Year end results 31 March 2017

May 2017

Russell Down, Chief Executive
Chris Morgan, Group Finance Director

Significant improvement in performance

Revenue (excluding disposals)

£349.1m ▲ 7.9%

FY16: £323.5m

EBITDA* (excluding disposals)

£64.9m ▲ 23.9%

FY16: £52.4m

PBT*

£16.2m ▲ 224.0%

FY16: £5.0m

Dividend

1.00p ▲ 42.9%

FY16: 0.70p

Hire fleet

£194.8m ▼ 11.4%

FY16: £219.9m

Asset utilisation (UK & Ireland)

51.5% ▲ c.7.0%

FY16: n/a

ROCE* (excluding disposals)

8.4% ▲ 180.0%

FY16: 3.0%

Net debt

£71.4m ▼ 30.4%

FY16: £102.6m

*Before amortisation and exceptional items

Strategic and operational highlights

- Emphasis on customer service, innovation and relationships
- Improved systems and management information fully embedded
- Hire fleet reduced by 11.4% to £194.8m reflected in enhanced asset utilisation
- Successful acquisition of Lloyds British for £3.8m, now fully integrated and enhancing service offering
- Turnaround phase completed; strategy in place to drive sustainable profitable growth

May 2017

Financial update

Chris Morgan, Group Finance Director

Summary financials

	FY2017 £m	FY2016 £m	Change %
Revenue	369.4	329.1	*12.2%*
Gross profit*	191.7	184.2	*4.1%*
Gross margin %	*51.9%*	*56.0%*	
EBITDA*	63.1	53.1	*18.8%*
EBITDA* margin %	*17.1%*	*16.1%*	
EBITA*	19.3	10.0	*93.0%*
PBT*	16.2	5.0	*224.0%*
Adjusted earnings per share*	2.44p	0.79p	*208.9%*
Exceptional items (pre-tax)	-	(59.9)	
ROCE*	7.7%	3.2%	*140.6%*
Dividend per share	1.00p	0.70p	*42.9%*

*Before amortisation and exceptional items

- Revenue increased (excluding disposals) 7.9%. Partnered services revenue increased 16.9%
- Gross margin 55.4% (FY16: 56.7%) (excluding disposals), reflecting higher proportion of partnered services income
- EBITDA margin 18.6% (FY16: 16.2%) (excluding disposals)
- JV profit £1.7m (FY16: £0.7m)
- Adjusted EPS 2.44 pence (FY16: 0.79 pence)
- Full year dividend increased by 42.9% to 1.00 pence per share (FY16: 0.70 pence)
- ROCE* up 140.6%. Excluding impact of disposals ROCE increased to 8.4% from 3.0%

Segmental analysis – UK & Ireland

	FY2017 £m	FY2016 £m	Change %
Revenue	342.9	308.7	*11.1%*
Gross margin %	*54.2%*	*58.1%*	
EBITDA*	62.2	54.2	*14.8%*
EBITDA margin %*	*18.1%*	*17.6%*	
EBITA*	22.0	14.5	*51.7%*
NBV of property, plant & equipment	223.4	251.7	*(11.2%)*
Net capital expenditure	13.9	48.4	*(71.3%)*
Depreciation	40.2	39.7	*1.3%*
Average age of hire fleet (years)	4.2	3.9	*7.7%*

*Before amortisation and exceptional items

- Revenue growth (excluding disposals) 6.4%. Planned disposals revenue £20.3m (FY16: £5.4m) including £14.4m of heavy plant
- Sales mix and asset disposals affected gross margin
- Underlying EBTIDA margin (excluding disposals) increased to 19.8% (FY16: 17.6%)
- Headcount 3,252, increased by 60 in the year (including 176 from Lloyds British)
- Strategic reduction in property, plant and equipment:
  - Hire fleet £186.8m (FY16: £210.8m)
  - Non-hire fleet £36.6m (FY16: £40.9m)
- Average asset utilisation significantly improved year on year to 51.5% (c.7% higher than last year)

Segmental analysis – International

	FY2017 £m	FY2016 £m	Change %
Revenue	26.5	20.4	*29.9%*
Gross margin %	*22.1%*	*21.7%*	
EBITDA*	5.0	3.2	*56.3%*
EBITDA margin %*	*18.9%*	*15.7%*	
EBITA*	2.1	0.6	*250.0%*
NBV of property, plant & equipment	11.3	12.4	*(8.9%)*
Net capital expenditure	1.5	3.0	*(50.0%)*
Depreciation	2.9	2.6	*11.5%*

*Before amortisation and exceptional items

- International represented 7.2% of Group revenue
- Services national oil and gas clients in UAE
- Significant portion of revenue through partnered services
- Revenue has increased by 12.7% (on a constant currency basis) due to new equipment mobilisation
- Business operating profitably with increased revenue and lower cost base
- Average asset utilisation c.88%

Balance sheet

	31 March 2017 £m	31 March 2016* £m
Intangibles & JV	9.2	7.0
Property, plant and equipment	234.7	264.1
- Hire fleet	194.8	219.9
- Land and buildings	25.1	27.7
- Other	14.8	16.5
Inventory	6.8	6.0
Trade and other receivables	91.0	85.2
Trade and other payables	(74.8)	(75.4)
Tax	(4.4)	(2.5)
Provisions	(1.5)	(3.4)
Net debt	(71.4)	(102.6)
	189.6	178.4

*Restated for £0.5m FV adjustments, decreasing hire fleet and increasing intangibles

- Strategic reduction in hire fleet of 11.4% to £194.8m (FY16 restated: £219.9m); via disposal of under utilised assets and targeted additions
- £0.9m inventory related to Lloyds British
- Receivables (UK and Ireland) increased in line with revenue:
  - UK & Ireland debtor days 63 (FY16: 63)
  - International debtor days 95 (FY16: 85)
- Adjusted tax rate 21.6% (2016: 16.8%)

Cash flow

	FY2017 £m	FY2016 £m
Adjusted operating profit	19.3	10.0
Depreciation	43.8	43.1
EBITDA	63.1	53.1
Exceptional costs	(0.8)	(14.0)
Working capital	(2.8)	28.6
Provisions	(1.9)	(0.8)
Share-based payments	0.8	0.5
Purchase of hire fleet	(40.5)	(57.8)
Proceeds from sale of hire fleet	29.2	17.0
Loss/ (profit) on disposal	1.8	(0.7)
Cash generated from operations	48.9	25.9

- Cash generated from operations £48.9m (FY16: £25.9m)
- Small working capital outflow reflects increase in revenue
- Significant reduction in hire fleet capex, following focus on asset returns and utilisation
- Proceeds from sale of hire fleet include £14.4m from the heavy plant disposal

Net debt reconciliation

	FY2017 £m	FY2016 £m
Net debt 1 April	102.6	105.3
Cash from operations	(48.9)	(25.9)
Interest paid	4.3	4.9
Tax paid	1.9	0.6
Non-fleet capex	4.1	10.6
Acquisitions (including net debt assumed)	3.8	2.2
Dividend	3.8	3.6
Other	(0.2)	1.3
Net debt 31 March	71.4	102.6

- Significant reduction in net debt, reflecting improved asset and cash management
- Facility headroom available £75.8m (FY16: £54.8m)
- Net debt to EBITDA 1.13x (FY16: 1.93x)

Financial priorities

- Profitable growth
- Hire fleet optimisation
- Working capital management
- Cash generation
- Capital allocation
- ROCE

Speedy

May 2017

Business update

Russell Down, Chief Executive

Our strategic vision

To become the best company in our sector to do business with, and the best to work for

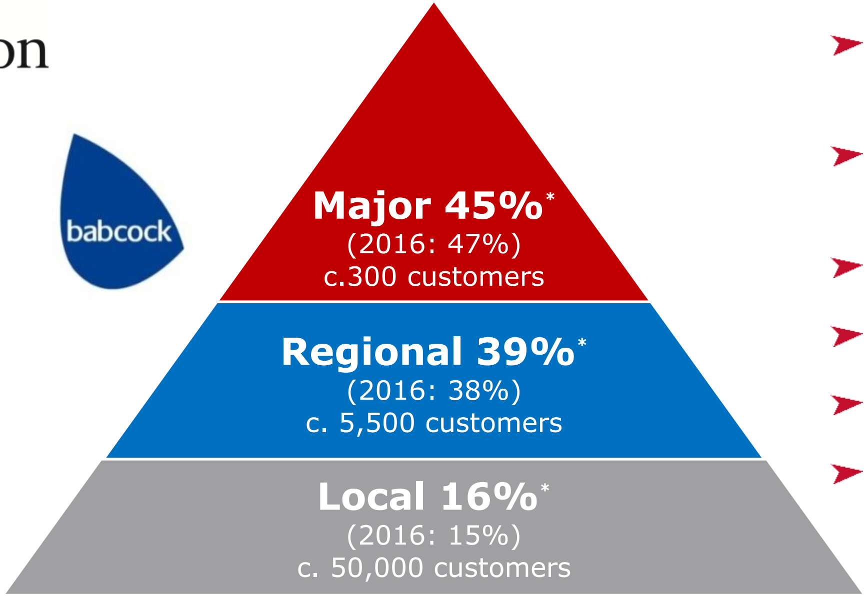
- Provide first class customer experience, so that everything we do is focussed on the customer
- Put innovation at the heart of everything we do
- Cultivate strong client relationships, that build loyalty for long term sustainable profitable growth

What we do

Core hire **58%***	Tools, lifting, survey	Power	Rail	Plant	
Partnered services **15%***	Powered access	Accommodation	Cranes	Large plant	Traffic management
Secondary revenues **20%***	Fuel management	Training	Repairs	Transport	Consumable sales
International **7%***	Middle East oil and gas services				

*% of revenue (pre disposals)

Customer segments

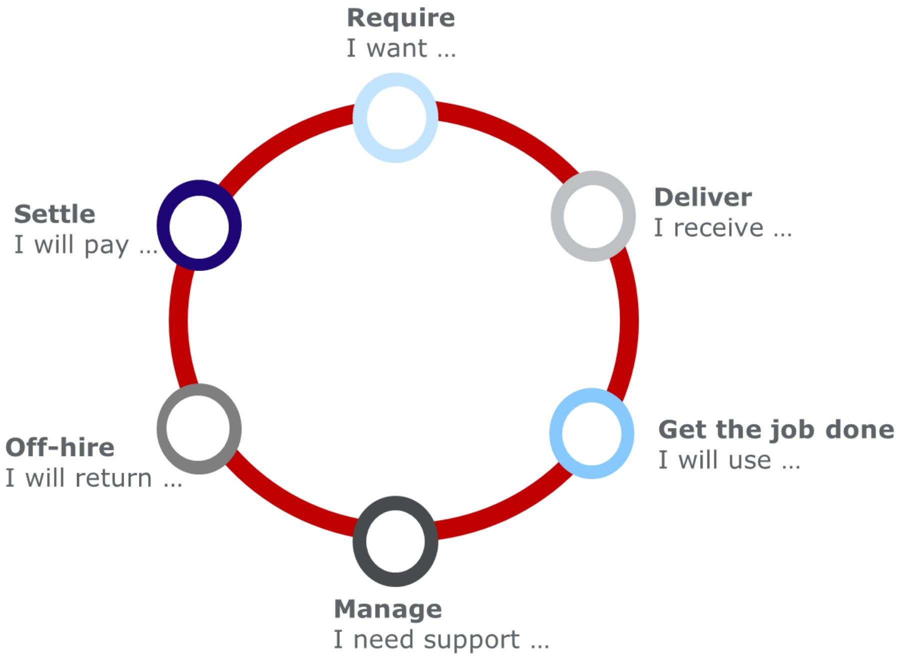


- Retained major customer framework agreements in the year
- Focus on growing revenue from regional and local customers
- New account opening process simplified
- Dormant account campaign
- Local marketing activity
- New pricing structure implemented

* % of core hire revenue

Providing first class customer experience

- Customer journey mapped out
- Brand proposition launched – vision, mission and values
- 'Voice of the Customer' programme implemented
- 'People Matters', survey undertaken to build employee engagement
- Improved systems, processes and management information leading to better customer experience



Innovation at the heart of everything we do

- 70 new sustainable and innovative fleet additions; 'Green Options'
- Acquired Lloyds British in December 2016
  - Fully integrated into the business; strong brand identity
  - Revenue and cost synergies starting to be realised
  - Complements existing lifting, testing and training businesses
- Mobile smart devices and in-depot tablets:
  - Improving accuracy of information, reduced customer queries
  - Paperless system reducing our carbon footprint
- Leading the industry in Building Information Management (BIM)

Green Option

LLOYDS BRITISH
A Speedy business

Cultivating strong client relationships

- Sales teams restructured to better serve national and local customers
- Increased customer engagement and communication
- Customer innovation days
- Speedy Expo held November 2016
- Tradepoint relationship broadening customer base

How we service customers

Nationwide network of 210 depots

Over 300,000 itemised assets

Efficient logistics

Latest innovative tools and equipment

3,745 people

Best in class systems and processes

Specialist expertise

Why customers choose Speedy

Everything we do is designed to support the efficient delivery of our services, and contribute to the success of customer projects

- Health, safety and sustainability
- Financial strength
- Full range of services
- Customer first approach
- Low cost operating model
- Flexibility

Leading the industry in safety and sustainability

- Leading Heath and Safety performance in the industry
- 'Intelligent Safety' campaigns
- Near miss reporting smartphone app launched
- ISO 50001 accreditation for energy reduction
- Awarded RoSPA Gold Award for continuous improvement in accident and ill health prevention at work for third year running
- Achilles RISQS and Building Confidence 5-star ratings
- Greater focus on carbon usage; growing use of electric vehicles

People

- 3,745 employees, 176 from Lloyds British acquisition (2016: 3,644)
- ‘People Matters’ employee survey re-launched
  - High engagement
  - Group and local improvement plans launched
- Training and development
  - Apprentice scheme
  - Classroom; practical; e-learning
  - Management development
- New standardised PDRs launched – rewarding performance
- Improved Group-wide bonus scheme

Summary

- Turnaround plan complete
- Customer focussed culture embedded
- Improved financial and operational performance
- Strong balance sheet, low gearing with significant headroom

Outlook

- Market remains competitive
- Well positioned to take advantage of market opportunities
- Continued sustainable profitable growth

Questions