Interim Results for the period ending
30th September 2015

Russell Down, Chief Executive

10th Nov 2015

Overview

- Challenging and disappointing start to the year
- Review identified:
  - Poor execution of business improvement programmes
  - Lack of focus on SME customers
  - Lack of ownership, empowerment and accountability
- Management changes and remedial actions put in place
- Full benefits will be realised over medium term
- ME operating at break even
- Speedy remains a fundamentally good business

Speedy

10th Nov 2015

Financial Update

Summary Financials

	H1 FY2016 £m	H1 FY2015 £m	FY2015 £m
Revenue*	165.0	189.3	375.0
Gross profit*	94.1	110.7	217.1
Gross margin %	57.0%	58.5%	57.9%
EBITDA*	25.6	37.5	72.7
EBITDA* margin %	15.5%	19.8%	19.4%
EBITA*	4.5	13.8	26.4
EBITA* margin %	2.7%	7.3%	7.0%
PBT*	2.0	10.3	21.9
Adjusted earnings per share*	0.29p	1.39p	3.23p
Exceptional items	14.2	3.7	17.1
ROCE (rolling 12 months)*	5.2%	8.4%	8.0%
Dividend per share	0.30p	0.30p	0.70p

- Revenue £165.0m (H1 15: £189.3m). Decline in core hire revenue and planned disposals in the period
- Gross margins affected by non-hire services
- Adjusted EPS 0.29 pence (H1 15: 1.39 pence)
- Exceptional items £14.2m (H1 15: £3.7m). Principally ME disposal provision £7.5m, restructuring £3.3m and network property provisions
- Interim dividend maintained at 0.30 pence per share

*Before amortisation and exceptional items

Segmental Analysis – UK & Ireland

	H1 FY2016 £m	H1 FY2015 £m	FY2015 £m
Revenue	155.2	176.3	351.3
Gross margin %	59.3%	61.8%	61.0%
EBITDA*	26.6	40.7	78.0
EBITDA margin %*	17.1%	23.1%	22.2%
EBITA*	7.0	20.3	37.4
EBITA margin %*	4.5%	11.5%	10.6%
NBV of property, plant & equipment	254.6	243.9	241.5
Net capital expenditure	31.7	33.6	56.5
Depreciation	19.6	20.4	40.6
Average age of hire fleet (years)	3.9	4.3	4.0

- Revenue £155.2m (H1 15: £176.3m)
- Core hire revenues fell by 11.6%. Planned disposal revenue amounted to £2.1m (H1 15: £6.0m)
- Gross margins affected by non-hire services
- NBV of property, plant and equipment:
  - Hire fleet £215.3m (H1 15: £211.8m)
  - Land and buildings £24.5m (H1 15: £19.4m)
  - Other assets £14.8m (H1 15: £12.7m)

*Before amortisation and exceptional items

Speedy

Segmental Analysis – International

	H1 FY2016 £m	H1 FY2015 £m	FY2015 £m
Revenue*	9.8	13.0	23.7
EBITDA*	1.3	(0.3)	(0.5)
EBITDA margin %*	13.3%	(2.3%)	(2.1%)
EBITA*	0.1	(3.3)	(5.6)
EBITA margin %*	1.0%	(25.4%)	(23.6%)
NBV of property, plant & equipment	12.8	33.6	11.8
Net capital expenditure	2.4	3.6	(8.6)
Depreciation	1.2	3.0	5.1
Average age of hire fleet (years)	2.0	2.6	1.9

- Prior year comparatives include spot hire business now disposed of/discontinued. Remaining business services national oil and gas clients in the UAE
- Business now operating at break even
- Significant portion of revenue is through partnered services at low margins
- Exceptional costs relating to ME £8.7m
  - £7.5m: Debt impairment on February 2015 asset disposals and trading balances
  - £1.2m: Disposals and professional fees

*Before amortisation and exceptional items

Balance Sheet

	30 Sept 2015 £m	30 Sept 2014 £m	31 March 2015 £m
Intangibles & JV	52.2	54.4	53.8
Property, plant and equipment	267.4	277.5	253.3
Inventory	8.2	10.3	9.5
Trade and other receivables	95.8	112.6	114.5
Cash	15.6	1.8	0.2
Borrowings	(118.2)	(106.2)	(105.5)
Trade and other payables	(92.0)	(95.3)	(81.3)
Tax	(5.4)	(11.1)	(8.1)
Provisions	(3.8)	(2.4)	(4.2)
Other	-	-	1.8
	219.8	241.6	234.0

- Property, plant and equipment
  - Hire fleet £224.9m (Sep14: £242.3m) reflecting asset disposals in the international business
  - Land and buildings £27.6m (Sep14: £22.3m) reflecting Network Optimisation Programme
  - Other tangible assets £14.9m (Sep14: £12.9m) being investment in IT systems
- Trade receivables reduced, primarily in the UK
- Trade payables higher than Mar15 but consistent with Sep14 due to H1 capex

Cash Flow

	H1 FY2016 £m	H1 FY2015 £m	FY2015 £m
Adjusted operating profit	4.5	13.8	26.4
Depreciation	21.1	23.7	46.3
EBITDA	25.6	37.5	72.7
Exceptional costs	(14.2)	(3.4)	(16.8)
Loss / (profit) on disposal	0.4	(1.8)	(5.0)
Working capital	30.1	(6.9)	(10.4)
Provisions	(0.4)	-	1.8
Share-based payments	0.2	0.5	0.7
Purchase of hire fleet	(37.7)	(39.1)	(68.6)
Proceeds from sale of hire fleet	9.0	11.2	38.9
Cash generated / (absorbed) from operations	13.0	(2.0)	13.3

- Cash generated from operations £13.0m (Sep14: cash absorbed £2.0m)
- Working capital movements due to:
  - £18.7m decrease in debtors, primarily in the UK
  - £8.3m increase in payables due to H1 capex
  - £3.1m combined decrease in inventory and assets held for sale
- Hire fleet capex consistent with prior year

Net Debt Reconciliation

Financial period ended 30 September	2015 £m	2014 £m
Net debt 1 April	105.3	84.4
Cash from operations	(13.0)	2.0
Interest Paid	2.6	5.0
Tax Paid	0.6	2.7
Non-fleet capex	5.4	9.3
Investment in JV	(0.6)	-
Dividend	2.0	1.8
Issue of share capital	(0.1)	-
Movement in capitalised bank fees	0.4	(0.8)
Net debt 30 September	102.6	104.4

- Net debt £102.6m (Sep14: £104.4m)
- Total facility £180m, subject to available asset base and debtor book
- Facility headroom available £56.4m
- Covenants only tested if headroom in the facility falls below £18m:
  - Net debt: EBITDA < 3.0:1
  - EBITDAR (adjusted EBITDA): adjusted interest > 2.1:1

KPIs

	H1 FY2016 £m	H1 FY2015 £m	FY2015 £m
PBT*	£2.0m	£10.3m	£21.9m
Debtor days – UK & Ireland	72.6	76.8	72.6
Net debt	£102.6m	£104.4m	£105.3m
Net debt: EBITDA (rolling 12 months)*	1.69	1.38	1.45
Shareholders' funds	£219.8m	£241.6m	£234.0m
Net assets per share	42.10p	46.41p	44.84p
ROCE (rolling 12 months)*	5.2%	8.4%	8.0%
ROCE (rolling 12 months) excluding International*	6.3%	11.4%	10.8%

*Before amortisation and exceptional items

10th Nov 2015

Business Update

Challenging first half

- Challenging first half:
  - Lack of focus on SME customers
  - Unavailability of stock
  - Poor execution of IT and MI system implementation challenges
  - Lack of ownership, empowerment and accountability

- H2 focus:
  - Sales function aligned to better service both Strategic and SME customers
  - Redistribution of assets improving asset availability
  - Improved MI through system upgrades
  - A more effective structure and competitive overhead base that will deliver £13m cost savings

Customer focussed strategy

- Improving customer service
- Differentiation and innovation
- Cultivating strong client relationships

- Underpinned by:
  - An empowered but accountable structure
  - A commitment to keeping our people and customers safe

Improving Customer Service

- Customer experience:
  - Customer service charter
  - Strategic customer SLA
  - SME customer initiatives
- Reliable
  - Right assets, right place, right time
- Easy to do business with
  - Multi channel – depot, delivery, online




Differentiation and Innovation

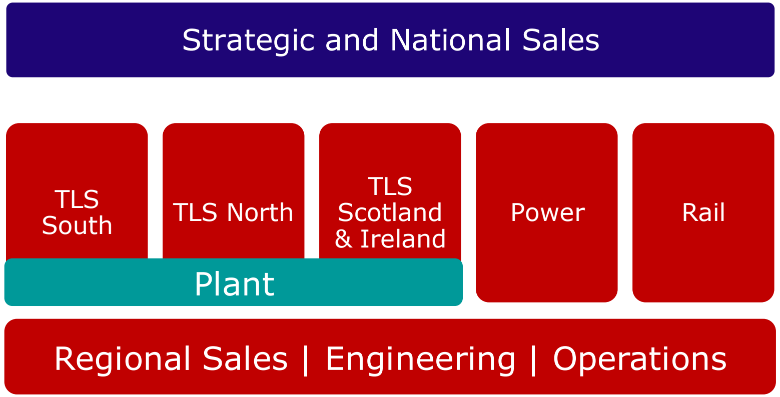
- Systems improving efficiency and the customer experience
  - Accurate real-time MI data enabling better decision making
- Product innovation demanded by our customers
  - £40m in new hire equipment that meet customers’ needs
  - 6,000 new products added to the fleet since July
  - 50 new innovative products in 2015 with 50 more planned in 2016
- Customer facilities and accessibility
  - In-depot
  - Online

Relationships

- Sales function aligned to better serve both Strategic and SME customers
- CRM being implemented across business
- Better anticipation of our customers' needs in real-time and based on credible information
- New contract wins, and a strong bid pipeline
- Key account plans being implemented

New Lean Structure

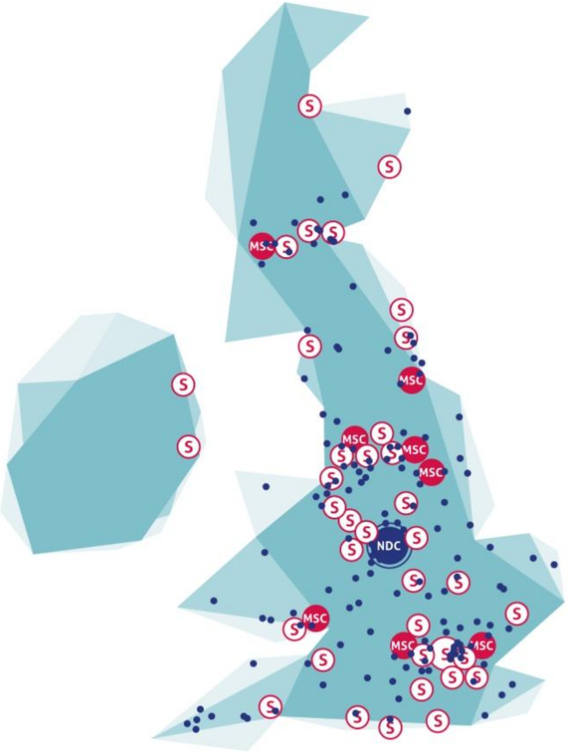
- Restructured to improve accountability
- A new empowered management structure
  - Flatter hierarchy – removal of layers
  - P&L ownership
  - Framework for local decision making



Sales Focussed Structure

- A structure and network to serve **all** of our customers
- SME accounts now regionally managed

Strategic and National	Centrally Managed	c.50% Revenue Share
SME	Regionally Managed	c.50% Revenue Share



Outlook

- Early days in the Group's recovery
- Remedial actions addressing legacy issues
- Full benefits to be realised over the medium term
- Expecting to see an improvement in the second half of the year

Whilst our markets remain competitive, Speedy remains a fundamentally good business with potential to deliver sustainable profitable growth

Questions