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	0.0
Free Cash Flow		**21.2**	**46.6**	**(18.5)**	**10.6**	**23.5**	**2.5**	**(9.4)**	**1.1**	**11.4**	**20.7**

*Source: Company, Equity Development *includes International*

Speedy Hire: Balance Sheet

Year End: March	£m	2020*	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E
		IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
Non-Current Assets		**355.5**	**325.2**	**366.4**	**355.1**	**378.9**	**391.6**	**431.0**	**420.5**	**413.3**	**404.8**
Intangible Assets - Goodwill		17.5	17.5	17.5	17.5	27.4	27.4	27.4	27.4	27.4	27.4
Intangible Assets - Other		5.6	7.2	8.4	7.5	12.3	11.0	28.6	25.0	21.4	17.8
Tangible Assets - Owned		257.6	233.1	257.7	237.7	233.1	243.3	257.4	250.0	246.4	241.5
Tangible Assets - RoU		64.7	59.1	73.3	83.2	97.3	104.2	108.8	108.8	108.8	108.8
JV/Associate Interests		7.3	6.2	7.8	9.2	8.8	5.7	8.8	9.3	9.3	9.3
Other Fixed Assets		2.8	2.1	1.7	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0
Current Assets		**135.3**	**114.3**	**119.3**	**121.3**	**121.3**	**121.4**	**144.0**	**148.8**	**164.7**	**187.1**
Inventory		8.7	8.2	8.1	12.7	11.8	11.2	10.2	12.1	13.6	14.9
Trade Receivables		95.5	88.5	100.1	97.9	93.9	95.0	104.7	111.1	119.0	126.5
Other Debtors		8.3	5.9	8.6	9.6	11.6	13.1	14.7	14.7	14.7	14.7
Cash		22.8	11.7	2.5	1.1	4.0	2.1	14.4	10.9	17.4	30.9
Current Liabilities		**(117.5)**	**(116.1)**	**(122.7)**	**(121.9)**	**(128.6)**	**(140.4)**	**(169.5)**	**(167.9)**	**(175.1)**	**(181.6)**
Trade Payables		(52.3)	(49.8)	(45.3)	(39.1)	(44.9)	(54.1)	(76.0)	(70.0)	(72.7)	(74.4)
Other Creditors		(45.0)	(49.1)	(55.1)	(59.4)	(60.4)	(59.0)	(65.6)	(70.0)	(74.5)	(79.3)
IFRS16 Lease Liabilities		(20.2)	(16.7)	(20.6)	(22.1)	(22.1)	(25.0)	(27.9)	(27.9)	(27.9)	(27.9)
Short-term Borrowings		0.0	(0.5)	(1.7)	(1.3)	(1.2)	(2.3)	0.0	0.0	0.0	0.0
Non-Current Liabilities		**(163.4)**	**(102.6)**	**(136.6)**	**(169.9)**	**(195.9)**	**(210.4)**	**(277.5)**	**(277.5)**	**(277.5)**	**(277.5)**
Long-term Borrowings		(102.1)	(44.4)	(68.3)	(92.2)	(104.1)	(112.9)	(173.4)	(173.4)	(173.4)	(173.4)
IFRS16 Lease Liabilities		(52.7)	(46.5)	(56.1)	(64.0)	(75.5)	(80.9)	(86.5)	(86.5)	(86.5)	(86.5)
Other Long-term Liabilities		(8.6)	(11.7)	(12.2)	(13.7)	(16.3)	(16.6)	(17.6)	(17.6)	(17.6)	(17.6)
Net Assets		**209.9**	**220.8**	**226.4**	**184.6**	**175.7**	**162.2**	**128.0**	**124.0**	**125.4**	**132.8**

*Source: Company, Equity Development *includes International*

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