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#TrustUsToDeliver

HALF YEAR RESULTS 30 SEPTEMBER 2020

Russell Down, Chief Executive

James Bunn, Chief Financial Officer

Highlights

- Resilient performance; well positioned as activity recovers
 - Swift and decisive action taken to respond to COVID-19
 - Further contract renewals and market share gains
 - Strong balance sheet and cash generation; significant facility headroom
 - Continued strategic and operational progress
 - Embedding ESG into our business
 - Increasing proportion of transactions undertaken digitally
- Current trading and outlook
 - October hire revenue c.3.5% below prior year
 - No significant impact from lockdown 2 to date
 - October 31 utilisation increased to 60.2% (2019: 57.9%)
 - Assuming current trading continues the Board intends to pay a dividend for the full year
 - Full year results expected to be towards the top end of analysts' expectations





Financial update

James Bunn, Chief Financial Officer



Resilient performance, well positioned as activity recovers

Group financial highlights

	HY 2021 £m	HY 2020 £m	Change %
Revenue (pre-disposals)	162.3	204.2	(20.5)
EBITDA ¹	41.0	52.7	(22.2)
PBT ¹	5.9	16.4	(64.0)
Net debt	57.8	85.1	(32.1)
Leverage	0.9x	1.1x	
ROCE	8.6%	12.2%	(3.6) _{pp}
EPS (pence per share)	0.88	2.56	(65.6)
Dividend (pence per share)	0.00	0.70	(100.0)

- Financial performance significantly impacted by reduced activity levels from COVID-19 pandemic
- Decisive action to protect customers and colleagues while maintaining trading
- Focus on cash preservation resulted in net debt reducing during H1
- Leverage below Board's target level with significant headroom
- Dividend policy remains unchanged

1 Before amortisation and exceptional items



UK and Ireland division

	HY 2021 £m	HY 2020 £m	Change %
Revenue			
Hire	91.4	116.5	(21.5)
Services	54.2	70.0	(22.7)
Disposals	1.5	1.5	-
	147.1	188.0	(21.8)
Gross margin			
Hire	75%	77%	(2.2) _{pp}
Services	23%	27%	(4.3) _{pp}
Disposals	20%	19%	
	55%	58%	(2.8) _{pp}
Gross profit	81.0	108.5	(25.3)
Overheads ¹	(72.2)	(90.1)	(19.9)
EBITA ¹	8.8	18.4	(52.2)
Headcount (No.)	3,173	3,447	(7.9)

Revenue

- Hire revenue on an improving trend throughout H1 following initial c.40% fall in April, recovered to c.-7% in September, c.-3.5% in October
- Strong performance from the rehire, testing and consumables businesses, reacting quickly to changing customer demands

Margin

- Reduced capex spend and tight control of other direct costs partly mitigated revenue shortfall

Overheads

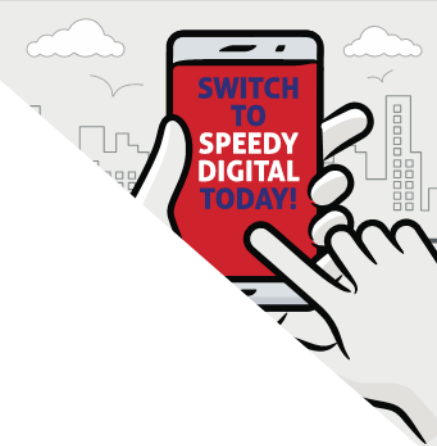
- Cost base reduced with action taken to manage property costs, reduce discretionary spend, and furlough/redundancy of staff

¹ Before amortisation and exceptional items

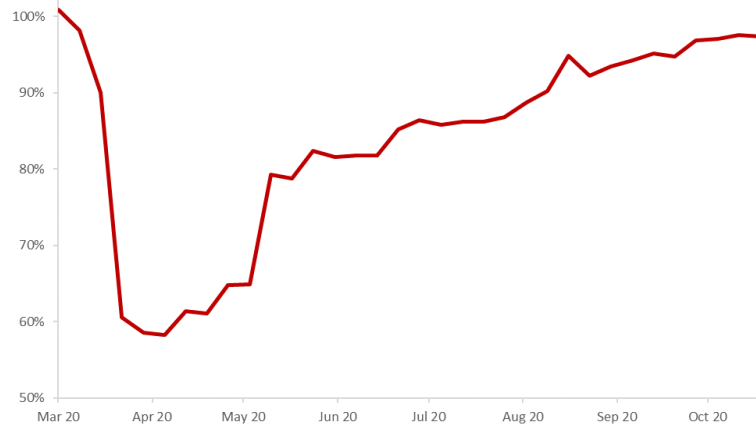


A resilient performance underpinned by continued recovery in hire¹

Optimising asset utilisation using artificial intelligence



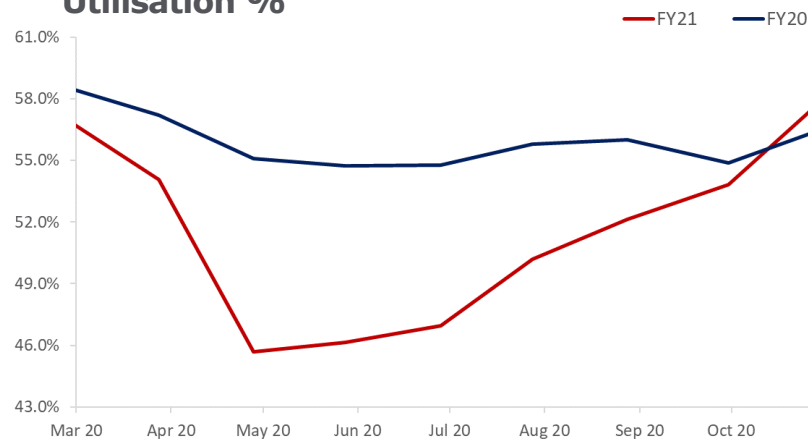
% of YoY hire revenue



UK and Ireland hire revenue

- Robust recovery in YoY hire revenue from low of c.-40% in April to c.-3.5% in October
- Revenue from major customers has returned to almost prior year levels
- SME customers returned to year on year growth in September

Utilisation %



UK and Ireland asset utilisation

- Asset utilisation on 31 October 60.2% (Oct-19: 57.9%)
- Artificial intelligence used to optimise asset utilisation
- Digital dashboards in place to monitor asset and logistic efficiencies

¹ UK and Ireland core hire



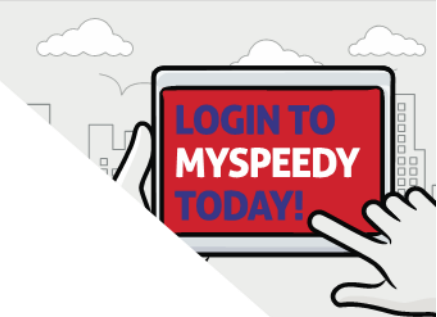
International division

	HY 2021 £m	HY 2020 £m	Change %
Revenue			
Hire	3.8	3.9	(2.6)
Services	12.9	13.8	(6.5)
Disposals	-	-	-
	16.7	17.7	(5.6)
Gross margin			
Hire	49%	58%	(9.3) _{pp}
Services	18%	21%	(3.2) _{pp}
Disposals	-	-	-
	25%	29%	(4.0) _{pp}
Gross profit	4.2	5.1	(17.6)
Overheads ¹	(2.4)	(2.6)	(7.7)
EBITA ¹	1.8	2.5	(28.0)
Share of JV	0.6	1.5	(60.0)
Headcount (No.)	583	623	(6.4)

- Contract extension with principal customer confirmed through to February 2021, with ongoing discussions over future opportunities
- Revenue and gross profit reflect renegotiated commercial terms with principal customer and the impact from COVID-19 pandemic
- JV performance impacted by reduced shutdown activity and disruption caused by COVID-19 pandemic

¹ Before amortisation and exceptional items

Well placed to continue to pursue financial and strategic objectives



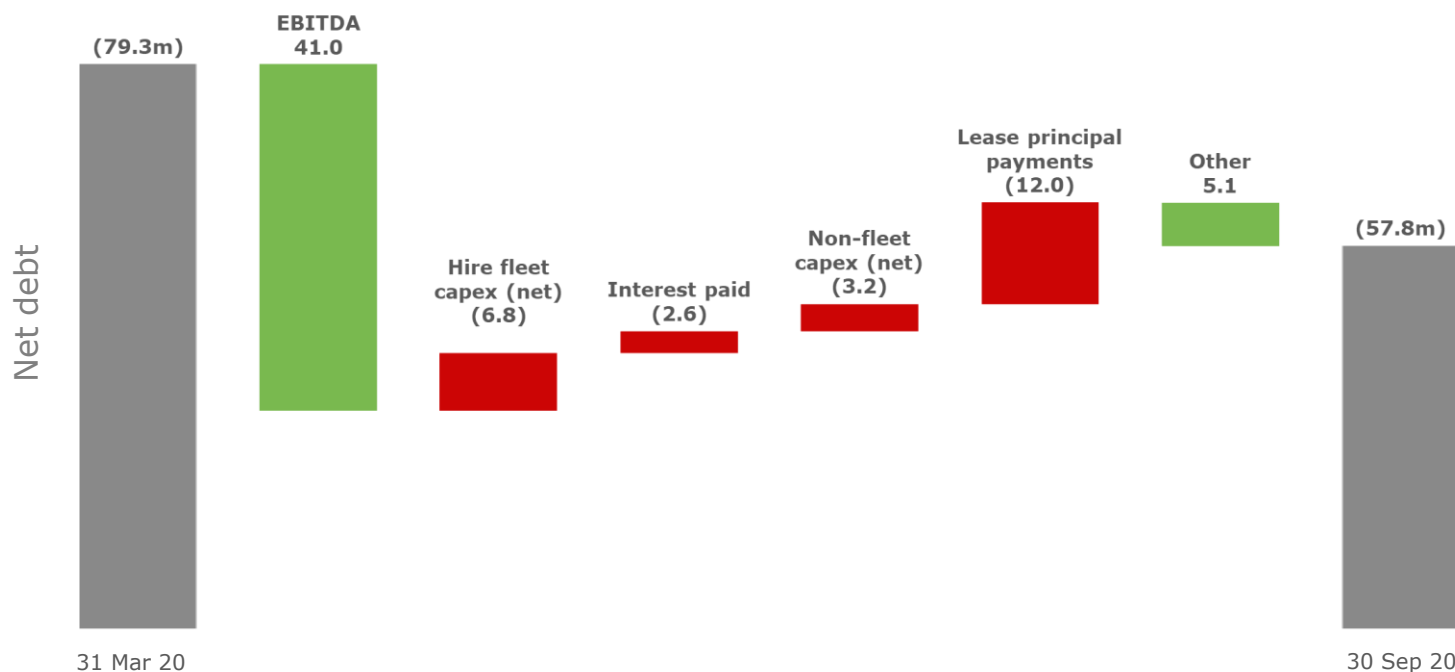
Balance sheet	30 Sep 2020 £m	31 Mar 2020 £m
Intangibles and joint ventures	29.4	30.4
Hire fleet	212.0	227.1
Other fixed assets	27.6	30.5
Right of use assets	58.9	64.7
Net working capital	(4.1)	(2.0)
Trade and other receivables	95.4	102.3
Trade and other payables	(84.5)	(90.9)
Lease liabilities	(66.8)	(72.9)
Net debt ¹	(57.8)	(79.3)
Net assets	210.1	209.9

- Hire fleet decreased by £15.1m since year end, reflecting reduced capital expenditure
- Conservative hire fleet capital expenditure of £7.2m (HY20: £27.4m)
- Average fleet age of 3.9 years (3.4 years at Mar-20)
- Debtor days 67.2 (HY20: 68.2), cash collections have remained strong throughout H1
- ROCE fell to 8.6% (HY20: 12.2%)

1 Excluding impact of IFRS 16

Conservative net debt with significant facility headroom

Net debt and financing



- Net debt reduced by £21.5m since year end following decisive action to preserve cash
- Tight control over discretionary spend and capex, leveraging historic low age of fleet and in house repair capabilities
- Significant facility availability and cash of £110.7m (Mar-20: £99.0m)
- Leverage¹ reduced to 0.9x (Mar-20: 1.0x)
- We continue to explore value enhancing acquisitions and organic growth opportunities

¹ Excluding impact of IFRS 16

The Speedy logo is a red chevron pointing right, with the word "Speedy" in blue italicized font with a white outline.

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Strategy and business update

Russell Down, Chief Executive



Continuing strategic progress

- Prompt and decisive action taken to reduce costs and preserve cash during COVID-19
- Customer service promise expanded; 350 products now available with 4 hour delivery
- Major customer renewals and new wins secured
- Continued growth in SME customer revenues
- Further investment in IT systems and applications to support digital ambitions
- Depot closures and consolidations leading to increased efficiency
- Leading the industry on ESG
- Growing services revenues; Lloyds British performed well, Geason claim settled

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Market environment

- Revenue impacted from lockdown 1 as construction sites closed; slow remobilisation as sites implemented new ways of working
- No significant impact from lockdown 2 to date as customers continue working
- Excellent pipeline of infrastructure opportunities:
 - HS2
 - Rail – CP6
 - Water – AMP7
- Housing completions strong but slowing into 2021
- Commercial property market weaker
- Pricing pressures remain, although longer term contract renewals and market share gains provide resilience and visibility
- Gaining market share in powered access following integration of acquired businesses



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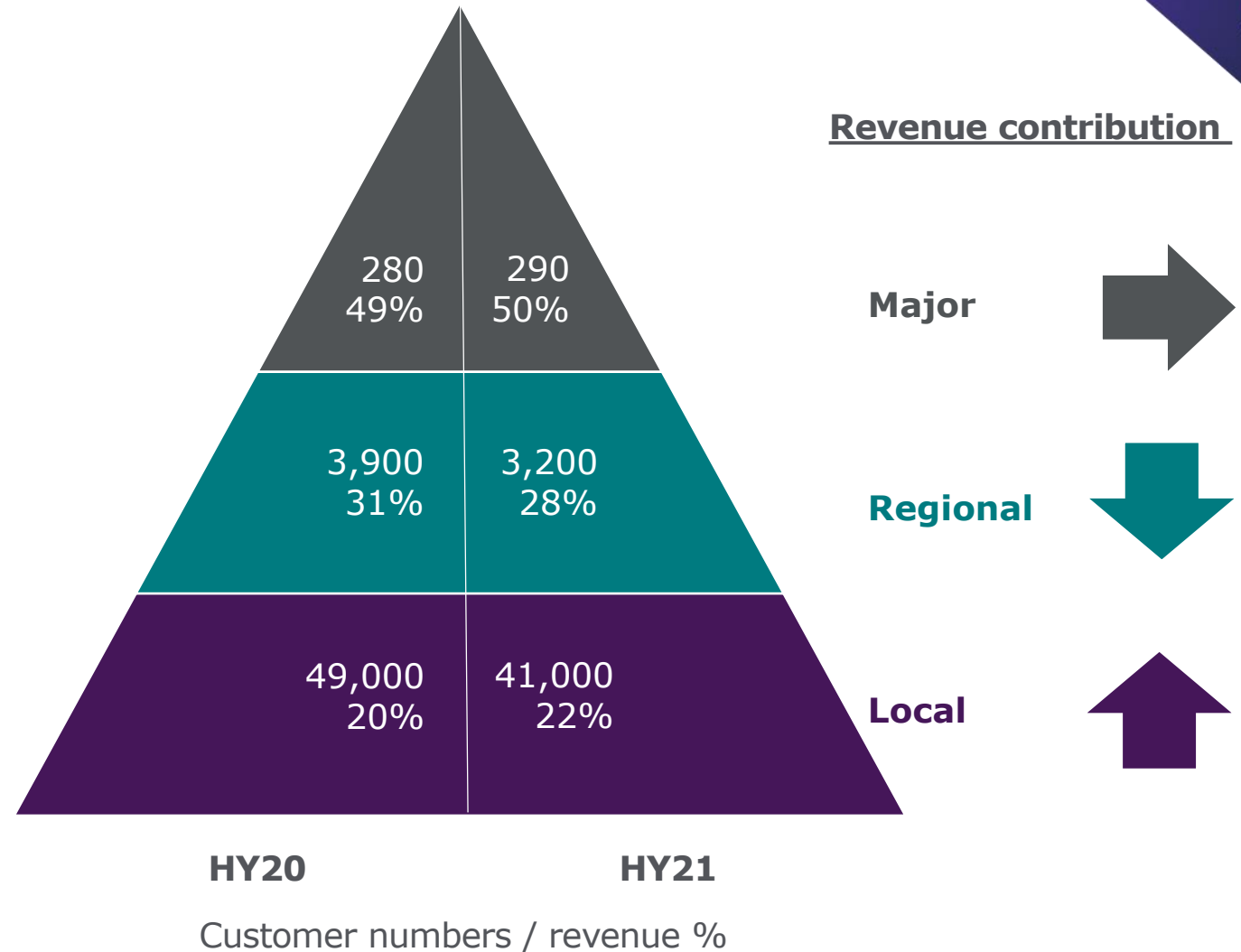
Strategic priorities



Customer service



- Customer numbers and activity levels reduced due to COVID-19
- Key wins and contract extensions with major customers
- Unique nationwide 4 hour delivery promise increased to cover 350 products
- Regional customer numbers declined due to increased competition and price deflation
- Increasing proportion of revenue from local customers in line with strategy although active customer numbers in period reduced
- Customer Relationship Centre increasing customer engagement including for services businesses



Digital transformation

- Increasing proportion of transactions undertaken through digital channels
- Digital customer journey enhanced:
 - Live delivery and collection tracking
 - HAV / Eco product selector
 - Equipment test inspection and compliance checker
 - Online customer dashboards
 - Cash transaction; checkout as guest
- Continued application of artificial intelligence /machine learning to forecast behaviour and stock requirements
- Project underway to enhance product data for online content enrichment
- Bespoke system integrations underway with major customers



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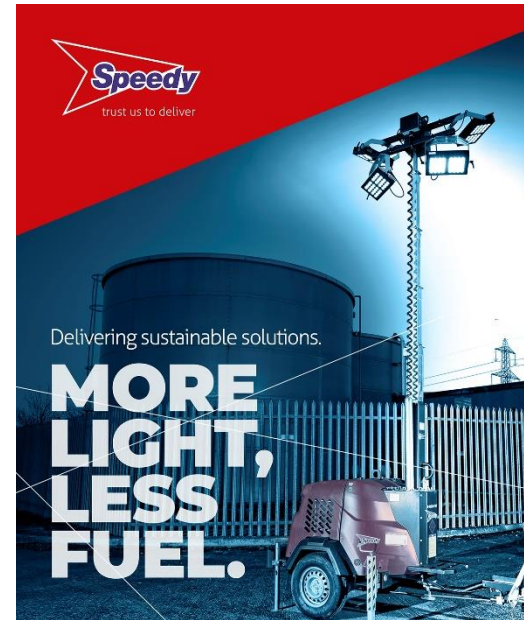
People

- 3,756 employees (FY19: 4,065)
 - UK and Ireland headcount 3,173 (FY19: 3,464)
 - International headcount 583 (FY19: 601)
- New HRD appointed; priorities include learning and development, succession planning, training and diversity
- Apprentice and graduate programmes continuing
- Enhanced employee communications during COVID-19; regular updates on employee app (The Hub) and regular management / colleague calls
- Wellbeing survey underway; full employee survey to be undertaken in early 2021
- MHFAs appointed throughout the business



Leading the way in ESG

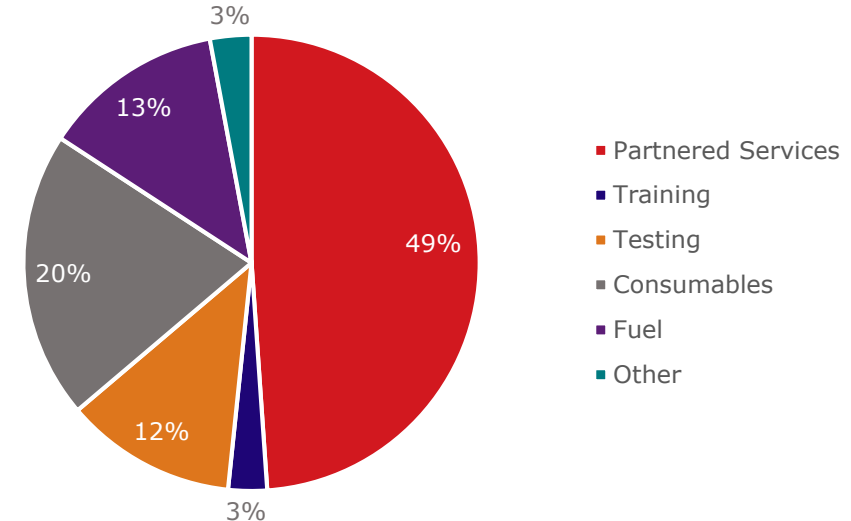
- Energise is Speedy's CSR roadmap to be a more responsible business, launched in October 2019
- Sustainable products generate c.20% of revenue
- Further investment planned in new technologies eg cordless, hybrid and solar
- Non Road Mobile Machinery (NRMM) roadmap in place along with Stage 5 engine compliance
- Commercial vehicle fleet is 86% Euro 6 compliant. Steps in place to transition to hybrid / electric vehicles
- First company to be awarded DVSA earned recognition on HS2 for our commitment to transport compliance, safety and sustainability
- Trialing use of HVO (hydrotreated vegetable oil) as a direct replacement for red diesel with Keltbray



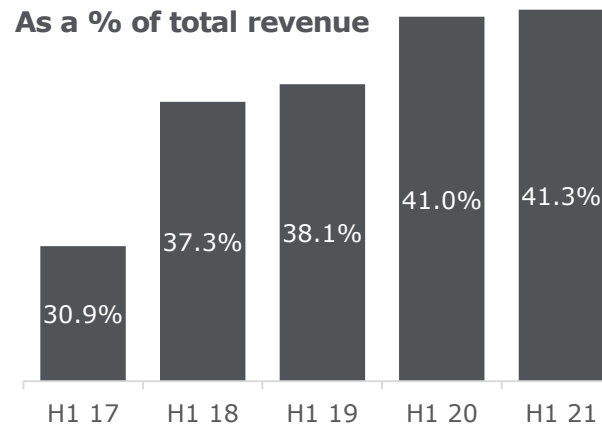
Services revenue

- Services revenue increased from 31% of total revenue in HY17 to 41% in HY21
- Services provide greater visibility, lower risk and are ROCE enhancing
- Services includes rehire with good opportunities for growth
- Strong HY21 performance from rehire (largely accommodation) and consumables
- Lloyds British performing ahead of expectations
- Geason claim from funding agency resolved; actions underway to further improve financial position

UKI by category



As a % of total revenue



International

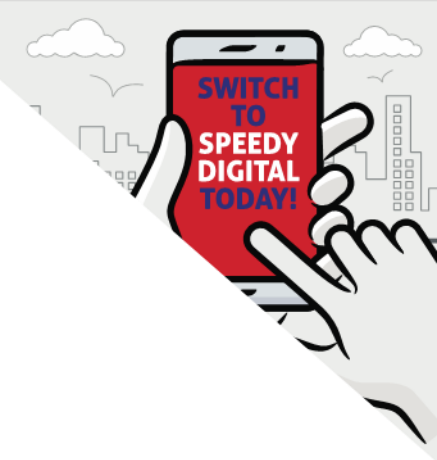
- Middle East business continues to perform well under challenging conditions
- ADNOC contract extended until 28 February 2021; in active discussions in relation to longer term opportunities
- Business development activities diversifying client base
- Total capex £nil (HY19: £2.1m)
- Kazakhstan JV performed well, albeit results are below prior year due to cyclical shutdown activity



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Summary and outlook

- Resilient H1 performance; restructuring to optimise the business
- Strong balance sheet and cash generation, with significant facility headroom
- Market share gains reflect customer service focus
- Good momentum into H2; October hire revenue c.3.5% behind prior year, utilisation ahead of prior year at 60.2%
- Well positioned and invested to take advantage as activity recovers
- Assuming current trading continues the Board intends to pay a dividend for the full year
- Full year results expected to be towards the top end of analysts' expectations





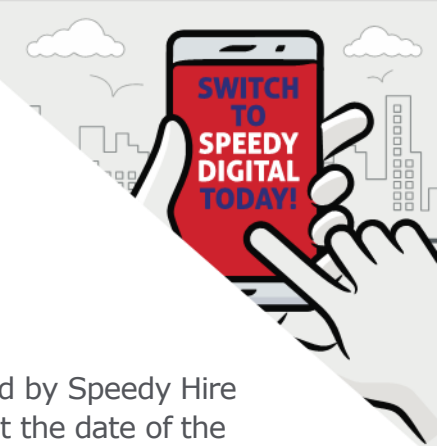
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Q&A



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