

## 30+ year dividend track record; confident outlook

10 June 2026

Vp's FY26 results are in line with February's guidance, confirming a resilient performance in the context of a mixed market backdrop. International growth is the trading highlight, whilst the restructuring of Brandon Hire Station should underpin UK recovery from FY27. The Board's confidence is reflected in a maintained full year dividend, continuing a 30+ year unbroken dividend record. After a period of transformation, Vp is positioned to deliver a significant recovery in profitability alongside the implementation of a refreshed strategy. In our view, the opportunity is not reflected in an FY28 P/E rating of 7.8x (dividend yield ~8.3%).

### Expectations reiterated, underpinning dividend forecasts

Today's results are in line with our expectations. Revenue declined by 5.7%, reflecting challenging conditions in UK general construction in particular, whilst PBT reduced to £27.0m (ED forecast: £27.0m) from £36.7m. FY27 guidance has been reiterated, with specific reference to consensus adjusted PBT forecasts of £33m. This represents significant growth year on year, which will be largely delivered by expected savings from the Brandon Hire Station restructuring. The resilience of trading over recent months and the Board's confidence in the Group's prospects have underpinned an unchanged full year dividend of 39.5p.

### Focus on strategic execution

New CEO Alice Woodwork has carried out an initial review of the Group in her first three months, highlighting the strength of the business, the expertise of the people and the opportunity ahead. The messaging is in sync with the strategy refresh carried out under previous CEO Anna Bielby, and the focus will now be on developing this into a comprehensive medium-term plan.

### Valuation fails to reflect recovery prospects and income attractions

Vp is trading in line with expectations for FY27, which assume a step forward in profitability as the benefits of the Brandon Hire Station restructuring come through, alongside improving Infrastructure demand. Vp's shares are trading on just 8x P/E for FY27 (falling to c.7x over FY28/29). In our view, this fails to reflect the prospect of strong earnings recovery in the near term and growth in UK and International businesses over the medium term. We maintain our 750p/ share Fair Value estimate.

#### Company data

EPIC	VP.L
Price (last close)	478p
52 weeks Hi/Lo	650p/424p
Market cap	£192m
ED Fair Value / share	750p
Net cash / (debt) 2025A	(£148m)
Avg. daily volume (3m)	17k

#### 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 (38% of Group revenue), Construction (36%), Housebuilding (7%) and Energy (10%) 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

AGM update - July/August 2026

#### James Tetley (Analyst)

0207 065 2690  
james.tetley@equitydevelopment.co.uk

#### Rachel Hayes

0207 065 2695  
rachel.hayes@equitydevelopment.co.uk

#### 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 IFRS16)	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	7.4x
EV/EBITDA	3.6x	4.1x	3.9x	3.8x	3.7x
Dividend yield	8.3%	8.3%	8.3%	8.3%	8.3%
FCF yield	6.6%	4.0%	4.6%	9.7%	10.3%

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

## A year of transformation despite challenging backdrop

FY26 was a year of transformation for Vp, with the significant right-sizing of Brandon Hire Station (branch numbers reduced from 119 to 41, headcount reduced by c.400, and rental fleet reduced by 40%), a change of CEO and the continuing development of the Group's long-term growth strategy. The trading environment was challenging, prompting a rebasing of forecasts in February, but Vp has performed in line with revised expectations and reiterated guidance for FY27. This has given the Board the confidence to maintain the full year dividend at 39.5p, continuing a 30+ year uninterrupted dividend track record.

New CEO Alice Woodwark has carried out an initial review of the Group in her first three months, highlighting the strength of the business, the expertise of the people and the opportunity ahead. The messaging is in sync with the strategy refresh carried out under previous CEO Anna Bielby, and the focus is now on developing this into a comprehensive medium-term plan with further updates to follow during the course of the year.

## Financial highlights

- Revenue declined by 5.7% to £358.3m, reflecting challenging conditions in the UK general construction market in particular.
- UK revenue declined by 10% to £287.1m and operating profit declined to £24.6m (FY25: £37.4m).
- International revenue increased by 14% to £71.2m (FY25: £62.3m), driven by a full year's contribution from the October 2024 CPH acquisition and strong underlying demand.
- Operating margin fell by 200bps to 10.4%, reflecting lower activity in the UK and the impact of higher employment costs this year (employers' NICs and the National Living Wage).
- Net exceptional items of £30.6m included £20.9m of restructuring costs, of which £20.1m related to the transformation of the Brandon Hire Station business.
- Return on average capital employed reduced to 11.2% (FY25: 14.2%) but should show a recovery in FY27, as gains come through from the Brandon Hire Station restructuring.
- Vp invested £51.6m in the rental fleet to support growth opportunities, reflecting management's confidence in growth prospects and comfortable facility headroom.
- Net debt (ex. leases) increased by 7.5% to £148.9m, reflecting the ongoing investment in the rental fleet, as well as cash exceptionals relating to the restructuring. Leverage remains well within management's <2.0x leverage target.
- Ahead of the maturity of the Group's existing debt facilities, Vp has entered into an agreement for two new private placements with principal amounts of €38m and £15m, providing additional capacity alongside an £120m RCF, which will mature in November 2028.
- A final dividend of 28.0p has been proposed, taking the full year dividend to an unchanged 39.5p.

## Trading in line with expectations, profit growth well underpinned

Today's update reiterates expectations for FY27, with specific reference to consensus adjusted PBT forecasts of £33m. This represents significant growth year on year (FY26: £27.0m), but is well underpinned by the expected savings from the Brandon Hire Station restructuring, with further support from investment in the Group's digital roadmap and improving demand across core infrastructure markets.

Given the positive outlook statement, we upgrade our FY27 PBT forecasts to bring us in line with consensus expectations. We introduce FY28 and FY29 forecasts at the same time, assuming c.3%-5% PBT growth in both years, which is intended to be a conservative opening position. We assume the dividend is maintained over the forecast period, allowing dividend cover to rebuild towards management's 2x cover target.

### Forecast upgrades to move ED estimates in line with consensus

Year to 31 March (£m)	2026A	2026E	Change	2027E	2027E	Change	2028E	2029E
	Actual	Forecast		Revised	Old		New	New
Revenue £m	358.3	360.0	-0.5%	359.0	355.0	1.1%	373.0	387.0
EBITDA £m	98.1	101.0	-2.8%	104.5	104.5	0.0%	106.2	108.0
EBITDA £m (pre IFRS 16 measure)	78.5	81.3	-3.5%	84.8	84.8	0.0%	86.5	88.3
PBT (underlying) £m	27.0	27.0	-0.1%	32.5	30.5	6.6%	33.5	35.0
EPS fully diluted p	54.5	49.5	10.1%	59.6	55.8	6.8%	61.5	64.2
Dividend	39.5	39.5	0.0%	39.5	39.5	0.0%	39.5	39.5
Net cash/ (debt) ex. leases £m	-148.9	-150.1	-0.8%	-155.9	-158.6	-1.7%	-153.2	-149.3
Net cash/ (debt) inc. leases £m	-212.6	-215.6	-1.4%	-219.5	-224.0	-2.0%	-216.8	-213.0

Source: Company actuals, Equity Development forecasts

### FY26 Highlights (click for Equity Development research notes):

- 23 July 2025: [Robust AGM statement, on track for FY expectations](#)
- 10 October 2025: [Solid H1 performance, confident outlook and change of CEO](#)
- 27 November 2025: [Brandon Hire Station repositioned for profitability](#)
- 19 December 2025: [Appointment of Alice Woodwark as CEO](#)
- 11 February 2026: [Earnings reset reflects market headwinds](#)
- 17 April 2026: [Trading in line, confidence in FY27 reiterated](#)

## International now a major contributor to growth

Whilst the UK performance was held back by the impact of the weaker general construction market on Brandon Hire Station, it is important to note that International delivered strong growth in revenue (+14%) and operating profit (+32%). We estimate that just over half of the revenue growth in International was organic, and just under half related to the annualised contribution from the October 2024 CPH acquisition in Ireland, which has performed very well under Vp's ownership. International accounted for c. 1/3 of Group operating profit for the first time, confirming its increasing importance to Group growth prospects.

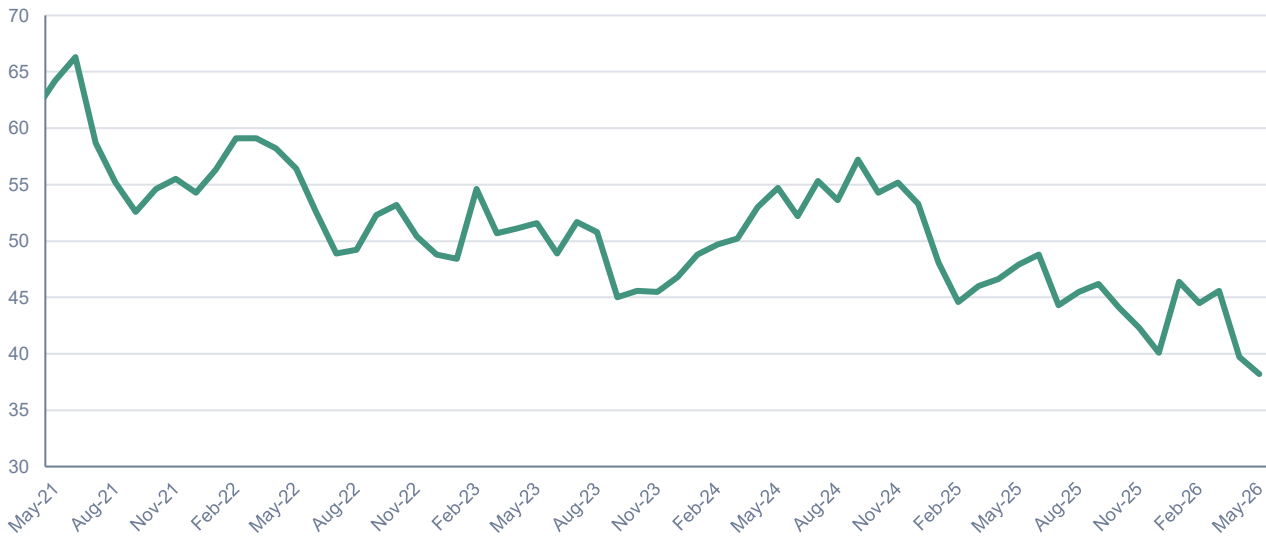
Divisional analysis									
Year to 31 March (£m)	H125(A)	H225(A)	2025(A)	H126(A)	H226(A)	2026(A)	2027(E)	2028(E)	2029(E)
<b>Revenue</b>									
UK	162.6	155.0	317.6	152.4	134.6	287.1	285.0	295.0	305.0
International	29.8	32.5	62.3	35.9	35.3	71.2	74.0	78.0	82.0
Group	192.5	187.5	380.0	188.4	169.9	358.3	359.0	373.0	387.0
<i>Growth Rate</i>	0.8%	5.5%	3.1%	-2.1%	-9.4%	-5.7%	0.2%	3.9%	3.8%
<b>Adjusted Operating Profit</b>									
UK	21.4	16.0	37.4	15.5	9.1	24.6	29.5	30.5	31.5
International	4.5	5.1	9.6	6.7	5.9	12.6	13.0	13.7	14.5
Group	25.9	21.1	47.0	22.3	14.9	37.2	42.5	44.2	46.0
<b>Operating Margin</b>									
UK	13.1%	10.3%	11.8%	10.2%	6.7%	8.6%	10.4%	10.3%	10.3%
International	15.1%	15.6%	15.4%	18.8%	16.7%	17.7%	17.6%	17.6%	17.7%
Group	13.4%	11.3%	12.4%	11.8%	8.8%	10.4%	11.8%	11.8%	11.9%
Interest	-4.8	-5.5	-10.3	-4.9	-5.3	-10.2	-10.0	-10.7	-11.0
Adjusted PBT	21.0	15.6	36.7	17.3	9.6	27.0	32.5	33.5	35.0
<i>Growth Rate</i>	-2.0%	-15.1%	-8.0%	-17.6%	-38.4%	-26.5%	20.5%	3.1%	4.5%

Source: Company actuals, Equity Development estimates

## Resilience in the face of UK market challenges

The UK Construction PMI has now been in negative territory for fifteen consecutive months (a reading below 50 signifying a contraction in activity). The May reading of 38.2 marked the sharpest contraction in UK construction activity since May 2020 (the height of the COVID pandemic), following a weak April, which reflected the early impact of rising energy prices and delayed project commitments in response to the war in the Middle East.

### UK Construction PMI – persistent weakness highlights depth of market challenges



Source: S&P/CIPS UK Construction PMI

In our view, this ongoing end market weakness provides clear justification for the significant steps taken to right-size the Brandon Hire Station business, the Vp business with the greatest exposure to the general construction market.

Vp has a strong track record of outperformance through previous economic cycles, which we attribute to the diversity of the Group's activities, a weighting towards Infrastructure and areas of regulatory spending, as well as the specialist nature of activities.

Within Specialist Construction, Vp provides highly technical equipment to targeted end markets with limited reliance on general construction activity. These include large scale commercial fitouts across offices and controlled clean-room environments, and work within critical sectors including data centres, food and beverage manufacturing and the pharmaceutical industry.

## 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

<b>Cash flow statement</b>						
<b>Year to 31 March (£m)</b>	<b>2024A</b>	<b>2025A</b>	<b>2026A</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>
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 IFRS16	-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

<b>Balance sheet</b>						
<b>Year to 31 March (£m)</b>	<b>2024A</b>	<b>2025A</b>	<b>2026A</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>
<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>						
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

## Contacts

### Andy Edmond

Direct: 020 7065 2691

Tel: 020 7065 2690

[andy@equitydevelopment.co.uk](mailto:andy@equitydevelopment.co.uk)

### Hannah Crowe

Direct: 0207 065 2692

Tel: 0207 065 2690

[hannah@equitydevelopment.co.uk](mailto:hannah@equitydevelopment.co.uk)

**Equity Development Limited is regulated by the Financial Conduct Authority**

## Disclaimer

Equity Development Limited ('ED') is retained to act as financial adviser for its corporate clients, some or all of whom may now or in the future have an interest in the contents of this document. ED produces and distributes research for these corporate clients to persons who are not clients of ED. In the preparation of this report ED has taken professional efforts to ensure that the facts stated herein are clear, fair and not misleading, but makes no guarantee as to the accuracy or completeness of the information or opinions contained herein.

Any reader of this research should not act or rely on this document or any of its contents. This report is being provided by ED to provide background information about the subject of the research to relevant persons, as defined by the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005. This document does not constitute, nor form part of, and should not be construed as, any offer for sale or purchase of (or solicitation of, or invitation to make any offer to buy or sell) any Securities (which may rise and fall in value). Nor shall it, or any part of it, form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

Research produced and distributed by ED on its client companies is normally commissioned and paid for by those companies themselves ('issuer financed research') and as such is not deemed to be independent as defined by the FCA but is 'objective' in that the authors are stating their own opinions. This document is prepared for clients under UK law. In the UK, companies quoted on AIM are subject to lighter due diligence than shares quoted on the main market and are therefore more likely to carry a higher degree of risk than main market companies.

ED may in the future provide, or may have in the past provided, investment banking services to the subject of this report. ED, its directors or persons connected may at some time in the future have, or have had in the past, a material investment in the Company. ED, its affiliates, officers, directors and employees, will not be liable for any loss or damage arising from any use of this document to the maximum extent that the law permits.

More information is available on our website [www.equitydevelopment.co.uk](http://www.equitydevelopment.co.uk)

Contact: [info@equitydevelopment.co.uk](mailto:info@equitydevelopment.co.uk) | 020 7065 2690