

# Speedy Hire plc



## Opportunity knocks

The new ProService Agreement is the dominant feature of YTD performance, supporting an uplift in revenue and profitability prospects despite lacklustre market conditions. Velocity implementation is ongoing, now transitioning from enabling to growth phases. Higher interest costs reduce our FY26 estimates but the ProService deal materially enhances our expected earnings subsequently. We have raised our fair value to 61p per share to reflect this.

**Proservice: a strategy accelerator:** As the third and final year of the enabling phase of Speedy's digitally-led Velocity strategy progresses, the implementation of a number of complementary workstreams is coming to fruition. Speedy is also refining its business model through other actions (e.g. outsourcing fuel services and sharpening its TIC focus). The additive ProService Agreement is a well-timed deal for both parties in our view and a unique growth opportunity for Speedy. It is now live and, on our estimates, enhances Speedy's earnings by c.40% in a full year. The initial contracted relationship is up to eight years.

**Preparing to rebound from challenging first half trading** H1 26 results illustrated that market conditions remain tough with growth difficult to come by and margins constrained. Speedy did relatively well in both regards with recent contract wins sustaining gross profitability close to prior year levels. Higher staff and interest costs did have an adverse y-o-y impact though. Speedy remains confident in a significantly stronger second half outturn based on the aforementioned contract wins and the ProService Agreement coming on stream. We have reduced our underlying EBIT by c.14% for the current year only, amplified at the PBT level by higher interest costs (across all estimate years). However, factoring in the ProService Agreement, our FY26E PBT/EPS is only modestly down overall and increased by 35-40% in the following two years.

### Valuation: Upside risk undervalued?

While our current year estimates have broadly halved over the last year, FY27E PBT/EPS is c.10% higher over the same period. Investors need to weigh near-term market considerations against the undoubted enhancement to Speedy's prospects resulting from the ProService Agreement. At current valuation levels, we believe that risk is firmly weighted to the upside and our **increased 61p fair value** reflects this. The flagged temporary dividend reduction (to 1.0p for FY26, growing by 5% pa to FY28) reduces income attractions, though the prospective yield is still 3.7%

Financial summary					
Year to March (£m)	2024	2025	2026E	2027E	2028E
Revenue £m	421.5	416.7	437.7	477.2	502.9
EBITDA £m	96.8	97.1	106.1	135.3	148.3
EBIT £m	24.5	23.6	30.9	55.8	67.6
PTP adjusted £m	14.7	8.7	12.3	36.7	49.3
EPS adjusted p	2.24	1.47	2.11	6.00	8.05
DPS p	2.60	2.60	1.00	1.05	1.10
P/E (x)	12.1	18.4	12.8	4.5	3.4
EV/EBITDA (x)	2.3	2.4	2.6	1.8	1.5
Dividend yield (%)	9.6%	9.6%	3.7%	3.9%	4.1%

Source: Company, Equity Development

28 November 2025

### Company Data

EPIC	SDY
Price (last close)	27.0p
52 weeks Hi/Lo	33.7p/17.6p
Market cap	£124m
ED Fair Value per share	61p
End H126 net debt	£(119)m
Pre IFRS16 basis	
Avg. daily volume	801k

### Share Price, p



Source: Investing.com

### Description

**Speedy Hire (Speedy) is the UK and Ireland's leading provider of tools, specialist equipment and services operating from a nationwide depot network. Its activities comprise:**

**Hire (61% FY25 revenue);** generated from a broad range of plant, equipment and tool assets as well as transportation & repair income), **Services (38%);** includes third party asset re-hire, training, testing and the sale of fuel & other consumables, and **Other (c.1%);** asset disposals.

SDY also has two JV operations: Speedy Zholdas (Kazakhstan, est 2013) & Speedy Hydrogen Services (UK, from H224).

**Next event:** FY 26 update - March

### Toby Thorrington (Analyst)

0207 065 2690  
[toby@equitydevelopment.co.uk](mailto:toby@equitydevelopment.co.uk)

### Hannah Crowe

0207 065 2692  
[hannah@equitydevelopment.co.uk](mailto:hannah@equitydevelopment.co.uk)

Distributed by London South East

Please refer to the important disclosures shown on the back page and note that this information is **Non-independent** and categorised as **Marketing Material**

## ProService: Enhanced revenue and margin prospects

A multi-faceted and inter-related Commercial Agreement with the then HSS Hire (now ProService Building Services Marketplace) was [first announced on 6 October](#). It went unconditionally live on 17 November and, consequently, there was no impact on Speedy's H1 26 trading performance. We anticipate that momentum under this Agreement should gather during H2.

**In aggregate, Speedy is paying £35m cash consideration to facilitate the Agreement.** We outline the **layers of the Agreement** below and summarise them in graphic form on the opposite page and the financial implications in later sections.

### Hire: initial asset acquisition and long-term trading relationship

Speedy has purchased on-hire HSS plant that sits within Speedy's core Hire categories. We understand that the categories include small power tools, powered access, lifting, heating, cooling and site equipment.

Back-to-back with this, there is a five-year agreement (with an option for Speedy to extend by a further three years) under which ProService (PS) offers a Right of First Refusal to Speedy Hire to fulfil demand generated by the PS marketplace platform in these asset categories. Speedy believes that the incremental revenue potential from this arrangement – presumably based on indicative trading history from HSS/ProService – could represent £50m-55m revenue per annum.

Along with the assets acquired, Speedy has elected to take on the leases for three depots (Becton, Old Kent Road and Derby) to enhance its own footprint along with c.300 staff (covering drivers, depots and support functions) under TUPE arrangements.

There is scope to add other core Hire categories. Most obviously this relates to incremental asset types which aren't currently or meaningfully hosted on the ProService marketplace platform at present. Over time, Speedy may look to displace other lines where it/ProService feel it represents a better competitive offer.

### Services: leveraging the customer offer using PS marketplace

- **Re-Hire:** Speedy has historically complemented its core Hire offer by sourcing non-core equipment from third parties to provide a more rounded service package to its customers. Going forward, **Speedy will continue to act as its customer's counterparty for such equipment but it will be sourced through the PS marketplace**. Ex ante, there should be no revenue impact, most likely some margin contraction (given another intermediary in the supply chain) but a simplified receivables collection process.
- **Training:** ProService already has a significantly larger Training offer through its marketplace platform. To date, Speedy has provided training/accreditation courses as an additional service to both hire customers and as a standalone service. Under the Agreement, Speedy's training operations (including an associated lease) are being transferred to ProService; Speedy will continue to access these services through the PS marketplace platform and be able to broaden the range of training courses offered to its end customers in the same way.




Under TUPE arrangements, Speedy is transferring staff associated with its re-Hire and training activities to ProService with c.100 employees in aggregate involved in this move. We would expect that as counterparties with a clear understanding of Speedy's requirements and operations, there should be minimal disruption in the provision of these services by Speedy to its own end customers.

Speedy is continuing to provide equipment **test, inspection and certification (TIC) services** directly to its customers through Lloyds British. These services will also now be available through the PS marketplace platform for the first time, broadening the potential customer base. Speedy outsourced the provision of (non-hydrogen) **fuel** to its customers in H1 and so it is NOT part of the ProService Agreement.

### Investment Agreement

Alongside the commercial arrangements outlined above, Speedy subscribed c.£7m for c.79.4m, ProService shares (representing 9.99% of its enlarged issued equity base) under an inter-related Investment Agreement. The current HSS/Proservice share price level (8.82p) ascribes a value to Speedy's shareholding in line with its indicated investment.

### Speedy Hire: Overview of agreements with ProService Building Services Marketplace

	Speedy Hire	ProService
<b>Core Hire</b>	Asset Agreement	Speedy acquired ProService hire assets in Speedy's core Hire categories Consideration c.£28m
		
	Commercial Agreement	Speedy has Right of First Refusal to fulfill marketplace demand for hire assets in agreed categories : Five year agreement (plus options for Speedy to extend by a further 3 years)
<b>Services</b>	Business transfer	ProService marketplace becomes Speedy's fulfilment partner for re-Hire and Training services Training business (inc property lease) Re-Hire resources c.100 staff in total
		
	Commercial Agreement	Speedy re-Hires non-Core equipment and purchases consumable items & training requirements for its customers from the ProService marketplace platform. Speedy becomes ProService's marketplace ROFL supplier of TIC services
<b>Other</b>	Investment Agreement	Speedy subscribes to 73.4m new PRO shares (9.99% of the enlarged equity) Consideration c.£7m
		

Source: Equity Development

The Speedy/ProService Commercial Agreement is already active. There are a number of necessary integration actions to complete to achieve an efficient operational base and, hence, maximise financial benefits.

Most obviously, **Speedy will need to incorporate the newly acquired assets and depot locations** onto its M365 ERP and Peak AI platforms. Adding assets should be straightforward; dynamically re-calibrating optimal asset location, purchasing and logistics will provide a good test for the Peak system in our view and is a potential accelerator of the integration process.

In addition, the **interfaces between Speedy's systems and PS marketplace will also need to be built well**. A high integrity, data-backed bridge facilitating enquiries and fulfilment in both directions (ie Speedy core Hire/TIC-marketplace and marketplace-re-Hire/training is central to the success of the Commercial Agreement. **Both companies are relatively advanced within their sector in adopting digital technologies** as a core business driver which is a beneficial starting point in our view.

The financial implications of the Speedy/ProService Commercial Agreement – including P&L, cash flow and dividends – are covered in later sections. In summary, the associated **near-term debt uplift provides the springboard for a material enhancement of Speedy's earnings prospects from FY27 onwards**.

## H1 26 results: resolve shown in tough markets

While marginally lower Hire/Service revenues and gross margins and higher staff costs combined to lower EBIT y-o-y, Speedy's success in winning new business and executing its Velocity strategy ameliorated wider impacts from unhelpful markets. Together with Velocity, refinancing borrowing facilities in H1 laid the ground for the ProService Agreement which we expect to materially enhance group prospects (though made no contribution to H1 26 results).

### Speedy Hire: Divisional and interim splits

Year end: March £m	H1	H2	2025	H1	% chg
	<i>IFRS16</i>	<i>IFRS16</i>	<i>IFRS16</i>	<i>IFRS16</i>	
<b>UK</b>	200.3	210.0	<b>410.3</b>	202.0	<b>0.8%</b>
<b>Ireland</b>	3.3	3.0	<b>6.3</b>	3.2	<b>-3.0%</b>
<b>Group Revenue</b>	<b>203.6</b>	<b>213.1</b>	<b>416.7</b>	<b>205.2</b>	<b>0.8%</b>
Hire exc disposals	125.5	129.5	<b>255.0</b>	123.3	<b>-1.8%</b>
Services	76.5	81.6	<b>158.0</b>	75.0	<b>-1.9%</b>
Other	1.6	2.0	<b>3.6</b>	6.9	
<b>Group Gross Profit</b>	<b>113.4</b>	<b>122.7</b>	<b>236.1</b>	<b>112.5</b>	<b>-0.8%</b>
Hire exc disposals	98.9	106.4	<b>205.3</b>	97.0	<b>-1.9%</b>
Services	14.9	16.4	<b>31.3</b>	14.1	<b>-5.6%</b>
Other	<b>-0.4</b>	<b>-0.1</b>	<b>-0.5</b>	1.4	
<b>Gross Margin %</b>	<b>55.7%</b>	<b>57.6%</b>	<b>56.7%</b>	<b>54.8%</b>	<b>-90bp</b>
<i>Hire exc disposals</i>	78.8%	82.2%	<b>80.5%</b>	78.7%	<b>-10bp</b>
<i>Services</i>	19.5%	20.1%	<b>19.8%</b>	18.8%	<b>-70bp</b>
<i>Other</i>	<b>-25.0%</b>	<b>-6.5%</b>	<b>-14.8%</b>	20.3%	<b>n/m</b>
<b>EBIT Margin%</b>	<b>4.6%</b>	<b>8.2%</b>	<b>6.4%</b>	<b>1.8%</b>	<b>-280bp</b>

Source: Company

### Hire: Creditable performance in a generally soft demand environment

At the AGM (end Q1 stage), Hire revenue was stated as being marginally lower. Excluding Hire asset disposals, **revenues were 1.8% lower y-o-y with some growth from national customers partly offsetting softer demand among regional players**. Some growth in the smaller trade/retail segment was also referenced though below expectations for this segment. Previously flagged contract wins (e.g. Amey, announced June 2024, mobilisation from Q4 calendar 2024) will have buffered volumes to some extent against wider market softness.

Given an unhelpful trading backdrop and some pressure on volumes generally, maintained pricing discipline and new contract mix contributed to **effectively hold gross margin**. A 10bp y-o-y reduction only in H1 is a very creditable outturn in our view and offers some encouragement ahead of the seasonally stronger H2 trading period.

**Other/asset disposals increased** in the period (to £6.9m from £1.6m in H1 25) chiefly due to a decision to exit a specialist compressor line ahead of a likely increase in associated capex in the coming two years and the ProService agreement coming into effect. The c.£1.8m y-o-y swing from a small loss in the prior year had a modestly beneficial impact on gross profit.

### Services: Above average growth, as changing delivery model evolves

**Re-Hire:** Along with consumables sales and training services, Customer Solutions revenues grew by a very healthy 16.4%. As the largest component, we believe that Re-Hire (ie hiring in of third-party equipment by Speedy for its customers to complement core Hire asset demand) was the primary driver here. Top line progress here was notably stronger than that achieved by Hire above. We attribute this to newer contracts being broader in nature and including more non-core hire assets in their package solution. As a broad estimate, we believe that re-Hire revenue is approximately half of that for core Hire and so the proportionate impact of incremental revenue is greater.

As mentioned in an earlier section, training/consumables (together we estimate c.£10m annual revenue) will generate commission from business placed with on the ProService marketplace platform going forward. That said, the sale of consumables via branches is likely to continue to some extent. However, while the overall contribution isn't large, the associated gross margin contribution should improve compared to the direct provision of all training activities and consumable sales.

**Lloyds British:** During H1, Speedy exited the smaller manufacturing/fabrication operation within LB (nominal consideration, exited a lease and took a £2.2m write-down on book value). The retained c.£14m-18m revenue pure test, inspection and certification (TIC) business is understood to generate EBITDA margins above the group average with a less capital-intensive model compared to hire. These ongoing operations grew revenues by 3.8% in H1. While this was slightly lower than the prior year, the increased business focus and a new MD appointment suggest that higher growth rates are the ambition.

**Fuel:** During H1 26, Speedy outsourced the provision of (non-hydrogen) fuels for its customers to a third-party specialist. Under this arrangement, previously booked fuel revenue now drops out to be replaced by a commission credit in COGS with a comparable net contribution overall. For the record, Fuel revenue was £7.6m in H1 26 versus £15.6m a year earlier, substantially reflecting the new outsourcing arrangement put in place part way through the half year.

The overall Service gross margin declined by 70bp (to 18.8%). Category mix would have been favourable so we re-Hire growth partly came at the expense of reduced gross margin within its business mix.

### ProService investment in H2 26, strong cash generation to follow

Speedy ended H1 26 with pre IFRS16 net debt of £118.9m (an increase of £5.8m over the first six months of the year) and represented 2.2x adjusted EBITDA. IFRS16 lease liabilities also increased modestly to £108.2m (almost four-fifths of which is long-term).

**Adjusted EBITDA of £38.7m was £6.5m lower than in H1 25 but a better working capital outturn (with a £7.1m inflow) more than offset this** leaving underlying operating cash flow slightly better y-o-y. Looking at receivables, a £2.2m inflow reflected successful efforts to lower debtor days (from 68 a year ago to 62 in this period). While overdues have been reduced, Speedy remains vigilant to construction supply chain risk, making a further debtor provision in H1. There was an underlying trade payables inflow of £4.5m during the first half. Trade receivable and payable days are now closer than in previous years and now slightly favour the former. (Inventory and associated movements are typically not material balance sheet/cash flow items.)

**Adjusted underlying operating cash inflow before hire fleet changes was £45m**, in line with H1 26. After £3.6m net outflows relating to non-underlying items, the c.£41m net inflow provided headroom to **fund gross hire equipment capex of £26m** (compared to £16m in the prior year). This reflected a continuation of spending levels seen in FY25 to facilitate significant new business wins. After higher proceeds from asset disposals/loss, net capex was £15m and **overall operating cash inflow was £26m for the half year**.

Non-hire capex of c.£4m, lease capital costs of £15m and total interest payments of c.£7m were partly offset by a timing-related tax receipt credit of c.£3m, leaving **group free cash inflow of £3.7m**. Payment of the FY25 final dividend and other finance costs led to an **overall cash outflow of £9m**.

**Cash flow outlook:** At the beginning of FY26, Speedy replaced its £180m asset-based lending facility with a new £150m RCF, (of which c £15m relates to shorter term trading usages) with an April 2028 expiry and provision for a £50m uncommitted accordion facility. Speedy also has a £75m private placement loan in place to April 2032. Hence, at H1 26 levels, Speedy retained c.£80m headroom under the RCF.

The flagged £35m investment to support the ProService agreement is the standout feature of expected H2 cash flows. We anticipate an underlying cash inflow of c £7m to leave our **projected FY26E year end net debt position of £147m**.

The ProService agreement itself is revenue generating from Day 1 and will progressively contribute to H2 trading, with a full year effect to come in FY27 and beyond. On our increased estimates (see below), we currently anticipate Speedy generating net cash inflows of c.£20m in FY27 and £30m+ in FY28 to significantly lower net debt carried by the period end. As Velocity's enabling phase will complete during FY26, we do not currently see significant outflows or investment from Speedy outside its core asset hire business though capex levels will partly reflect general business conditions among other things of course. From FY29 onwards, Speedy is expected to reinstate its existing dividend policy.

## ProService drives material full-year estimate uplifts

As has been widely trailed, no near-term uptick in market conditions and construction activity is anticipated, though some sub-sector variation is likely. The broader picture of weak industrial orders and no material change in business insolvency metrics reinforces the need for caution regarding recovery prospects.

Speedy has flagged a H2 weighting to its FY26 results with unchanged Board expectations for the year. There are a lot of moving parts behind our estimate revisions; in addition to underlying trading and the ProService agreement other structural changes (including changes to fuel and Lloyds British models) also need to be factored in at the margin. Our high-level summary is as follows:

- **FY26:** no net change to EBIT (with a c.13% reduction in underlying EBIT offset by a maiden ProService contribution) but lower PBT expectations arising from higher average net debt and interest costs, chiefly driven by ProService investment.
- **FY27 & FY28:** no change to underlying profit estimates but the full-year effects of incremental Proservice profitability net of higher finance costs equates to a 35-40% PBT uplift versus our previously published estimates.
- **Dividends:** our three estimate years have been adjusted to the temporary levels indicated by management when the ProService deal was first announced.

Speedy Hire: Estimate changes									
Year to March (£m)	FY26E			FY27E			FY28		
	Was	New	%chg	Was	New	%chg	Was	New	%chg
Revenue £m	439.4	437.7	0%	461.9	477.2	3%	485.7	502.9	4%
EBITDA £m	103.1	106.1	3%	113.6	135.3	19%	124.2	148.3	19%
EBIT £m	31.1	30.9	0%	40.3	55.8	38%	49.6	67.6	36%
PTP adjusted £m	15.9	12.3	-23%	25.7	36.7	43%	35.2	49.3	40%
EPS adjusted p	2.62	2.11	-19%	4.20	6.00	43%	5.75	8.05	40%
DPS p	2.60	1.00	-62%	2.60	1.05	-60%	2.80	1.10	-61%

Source: Equity Development

## Valuation: unambiguous value

Beyond the current year, **conventional metrics unambiguously point to Speedy Hire as a deep value investment opportunity**. Near-term investor nervousness regarding market conditions and only tentative acceptance of the benefits of the ProService Agreement could be contributing to the current valuation but prospects in the medium to longer-terms have been significantly enhanced in our view.

Our **updated DCF-derived Fair value of 61p per share equates to an FY28 PER of 7.6x** on our estimates

At a 27p share price, Speedy's valuation metrics are:

- **PER: FY26 12.8x** reflecting near term market conditions and higher interest costs, **declining rapidly to 4.5x in FY27 and 3.4x in FY28** as the full year earnings effects of the ProService agreement become apparent
- **EV/EBITDA: an unsustainably low 2.6x in the current year, compressing further to 1.5x by FY28**
- **Prospective dividend yield:** even with temporarily re-based DPS as Speedy works down its investment in ProService assets, the company **still offers a 3.7% yield to investors for the current year**.

With HSS undergoing its business transformation to ProService Building Materials (with reliable estimates to be established) and Ashtead being a US-centric company by business weighting we do not consider them appropriate valuation benchmarks for Speedy at present. Compared to VP its other UK listed peer, Speedy sits on a 40%+ FY27 PER discount, being the first full year of the ProService Agreement.

## DCF: Fair value raised to 61p per share, pending full ProService validation

Updating our DCF approach to include revised FY26-FY28 estimates, we believe that **the current share price is effectively discounting long-term profitability slightly below our FY26E EBITDA**.

This makes minimal allowance for the new ProService Agreement which is expected to make a material contribution to earnings from FY27 onwards. As referenced above, we have added c.£37m to our gross profit and c.£20m to EBITDA in the first full year of the agreement. It is fair to point out **that the initial provision is for up to an eight-year term, though Speedy is clearly viewing it as an evergreen arrangement**.

For illustration, if we assumed that our FY28 **c.£148m EBITDA was sustained into perpetuity, this generates a fair value of 89p per share** for the company. Allowing for some cyclical, **selecting £127m EBITDA as a midpoint between our FY26 and FY28 estimates (and below our actual FY27 forecast) yields a fair value of 61p per share**. Ahead of the benefits of the ProService Agreement demonstrably feeding into Speedy's financial performance (thus providing increasing validation of more optimistic scenarios), we consider this to be an appropriate fair value benchmark at the current time.

## Boardroom support for company prospects

As an adjunct to direct valuation considerations, we note share buying activity among Speedy Hire's directors over the last year. During this period, four directors (including connected persons) have acquired over 1m shares in aggregate at an average price of c.27.4p (range: 19.95p - 29.15p), broadly equal to current levels. This includes, 0.6m shares (at 28.45p average) since the announcement of the ProService Agreement (which at that time was subject to a number of conditions). This shows confidence in the company's medium and longer-term prospects, notwithstanding unhelpful near-term market conditions.

## Financials

Speedy Hire Income Statement											
Year End: March	£m	2019*	2020**	2021**	2022	2023	2024	2025	2026E	2027E	2028E
		IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
<b>Revenue</b>		<b>394.7</b>	<b>371.5</b>	<b>332.3</b>	<b>386.8</b>	<b>440.6</b>	<b>421.5</b>	<b>416.7</b>	<b>437.7</b>	<b>477.2</b>	<b>502.9</b>
<b>Gross Profit</b>		<b>214.4</b>	<b>214.3</b>	<b>184.9</b>	<b>221.1</b>	<b>239.4</b>	<b>230.0</b>	<b>236.1</b>	<b>257.0</b>	<b>299.3</b>	<b>318.4</b>
<b>EBITDA - SDY norm</b>		<b>103.6</b>	<b>103.4</b>	<b>90.6</b>	<b>100.1</b>	<b>103.9</b>	<b>96.8</b>	<b>97.1</b>	<b>106.1</b>	<b>135.3</b>	<b>148.3</b>
<b>EBIT - SDY norm</b>		<b>36.7</b>	<b>33.4</b>	<b>21.7</b>	<b>32.1</b>	<b>32.7</b>	<b>24.5</b>	<b>23.6</b>	<b>30.9</b>	<b>55.8</b>	<b>67.6</b>
Net Bank Interest		(2.9)	(3.0)	(2.6)	(2.6)	(4.4)	(7.4)	(9.1)	(11.0)	(11.8)	(11.0)
IFRS16 Interest		(3.5)	(2.8)	(2.4)	(2.5)	(3.5)	(5.0)	(6.4)	(7.5)	(7.7)	(7.7)
Other financial		(0.8)	(0.4)	(0.4)	(0.6)	(0.7)	(0.3)	(0.4)	(0.2)	(0.2)	(0.2)
Associates/JVs		1.9	2.8	1.2	3.2	6.6	2.9	1.0	0.0	0.5	0.5
<b>Profit Before Tax (SDY norm)</b>		<b>31.4</b>	<b>30.0</b>	<b>17.5</b>	<b>29.6</b>	<b>30.7</b>	<b>14.7</b>	<b>8.7</b>	<b>12.3</b>	<b>36.7</b>	<b>49.3</b>
Intangible Amortisation		(0.7)	(1.3)	(0.8)	(0.5)	(0.4)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Other Non-Underlying Items		(2.0)	(12.6)	(8.4)	0.0	(28.5)	(9.0)	(9.6)	(11.0)	0.0	0.0
<b>Profit Before Tax (reported)</b>		<b>28.7</b>	<b>16.1</b>	<b>8.3</b>	<b>29.1</b>	<b>1.8</b>	<b>5.1</b>	<b>(1.5)</b>	<b>0.7</b>	<b>36.1</b>	<b>48.7</b>
Tax		(5.5)	(3.9)	(2.2)	(7.7)	(0.6)	(2.4)	0.4	(1.1)	(9.1)	(12.2)
Other		0.0	4.6	3.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0
<b>Profit After Tax (reported)</b>		<b>23.2</b>	<b>16.8</b>	<b>9.5</b>	<b>21.6</b>	<b>1.2</b>	<b>2.7</b>	<b>(1.1)</b>	<b>(0.4)</b>	<b>27.1</b>	<b>36.5</b>
<b>EPS FD - SDY norm (p)</b>		<b>4.9</b>	<b>4.5</b>	<b>2.6</b>	<b>4.1</b>	<b>4.9</b>	<b>2.2</b>	<b>1.5</b>	<b>2.1</b>	<b>6.0</b>	<b>8.0</b>
<b>EPS FD - reported (p)</b>		<b>4.4</b>	<b>2.3</b>	<b>1.2</b>	<b>4.0</b>	<b>0.2</b>	<b>0.6</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>5.9</b>	<b>7.9</b>
<b>Dividend per share (p)</b>		<b>2.0</b>	<b>0.7</b>	<b>1.4</b>	<b>2.2</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>
Shares - Basic Weighted Avge (m)		518.5	520.0	522.4	523.3	488.0	460.4	460.3	460.3	460.3	460.3
Shares - Period End (m)		525.3	526.8	528.2	518.2	517.0	517.0	517.0	517.0	517.0	517.0
<b>Margins (%)</b>											
<b>Gross Profit</b>		<b>54.3</b>	<b>57.7</b>	<b>55.6</b>	<b>57.2</b>	<b>54.3</b>	<b>54.6</b>	<b>56.7</b>	<b>58.7</b>	<b>62.7</b>	<b>63.3</b>
<b>EBITDA - SDY norm</b>		<b>26.2</b>	<b>27.8</b>	<b>27.3</b>	<b>25.9</b>	<b>23.6</b>	<b>23.0</b>	<b>23.3</b>	<b>24.2</b>	<b>28.3</b>	<b>29.5</b>
<b>EBIT SDY norm</b>		<b>9.3</b>	<b>9.0</b>	<b>6.5</b>	<b>8.3</b>	<b>7.4</b>	<b>5.8</b>	<b>5.7</b>	<b>7.1</b>	<b>11.7</b>	<b>13.5</b>

Source: Company, Equity Development \*includes International, \*\*continuing operations only

### Speedy Hire: Cash Flow Statement

Year End: March	£m	2019*	2020*	2021*	2022	2023	2024	2025	2026E	2027E	2028E
		IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
EBITDA - SDY norm		103.6	103.4	90.6	100.1	103.9	96.8	97.1	106.1	135.3	148.3
Change in working capital		(4.6)	9.8	12.3	(13.6)	(6.2)	5.8	(5.3)	(1.7)	(7.5)	(7.0)
Purchase of hire equipment (net)		(36.5)	(41.9)	(24.2)	(57.9)	(36.8)	(25.2)	(36.8)	(53.0)	(35.0)	(35.0)
Other		(1.3)	(6.8)	(5.8)	0.0	(9.0)	(8.4)	(6.4)	(10.0)	1.1	1.2
<b>Operating Cash Flow</b>		<b>61.2</b>	<b>64.5</b>	<b>72.9</b>	<b>28.6</b>	<b>51.9</b>	<b>69.0</b>	<b>48.6</b>	<b>41.4</b>	<b>93.8</b>	<b>107.6</b>
<b>Interest paid</b>		<b>(6.7)</b>	<b>(6.5)</b>	<b>(6.0)</b>	<b>(6.0)</b>	<b>(8.4)</b>	<b>(12.7)</b>	<b>(15.8)</b>	<b>(18.4)</b>	<b>(19.2)</b>	<b>(18.5)</b>
<b>Tax paid</b>		<b>(4.7)</b>	<b>(9.3)</b>	<b>(0.8)</b>	<b>(3.0)</b>	<b>(3.1)</b>	<b>(3.7)</b>	<b>0.6</b>	<b>(1.1)</b>	<b>(9.1)</b>	<b>(12.2)</b>
<b>Investing Activities</b>		<b>(36.2)</b>	<b>(3.5)</b>	<b>3.6</b>	<b>(14.1)</b>	<b>(3.4)</b>	<b>(24.2)</b>	<b>(4.6)</b>	<b>(14.0)</b>	<b>(8.0)</b>	<b>(7.5)</b>
Associates & JV income		0.0	0.0	1.0	1.9	5.6	3.9	4.2	1.0	0.0	0.5
Tangible Fixed Assets purchased		(6.5)	(9.0)	(7.7)	(13.8)	(8.7)	(9.0)	(5.7)	(6.0)	(6.0)	(6.0)
Tangible Fixed Assets disposed		0.0	4.2	0.8	0.0	0.6	3.0	0.0	0.0	0.0	0.0
Intangibles		0.0	0.0	(3.5)	(2.2)	(0.9)	(1.9)	(2.5)	(2.0)	(2.0)	(2.0)
Acquisition consideration		(30.9)	0.0	0.0	0.0	0.0	(20.2)	0.0	0.0	0.0	0.0
Disposal proceeds		0.0	0.0	13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other business investments		1.2	1.3	0.0	0.0	0.0	0.0	(0.6)	(7.0)	0.0	0.0
<b>Financing Activities</b>		<b>(7.6)</b>	<b>(32.8)</b>	<b>(81.3)</b>	<b>(15.9)</b>	<b>(38.0)</b>	<b>(25.4)</b>	<b>(29.5)</b>	<b>(28.1)</b>	<b>(36.6)</b>	<b>(36.9)</b>
Change in loan capital		25.8	2.1	(58.2)	25.4	23.3	12.4	8.6	17.0	0.0	0.0
IFRS16 lease payments		(23.7)	(24.5)	(23.6)	(24.6)	(26.5)	(26.0)	(28.6)	(31.0)	(32.0)	(32.0)
Equity		(0.6)	0.5	0.5	(5.4)	(23.9)	0.0	0.0	0.0	0.0	0.0
Dividends paid		(9.1)	(10.9)	0.0	(11.3)	(10.9)	(11.8)	(11.8)	(9.9)	(4.6)	(4.9)
Other		0.0	0.0	0.0	0.0	0.0	0.0	2.3	(4.2)	0.0	0.0
<b>Net Cash Flow</b>		<b>6.0</b>	<b>12.4</b>	<b>(11.6)</b>	<b>(10.4)</b>	<b>(1.0)</b>	<b>3.0</b>	<b>(0.7)</b>	<b>(20.1)</b>	<b>20.9</b>	<b>32.6</b>
<b>Opening net cash/(debt) - pre IFRS16</b>		<b>(69.1)</b>	<b>(89.1)</b>	<b>(79.3)</b>	<b>(33.2)</b>	<b>(67.5)</b>	<b>(92.4)</b>	<b>(101.3)</b>	<b>(113.1)</b>	<b>(147.2)</b>	<b>(126.3)</b>
Change in net cash		6.0	12.4	(11.6)	(10.4)	(1.0)	3.0	(0.7)	(20.1)	20.9	32.6
Change in loan capital		(25.8)	(2.1)	58.2	(25.4)	(23.3)	(12.4)	(8.6)	(17.0)	0.0	0.0
Other		(0.2)	(0.5)	(0.5)	1.5	(0.6)	0.5	(11.1)	(14.0)	0.0	0.0
<b>Closing net cash/(debt) - pre IFRS16</b>		<b>(89.1)</b>	<b>(79.3)</b>	<b>(33.2)</b>	<b>(67.5)</b>	<b>(92.4)</b>	<b>(101.3)</b>	<b>(113.1)</b>	<b>(147.2)</b>	<b>(126.3)</b>	<b>(93.7)</b>
<b>IFRS16 lease liabilities</b>		<b>(82.4)</b>	<b>(72.9)</b>	<b>(63.2)</b>	<b>(76.7)</b>	<b>(86.1)</b>	<b>(97.6)</b>	<b>(105.9)</b>	<b>(114.2)</b>	<b>(114.2)</b>	<b>(114.2)</b>
<b>Company Free Cash Flow:</b>											
<b>Net Cash Flow</b>			<b>12.4</b>	<b>(11.6)</b>	<b>(10.4)</b>	<b>(1.0)</b>	<b>3.0</b>	<b>(0.7)</b>	<b>(20.1)</b>	<b>20.9</b>	<b>32.6</b>
Dividends paid			10.9	0.0	11.3	10.9	11.8	11.8	9.9	4.6	4.9
Equity			(0.5)	(0.5)	5.4	23.9	0.0	0.0	0.0	0.0	0.0
Change in loan capital			(2.1)	58.2	(25.4)	(23.3)	(12.4)	(8.6)	(17.0)	0.0	0.0
Acquisition consideration			0.0	0.0	0.0	0.0	20.2	0.0	0.0	0.0	0.0
Other			0.5	0.5	0.6	0.1	0.9	0.0	0.0	0.0	0.0
<b>Free Cash Flow</b>			<b>21.2</b>	<b>46.6</b>	<b>(18.5)</b>	<b>10.6</b>	<b>23.5</b>	<b>2.5</b>	<b>(27.2)</b>	<b>25.6</b>	<b>37.4</b>

Source: Company, Equity Development

**Speedy Hire: Balance Sheet**

Year End: March	£m	2019*	2020*	2021	2022	2023	2024	2025	2026E	2027E	2028E
		IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
<b>Non-Current Assets</b>		<b>371.2</b>	<b>355.5</b>	<b>325.2</b>	<b>366.4</b>	<b>355.1</b>	<b>378.9</b>	<b>391.6</b>	<b>423.1</b>	<b>420.5</b>	<b>416.2</b>
Intangible Assets - Goodwill		31.2	17.5	17.5	17.5	17.5	27.4	27.4	27.4	27.4	27.4
Intangible Assets - Other		9.9	5.6	7.2	8.4	7.5	12.3	11.0	9.2	7.4	5.6
Tangible Assets - Owned		253.3	257.6	233.1	257.7	237.7	233.1	243.3	269.4	268.2	265.7
Tangible Assets - RoU		66.4	64.7	59.1	73.3	83.2	97.3	104.2	105.7	105.7	105.7
JV/Associate Interests		7.6	7.3	6.2	7.8	9.2	8.8	5.7	11.4	11.9	11.9
Other Fixed Assets		2.8	2.8	2.1	1.7	(0.0)	0.0	(0.0)	0.0	0.0	0.0
<b>Current Assets</b>		<b>118.8</b>	<b>135.3</b>	<b>114.3</b>	<b>119.3</b>	<b>121.3</b>	<b>121.3</b>	<b>121.4</b>	<b>137.4</b>	<b>144.1</b>	<b>153.1</b>
Inventory		8.8	8.7	8.2	8.1	12.7	11.8	11.2	12.2	13.0	14.5
Trade Receivables		98.1	95.5	88.5	100.1	97.9	93.9	95.0	97.8	103.6	111.2
Other Debtors		6.6	8.3	5.9	8.6	9.6	11.6	13.1	11.1	11.1	11.1
Cash		5.3	22.8	11.7	2.5	1.1	4.0	2.1	16.3	16.3	16.3
<b>Current Liabilities</b>		<b>(117.2)</b>	<b>(117.5)</b>	<b>(116.1)</b>	<b>(122.7)</b>	<b>(121.9)</b>	<b>(128.6)</b>	<b>(140.4)</b>	<b>(304.5)</b>	<b>(286.2)</b>	<b>(259.3)</b>
Trade Payables		(54.2)	(52.3)	(49.8)	(45.3)	(39.1)	(44.9)	(54.1)	(57.1)	(56.3)	(58.4)
Other Creditors		(42.9)	(45.0)	(49.1)	(55.1)	(59.4)	(60.4)	(59.0)	(58.6)	(62.1)	(65.7)
IFRS16 Lease Liabilities		(20.1)	(20.2)	(16.7)	(20.6)	(22.1)	(22.1)	(25.0)	(25.2)	(25.2)	(25.2)
Short-term Borrowings		0.0	0.0	(0.5)	(1.7)	(1.3)	(1.2)	(2.3)	(163.5)	(142.6)	(110.0)
<b>Non-Current Liabilities</b>		<b>(163.1)</b>	<b>(163.4)</b>	<b>(102.6)</b>	<b>(136.6)</b>	<b>(169.9)</b>	<b>(195.9)</b>	<b>(210.4)</b>	<b>(103.5)</b>	<b>(103.5)</b>	<b>(103.5)</b>
Long-term Borrowings		(90.4)	(102.1)	(44.4)	(68.3)	(92.2)	(104.1)	(112.9)	0.0	0.0	0.0
IFRS16 Lease Liabilities		(55.0)	(52.7)	(46.5)	(56.1)	(64.0)	(75.5)	(80.9)	(89.0)	(89.0)	(89.0)
Other Long-term Liabilities		(17.7)	(8.6)	(11.7)	(12.2)	(13.7)	(16.3)	(16.6)	(14.5)	(14.5)	(14.5)
<b>Net Assets</b>		<b>209.7</b>	<b>209.9</b>	<b>220.8</b>	<b>226.4</b>	<b>184.6</b>	<b>175.7</b>	<b>162.2</b>	<b>152.5</b>	<b>174.9</b>	<b>206.5</b>

Source: Company, Equity Development \*includes International

## 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