Speedy Hire plc

Retaining focus, positioning to grow

20 June 2025

As flagged, FY25 ended on a softer note than anticipated earlier in the year but Speedy maintained both EBITDA and DPS in generally challenging trading conditions. FY26 will see the culmination of Velocity's enabling actions and the focus should then more clearly turn to growth in revenue and margins. The current valuation is giving little credit for improving profitability beyond the current year in our view.

Some positive in a mixed year

In a year when revenue progress was hard to come by, Speedy delivered an improved group gross margin performance driven chiefly by its Hire segment. The Service segment contribution was below our expectations and, together with higher lease financing costs, fed through a c.£3m shortfall versus our last published PTP forecast. Further steps taken in executing the Velocity strategy has provided some evidence of underlying operational progress behind this headline financial performance. Net debt (pre IFRS16) ended the year at £113m (up £12m yoy) following a committed and well-flagged investment programme and maintained cash dividend payments. The unchanged 2.6p DPS (with a 1.8p proposed final) was not a given, although anticipated in our estimates.

Velocity to drive momentum

While market indicators are yet to swing fully to positive, we expect Speedy's ongoing execution of its Velocity strategy to increasingly yield revenue and margin benefits. A focus on infrastructure segment opportunities, developing margin accretive business activities and concentrating on operational excellence are all set to drive future performance in our view. The full benefits of this will not all be apparent in the current year, but momentum should accelerate over our estimate horizon.

Valuation considerations

Speedy's share price has recovered well from March lows but remains down 10% YTD. Earnings multiples are not challenging for the current year and compress further on our estimates. **Our DCF-derived Fair Value comes in at 48p per share** which is not a stretch in the context of our FY28E EPS. A 10.2% prospective dividend yield (including 7% on the proposed FY25 final) and a 17% discount to NAV offer investors further attractions.

Financial summary

Year to March (£m)	2024	2025	2026E	2027E	2028E
Revenue £m	421.5	416.7	439.4	461.9	485.7
EBITDA £m	96.8	97.1	103.1	113.6	124.2
EBIT £m	24.5	23.6	31.1	40.3	49.6
PTP adjusted £m	14.7	8.7	15.9	25.7	35.2
EPS adjusted p	2.24	1.47	2.62	4.20	5.75
DPS p	2.60	2.60	2.60	2.60	2.80
P/E (x)	*11.4*	*17.4*	*9.8*	*6.1*	*4.4*
EV/EBITDA (x)	*2.3*	*2.4*	*2.2*	*2.0*	*1.8*
Dividend yield (%)	*10.2%*	*10.2%*	*10.2%*	*10.2%*	*11.0%*

Source: Company, Equity Development

Company Data

EPIC	SDY
Price (last close)	25.5p
52 weeks Hi/Lo	41.4p/17.6p
Market cap	£115m
ED Fair Value per share	48p
End FY25 net debt Pre IFRS16 basis	£(113m)
Avg. daily volume	861k

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 network of 144 depots. Its activities comprise:

Hire (60% FY24 revenue); generated from a broad range of plant, equipment and tool assets as well as transportation & repair income), **Services (39%)**; includes third party asset re-hire, training, testing and the sale of fuel & other consumables, and **Other (c.1%)**; asset disposals.

During FY24, Speedy transitioned its trade/retail presence with B&Q to a digital fulfilment model (included within Hire revenues). SDY also has two JV operations: Speedy Zholdas (Kazakhstan, est 2013) & Speedy Hydrogen Services (UK, from H224).

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FY25 overview: operational exceeds financial progress

Speedy managed to nudge group gross profit and EBITDA ahead slightly on marginally lower revenues in FY25 with an important step forward in Hire gross margin contributing to this outturn. Higher group central and financing costs meant that underlying PTP did come in below FY24 levels. Investment in Hire and operational assets as part of implementation of the five-year Velocity strategy plus maintained cash dividend payments to shareholders were the cash flow highlights.

Speedy Hire: Divisional and interim splits

Year end: March	£m	H1	H2	2024	H1	H2	2025	% change yoy		
		IFRS16	*IFRS16*	*IFRS16*	*IFRS16*	*IFRS16*	*IFRS16*	H1	H2	2025
UK		205.0	209.2	**414.2**	200.3	210.0	**410.3**	-2.3%	0.4%	-0.9%
Ireland		3.5	3.8	**7.3**	3.3	3.0	**6.3**	-5.7%	-21.1%	-13.7%
Group Revenue		**208.5**	**213.0**	**421.5**	**203.6**	**213.1**	**416.7**	**-2.4%**	**0.0%**	**-1.1%**
Hire exc disposals		125.6	128.0	**253.6**	125.5	129.5	**255.0**	-0.1%	1.2%	0.6%
Services		80.9	81.6	**162.5**	76.5	81.6	**158.0**	-5.5%	-0.1%	-2.8%
Other		2.0	3.4	**5.4**	1.6	2.0	**3.6**	-20.0%	-41.2%	-33.3%
Group Gross Profit		**112.7**	**117.3**	**230.0**	**113.4**	**122.7**	**236.1**	**0.6%**	**4.6%**	**2.7%**
Hire exc disposals		96.8	102.2	**199.0**	98.9	106.4	**205.3**	2.2%	4.2%	3.2%
Services		15.8	15.8	**31.6**	14.9	16.4	**31.3**	-5.5%	3.8%	-0.8%
Other		0.1	-0.7	**-0.6**	-0.4	-0.1	**-0.5**			
Gross Margin %		***54.1%***	***55.1%***	***54.6%***	***55.7%***	***57.6%***	***56.7%***	**+160bp**	**+250bp**	**+210bp**
Hire exc disposals		*77.1%*	*79.8%*	*78.5%*	*78.8%*	*82.2%*	*80.5%*	+170bp	+270bp	+200bp
Services		*19.5%*	*19.4%*	*19.4%*	*19.5%*	*20.1%*	*19.8%*	----	+70bp	+40bp
Other		*5.0%*	*-20.6%*	*-11.1%*	*-25.0%*	*-6.5%*	*-14.8%*			
EBITDA Margin%		***21.8%***	***24.1%***	***23.0%***	***21.7%***	***24.8%***	***23.3%***	**-10bp**	**+70bp**	**+30bp**
EBIT Margin%		***5.0%***	***8.0%***	***6.5%***	***4.6%***	***8.2%***	***6.4%***	**-40bp**	**+20bp**	**-10bp**

Source: Company.

Excluding disposals, Hire and Services combined revenue was down by only £3m (0.7%) yoy and was slightly higher versus the prior year in H2. Looking in broad terms across Speedy's customer base, a decline in revenue from National accounts (typically larger, multi-year framework customers, c.400 in total) was substantially made up by a stronger Regional performance (both effects being more marked in H2) and a growing Trade/Retail segment. We believe that the National account movement was chiefly due to lower fuel revenues, reflecting lower market prices.

Hire: challenging growth environment but gross margins ahead

Hire revenues (ex-disposals) grew by 0.6% in the year driven by an improving second half albeit not up to the rate seen at the start of Q3, consistent with the February trading update. Full year revenue progress was due to increased sales in the smallest customer segment (Trade/Retail) which broadly doubled in size. Otherwise, there was a marginal net decline elsewhere with National customer revenues slightly down and Regional ones slightly ahead. These performances were derived in different ways with lower National volumes/firmer rates compared to better Regional volumes and flat yoy rates in aggregate.

We believe that National revenues increased in H2 (with a better underlying volume trend) with Regional revenues also benefitting from a better volume/rate balance compared to the first half.

Given market conditions and a still challenging growth environment, the standout feature of FY25 trading for Speedy was its **Hire gross margin performance** in our view. Progress was made in both half years (+170bp in H1 and **+200bp to 80.5% for FY25** as a whole after the traditionally busier H2 trading period). A small percentage reduction in Hire asset depreciation was implicitly accompanied by a bigger absolute and percentage reduction in other costs (such as transport and repairs) to achieve this outturn.

Improved itemised asset utilisation (up 150bp yoy to 53.9% in FY25) and firmer rates will have contributed to the gross margin improvement despite lower volumes. We also suggest that gradual **improvements over time in Hire fleet quality** – benefitting reliability, asset lifecycles and sustainability characteristics – is starting to have a positive impact on the 'cost to serve'. In addition, the increasing use of AI in **managing asset availability and movements** efficiently (ie taking a whole fleet rather than depot level view) may also be a contributory factor though the impact is difficult to quantify.

Spend on Hire assets rose to £50m in FY25 (from c.£41m in the prior year). In context this was c.13% of the gross value of Hire assets on the balance sheet at the end of FY24 and **compared to a c.£31m Hire asset depreciation** charge in the year. After proceeds from planned sales and contractual receipts from unplanned disposals, net hire fleet spend was £37m (FY24 £25m).

Net Hire fleet assets were £222m at the year-end (45% of value depreciated) representing 44% of total assets on the balance sheet. Itemised assets accounted for 88% of the £222m total and there were no adjustments to carrying values contained in the notes to the results release. Following Hire fleet transactions, **eco assets accounted for 53% of itemised assets** at the year end (up from 51% in FY24) and this sub-category generated 56% of core Hire revenue in the year (FY24 55%).

Evolving the Hire segment to include a more sustainable fleet offer over time has been a well-established Speedy strategy. Carbon metrics have become more important from a client perspective both in operational and reporting terms and are regularly included in tender criteria, especially on larger, multi-year frameworks agreements. Speedy's partnership with Niftylift (powered access), acquisition of Green Power Hire (battery storage) and investment in Speedy Hydrogen Services (hydrogen power generation plant) are all tangible examples of investment in this area.

The **pipeline of opportunities in targeted sub-segments** – including infrastructure, rail, water, nuclear energy and highways among others – is said to be strong by management. As well as high-profile projects, there is a confluence of five-year capital cycles ending/transitioning/starting currently and this represents a clear opportunity for Speedy and other players. Several Tier 1 contractor announcements have already been made in these sectors, and it is logical to think that awards to their own supply chains will be an active area currently.

Separately, Speedy has announced the impending **launch of its Temporary Site Services (TSS) solution** offer following discussions with customers. Pulling together a package of Hire assets, this could typically include security/fencing, ground protection and traffic management and include an option to set-up and remove from sites (ie labour provision). As well as representing an incremental revenue stream this offers an opportunity for Speedy to increase a share of 'site wallet' spending in our view and may or may not also pull-through demand for other Hire assets for use in site operations.

Services: H2 upturn noted

Headline Services revenues were down 2.8% yoy in FY25, an outturn **driven by lower Fuel prices** (category revenue down c.25% to 19% of the Services total). In aggregate, Non-fuel Service categories (including third party asset re-hire, testing/inspection/certification, or TIC, and training activities) together saw a 4.6% yoy revenue uplift. Notably, this follows a 2.6% decline in H1, inferring a c.12% yoy uplift in H2.

Re-hire is the dominant Service business line and by implication this activity must have performed strongly in the second half of FY25. This may partly reflect the beginning of a recovery from subdued conditions and, perhaps, a combination of new business wins and mitigated exposures to wider construction sector insolvencies which remain a feature. The smaller Training and Consumables business lines are also likely to have similarly perked up in H2 in our view.

The **Lloyds British TIC business increased yoy revenues by 5.8%** in the year, growth which was substantially achieved in H1. Having upgraded its CRM and elevated the company's profile with Speedy, the company enhanced its internal and reporting processes while progressively hiring additional engineering resource (chiefly skilled labour) targeting further growth. As a capital light business this also feeds through into above average Service category margins. The immediate opportunity here is to leverage its national depot network and cross-sell to Speedy's National and larger Regional customer base.

Services' overall gross margin nudged up 40bp to 19.8%. Given that the Fuel gross margin percentage probably rose (ie through a retained value margin), this suggests that the non-fuel gross margin was lower yoy, though broadly stable at these levels we believe. This is likely to have been a mix effect in our view, with a competitively priced Re-Hire offer coming through in H2 revenue growth but also tempering overall margin progression. Re-hire is a dynamic category, both responding to customer asset demand directly and identifying complementary assets to the Hire fleet to capture increased spend. This 'package' or solutions approach pulling together multiple site requirements via fewer suppliers should also be valued by customers. Over time, successful Re-Hire category revenues can potentially be shifted across to Hire revenues through direct asset purchases subject to volumes and financial metrics.

Cash flow: executing strategy and maintaining dividends

At the end of FY25, Speedy's pre IFRS16 net debt stood at £113.1m, similar to the H125 position and up c.£12m yoy. This represented leverage of 1.9x, within the company's revised capital allocation 1.0-2.0x range.

Reported EBITDA[1] of £97.1m was marginally above the FY24 level. The total depreciation charge was slightly up yoy at £67.6m though the composition was slightly different; Hire and non-Hire Asset charges were both down (by £1.7m to £30.9m and by £1.2m to £6.7m respectively) while RoU depreciation rose (by £3.6m to £30m).

The first and last of these are somewhat counterintuitive but can be rationalised. Specifically, higher prevailing **Hire fleet** capex has been spent on better quality/longer lifecycle assets so while their gross value has risen as referenced earlier, the associated annual depreciation charge has actually declined. Looking at **RoU assets**, the number of depots/Service Centres declined by 8 during FY25. However, the carrying value of RoU assets rose over the year (to £104.2m). The majority of this increase was a higher vehicle carrying value and so we attribute the uplift in depreciation here to fleet developments, including a further increase in the proportion of electric vehicles in the year.

Working capital accounted for c.£5m of cash outflow compared to a c.£6m inflow in the prior year. The yoy variance was largely seen in the receivables line (ie an inflow in FY24 to an outflow in FY25) but overdue accounts are stated to have been lower at the year end and the company remains vigilant regarding counter-party risk. Payables days have historically been shorter than receivables; Speedy has been working with its supply chain to achieve greater balance here and at the end of FY25, the difference had narrowed appreciably (to 66 and 61 days respectively).

[1] Defined as Underlying EBIT, excluding disposal gains/losses plus all depreciation (Hire, non-Hire and RoU assets). The equivalent cash EBITDA after IFRS16 (principal and interest) lease costs was £63.5m (FY24 £65.8m)

We covered the **increase in Hire asset capex** in earlier commentary (being FY25 net spend of £37m versus FY24: £25m). Net spend on non-Hire capex was comparable to the prior year (at c.£8m) including IT spending in support of organisational change as an ongoing feature.

As seen in the Income Statement, **total interest spending rose to almost £16m** with underlying increases in both bank and lease finance costs reflecting higher average net debt, rates and fleet investment as mentioned previously. After related **higher lease principal repayment cash outflows (at c.£29m)**, Speedy generated **Free Cash Flow of just under £1m in FY25**.

The **declared FY24 final and H125 interim dividends absorbed almost £12m of cash** paid to shareholders and, hence, substantially explained the yoy movement in headline net debt.

For the record, IFRS16 finance leases on the balance sheet at the end of FY25 were £106m (FY24 £98m), split Current 24%: Non-Current 76%.

Cash flow outlook: continuing to invest for growth

At a high level, **we anticipate that Free Cash Flow and maintained cash dividend payments will continue to broadly match each other in the next two years before generating a net cash inflow in FY28**. While we expect core profitability to increase, we have included a lower JV cash contribution (in FY26) and some investment in working capital to support growth (in FY27) which substantially offsets our projected rise in EBITDA. As a result, net debt is expected to be at or slightly above FY25 levels at the end of the next two financial years, before declining in FY28 on our estimates.

It is important to note that these net cash movements are after **ongoing Hire asset investment ahead of depreciation in all years** (ranging from £35m-40m and £31m-33m respectively across our forecast horizon). As Speedy is targeting 70% of its itemised equipment fleet to be in eco assets by FY27 this suggests a significant bias in Hire fleet capex in the coming two years to migrate from the current 53% level.

Early in FY26, Speedy replaced its existing £180m ABL borrowing facility with **a £150m RCF (initially for a 3-year term) and a £75m 7-year private placement term loan.** The latter forms the cornerstone of Speedy's longer term asset funding, while the RCF provides additional headroom to support capex schedules, seasonal borrowing requirements and capacity to take advantage of other growth opportunities should they arise.

Strategy progress: Enabling IT well advanced

To provide a brief recap, Speedy's **Velocity strategy was launched in July 2023** targeting more efficiently delivered profitable business growth through a fundamental business transformation. FY26 will be the third of this five-year programme and the 'Enabling' phase is effectively intended to conclude this year.

FY25 was characterised by a number of tangible actions which can be seen as forward steps but also as foundational ones for wider business co-ordination in the near future. While the associated workstreams are extensive we summarise our simplified take on progress into two main areas:

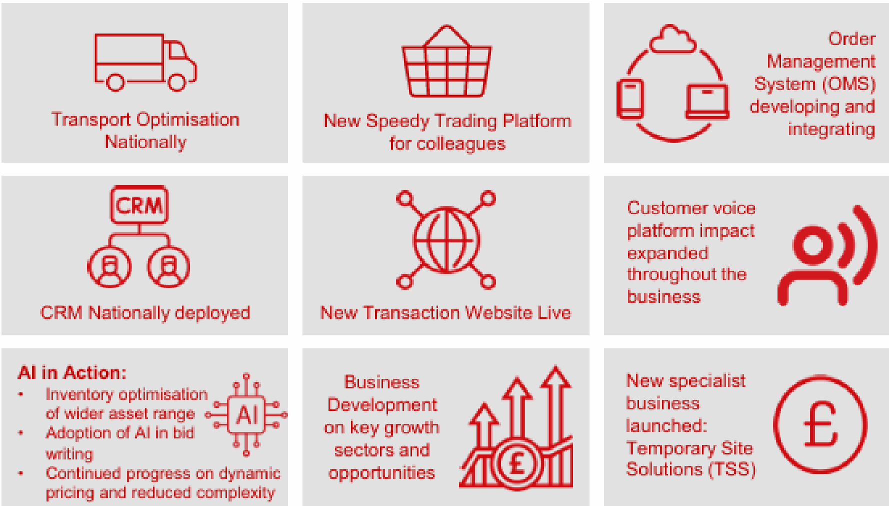
- **Customer-facing** – a re-launch of digital channels took place (including a new website and app) providing more corporate-level information on the range and breadth of Hire and Services activities that Speedy offers, essentially under a single brand umbrella. In addition, a new CRM system was introduced in H2 and is designed to pull together a national perspective on a dispersed and diverse client base.
- **Operational** – a logistics order management system (OMS) was trialled in the year to drive optimal movements of physical assets from delivery through to collection in the context of all other group asset movements. Speedy has been working with Peak AI since 2018 on data-driven business

improvements and is further embedding predictive modelling to drive supply chain, ordering, inventory balancing and dynamic pricing based on asset availability

A reduction in the absolute number of depots (including some consolidation and investment in others) is part of the network optimisation programme feeding into the above operational advancements.

For the new financial year, the flagged actions can be seen as both maturing some of the above programmes and, crucially, increasing the connectivity between systems through additional steps. The company graphic below shows discrete areas of focus but in reality, they are highly interdependent.

Velocity strategy: Enabling actions to be executed in FY26



Source: Company

Picking out a few examples:

- **Digital channels** – the existing transactional channel will be migrated across to operate seamlessly with the new digital channels launched in FY25 referenced above. The combination will allow a more proactive approach to developing online business with both registered and potential customers.
- **Enhanced AI capability** – provides a full picture of asset availability which informs Business Development and customer-facing interactions (including service calls backed by the CRM) and drives the Order Management/Transport Optimisation disciplines.

The objective then is to have fully functioning customer service and management information dashboards based on real-time information that support agile, informed, decision-making and performance monitoring. The development of new business streams (such as TSS or large national account wins) will be founded upon and accommodated within the systems and structures that are expected to be substantially in place and bedded down by the end of FY26.

Outlook: looking for progress

The latest UK Construction PMI reading remained below 50 and the **near-term GDP outlook is for modest growth**. With well-flagged new business for Speedy coming on stream towards the year end, we remain confident that the **company can deliver top line growth** though this is from a lower base than we had previously anticipated. Also reflecting improvements seen in FY25, our **revised margin expectations** offset our lower absolute revenue projections, leaving **core profitability estimates fundamentally unchanged**.

Further down the Income Statement, our **headline PBT and EPS changes are driven by higher financing costs** with around three quarters of the increase relating to IFRS16 interest. From an FY25 low point, the **three-year EPS CAGR to FY28 on our estimates is c.60%**. Note that we have incorporated a **flat DPS profile for the next two years with a small uplift from FY28**. Our headline estimate changes are summarised in the table below.

Speedy Hire: estimate changes

Year to March (£m)	FY25E	FY25A		FY26E	FY26E		FY27E	FY27E		FY28	FY28
			%chg	Was	New	*%chg*	Was	New	*%chg*	Was	New
Revenue £m	434.6	416.7	*-4%*	457.2	439.4	*-4%*	481.1	461.9	*-4%*	N/A	485.7
EBITDA £m	97.0	97.1	*0%*	103.7	103.1	*-1%*	114.1	113.6	*0%*	N/A	124.2
EBIT £m	25.6	23.6	*-8%*	31.0	31.1	*0%*	40.2	40.3	*0%*	N/A	49.6
PTP adjusted £m	12.0	8.7	*-27%*	17.7	15.9	*-10%*	27.4	25.7	*-6%*	N/A	35.2
EPS adjusted p	1.99	1.41	*-29%*	2.89	2.62	*-10%*	4.48	4.20	*-6%*	N/A	5.75
DPS p	2.60	2.60	*0%*	2.60	2.60	*0%*	2.60	2.60	*0%*	N/A	2.80

Source: Equity Development

When the Velocity strategy was launched, its financial targets included £650m revenue and a 28% group EBITDA by FY28. Management has not changed these targets, but absent acquisitions and a series of sizeable National account Hire segment new business wins, we consider that this aspirational target is unlikely to be reached. That said, a 28% EBITDA margin was always considered possible organically from the existing business.

Our model incorporates **EBITDA margin progression** as follows:

- **FY26E: 23.5%** (ie in line with FY25), **FY27E 24.6%** and **FY28E 25.6%**

The obvious high-level levers to deliver this progress are a combination of mix (eg improving Hire, Lloyds British relative contributions) within a growing top line delivered from a more efficient operating base (covering both costs to serve and enhanced asset utilisation).

We believe that our FY28E expectation is above consensus (and drives materially higher relative PTP and EPS forecasts). At the same time, it remains conservative against management's own stated 28% target. In addition, for context we note that our FY28E assumption is in line with the EBITDA margin reported in FY22 and below that of FY21.

The financial statements incorporating our estimates are shown in full at the end of this report.

Valuation: attractions remain

Speedy's share price fell sharply following the February trading update. Despite having recovered well since the beginning of April, it remains down c.10% YTD.

On our revised estimates, the company is still trading on a P/E below 10x for the current year and offers a 7% short term dividend yield (10.2% on a prospective full year basis) and a discount to our projected NAV.

Our DCF derived Fair Value of 48p per share gives an equivalent FY28E P/E multiple of 8.3x on our estimates.

Valuation metrics remain attractive

Looking at conventional earnings-based multiples, we note:

- **P/E: current year 9.8x, declining to 4.4x by FY28E** (following an EPS CAGR of c.60% from FY25 lows)
- **EV/EBITDA:**
    - **Reported** basis[2]: **current year 2.2x**, falling to **FY28E 1.8x**
    - **IFRS16 adjusted** basis[3]: **FY26E 3.4x**, **FY28 2.5x**

The decision to maintain the full year DPS at prior year levels is significant and equates to a **10.2% dividend yield (including c.7% on the proposed final)**.

Lastly, we return to NAV as a valuation benchmark, the 25.5p share price represents a **c.17% discount to our projected end FY26E NAV per share.**

DCF: FY28E EBITDA margin drives a 48p per share Fair Value

Revisiting our DCF model, the **current 25.5p share price requires imputed profitability not much more than our FY26E EBITDA** of £103m (using a WACC of 8%). While our estimate represents progress over the FY25 level, there is very little credit being given for Velocity-driven prospects beyond this in our view.

For illustration, assuming our FY28E EBITDA to be the long-term, steady state level of profitability generates a Fair value of 48p per share.

As previously mentioned, the underlying margin supporting this level of EBITDA in our analysis is 25.6%. Acknowledging that this is in between the current peer group consensus and management's own 28% target, we consider this to be a reasonable valuation benchmark.

[2] Reported basis EBITDA = underlying EBIT (company) excluding disposals plus all depreciation
[3] IFRS16 adjusted basis EBITDA = Reported basis less IFRS16 interest and principal cash

Financials

Speedy Hire: Income Statement											
Year End: March	**£m**	**2019***	**2020****	**2021****	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2027E**
		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**	**439.4**	**461.9**	**485.7**
Gross Profit		**214.4**	**214.3**	**184.9**	**221.1**	**239.4**	**230.0**	**236.1**	**253.5**	**269.3**	**286.1**
EBITDA - SDY norm		**103.6**	**103.4**	**90.6**	**100.1**	**103.9**	**96.8**	**97.1**	**103.1**	**113.6**	**124.2**
EBIT - SDY norm		**36.7**	**33.4**	**21.7**	**32.1**	**32.7**	**24.5**	**23.6**	**31.1**	**40.3**	**49.6**
Net Bank Interest		(2.9)	(3.0)	(2.6)	(2.6)	(4.4)	(7.4)	(9.1)	(8.5)	(8.2)	(8.0)
IFRS16 Interest		(3.5)	(2.8)	(2.4)	(2.5)	(3.5)	(5.0)	(6.4)	(6.4)	(6.4)	(6.4)
Other financial		(0.8)	(0.4)	(0.4)	(0.6)	(0.7)	(0.3)	(0.4)	(1.0)	(1.0)	(1.0)
Associates/JVs		1.9	2.8	1.2	3.2	6.6	2.9	1.0	0.7	1.0	1.0
Profit Before Tax (SDY norm)		**31.4**	**30.0**	**17.5**	**29.6**	**30.7**	**14.7**	**8.7**	**15.9**	**25.7**	**35.2**
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)	(5.0)	0.0	0.0
Profit Before Tax (reported)		**28.7**	**16.1**	**8.3**	**29.1**	**1.8**	**5.1**	**(1.5)**	**10.3**	**25.1**	**34.6**
Tax		(5.5)	(3.9)	(2.2)	(7.7)	(0.6)	(2.4)	0.4	(2.6)	(6.3)	(8.7)
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)**	**7.7**	**18.8**	**25.9**
EPS FD - SDY norm (p)		**4.9**	**4.5**	**2.6**	**4.1**	**4.9**	**2.2**	**1.4**	**2.6**	**4.2**	**5.7**
EPS FD - reported (p)		**4.4**	**2.3**	**1.2**	**4.0**	**0.2**	**0.6**	**(0.2)**	**1.7**	**4.1**	**5.6**
Dividend per share (p)		**2.0**	**0.7**	**1.4**	**2.2**	**2.6**	**2.6**	**2.6**	**2.6**	**2.6**	**2.8**
Shares - Basic W. 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***	***57.7***	***58.3***	***58.9***
EBITDA - SDY norm		***26.2***	***27.8***	***27.3***	***25.9***	***23.6***	***23.0***	***23.3***	***23.5***	***24.6***	***25.6***
EBIT SDY norm		***9.3***	***9.0***	***6.5***	***8.3***	***7.4***	***5.8***	***5.7***	***7.1***	***8.7***	***10.2***

Source: Company Equity Development

Speedy Hire: Cash Flow Statement

Year End: March £m	2019*	2020*	2021*	2022	2023	2024	2025	2026E	2027E	2027E
	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	103.1	113.6	124.2
Change in working capital	(4.6)	9.8	12.3	(13.6)	(6.2)	5.8	(5.3)	(0.3)	(6.8)	(7.2)
Purchase of hire equipment (net)	(36.5)	(41.9)	(24.2)	(57.9)	(36.8)	(25.2)	(36.8)	(35.0)	(40.0)	(40.0)
Other	(1.3)	(6.8)	(5.8)	0.0	(9.0)	(8.4)	(6.4)	(4.3)	0.7	0.8
Operating Cash Flow	**61.2**	**64.5**	**72.9**	**28.6**	**51.9**	**69.0**	**48.6**	**63.5**	**67.5**	**77.8**
Interest paid	**(6.7)**	**(6.5)**	**(6.0)**	**(6.0)**	**(8.4)**	**(12.7)**	**(15.8)**	**(14.9)**	**(14.6)**	**(14.4)**
Tax paid	**(4.7)**	**(9.3)**	**(0.8)**	**(3.0)**	**(3.1)**	**(3.7)**	**0.6**	**(2.6)**	**(6.3)**	**(8.7)**
Investing Activities	**(36.2)**	**(3.5)**	**3.6**	**(14.1)**	**(3.4)**	**(24.2)**	**(4.6)**	**(7.0)**	**(7.3)**	**(7.0)**
Associates & JV income	0.0	0.0	1.0	1.9	5.6	3.9	4.2	1.0	0.7	1.0
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)	0.0	0.0	0.0
Financing Activities	**(7.6)**	**(32.8)**	**(81.3)**	**(15.9)**	**(38.0)**	**(25.4)**	**(29.5)**	**(40.5)**	**(40.5)**	**(40.7)**
Change in loan capital	25.8	2.1	(58.2)	25.4	23.3	12.4	8.6	0.0	0.0	0.0
IFRS16 lease payments	(23.7)	(24.5)	(23.6)	(24.6)	(26.5)	(26.0)	(28.6)	(28.6)	(28.6)	(28.6)
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)	(11.9)	(11.9)	(12.1)
Other	0.0	0.0	0.0	0.0	0.0	0.0	2.3	0.0	0.0	0.0
Net Cash Flow	6.0	12.4	(11.6)	(10.4)	(1.0)	3.0	(0.7)	(1.5)	(1.2)	6.9
Opening net cash/(debt) - pre IFRS16	**(69.1)**	**(89.1)**	**(79.3)**	**(33.2)**	**(67.5)**	**(92.4)**	**(101.3)**	**(113.1)**	**(114.6)**	**(115.7)**
Change in net cash	6.0	12.4	(11.6)	(10.4)	(1.0)	3.0	(0.7)	(1.5)	(1.2)	6.9
Change in loan capital	(25.8)	(2.1)	58.2	(25.4)	(23.3)	(12.4)	(8.6)	0.0	0.0	0.0
Other	(0.2)	(0.5)	(0.5)	1.5	(0.6)	0.5	(11.1)	0.0	0.0	0.0
Closing net cash/(debt) - pre IFRS16	**(89.1)**	**(79.3)**	**(33.2)**	**(67.5)**	**(92.4)**	**(101.3)**	**(113.1)**	**(114.6)**	**(115.7)**	**(108.8)**
IFRS16 lease liabilities	(82.4)	(72.9)	(63.2)	(76.7)	(86.1)	(97.6)	(105.9)	(105.9)	(105.9)	(105.9)
Company Free Cash Flow:										
Net Cash Flow		**12.4**	**(11.6)**	**(10.4)**	**(1.0)**	**3.0**	**(0.7)**	**(1.5)**	**(1.2)**	**6.9**
Dividends paid		10.9	0.0	11.3	10.9	11.8	11.8	11.9	11.9	12.1
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)	0.0	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**	**10.4**	**10.7**	**19.0**

Source: Company, Equity Development

Speedy Hire: Balance Sheet

Year End: March	£m	2019*	2020*	2021	2022	2023	2024	2025	2026E	2027E	2027E
		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**	**391.6**	**396.0**	**398.8**
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	245.5	251.4	256.0
Tangible Assets - RoU		66.4	64.7	59.1	73.3	83.2	97.3	104.2	104.2	104.2	104.2
JV/Associate Interests		7.6	7.3	6.2	7.8	9.2	8.8	5.7	5.4	5.6	5.6
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**	**126.0**	**134.6**	**143.6**
Inventory		8.8	8.7	8.2	8.1	12.7	11.8	11.2	12.5	14.0	15.5
Trade Receivables		98.1	95.5	88.5	100.1	97.9	93.9	96.3	99.6	106.7	114.2
Other Debtors		6.6	8.3	5.9	8.6	9.6	11.6	11.8	11.8	11.8	11.8
Cash		5.3	22.8	11.7	2.5	1.1	4.0	2.1	2.1	2.1	2.1
Current Liabilities		**(117.2)**	**(117.5)**	**(116.1)**	**(122.7)**	**(121.9)**	**(128.6)**	**(140.4)**	**(149.2)**	**(155.2)**	**(153.3)**
Trade Payables		(54.2)	(52.3)	(49.8)	(45.3)	(39.1)	(44.9)	(43.1)	(47.4)	(49.1)	(50.9)
Other Creditors		(42.9)	(45.0)	(49.1)	(55.1)	(59.4)	(60.4)	(70.0)	(73.1)	(76.2)	(79.4)
IFRS16 Lease Liabilities		(20.1)	(20.2)	(16.7)	(20.6)	(22.1)	(22.1)	(25.0)	(25.0)	(25.0)	(25.0)
Short-term Borrowings		0.0	0.0	(0.5)	(1.7)	(1.3)	(1.2)	(2.3)	(3.8)	(4.9)	2.0
Non-Current Liabilities		**(163.1)**	**(163.4)**	**(102.6)**	**(136.6)**	**(169.9)**	**(195.9)**	**(210.4)**	**(210.4)**	**(210.4)**	**(210.4)**
Long-term Borrowings		(90.4)	(102.1)	(44.4)	(68.3)	(92.2)	(104.1)	(112.9)	(112.9)	(112.9)	(112.9)
IFRS16 Lease Liabilities		(55.0)	(52.7)	(46.5)	(56.1)	(64.0)	(75.5)	(80.9)	(80.9)	(80.9)	(80.9)
Other Long-term Liabilities		(17.7)	(8.6)	(11.7)	(12.2)	(13.7)	(16.3)	(16.6)	(16.6)	(16.6)	(16.6)
Net Assets		**209.7**	**209.9**	**220.8**	**226.4**	**184.6**	**175.7**	**162.2**	**158.0**	**164.9**	**178.7**

Source: Company, Equity Development

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