

10 October 2025

Solid H1 performance, confident outlook

Vp has delivered a resilient H1 performance against a backdrop of ongoing market challenges. Full year expectations are reiterated, with improving prospects for Rail and Water in particular. The Brandon Hire Station recovery plan is on course to complete by the end of the year, and the search is underway for Anna Bielby's successor as CEO, who will inherit a business in strong shape. Whilst announcements from sector peers may have taken headlines earlier this week, Vp continues to deliver consistently impressive results and demonstrate its quality. We reiterate our 1000p Fair Value estimate and highlight the attraction of a 7% dividend yield.

Reiterating full year expectations

The Board continues to anticipate a full year outturn in line with current market expectations, with a modest weighting of revenue and profits to the second half of the year. This will represent another resilient performance, underpinned by the diversity of Vp's activities and its specialist focus.

Varied conditions across core markets, with improving prospects

Infrastructure continues to see strong demand from the Transmission sector, particularly in Germany. Prospects for Water are very positive, but revenue in H1 was lower than the prior year as a result of the AMP7 to AMP8 transition; activity levels are expected to increase from H2. Demand from the Rail sector is subdued, particularly in relation to CP7, but prospects remain attractive. In **Construction**, specialist activities are performing well, but general construction is still challenging.

Strategic progress: Brandon Hire Station review approaching conclusion

Vp's strategic priorities include the digital roadmap, simplifying operations and closer collaboration across the Group. The Brandon Hire Station recovery plan is progressing well and is on course to be materially complete by the end of the year (further details to come at the interims in November).

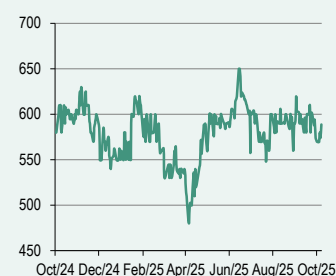
Valuation well underpinned by attractive 7% dividend yield

Vp is a high-quality business with an impressive track record of earnings growth and sector leading returns. We reiterate our 1000p Fair Value estimate (<14x FY27 P/E).

Company data

EPIC	VP.L
Price (last close)	576p
52 weeks Hi/Lo	658p/460p
Market cap	£231m
ED Fair Value / share	1000p
Net cash / (debt) 2025A	£138m
Avg. daily volume (3m)	25k

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

Interim results - November 2025

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Key financials & valuation metrics

Year to 31 March (£m)	2023A	2024A	2025A	2026E	2027E
Sales	371.5	368.7	380.0	391.0	401.0
EBITDA	111.9	111.0	109.5	111.5	114.0
EBITDA (pre IFRS16)	95.6	92.0	90.6	91.8	94.3
Adjusted PBT	40.2	39.9	36.7	37.5	40.0
FD EPS (p)	78.4	73.1	66.6	68.8	73.2
DPS (p)	37.5	39.0	39.5	40.0	41.0
Net Cash/(Debt)*	-134.4	-125.2	-138.5	-135.8	-133.7
Net Cash/(Debt)**	-192.9	-187.2	-204.0	-201.2	-199.2
Net Debt**/EBITDA	1.7x	1.7x	1.9x	1.8x	1.7x
P/E	7.3x	7.9x	8.6x	8.4x	7.9x
EV/EBITDA	3.8x	3.8x	4.0x	3.9x	3.8x
Dividend yield	6.5%	6.8%	6.9%	6.9%	7.1%
FCF yield	5.0%	11.1%	5.5%	8.9%	8.8%

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)	2022A	2023A	2024A	2025A	2026E	2027E
Revenue						
UK	320.2	333.5	309.3	317.6	325.0	332.0
International	30.7	38.1	59.4	62.3	66.0	69.0
Group	350.9	371.5	368.7	380.0	391.0	401.0
Revenue growth						
UK	14%	4%	-7%	3%	2%	2%
International	15%	24%	56%	5%	6%	5%
Group	14%	6%	-1%	3%	3%	3%
Adjusted operating profit						
UK	44.7	45.6	39.4	37.4	37.0	39.0
International	1.6	3.2	10.1	9.6	10.5	11.0
Group	46.3	48.8	49.5	47.0	47.5	50.0
Net Interest	-7.4	-8.6	-9.6	-10.3	-10.0	-10.0
Adjusted PBT	38.9	40.2	39.9	36.7	37.5	40.0
Exceptional	0.0	-5.0	-5.8	-10.9	-10.0	-5.0
Amortisation of acquired intangibles	-3.3	-4.5	-31.2	-4.1	-5.0	-2.5
Reported PBT	35.6	30.7	2.8	21.7	22.5	32.5
EPS (adjusted)	71.9p	78.8p	73.5p	66.8p	69.0p	73.5p
EPS (adjusted fully diluted)	71.2p	78.4p	73.1p	66.6p	68.8p	73.2p

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

Cash flow statement						
Year to 31 March (£m)	2022A	2023A	2024A	2025A	2026E	2027E
Operating profit	46.3	48.8	49.5	47.0	47.5	50.0
Depreciation	45.5	46.9	45.0	46.5	48.0	48.0
Profit on Disposals	-7.0	-9.2	-7.5	-8.0	-8.0	-8.0
Exceptionals	0.0	-5.0	-5.8	-4.6	-5.0	-5.0
Working Capital	-12.5	-18.4	9.8	-5.0	-1.5	-1.5
Other	1.6	0.9	0.4	1.5	0.5	0.5
Operating cashflow	73.8	63.9	91.4	77.4	81.5	84.0
Interest	-7.4	-8.4	-9.8	-10.4	-10.0	-10.0
Tax	-6.3	-5.5	-9.2	-4.6	-6.2	-8.9
Cashflow from operations	60.1	50.0	72.4	62.4	65.3	65.1
Capital Expenditure	-68.7	-63.3	-72.3	-73.7	-65.0	-65.0
Sale of Fixed Assets	17.8	24.9	25.3	23.7	20.0	20.0
Free cashflow	9.3	11.5	25.3	12.5	20.3	20.1
Acquisitions	-2.7	0.0	0.0	-9.9	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Shares	-0.5	-1.1	-0.7	0.0	-2.0	-2.0
Dividends	-14.1	-14.5	-15.0	-15.4	-15.6	-16.0
Other	0.0	0.0	0.0	-0.4	0.0	0.0
Underlying cashflow	-8.0	-4.0	9.6	-13.3	2.7	2.1
Other/FX	-0.8	0.2	-0.4	0.0	0.0	0.0
Overall cashflow	-8.8	-3.8	9.2	-13.3	2.7	2.1
Net Cash/(Debt) pre IFRS16	-130.6	-134.4	-125.2	-138.5	-135.8	-133.7
Lease adjustment	-57.6	-58.5	-62.0	-65.4	-65.4	-65.4
Net Cash/ (Debt) post IFRS 16	-188.3	-192.9	-187.2	-204.0	-201.2	-199.2

Source: Company actuals, Equity Development forecasts

Balance sheet						
Year to 31 March (£m)	2022A	2023A	2024A	2025A	2026E	2027E
Non-current assets						
PPE	247.5	252.4	256.9	271.1	276.1	281.1
Goodwill	44.9	44.6	16.6	17.9	17.9	17.9
Intangible assets	17.5	13.1	12.0	11.5	6.5	4.0
Right of use assets	54.2	54.6	58.6	57.8	57.8	57.8
Employee benefits	2.7	2.3	1.9	0.9	1.0	1.0
Total non-current assets	366.8	367.1	346.0	359.1	359.3	361.8
Current Assets						
Inventories	8.0	8.9	9.5	9.9	10.0	10.0
Trade and other receivables	76.1	81.5	74.8	71.5	74.3	77.8
Cash and cash equivalents	13.6	11.1	24.5	29.9	31.4	32.5
Income tax receivable	0.0	0.7	3.6	2.0	2.0	2.0
Total Current Assets	97.6	102.3	112.4	113.3	117.7	122.3
Current Liabilities						
Interest bearing loans and borrowings	0.0	0.0	-18.5	-17.2	-16.0	-15.0
Income tax payable	-0.2	0.0	-1.5	-2.3	-2.3	-2.3
Lease liabilities	-14.1	-14.6	-16.3	-17.6	-17.6	-17.6
Trade and other payables	-80.7	-72.2	-71.7	-63.6	-65.0	-67.0
Total Current Liabilities	-95.0	-86.8	-108.0	-100.7	-100.9	-101.9
Non-Current Liabilities						
Interest bearing loans and borrowings	-144.2	-145.5	-131.3	-151.2	-151.2	-151.2
Lease liabilities	-43.5	-43.9	-45.6	-47.8	-47.8	-47.8
Provisions	-1.5	-1.6	-3.8	-5.5	-9.2	-7.8
Deferred tax liabilities	-13.7	-16.6	-16.6	-16.8	-16.8	-16.8
Total non-current liabilities	-202.9	-207.6	-197.4	-221.3	-225.0	-223.5
Net Assets						
Minority	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	166.6	174.9	153.0	150.4	151.1	158.6

Source: Company actuals, Equity Development forecasts

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