

## Resilient trading and strategic progress

23 July 2026

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 Woodward. 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.

#### 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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#### 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)

## Summary financials

| Income statement                     |              |              |              |              |              |              |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Year to 31 March (£m)                | 2024A        | 2025A        | 2026A        | 2027E        | 2028E        | 2029E        |
| <b>Revenue</b>                       |              |              |              |              |              |              |
| 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         |
| <b>Group</b>                         | <b>368.7</b> | <b>380.0</b> | <b>358.3</b> | <b>359.0</b> | <b>373.0</b> | <b>387.0</b> |
| <b>Revenue growth</b>                |              |              |              |              |              |              |
| UK                                   | -7%          | 3%           | -10%         | -1%          | 4%           | 3%           |
| International                        | 56%          | 5%           | 14%          | 4%           | 5%           | 5%           |
| <b>Group</b>                         | <b>-1%</b>   | <b>3%</b>    | <b>-6%</b>   | <b>0%</b>    | <b>4%</b>    | <b>4%</b>    |
| <b>Adjusted operating profit</b>     |              |              |              |              |              |              |
| 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         |
| <b>Group</b>                         | <b>49.5</b>  | <b>47.0</b>  | <b>37.2</b>  | <b>42.5</b>  | <b>44.2</b>  | <b>46.0</b>  |
| Net Interest                         | -9.6         | -10.3        | -10.2        | -10.0        | -10.7        | -11.0        |
| <b>Adjusted PBT</b>                  | <b>39.9</b>  | <b>36.7</b>  | <b>27.0</b>  | <b>32.5</b>  | <b>33.5</b>  | <b>35.0</b>  |
| 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         |
| <b>Reported PBT</b>                  | <b>2.8</b>   | <b>21.7</b>  | <b>-7.0</b>  | <b>25.0</b>  | <b>26.0</b>  | <b>27.5</b>  |
| 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         |
| <b>Operating cashflow</b>       | <b>91.4</b> | <b>77.4</b>  | <b>52.7</b>  | <b>70.5</b> | <b>76.2</b> | <b>78.0</b> |
| 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        |
| <b>Cashflow from operations</b> | <b>72.4</b> | <b>62.4</b>  | <b>42.3</b>  | <b>53.6</b> | 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        |
| <b>Free cashflow</b>            | <b>25.3</b> | <b>12.5</b>  | <b>7.6</b>   | <b>8.6</b>  | 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         |
| <b>Underlying cashflow</b>      | <b>9.6</b>  | <b>-13.3</b> | <b>-9.3</b>  | <b>-7.0</b> | 2.7         | 3.8         |
| Other/FX                        | -0.4        | 0.0          | -1.1         | 0.0         | 0.0         | 0.0         |
| <b>Overall cashflow</b>         | <b>9.2</b>  | <b>-13.3</b> | <b>-10.4</b> | <b>-7.0</b> | 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         |
| <b>Non-current assets</b>             |               |               |               |               |               |               |
| 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           |
| <b>Total non-current assets</b>       | <b>346.0</b>  | <b>359.1</b>  | <b>346.5</b>  | <b>351.2</b>  | <b>350.7</b>  | <b>350.2</b>  |
| <b>Current Assets</b>                 |               |               |               |               |               |               |
| 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           |
| <b>Total Current Assets</b>           | <b>112.4</b>  | <b>113.3</b>  | <b>106.8</b>  | <b>96.1</b>   | <b>100.4</b>  | <b>105.7</b>  |
| <b>Current Liabilities</b>            |               |               |               |               |               |               |
| 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          |
| <b>Total Current Liabilities</b>      | <b>-108.0</b> | <b>-100.7</b> | <b>-164.6</b> | <b>-100.9</b> | <b>-100.9</b> | <b>-100.9</b> |
| <b>Non-Current Liabilities</b>        |               |               |               |               |               |               |
| 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         |
| <b>Total non-current liabilities</b>  | <b>-197.4</b> | <b>-221.3</b> | <b>-157.5</b> | <b>-212.7</b> | <b>-213.2</b> | <b>-213.7</b> |
| <b>Net Assets</b>                     | <b>153.0</b>  | <b>150.4</b>  | <b>131.1</b>  | <b>133.6</b>  | <b>136.9</b>  | <b>141.2</b>  |
| Minority                              | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Total Equity</b>                   | <b>153.0</b>  | <b>150.4</b>  | <b>131.1</b>  | <b>133.6</b>  | <b>136.9</b>  | <b>141.2</b>  |

Source: Company actuals, Equity Development forecasts

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