Vp plc

Self-help delivering, positive H2 outlook

25 November 2026

Vp's interims confirm a resilient H1 performance, with trading in line with expectations for the full year. Adjusted PBT was broadly flat at £16.9m (H1'26: £17.3m) as a 100bps improvement in operating margins offset an 8.6% revenue decline relating to the planned reduction in Brandon Hire Station volumes. Brandon returned to profit in Q2 following last year's restructuring. Water (AMP8) activity is building and International continues to trade well, whilst UK construction markets remain a challenge. Net debt reduced to £146.4m and the interim dividend was maintained at 11.5p, as expected. With the shares trading on 8.7x P/E and yielding 7.6%, we reiterate our 750p/share Fair Value estimate.

Resilient H1 driven by end market diversity and Brandon restructure

Vp has reported a very respectable H1 performance, broadly matching H1'26 PBT despite persistent challenges in some of the Group's core markets. The market backdrop remains mixed in the UK, with growth in water and transmission offsetting ongoing weakness in general construction and housebuilding. The International business continues to perform well. Last year's repositioning of Brandon Hire Station has created a leaner and more focused business, which returned to profit in Q2. This is a significant milestone, given the challenging market backdrop, providing a strong foundation for ongoing profit recovery.

New segmental analysis increases clarity

The interims introduce a new segmental structure, providing greater granularity, with the UK now reported as Site Solutions and Specialist Hire, alongside International. Key takeaways include strong margins within Site Solutions (reflecting the value-added activities) and the recovery potential within Specialist Hire (which contains the Brandon Hire Station business).

Sequential improvement underpins FY outlook

The business has delivered sequential quarterly profit growth from the start of the financial year, which has continued into the early stages of H2. Taking confidence from this, the Board indicates that the Group remains on track to meet market expectations. We reiterate our 750p Fair Value/ share estimate, based on 12x FY28E P/E, in line with the Group's historic average rating, with no recovery in end markets assumed.

Key financials & valuation metrics

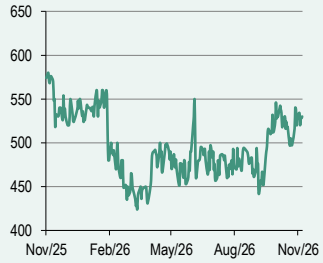
Year to 31 March (£m)	2025A	2026A	2027E	2028E	2029E
Sales	380.0	358.3	350.0	361.3	373.0
EBITDA	112.8	100.6	107.0	108.7	110.5
EBITDA (pre IFRS16)	94.3	82.2	88.5	90.2	92.0
Adjusted PBT	36.7	27.0	32.5	33.5	35.0
FD EPS (p)	66.6	54.5	59.7	61.4	64.2
DPS (p)	39.5	39.5	39.5	39.5	39.5
Net Cash/(Debt)*	(203.9)	(212.6)	(215.0)	(212.3)	(208.5)
Net Cash/(Debt)**	(138.5)	(148.9)	(151.4)	(148.7)	(144.8)
P/E	7.8x	9.5x	8.7x	8.5x	8.1x
EV/EBITDA	3.6x	4.2x	3.9x	3.8x	3.7x
Dividend yield	7.6%	7.6%	7.6%	7.6%	7.6%

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

Company data

EPIC	VP.L
Price (last close)	520p
52 weeks Hi/Lo	576p/424p
Market cap	£205m
ED Fair Value / share	750p
Net cash / (debt) 2026A	(£149m)
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 (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

Year-end trading update - April 2027

James Tetley (Analyst)
0207 065 2690
james.tetley@equitydevelopment.co.uk

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

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Resilient H1, momentum underpins FY expectations

Vp's interims confirm a resilient H1 performance, with the results benefiting from the recent Brandon Hire Station restructuring, strategic initiatives and the diversity of the Group's activities and end markets.

Underlying revenue was broadly flat, before the impact of the planned reduction in Brandon Hire Station trading volumes following last year's restructuring, which had a notable positive impact on operating margins.

Recent end market trends have continued, with positive infrastructure markets (water and transmission) offsetting challenges in UK general construction and housebuilding. International continues to perform well, building on the strong FY26 performance and reflecting the strength of demand for the Group's expertise in Ireland, Germany and Australia. Vp's small New Zealand business was divested in the period for c.£2m.

The Board expects the second half of FY27 to outperform H2'26, and the Group is therefore on track to perform in line with market expectations.

In terms of key strategic initiatives, the Group has introduced a **new, customer-focused operating model**, to enhance collaboration and cross-selling. Vp Water has been launched to reflect Vp's strength as a sector specialist, following the success of Vp Rail. The Digital transformation continues with the successful implementation of a single CRM system across the UK businesses. Cross-selling and digital engagement are key priorities for the management team.

Financial highlights

- Revenue decreased by 8.6% to £172.2m (H1'26: £188.4m). Adjusting for the planned reduction in Brandon Hire Station volumes, revenue was broadly unchanged.
- Operating margin increased to 12.8% (H1'26: 11.8%), with adjusted operating profit in line with the prior year at £22.1m (H1'26: £22.3m), a clear sign of the benefit of last year's restructuring.
- Adjusted PBT reduced by 2.8% to £16.9m (H1'26: £17.3m) and adjusted EPS was 30.5p (H1'26: 33.0p).
- Return on Average Capital Employed was 11.7% (H1'26: 12.8%), increasing by 0.5% compared to FY'26 (11.2%).
- Capital investment in the rental fleet was £20.0m (H1'26: £39.6m), reflecting the more subdued conditions in certain markets, as well as a prudent approach to cash management
- Net debt (ex. leases) was slightly lower than the year end position at £146.4m (30 September 2025: £155.9m; 31 March 2026: £148.9m), reflecting positive working capital management and the lower fleet investment.
- Ahead of the £65m private placement maturing in January 2027, the revolving credit facility was increased from £90m to £120m, and two new private placements (€38m and £15m) were agreed, with unchanged covenants.
- The interim dividend was unchanged at 11.5p, maintaining the impressive 30+ year track record of uninterrupted dividends.

New segmentation – clearer view of UK performance

Site Solutions, Specialist Hire and International

Site Solutions are 'first on site', providing large-scale equipment for activities required before or alongside the main construction works, including ground shoring, portable roadways and telehandlers. This is a high margin business (c.20% operating margin). H1'27 margins and profitability were both lower than H1'26, reflecting housebuilding weakness and a slow Q1 for water (which has now picked up).

Specialist Hire focuses on service and innovation across a range of specialist tools, equipment and technical solutions including site survey, test & measurement, specialist rail, fit-out tools and general tools including low-carbon electric-powered tools. Importantly, Specialist Hire contains Brandon Hire Station, which made a small profit in Q2 after a loss making Q1. This brings down the divisional operating margin but also represents an opportunity for margin recovery and profit growth.

International comprises the Group's operations in Ireland, Germany, and Australia, with specialisms in lifting equipment, portable roadways and test & measurement.

Divisional analysis

Year to 31 March (£m)	H126(A)	H226(A)	2026(A)	H127(A)	H227(E)	2027(E)	2028(E)	2029(E)
Revenue								
UK	148.9	132.5	281.3	129.3	136.9	266.1	274.1	282.3
o/w Site Solutions	50.7	42.9	93.6	45.7	46.9	92.6	95.4	98.3
o/w Specialist Hire	98.2	89.6	187.8	83.5	90.0	173.5	178.7	184.1
International	39.5	37.4	76.9	43.0	40.9	83.9	87.2	90.7
Group	188.4	169.9	358.3	172.2	177.8	350.0	361.3	373.0
Growth Rate	*-2.1%*	*-9.4%*	*-5.7%*	-8.6%	4.6%	-2.3%	3.2%	3.2%
Adjusted Operating Profit								
UK	15.6	8.9	24.5	15.2	14.9	30.1	31.1	32.4
Site Solutions	13.3	9.4	22.8	9.6	8.5	18.1	18.1	18.7
Specialist Hire	2.3	-0.6	1.7	5.6	6.4	12.1	13.0	13.7
International	6.6	6.1	12.7	6.9	5.5	12.4	13.1	13.6
Group	22.3	14.9	37.2	22.1	20.4	42.5	44.2	46.0
Operating Margin								
UK	*10.5%*	*6.7%*	*8.7%*	11.7%	10.9%	11.3%	11.3%	11.5%
Site Solutions	*26.3%*	*22.0%*	*24.3%*	20.9%	18.1%	19.5%	19.0%	19.0%
Specialist Hire	*2.3%*	*-0.6%*	*0.9%*	6.7%	7.1%	7.0%	7.2%	7.4%
International	*16.8%*	*16.2%*	*16.5%*	16.1%	13.4%	14.8%	15.0%	15.0%
Group	*11.8%*	*8.8%*	*10.4%*	12.8%	11.5%	12.2%	12.2%	12.3%
Interest	-4.9	-5.3	-10.2	-5.2	-4.8	-10.0	-10.7	-11.0
Adjusted PBT (IFRS 16)	17.3	9.6	27.0	16.9	15.7	32.5	33.5	35.0
Growth Rate	*-17.6%*	*-38.4%*	*-26.5%*	-2.8%	62.9%	20.7%	2.9%	4.6%

Source: Company actuals, Equity Development estimates

End market diversity underpinning resilience

Infrastructure – Water momentum continues into H2

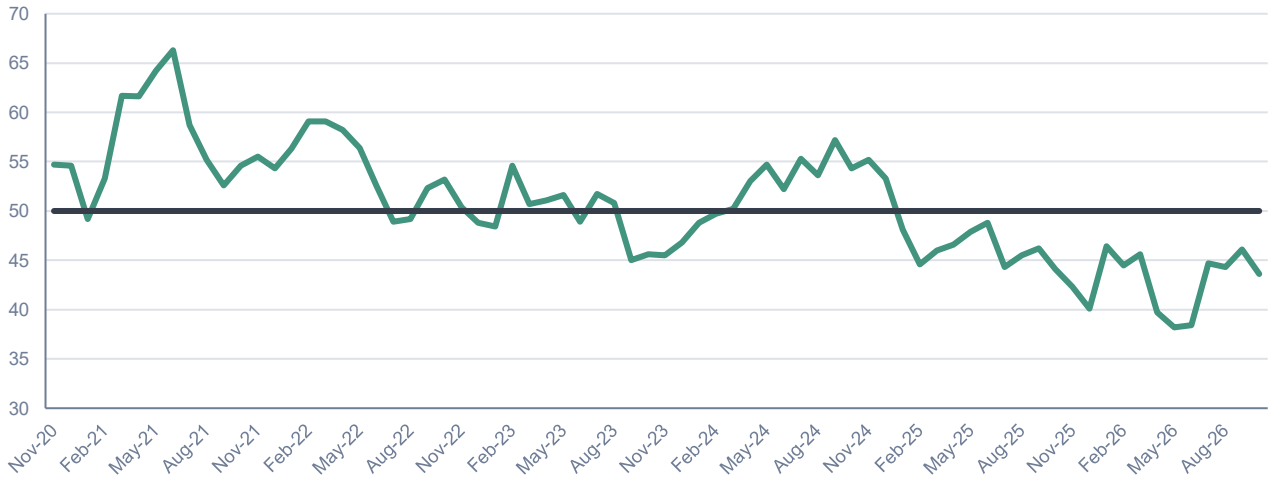
The UK water sector has entered the second year of the AMP8 programme, which has resulted in an increase in demand for Vp's equipment as an increasing number of projects have mobilised.

In Rail, activity supporting Network Rail as a critical equipment and service supplier is steady and Vp Rail is targeting major projects beyond the scope of CP7 (the rail upgrade programme) including supporting a major contractor on the rail link for the Sizewell C Rail Programme. Transmission activity, an area of strength in recent periods, continues to grow in both the UK and Germany.

Construction – steady performance despite sector challenges

UK construction market activity continues to decline, with the October 2026 S&P Global UK Construction PMI registering below the neutral 50-point threshold for the twenty-second month running.

UK Construction PMI



Source: S&P/ CIPS Construction PMI:

The restructured Brandon Hire Station now serves strategic and business customers through a network of c.40 branches and its performance has improved as a result, returning to profit in Q2. Beyond General Construction, there are some more pockets of positivity including commercial fitouts, data centres and clean-room environments. In Ireland, the construction market continues to show positive momentum.

Energy & Housebuilding – mixed picture from smaller market segments

Energy sector activity has benefited from an increasing number of wind turbine starts in Germany, supporting demand for temporary roadways, as well as demand from oil & gas customers for specialist equipment and technical solutions.

UK housebuilding challenges are widely reported, with new-build housing starts over the April to September period down 8% year-on-year. This is an area where Vp has a strong market position and stands to benefit in the event of an eventual market recovery.

Forecasts and valuation

We have tweaked our forecasts to reflect the new segmentation (see page 3), but our headline figures are essentially unchanged (PBT and EPS unchanged, revenue (-2.5%) and net debt (-2.9%) slightly reduced compared to our previous model). This reflects the Board's confidence in the full year outlook, which in turn is supported by the sequential improvement in trading quarter on quarter (Brandon Hire Station margin recovery, Water activity building).

Our PBT and EPS forecasts are unchanged; we reiterate our 750p/share Fair Value estimate

For FY27 we forecast revenue of £350.0m and adjusted PBT of £32.5m (FY26: £27.0m), implying an improved H2'27 versus H2'26 (adjusted PBT £9.6m), supported by water, rail and the full year benefit of the Brandon Hire Station restructuring. This is a key driver of the expected improvement in H2'27, which sees Specialist Hire improve from an H2'26 loss of £0.6m to an H2'27 profit of £6.4m.

Our H2'27 profit forecast is lower than the H1'27 outturn, which is consistent with Vp's usual H1 weighting (53% to 57% of PBT in FY23-FY25).

We forecast year-end net debt (ex. leases) of £151.4m (FY26: £148.9m), equivalent to 1.7x EBITDA (pre IFRS 16) and within management's <2.0x target.

Forecast changes: PBT and EPS unchanged

Year to 31 March (£m)	2027(E) Revised	2027(E) Old	*Change*	2028(E) Revised	2028(E) Old	*Change*	2029(E) Revised	2029(E) Old	*Change*
Revenue £m	350.0	359.0	*-2.5%*	361.3	373.0	*-3.1%*	373.0	387.0	*-3.6%*
EBITDA £m	107.0	104.5	*2.4%*	108.7	106.2	*2.3%*	110.5	108.0	*2.3%*
EBITDA £m (pre IFRS16)	88.5	84.8	*4.4%*	90.2	86.5	*4.2%*	92.0	88.3	*4.2%*
PBT (underlying) £m	32.5	32.5	*0.1%*	33.5	33.5	*-0.1%*	35.0	35.0	*0.0%*
EPS fully diluted p	59.7	59.6	*0.1%*	61.4	61.5	*-0.1%*	64.2	64.2	*0.0%*
Dividend	39.5	39.5	*0.0%*	39.5	39.5	*0.0%*	39.5	39.5	*0.0%*
Net cash/ (debt) ex. leases £m	-151.4	-155.9	*-2.9%*	-148.7	-153.2	*-2.9%*	-144.8	-149.3	*-3.0%*
Net cash/ (debt) inc. leases £m	-215.0	-219.5	*-2.1%*	-212.3	-216.8	*-2.1%*	-208.5	-213.0	*-2.1%*

Source: Equity Development estimates

At 520p, Vp trades on 8.7x FY27 P/E and 3.9x EV/EBITDA, with an attractive and very reliable 7.6% dividend yield (30+ year unbroken track record). Our 750p/share Fair Value estimate equates to an FY28 P/E of 12x, in line with the Group's historic average rating, without assuming a meaningful end market recovery, which would represent a further catalyst for earnings growth.

Summary financials

Income statement						
Year to 31 March (£m)	**2024A**	**2025A**	**2026A**	**2027E**	**2028E**	**2029E**
Revenue						
UK	309.3	317.6	281.3	266.1	274.1	282.3
o/w Site Solutions	*n/a*	*n/a*	*93.6*	*92.6*	*95.4*	*98.3*
o/w Specialist Hire	*n/a*	*n/a*	*187.8*	*173.5*	*178.7*	*184.1*
International	59.4	62.3	76.9	83.9	87.2	90.7
Group	368.7	380.0	358.3	350.0	361.3	373.0
Revenue growth						
UK	-7%	3%	-11%	-5%	3%	3%
International	56%	5%	23%	9%	4%	4%
Group	-1%	3%	-6%	-2%	3%	3%
Adjusted operating profit						
UK	39.4	37.4	24.5	30.1	31.1	32.4
o/w Site Solutions	*n/a*	*n/a*	*22.8*	*18.1*	*18.1*	*18.7*
o/w Specialist Hire	*n/a*	*n/a*	*1.7*	*12.1*	*13.0*	*13.7*
International	10.1	9.6	12.7	12.4	13.1	13.6
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	59.7p	61.4p	64.2p
EPS (adjusted fully diluted)	73.1p	66.6p	54.5p	59.7p	61.4p	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	-5.0	-5.0	-5.0
Working Capital	9.8	-5.0	6.2	-5.5	-1.5	-1.5
Other	-0.4	0.6	-0.2	-7.0	0.5	0.5
Operating cashflow	**91.4**	**77.4**	**52.7**	**63.0**	**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	-7.1	-7.6
Cashflow from operations	**72.4**	**62.4**	**42.3**	**46.1**	58.3	59.4
Capital Expenditure	-72.3	-73.7	-59.9	-50.0	-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**	**16.1**	18.3	19.4
Acquisitions	0.0	-9.9	-1.0	-3.0	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**	**-2.5**	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**	**-2.5**	2.7	3.8
Net Cash/(Debt) pre IFRS 16	-125.2	-138.5	-148.9	-151.4	-148.7	-144.8
Lease adjustment	-62.0	-65.4	-63.6	-63.6	-63.6	-63.6
Net Cash/ (Debt) post IFRS 16	-187.2	-203.9	-212.6	-215.0	-212.3	-208.5

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

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	255.8	257.8	259.8
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	0.8	0.8	0.8
Total non-current assets	346.0	359.1	346.5	336.0	335.5	335.0
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	75.8	83.3	90.8
Cash and cash equivalents	24.5	29.9	21.3	18.8	21.5	25.4
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	111.8	122.1	133.4
Current Liabilities						
Interest bearing loans and borrowings	-18.5	-17.2	-78.7	-78.7	-78.7	-78.7
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	-63.3	-69.3	-75.3
Provisions	0.0	0.0	-7.6	-3.6	-3.6	-3.6
Total Current Liabilities	-108.0	-100.7	-164.6	-166.6	-172.6	-178.6
Non-Current Liabilities						
Interest bearing loans and borrowings	-131.3	-151.2	-91.5	-91.5	-91.5	-91.5
Lease liabilities	-45.6	-47.8	-45.4	-45.4	-45.4	-45.4
Provisions	-3.8	-5.5	-7.4	-4.3	-4.3	-4.3
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	-154.4	-154.4	-154.4
Net Assets	153.0	150.4	131.1	126.8	130.5	135.4
Minority	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	153.0	150.4	131.1	126.8	130.5	135.4

Source: Company actuals, Equity Development forecasts

Contacts

Andy Edmond
Direct: 020 7065 2691
Tel: 020 7065 2690
andy@equitydevelopment.co.uk

Hannah Crowe
Direct: 0207 065 2692
Tel: 0207 065 2690
hannah@equitydevelopment.co.uk

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