Vp plc

23 July 2026

Resilient trading and strategic progress

Vp's AGM statement confirms another period of resilient trading despite varying conditions across the Group's end markets. This once more reflects the strength of a diversified business model, specialist focus and technical expertise. Vp is on track to deliver a significant recovery in profitability in the current year, driven in particular by savings from last year's Brandon Hire Station restructuring, alongside the implementation of a refreshed strategy under new CEO Alice Woodwark. In our view, a current year P/E rating of 8x (dividend yield ~8%) materially undervalues the quality of the business and its long-term earnings growth potential. We maintain our 750p/ share Fair Value estimate.

Trading in line with expectations

Today's update reinforces the key themes of Vp's FY26 results. Trading is resilient and the Board is confident of performing in line with expectations for the current year. End market conditions are varied, with positive commentary around electricity transmission, specialist construction and international markets offsetting slower than anticipated activity in UK Infrastructure, specifically AMP8/ Water. AMP8 activity is expected to build throughout the year. FY27 forecasts (PBT of £32.5m) show significant YOY growth (FY26: £27.0m), as the business builds on strong foundations, having addressed the underperformance of Brandon Hire Station (see our FY26 results note).

Clear framework for sustainable long-term growth

The update also reiterates confidence in the medium-term plan. The digital transformation programme is supporting cross-divisional collaboration, whilst Group leadership has been strengthened by the inclusion of individual business Managing Directors on the Executive Committee. Five strategic pillars (see FY26 results presentation) provide a clear framework for sustainable long-term growth.

Valuation fails to reflect recovery prospects and income attractions

Vp's shares are trading on just 8x P/E for FY27 (falling to 7.5x by FY29). In our view, this fails to reflect the quality and track record of the Group, the earnings recovery and income potential, and the strategic progress being made. Our 750p/ share Fair Value estimate equates to an FY28 P/E rating of 12x, in line with the Group's historic average rating, but only reflecting a partial recovery in earnings.

Key financials & valuation metrics

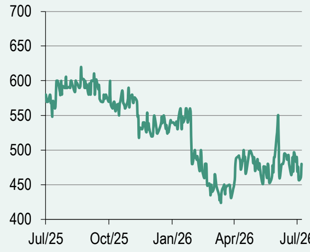
Year to 31 March (£m)	2025A	2026A	2027E	2028E	2029E
Sales	380.0	358.3	359.0	373.0	387.0
EBITDA	109.5	98.1	104.5	106.2	108.0
EBITDA (pre IFRS 16)	90.6	78.5	84.8	86.5	88.3
Adjusted PBT	36.7	27.0	32.5	33.5	35.0
FD EPS (p)	66.6	54.5	59.6	61.5	64.2
DPS (p)	39.5	39.5	39.5	39.5	39.5
Net Cash/(Debt)*	-138.5	-148.9	-155.9	-153.2	-149.3
Net Cash/(Debt)**	-204.0	-212.6	-219.5	-216.8	-213.0
P/E	7.2x	8.8x	8.0x	7.8x	7.5x
EV/EBITDA	3.6x	4.1x	3.9x	3.8x	3.7x
Dividend yield	8.2%	8.2%	8.2%	8.2%	8.2%
FCF yield	6.6%	4.0%	4.5%	9.7%	10.2%

*Source: ED analysis, IFRS 16 basis unless stated *excluding leases (pre IFRS 16) ** including leases (IFRS 16)*

Company data

EPIC	VP.
Price (last close)	480p
52 weeks Hi/Lo	620p/424p
Market cap	£190m
ED Fair Value / share	750p
Net cash / (debt) 2025A	(£148m)
Avg. daily volume (3m)	23k

Share price, p



Source: investing.com

Description

Vp plc is a specialist equipment rental business providing equipment, people, services and support for specialist projects. It focuses on niche sectors principally in the Infrastructure (37% of Group revenue), Construction (40%), Housebuilding (7%) and Energy (8%) markets in the UK and Overseas. It has an excellent track record of growth and high returns over many years as well as a 30+ year unbroken dividend record.

Next event

H1 Trading Update – Oct 2026

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Summary financials

Income statement						
Year to 31 March (£m)	**2024A**	**2025A**	**2026A**	**2027E**	**2028E**	**2029E**
Revenue						
UK	309.3	317.6	287.1	285.0	295.0	305.0
International	59.4	62.3	71.2	74.0	78.0	82.0
Group	368.7	380.0	358.3	359.0	373.0	387.0
Revenue growth						
UK	-7%	3%	-10%	-1%	4%	3%
International	56%	5%	14%	4%	5%	5%
Group	-1%	3%	-6%	0%	4%	4%
Adjusted operating profit						
UK	39.4	37.4	24.6	29.5	30.5	31.5
International	10.1	9.6	12.6	13.0	13.7	14.5
Group	49.5	47.0	37.2	42.5	44.2	46.0
Net Interest	-9.6	-10.3	-10.2	-10.0	-10.7	-11.0
Adjusted PBT	39.9	36.7	27.0	32.5	33.5	35.0
Exceptional	-5.8	-10.9	-30.6	-5.0	-5.0	-5.0
Amortisation of acquired intangibles	-31.2	-4.1	-3.4	-2.5	-2.5	-2.5
Reported PBT	2.8	21.7	-7.0	25.0	26.0	27.5
EPS (adjusted)	73.5p	66.8p	54.5p	59.6p	61.5p	64.2p
EPS (adjusted fully diluted)	73.1p	66.6p	54.5p	59.6p	61.5p	64.2p

Source: Company actuals, Equity Development forecasts, IFRS 16 basis

Cash flow statement

Year to 31 March (£m)	2024A	2025A	2026A	2027E	2028E	2029E
Operating profit	49.5	47.0	37.2	42.5	44.2	46.0
Depreciation	45.9	47.3	45.0	46.0	46.0	46.0
Profit on Disposals	-7.5	-8.0	-10.0	-8.0	-8.0	-8.0
Exceptionals	-5.8	-4.6	-25.5	-9.0	-5.0	-5.0
Working Capital	9.8	-5.0	6.2	-1.5	-1.5	-1.5
Other	-0.4	0.6	-0.2	0.5	0.5	0.5
Operating cashflow	**91.4**	**77.4**	**52.7**	**70.5**	**76.2**	**78.0**
Interest	-9.8	-10.4	-6.1	-10.0	-10.7	-11.0
Tax	-9.2	-4.6	-4.3	-6.9	-7.2	-7.6
Cashflow from operations	**72.4**	**62.4**	**42.3**	**53.6**	58.4	59.4
Capital Expenditure	-72.3	-73.7	-59.9	-65.0	-60.0	-60.0
Sale of Fixed Assets	25.3	23.7	25.2	20.0	20.0	20.0
Free cashflow	**25.3**	**12.5**	**7.6**	**8.6**	18.4	19.4
Acquisitions	0.0	-9.9	-1.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Shares	-0.7	0.0	0.0	0.0	0.0	0.0
Dividends	-15.0	-15.4	-15.6	-15.6	-15.6	-15.6
Other	0.0	-0.4	-0.3	0.0	0.0	0.0
Underlying cashflow	**9.6**	**-13.3**	**-9.3**	**-7.0**	2.7	3.8
Other/FX	-0.4	0.0	-1.1	0.0	0.0	0.0
Overall cashflow	**9.2**	**-13.3**	**-10.4**	**-7.0**	2.7	3.8
Net Cash/(Debt) pre IFRS 16	-125.2	-138.5	-148.9	-155.9	-153.2	-149.3
Lease adjustment	-62.0	-65.4	-63.6	-63.6	-63.6	-63.6
Net Cash/ (Debt) post IFRS 16	-187.2	-204.0	-212.6	-219.5	-216.8	-213.0

Source: Company actuals, Equity Development forecasts

Balance sheet						
Year to 31 March (£m)	**2024A**	**2025A**	**2026A**	**2027E**	**2028E**	**2029E**
Non-current assets						
Property, Plant and Equipment	256.9	271.1	263.8	270.8	272.8	274.8
Goodwill	16.6	17.9	18.9	18.9	18.9	18.9
Intangible assets	12.0	11.5	8.1	5.6	3.1	0.6
Right of use assets	58.6	57.8	54.8	54.8	54.8	54.8
Employee benefits	1.9	0.9	0.8	1.0	1.0	1.0
Total non-current assets	346.0	359.1	346.5	351.2	350.7	350.2
Current Assets						
Inventories	9.5	9.9	7.0	7.0	7.0	7.0
Trade and other receivables	74.8	71.5	68.3	69.8	71.3	72.8
Cash and cash equivalents	24.5	29.9	21.3	9.1	11.8	15.7
Income tax receivable	3.6	2.0	4.5	4.5	4.5	4.5
Assets held for resale	0.0	0.0	5.8	5.8	5.8	5.8
Total Current Assets	112.4	113.3	106.8	96.1	100.4	105.7
Current Liabilities						
Interest bearing loans and borrowings	-18.5	-17.2	-78.7	-15.0	-15.0	-15.0
Income tax payable	-1.5	-2.3	-2.8	-2.8	-2.8	-2.8
Lease liabilities	-16.3	-17.6	-18.2	-18.2	-18.2	-18.2
Trade and other payables	-71.7	-63.6	-57.3	-57.3	-57.3	-57.3
Provisions	0.0	0.0	-7.6	-7.6	-7.6	-7.6
Total Current Liabilities	-108.0	-100.7	-164.6	-100.9	-100.9	-100.9
Non-Current Liabilities						
Interest bearing loans and borrowings	-131.3	-151.2	-91.5	-150.0	-150.0	-150.0
Lease liabilities	-45.6	-47.8	-45.4	-45.4	-45.4	-45.4
Provisions	-3.8	-5.5	-7.4	-4.1	-4.6	-5.1
Deferred tax liabilities	-16.6	-16.8	-13.2	-13.2	-13.2	-13.2
Total non-current liabilities	-197.4	-221.3	-157.5	-212.7	-213.2	-213.7
Net Assets	153.0	150.4	131.1	133.6	136.9	141.2
Minority	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	153.0	150.4	131.1	133.6	136.9	141.2

Source: Company actuals, Equity Development forecasts

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