

Robust AGM statement, on track for FY expectations

23 July 2025

Today's AGM statement confirms another resilient performance in the early months of FY26 and reiterates full year expectations. Recent periods have seen Vp deliver consistently strong results and meaningful strategic progress (e.g. closer collaboration across the Group, evolution of digital roadmap) despite the mixed market backdrop. The Brandon Hire Station recovery plan continues and should be materially complete by the end of the financial year. Vp has an excellent track record of sector leading returns and attractive earnings growth over the long term, which has underpinned an unbroken 30+ year dividend record. We expect FY26 to be another successful year and reiterate our 1000p Fair Value estimate.

A very familiar message – resilient trading despite mixed market backdrop

Vp's AGM update confirms a resilient performance over Q126 despite the mixed end market backdrop. This has been very much the theme of recent years as the Group's specialist focus and diverse spectrum of end markets have underpinned sector leading returns.

Key Infrastructure market leads the way

Infrastructure continues to benefit from strong demand from the transmission sector, particularly in Germany. The Board remains optimistic about water opportunities in AMP8, whilst Rail activity remains subdued, particularly in relation to CP7. In **Construction**, specialist activities continue to perform well, whilst general construction market conditions remain challenging, and the Brandon Hire Station recovery plan continues. The smaller end markets of **Housebuilding** and **Energy** have performed broadly in line with expectations.

Attractive valuation with 7% dividend yield

As we have written previously, current valuation ratings are very low by historic standards (FY26 P/E of 8.3x versus Vp's long run average of c.12x) with the attraction of a 7% dividend yield. We reiterate our 1000p Fair Value estimate (<14x FY27 P/E), highlighting significant earnings growth potential (organic and acquisitive) over the medium term.

Company data

EPIC	VP.L
Price (last close)	568p
52 weeks Hi/Lo	700p/460p
Market cap	£232m
ED Fair Value / share	1000p
Net cash / (debt) 202XA	(£138m)
Avg. daily volume (3m)	35k

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

H1 trading update October 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
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	7.2x	7.8x	8.5x	8.3x	7.8x
EV/EBITDA	3.8x	3.8x	4.0x	3.9x	3.8x
Price/ TNAV	1.9x	1.8x	1.9x	1.8x	1.6x
Dividend yield	6.6%	6.9%	7.0%	7.0%	7.2%
FCF yield	5.1%	11.2%	5.5%	9.0%	8.9%

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

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