Speedy Hire Plc
(“Speedy”, “the Company” or “the Group”)

Results for the six months to 30 September 2016 **16 November 2016**

Results significantly improved; recovery well established

Speedy, the UK’s leading tools, equipment and plant hire services company, operating across the construction, infrastructure and industrial markets, announces results for the six months to 30 September 2016.

Key Points

	6 months ended 30 September 2016	6 months ended 30 September 2015	Change	Year ended 31 March 2016
	(£m)	(£m)	%	(£m)
Group revenue	**187.1**	165.0	*13.4%*	329.1
Group EBITDA[1]	**30.4**	25.6	*18.8%*	53.1
Group EBITA[1]	**8.4**	4.5	*86.7%*	10.0
Adjusted profit before tax[1]	**6.8**	2.0	*240.0%*	5.0
Profit/ (loss) before tax	**5.4**	(13.5)		(57.6)
Adjusted earnings per share[1]	**1.04p**	0.29p	258.6%	0.79p
Earnings/ (loss) per share	**0.81p**	(2.21p)		(10.19p)
Net debt	**85.4**	102.6	*(16.8%)*	102.6
Leverage[2]	**1.47**	1.69	*(13.0%)*	1.93
Dividend (pence per share)	**0.33p**	0.30p	*10.0%*	0.70p

1 Before amortisation and exceptional costs
2 Net debt covered by rolling twelve month EBITDA (times)

Financial highlights
- Pre-disposal revenue increased by 5.2% to £171.4m (2015: £162.9m)
- Operating profit of £8.4m (2015: £4.5m) up 86.7%
- Adjusted profit before tax increased to £6.8m (2015: £2.0m)
- Earnings per share increased to 0.81 pence (2015: loss 2.21 pence)
- Strong balance sheet; net debt significantly reduced and leverage below 1.5 times EBITDA
- Dividend up 10.0% to 0.33 pence per share

Operational highlights
- Continued focus on operational excellence with restructuring undertaken
- Disposal of heavy plant to focus on developing core operations
- Strategic 10.0% reduction in hire fleet; significantly improved asset utilisation
- Full year results expected to be ahead of the Board’s previous expectations

Commenting on the results Russell Down, Chief Executive, said:

“These encouraging interim results confirm that our recovery is well established.

We are now focussed on the strategic development of the business over the medium-term and are implementing a range of customer service initiatives to ensure that Speedy is competitively positioned to grow profitable market share.

Reflecting the progress the Group has made, we now expect results for the full year to be ahead of the Board’s previous expectations.”

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Notes:

Inside Information: This announcement contains inside information.

Forward looking statements: The information in this release is based on management information. This report includes statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the Listing Rules and applicable law, the Company undertakes no obligation to update, revise or change any forward looking statements to reflect events or developments occurring after the date of this report.

Notes to Editors: Founded in 1977, Speedy is the UK's leading provider of tools, equipment and plant hire services to a wide range of customers in the construction, infrastructure and industrial markets, as well as to local trade and industry. The Group provides complementary support services through the provision of training, asset management and compliance services. Speedy is accredited nationally to ISO50001, ISO9001, ISO14001 and OHSAS18001. The Group operates from 204 fixed sites across the UK and Ireland together with a number of on-site facilities at client locations throughout the UK, Ireland and from an international office based in Abu Dhabi.

Chief Executive's Statement

Overview

I am pleased to report significantly improved results following the implementation of our new strategy and recovery plan this time last year.

The Group's recovery is well established with revenue growing and costs lower than the prior year. We have a strong balance sheet and substantial headroom within our banking facilities. The business has been stabilised, profitability is increasing and we now have a strong foundation in place for further progress.

Results

Revenue for the period was £187.1m (2015: £165.0m). During the period we disposed of the majority of our heavy plant for £12.1m, which has been recognised as revenue. Excluding the effect of this and other disposals, revenue increased by 5.2%.

As a result of increasing revenues, and lower overhead costs, EBITDA before exceptional costs increased by 18.8% to £30.4m (2015: £25.6m). EBITA before exceptional costs increased by 86.7% to £8.4m (2015: £4.5m).

Profit before tax, amortisation and exceptional costs for the period was £6.8m (2015: £2.0m). Profit before tax was £5.4m (2015: loss £13.5m).

Earnings per share before amortisation and exceptional costs were 1.04 pence (2015: 0.29 pence).

As at 30 September 2016, net debt amounted to £85.4m (31 March 2016: £102.6m). The improvement in net debt is due to the disposal of the Group's heavy plant and improved cash management, with net cash flow before financing activities improving significantly to £19.2m (2015: £5.0m).

The Group has a strong balance sheet, including headroom of £76.1m within its banking facilities, to support the implementation of the Group's growth strategy.

Dividend

The Board has declared an increase in the interim dividend of 10.0% to 0.33 pence per share (2015: 0.30 pence per share) to be paid on 27 January 2017 to shareholders on the register as at 16 December 2016.

Operational Review and Strategy

Our three part market focussed strategy is to deliver excellent customer service, innovation and build strong customer relationships. We launched the strategy a year ago along with a recovery plan to grow revenue and tightly manage our cost base. We have won and renewed a number of contracts with our strategic customers, and continue to improve our penetration of the SME market. The improved results we are reporting today are a consequence of the implementation of the new strategy.

We have worked with external specialists to implement a customer experience programme. This will ensure our people understand the strategy for growth and how they can play their part in achieving it. The programme focusses on the following themes:

- Brand proposition
- Customer satisfaction
- Internal advocacy and engagement
- Systems, processes and management information

We monitor performance against KPIs including those in relation to asset utilisation, engineering and logistics, transport and return on capital employed. The overhaul of our IT and management information systems has resulted in a significant improvement in the quality of data which will allow more accurate measurement against those KPIs. We have made further progress in improving product availability and utilisation across our depot network, primarily through endeavouring to ensure that we have the right equipment available where and when it is needed. Since September 2015, asset utilisation has improved significantly.

In line with our strategy of developing our core operations, on 26 August 2016 we announced the sale of the Group's heavy plant for a total consideration of £14.4 million. Of this, £12.1m proceeds for assets held outside Scotland were received in September 2016, with the balance to follow on 30 November. We also announced that we had entered into a five-year re-hire agreement, with an option for a further two years. The disposal has allowed us to pay down debt and deliver a pro-forma increase in return on capital employed.

The Group's headcount at 30 September 2016 was 3,542 (31 March 2016: 3,643). In the UK and Ireland headcount during the period fell by 3.9% to 3,067, following a restructuring of the core tools, lifting and survey business into two regional operating divisions, and further reductions centrally. The associated costs of this restructuring have been recognised as exceptional. Headcount in the International business increased by 25 in line with revenues.

Board and people

David Shearer joined the Board as a non-executive Director following the general meeting on 9 September 2016, and has subsequently been appointed to the Audit and Nomination Committees.

With the recovery well underway, and as previously announced, Jan Åstrand reverted to non-executive Chairman with effect from 30 September 2016.

The stabilisation and recovery of the business would not have been possible without the dedication and professionalism of everyone at Speedy. I would like to take the opportunity to thank all of my colleagues for their support and focus during this period.

Outlook

These encouraging interim results confirm that our recovery is well established.

We are now focussed on the strategic development of the business over the medium-term and are implementing a range of customer service initiatives to ensure that Speedy is competitively positioned to grow profitable market share.

Reflecting the progress the Group has made, we now expect results for the full year to be ahead of the Board's previous expectations.

Russell Down
Chief Executive

Financial review

Results

Revenue for the period improved by 13.4% to £187.1m (2015: £165.0m) as a result of increased core hire, partnered services, and secondary income, as well as the heavy plant disposal in September 2016. Revenue from planned disposals amounted to £15.7m (2015: £2.1m).

Gross profit was £95.4m (2015: £94.1m), an increase of 1.4%. The reduction in gross margin to 51.0% (2015: 57.0%) was principally due to planned disposals (4.2%) and a higher proportion of partnered services income.

Group operating profit before amortisation and exceptional costs increased by 86.7% to £8.4m (2015: £4.5m) and profit before taxation, amortisation and exceptional costs increased to £6.8m (2015: £2.0m). After taxation, amortisation and exceptional costs, the Group made a profit of £4.2m compared to a loss of £11.4m during the same period in 2015.

Adjusted earnings per share before amortisation and exceptional costs increased to 1.04 pence (2015: 0.29 pence) and basic earnings per share after exceptional costs and amortisation were 0.81 pence (2015: loss per share 2.21 pence).

Segmental analysis

The Group's segmental reporting is reported as UK and Ireland Asset Services, International Asset Services and Corporate. The figures in the tables below are presented before corporate costs.

UK and Ireland Asset Services	**6 months ended 30 September 2016 £m**	6 months ended 30 September 2015 £m	Movement %
Revenue	**174.8**	155.2	12.6%
EBITDA[1]	**30.4**	26.6	14.3%
EBITA[1]	**10.1**	7.0	44.3%

[1] before exceptional costs

Revenue totalled £174.8m, representing an increase of 12.6% (3.9% before planned fleet disposals). The EBITA margin before exceptional costs was 5.8% (2015: 4.5%). Headcount during the period fell by 3.9% to 3,067 following a restructure of the operating divisions and further reductions centrally.

International Asset Services	**6 months ended 30 September 2016 £m**	6 months ended 30 September 2015 £m	Movement %
Revenue	**12.3**	9.8	25.5%
EBITDA[1]	**2.3**	1.3	76.9%
EBITA[1]	**0.9**	0.1	>100%

[1] before exceptional costs

Revenue increased by 25.5% to £12.3m (2015: £9.8m), of which £1.2m was due to FX movements, with the remainder due to the mobilisation of new equipment. EBITA was £0.9m (2015: £0.1m).

Major shutdown activity in Kazakhstan increased our share of profit from the joint venture to £1.0m (2015: £0.3m).

Exceptional costs

Exceptional items totalled £0.5m before taxation (2015: £14.2m), and are included within administrative costs.

Exceptional costs of £1.3m related to a restructuring of the UK & Ireland business and September's general meeting. Offsetting these was a £0.8m credit due to the revision of the International asset disposal receivables provision, as cash has been received in the period.

Interest and taxation

Interest expense in the period reduced to £2.6m (2015: £2.8m) as a result of lower net debt.

The £1.2m tax charge for the period represents an effective tax rate of 20.3% pre-exceptional costs (2015: 42.9%); 22.2% post exceptional costs (2015: 15.6%). This has been calculated by reference to the projected charge for the full year ending 31 March 2017.

Dividend

The Board has approved an increase in the interim dividend of 10.0% to 0.33 pence per share, at a total cash cost of approximately £1.7m. The FY17 interim dividend will be paid on 27 January 2017 to shareholders on the register on 16 December 2016.

Capex and disposals

Purchases of property, plant and equipment reduced to £23.4m (2015: £43.4m), of which £21.5m (2015: £37.7m) related to investment in equipment for hire, and the balance principally to investment in IT infrastructure and improvements to the property network. This reduction reflects management's focus to only purchase assets which have a satisfactory return.

Proceeds from the disposal of property, plant and equipment amounted to £19.7m in the period (2015: £9.3m). Group net capex totalled £3.7m (2015: £34.1m). Asset disposals generated a loss of £0.9m (2015: loss £0.4m) against their carrying value.

Cash flow and net debt

Cash from operations before changes in the hire fleet amounted to £25.6m (2015: £41.7m). After investment in hire fleet, the depot network and IT, net cash flow (before dividends and financing activities) amounted to an inflow of £19.2m (2015: inflow £5.0m).

Net debt reduced in the period to £85.4m (31 March 2016: £102.6m) with net debt to EBITDA (rolling 12 months) at 1.47x (31 March 2016: 1.93x) and gearing decreasing to 46.8% (31 March 2016: 57.5%).

This further strengthening of the cash position resulted in headroom within the Group's committed £180m bank facility improving to £76.1m at 30 September 2016 (31 March 2016: £54.8m). The facility is currently covenant-free.

Balance sheet

Net assets at 30 September 2016 totalled £182.3m (31 March 2016: £178.4m), equivalent to 34.8p per share. Net debt/ net tangible fixed assets was 0.35x at 30 September 2016 (31 March 2016: 0.39x), underlining the strong asset backing within the business.

Net capex in the period was £18.3m below the Group's depreciation charge (2015: £13.0m above). The focus on improving the quality of the hire fleet resulted in net property, plant and equipment reducing from £264.6m at the beginning of the period, to £244.9m at 30 September 2016. Equipment for hire represented 82.7% (31 March 2016: 83.3%) of net property, plant and equipment of which £8.9m (31 March 2016: £9.1m) related to the International business.

Intangible assets are being amortised over their useful lives and will be fully amortised by the end of the financial year.

Gross trade receivables totalled £100.6m at 30 September 2016 (2015: £97.3m). Debtor days, before the heavy plant disposal, were 70.7 days (2015: 75.9 days).

Trade payables were £40.8m (2015: £57.9m), reflecting the reduced spend on capex and a reduction in creditor days to 95.9 days (2015: 108.1 days).

Return on capital employed (on a rolling 12 month basis) increased to 5.1% (31 March 2016: 3.2%).

Principal risks and uncertainties

The Group faces a number of risks and uncertainties which could have a material impact upon its long-term performance. These risks are both internal and external. The Board has an established set of processes which assists in the identification, evaluation and management of these risks.

The principal risks and uncertainties facing the Group at 31 March 2016 were set out on pages 24 to 27 of the 2016 Annual Report (a copy of which is available from the Group's website at www.speedyservices.com). These risks remain valid as regards their potential to impact the Group during the second half of the current financial year and no new significant risks have been identified during the current period.

Interim condensed consolidated income statement

	Note	**Six months ended 30 September 2016**			Six months ended 30 September 2015		
		Before Exceptional items £m	**Exceptional items £m**	**Total £m**	Before Exceptional items £m	Exceptional items £m	Total £m
Total revenue		**190.7**	**-**	**190.7**	167.1	-	167.1
Less: share of jointly controlled entity's revenue		**(3.6)**	**-**	**(3.6)**	(2.1)	-	(2.1)
Revenue	*4*	**187.1**	**-**	**187.1**	165.0	-	165.0
Cost of sales		**(91.7)**	**-**	**(91.7)**	(70.9)	-	(70.9)
Gross profit		**95.4**	**-**	**95.4**	94.1	-	94.1
Distribution costs		**(16.6)**	**-**	**(16.6)**	(16.3)	-	(16.3)
Administrative costs		**(71.3)**	**(0.5)**	**(71.8)**	(74.6)	(14.2)	(88.8)
Analysis of operating profit							
Operating profit before amortisation and exceptional costs		**8.4**	**-**	**8.4**	4.5	-	4.5
Amortisation		**(0.9)**	**-**	**(0.9)**	(1.3)	-	(1.3)
Exceptional costs	*3*	**-**	**(0.5)**	**(0.5)**	-	(14.2)	(14.2)
Operating profit/ (loss)		**7.5**	**(0.5)**	**7.0**	3.2	(14.2)	(11.0)
Share of results of jointly controlled entity		**1.0**	**-**	**1.0**	0.3	-	0.3
Profit/ (loss) from operations		**8.5**	**(0.5)**	**8.0**	3.5	(14.2)	(10.7)
Financial expense	*5*	**(2.6)**	**-**	**(2.6)**	(2.8)	-	(2.8)
Profit/ (loss) before taxation		**5.9**	**(0.5)**	**5.4**	0.7	(14.2)	(13.5)
Taxation	*6*	**(1.2)**	**-**	**(1.2)**	(0.3)	2.4	2.1
Profit/ (loss) for the financial period		**4.7**	**(0.5)**	**4.2**	0.4	(11.8)	(11.4)
Earnings per share							
- Basic (pence)	*7*			**0.81**			(2.21)
- Diluted (pence)	*7*			**0.81**			(2.21)
Non-GAAP performance measures							
EBITDA before exceptional costs	*9*	**30.4**			25.6		
Profit before tax, amortisation and exceptional costs	*9*	**6.8**			2.0		
Adjusted earnings per share (pence)	*7*	**1.04**			0.29		

Interim condensed consolidated income statement *(continued)*

	Note	Year ended 31 March 2016 Before Exceptional items £m	Exceptional items £m	Total £m
Total revenue		333.4	-	333.4
Less: share of jointly controlled entity's revenue		(4.3)	-	(4.3)
Revenue	*4*	329.1	-	329.1
Cost of sales		(144.9)	-	(144.9)
Gross profit		184.2	-	184.2
Distribution costs		(31.8)	-	(31.8)
Administrative costs		(145.1)	(59.9)	(205.0)
Analysis of operating profit				
Operating profit before amortisation and exceptional costs		10.0	-	10.0
Amortisation		(2.7)	-	(2.7)
Exceptional costs	*3*	-	(59.9)	(59.9)
Operating profit/ (loss)		7.3	(59.9)	(52.6)
Share of results of jointly controlled entity		0.7	-	0.7
Profit/ (loss) from operations		8.0	(59.9)	(51.9)
Financial expense	*5*	(5.7)	-	(5.7)
Profit/ (loss) before taxation		2.3	(59.9)	(57.6)
Taxation	*6*	(0.6)	5.5	4.9
Profit/ (loss) for the financial period		1.7	(54.4)	(52.7)
Earnings per share				
- Basic (pence)	*7*			(10.19)
- Diluted (pence)	*7*			(10.19)
Non-GAAP performance measures				
EBITDA before exceptional costs	*9*	53.1		
Profit before tax, amortisation and exceptional costs	*9*	5.0		
Adjusted earnings per share (pence)	*7*	0.79		

Interim condensed consolidated statement of comprehensive income

	Six months ended 30 September 2016 £m	Six months ended 30 September 2015 £m	Year ended 31 March 2016 £m
Profit/ (loss) for the financial period	**4.2**	(11.4)	(52.7)
Other comprehensive income that may be reclassified subsequently to the Income Statement:			
- Effective portion of change in fair value of cash flow hedges	**(0.1)**	(0.1)	(0.3)
- Exchange difference on retranslation of foreign operations	**1.8**	(1.0)	-
- Tax on items taken directly to equity	**(0.5)**	-	-
Other comprehensive income/ (loss), net of tax	**1.2**	(1.1)	(0.3)
Total comprehensive income/ (loss) for the financial period	**5.4**	(12.5)	(53.0)

Interim condensed consolidated balance sheet

	Note	**30 September 2016 £m**	30 September 2015 £m	31 March 2016 £m
ASSETS				
Non-current assets				
Intangible assets		**0.7**	47.3	1.6
Investment in jointly controlled entity		**6.4**	4.9	4.9
Property, plant and equipment				
- Hire equipment	*10*	**202.5**	224.9	220.4
- Non-hire equipment	*10*	**42.4**	42.5	44.2
Deferred tax assets		**1.4**	1.1	1.5
		253.4	320.7	272.6
Current assets				
Inventories		**7.8**	8.2	6.0
Trade and other receivables		**101.0**	95.8	85.2
Current tax assets		**0.9**	0.7	3.1
Cash	*11*	**0.2**	15.6	4.4
		109.9	120.3	98.7
Total assets		**363.3**	441.0	371.3
LIABILITIES				
Current liabilities				
Borrowings	*11*	**(0.3)**	-	(0.1)
Other financial liabilities		**(0.8)**	(0.5)	(0.7)
Trade and other payables		**(85.4)**	(90.9)	(73.9)
Provisions		**(1.6)**	(2.2)	(2.5)
		(88.1)	(93.6)	(77.2)
Non-current liabilities				
Borrowings	*11*	**(85.3)**	(118.2)	(106.9)
Trade and other payables		**(0.4)**	(0.6)	(0.8)
Provisions		**(0.5)**	(1.6)	(0.9)
Deferred tax liabilities		**(6.7)**	(7.2)	(7.1)
		(92.9)	(127.6)	(115.7)
Total liabilities		**(181.0)**	(221.2)	(192.9)
Net assets		**182.3**	219.8	178.4
EQUITY				
Share capital		**26.2**	26.1	26.1
Share premium		**191.4**	191.1	191.4
Merger reserve		**1.0**	1.0	1.0
Hedging reserve		**(1.0)**	(0.7)	(0.9)
Translation reserve		**(0.4)**	(2.9)	(1.7)
Retained earnings		**(34.9)**	5.2	(37.5)
		182.3	219.8	178.4

Interim condensed consolidated statement of changes in equity

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained Earnings £m	**Total equity £m**
At 1 April 2015	26.1	191.0	1.0	(0.6)	(1.9)	18.4	**234.0**
Total comprehensive loss	-	-	-	(0.1)	(1.0)	(11.4)	**(12.5)**
Dividends	-	-	-	-	-	(2.0)	**(2.0)**
Equity settled share-based payments	-	-	-	-	-	0.2	**0.2**
Issue of shares under the Sharesave Scheme	-	0.1	-	-	-	-	**0.1**
At 30 September 2015	26.1	191.1	1.0	(0.7)	(2.9)	5.2	219.8
Total comprehensive (loss)/ income	-	-	-	(0.2)	1.0	(41.3)	**(40.5)**
Dividends	-	-	-	-	-	(1.6)	**(1.6)**
Tax on items taken directly to equity	-	-	-	-	0.2	(0.1)	**0.1**
Equity settled share-based payments	-	-	-	-	-	0.3	**0.3**
Issue of shares under the Sharesave Scheme	-	0.3	-	-	-	-	**0.3**
At 31 March 2016	26.1	191.4	1.0	(0.9)	(1.7)	(37.5)	**178.4**
Total comprehensive (loss)/ income	-	-	-	(0.1)	1.3	4.2	**5.4**
Dividends	-	-	-	-	-	(2.1)	**(2.1)**
Equity settled share-based payments	-	-	-	-	-	0.3	**0.3**
Issue of shares under the Sharesave Scheme	0.1	-	-	-	-	-	**0.1**
Tax on items taken directly to equity	-	-	-	-	-	0.2	**0.2**
At 30 September 2016	**26.2**	**191.4**	**1.0**	**(1.0)**	**(0.4)**	**(34.9)**	**182.3**

Interim condensed consolidated statement of cash flow

	Note	Six months ended 30 September 2016 £m	Six months ended 30 September 2015 £m	Year ended 31 March 2016 £m
Cash generated from operating activities				
Profit/ (loss) before tax		**5.4**	(13.5)	(57.6)
Financial expense		**2.6**	2.8	5.7
Amortisation		**0.9**	1.3	2.7
Depreciation		**22.0**	21.1	43.1
Share of profit of equity accounted investees		**(1.0)**	(0.3)	(0.7)
Loss/ (profit) on disposal of hire equipment		**0.9**	0.4	(0.7)
Impairment of goodwill		**-**	-	45.9
Decrease in inventories		**0.3**	1.3	3.6
Decrease in net assets held for sale		**-**	1.8	1.8
(Increase)/ decrease in trade and other receivables		**(15.8)**	18.7	30.0
Increase/ (decrease) in trade and other payables		**11.3**	8.3	(6.8)
Movement in provisions		**(1.3)**	(0.4)	(0.8)
Equity-settled share-based payments		**0.3**	0.2	0.5
Cash generated from operations before changes in hire fleet		**25.6**	41.7	66.7
Purchase of hire equipment		**(21.5)**	(37.7)	(57.8)
Proceeds from sale of hire equipment		**19.7**	9.0	17.0
Cash generated from operations		**23.8**	13.0	25.9
Interest paid		**(2.4)**	(2.6)	(4.9)
Tax received/ (paid)		**0.1**	(0.6)	(0.6)
Net cash flow from operating activities		**21.5**	9.8	20.4
Cash flow from investing activities				
Purchase of non-hire property, plant and equipment		**(1.9)**	(5.7)	(11.2)
Proceeds from sale of non-hire property, plant and equipment		**-**	0.3	0.6
Acquisition of subsidiary, net of cash acquired		**-**	-	(1.5)
Movement in investment in jointly controlled entity		**(0.4)**	0.6	0.3
Net cash flow to investing activities		**(2.3)**	(4.8)	(11.8)
Net cash flow before financing activities		**19.2**	5.0	8.6
Cash flow from financing activities				
Finance lease payments		**(0.2)**	-	-
Drawdown of loans		**195.4**	214.1	393.9
Payment of loans		**(216.6)**	(200.2)	(393.5)
Proceeds from the issue of Sharesave Scheme shares		**0.1**	0.1	0.4
Dividends paid		**(2.1)**	(2.0)	(3.6)
Net cash flow from financing activities		**(23.4)**	12.0	(2.8)
(Decrease)/ increase in cash and cash equivalents		**(4.2)**	17.0	5.8
Cash/ (overdraft) at the start of the period		**4.4**	(1.4)	(1.4)
Cash at the end of the period		**0.2**	15.6	4.4
Analysis of cash and cash equivalents				
Cash	*11*	**0.2**	15.6	4.4

Interim reconciliation of net debt

	Note	**Six months ended 30 September 2016 £m**	Six months ended 30 September 2015 £m	Year ended 31 March 2016 £m
Net (decrease)/ increase in cash and cash equivalents		**(4.2)**	17.0	5.8
Decrease/ (increase) in borrowings	*11*	**21.5**	(13.9)	(1.1)
Finance lease liabilities	*11*	**0.2**	-	(1.2)
Amortisation of loan costs	*11*	**(0.3)**	(0.4)	(0.8)
Change in net debt during the period		**17.2**	2.7	2.7
Net debt at 1 April		**(102.6)**	(105.3)	(105.3)
Net debt at the end of the period		**(85.4)**	(102.6)	(102.6)

1 Basis of preparation

Speedy Hire Plc ('the Company') is a company incorporated and domiciled in the United Kingdom. The interim financial statements of the Company as at and for the six months ended 30 September 2016 comprise the Company and its subsidiaries (together referred to as 'the Group').

The financial statements of the Group for the year ended 31 March 2016 are available from the Company's registered office, or from the website: www.speedyservices.com.

The Group meets its day to day working capital requirements through operating cash flows, supplemented as necessary by borrowings. The Directors have prepared cash flow projections for the period to March 2018 which show that the Group is capable of continuing to operate within its existing loan facilities and can meet the covenant tests set out within the Facilities. The key assumptions on which the projections are based include an assessment of the impact of future market conditions on projected revenues and an assessment of the net capital investment required to support the expected level of revenues.

Whilst the Directors consider that there is a degree of subjectivity involved in their assumptions, on the basis of the above the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the interim financial statements.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS34 Interim Financial Reporting as adopted by the European Union (EU) and the Disclosure and Transparency Rules (DTR) of the UK FCA. As required by the latter, the interim financial statements have been prepared applying the accounting policies and presentation that were applied in the Company's published consolidated financial statements for the year ended 31 March 2016 except as described below. They do not include all the information required for full annual financial statements, and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 March 2016.

The comparative figures for the financial year ended 31 March 2016 are not the Company's statutory accounts for that financial year. Those accounts which were prepared under IFRS as adopted by the EU (adopted IFRS) have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The interim report was approved by the Board of Directors on 15 November 2016.

Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2016.

The International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee ('IFRIC') have not issued or endorsed any new standards or interpretations since the date of the 31 March 2016 year end financial statements.

Seasonality

In addition to economic factors, revenues are subject to a small element of seasonal fluctuation largely driven by certain UK public holidays and their impact on the billing cycle, resulting in marginally fewer trading days in the second half of the year.

Whilst construction activity tends to increase in the summer months, the equipment range helps to mitigate the impact, specifically with heating, lighting and power generation products being more heavily required in the winter months. Overall, the Directors do not feel that these factors have a material effect on the performance of the Group when comparing first half results to those achieved in the second half.

2 Changes in estimates

The preparation of interim financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty for the consolidated financial statements for the year ended 31 March 2016 continued to apply.

3 Exceptional items

During the period, exceptional administrative costs of £1.3m were incurred, and exceptional income of £0.8m received.

Exceptional costs of £0.8m were incurred restructuring the UK & Ireland core tools, lifting and survey business into two regional operating divisions, along with further reductions centrally.

£0.5m of professional fees were incurred in relation to the September general meeting.

Following the provision made in the financial year ended 31 March 2016 in respect of outstanding International asset disposal receivables, income has been received reducing the balance outstanding. The reduction in the provision has been included as an exceptional item.

In the prior period, exceptional costs of £14.2m were incurred in respect of operational restructuring, network reconfiguration and provisions relating to outstanding receivables on International asset disposals.

4 Segmental analysis

The segmental disclosure presented in the financial statements reflects the format of reports reviewed by the Chief Operating Decision Maker (CODM). UK and Ireland Asset Services deliver asset management, with tailored services and a continued commitment to relationship management. International Asset Services deliver major overseas projects and facilities management contracts by providing a managed site support service.

For the six months ended 30 September 2016

	UK and Ireland Asset Services £m	International Asset Services £m	Corporate items £m	Total £m
Revenue	174.8	12.3	-	187.1
Segment result:				
EBITDA before exceptional costs	30.4	2.3	(2.3)	30.4
Depreciation	(20.3)	(1.4)	(0.3)	(22.0)
Operating profit/ (loss) before amortisation and exceptional items	10.1	0.9	(2.6)	8.4
Amortisation	(0.9)	-	-	(0.9)
Exceptional costs	(0.8)	0.8	(0.5)	(0.5)
Operating profit/ (loss)	8.4	1.7	(3.1)	7.0
Share of results of jointly controlled entity	-	1.0	-	1.0
Trading profit/ (loss)	8.4	2.7	(3.1)	8.0
Financial expense				(2.6)
Profit before tax				5.4
Taxation				(1.2)
Profit for the financial period				4.2
Intangible assets	0.7	-	-	0.7
Investment in jointly controlled entity	-	6.4	-	6.4
Hire equipment	193.6	8.9	-	202.5
Non-hire equipment	39.0	3.4	-	42.4
Taxation assets	-	-	2.3	2.3
Current assets	94.7	13.8	0.3	108.8
Cash	-	-	0.2	0.2
Total assets	328.0	32.5	2.8	363.3
Liabilities	(71.5)	(9.7)	(7.5)	(88.7)
Borrowings	-	-	(85.6)	(85.6)
Taxation liabilities	-	-	(6.7)	(6.7)
Total liabilities	(71.5)	(9.7)	(99.8)	(181.0)
Capital expenditure	22.4	1.0	-	23.4

4 Segmental analysis *(continued)*

For the six months ended 30 September 2015

	UK and Ireland Asset Services £m	International Asset Services £m	Corporate items £m	Total £m
Revenue	155.2	9.8	-	165.0
Segment result:				
EBITDA before exceptional costs	26.6	1.3	(2.3)	25.6
Depreciation	(19.6)	(1.2)	(0.3)	(21.1)
Operating profit/ (loss) before amortisation and exceptional items	7.0	0.1	(2.6)	4.5
Amortisation	(1.3)	-	-	(1.3)
Exceptional costs	(4.4)	(8.2)	(1.6)	(14.2)
Operating profit/ (loss)	1.3	(8.1)	(4.2)	(11.0)
Share of results of jointly controlled entity	-	0.3	-	0.3
Trading profit/ (loss)	1.3	(7.8)	(4.2)	(10.7)
Financial expense				(2.8)
Loss before tax				(13.5)
Taxation				2.1
Loss for the financial period				(11.4)
Intangible assets	47.3	-	-	47.3
Investment in jointly controlled entity	-	4.9	-	4.9
Hire equipment	215.3	9.6	-	224.9
Non-hire equipment	39.3	3.2	-	42.5
Taxation assets	-	-	1.8	1.8
Current assets	92.3	10.9	0.8	104.0
Cash	-	-	15.6	15.6
Total assets	394.2	28.6	18.2	441.0
Liabilities	(79.4)	(8.6)	(7.8)	(95.8)
Borrowings	-	-	(118.2)	(118.2)
Taxation liabilities	-	-	(7.2)	(7.2)
Total liabilities	(79.4)	(8.6)	(133.2)	(221.2)
Capital expenditure	41.0	2.4	-	43.4

4 Segmental analysis *(continued)*

For the year ended 31 March 2016

	UK and Ireland Asset Services £m	International Asset Services £m	Corporate items £m	Total £m
Revenue	308.7	20.4	-	329.1
Segment result:				
EBITDA before exceptional costs	54.2	3.2	(4.3)	53.1
Depreciation	(39.7)	(2.6)	(0.8)	(43.1)
Operating profit/ (loss) before amortisation and exceptional items	14.5	0.6	(5.1)	10.0
Amortisation	(2.7)	-	-	(2.7)
Exceptional costs	(52.2)	(6.1)	(1.6)	(59.9)
Operating loss	(40.4)	(5.5)	(6.7)	(52.6)
Share of results of jointly controlled entity	-	0.7	-	0.7
Trading loss	(40.4)	(4.8)	(6.7)	(51.9)
Financial expense				(5.7)
Profit before tax				(57.6)
Taxation				4.9
Profit for the financial period				(52.7)
Intangible assets	1.6	-	-	1.6
Investment in jointly controlled entity	-	4.9	-	4.9
Hire equipment	211.3	9.1	-	220.4
Non-hire equipment	40.9	3.3	-	44.2
Taxation assets	-	-	4.6	4.6
Current assets	81.5	9.3	0.4	91.2
Cash	-	-	4.4	4.4
Total assets	335.3	26.6	9.4	371.3
Liabilities	(66.5)	(6.8)	(5.5)	(78.8)
Borrowings	-	-	(107.0)	(107.0)
Taxation liabilities	-	-	(7.1)	(7.1)
Total liabilities	(66.5)	(6.8)	(119.6)	(192.9)
Capital expenditure	66.0	3.0	-	69.0

4 Segmental analysis *(continued)*

Corporate costs comprise certain central activities and costs, which are not directly related to the activities of the operating segments.

The financing of the Group's activities is undertaken at head office level and consequently net financing costs cannot be analysed by segment. The unallocated net assets comprise principally working capital balances held by the Support Services function and are not directly attributable to the activities of the operating segments, together with net corporate borrowings and taxation.

Geographical information

In presenting geographical information, revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

	Six months ended 30 September 2016		Six months ended 30 September 2015		Year ended 31 March 2016	
	Revenue £m	**Total assets £m**	Revenue £m	Total assets £m	Revenue £m	Total assets £m
UK	**171.3**	**318.3**	152.2	403.1	303.1	334.9
Ireland	**3.5**	**12.5**	3.0	9.0	5.6	9.8
Other countries	**12.3**	**32.5**	9.8	28.9	20.4	26.6
	187.1	**363.3**	165.0	441.0	329.1	371.3

Major customer

No one customer represents more than 10% of revenue, reported profit or combined assets of all reporting segments.

5 Financial expense

	Six months ended 30 September 2016 £m	Six months ended 30 September 2015 £m	Year ended 31 March 2016 £m
Interest on bank loans and overdrafts	**1.8**	2.0	4.2
Amortisation of issue costs	**0.3**	0.3	0.8
	2.1	2.3	5.0
Hedge interest payable	**0.2**	0.2	0.3
Other finance costs	**0.3**	0.2	0.4
Foreign exchange losses	**-**	0.1	-
Finance expense	**2.6**	2.8	5.7

6 Taxation

The corporation tax charge for the six months ended 30 September 2016 is based on an effective rate of taxation of 20.3% before exceptional items (2015: 42.9%); and 22.2% (2015: 15.6%) after exceptional items. This has been calculated by reference to the projected charge for the full year ending 31 March 2017, applying the applicable UK corporation tax rate of 20% (2015: 21%). Deferred tax is provided using the tax rates that are expected to apply to the period in which the liability is settled, based on the tax rates that have been enacted at the balance sheet date, 30 September 2016.

7 Earnings per share

The calculation of basic earnings per share is based on the earnings attributable to equity holders of the Company of £4.2m (2015: loss £11.4m) and the weighted average number of 5 pence ordinary shares in issue and is calculated as follows:

	Six months ended 30 September 2016	Six months ended 30 September 2015	Year ended 31 March 2016
Profit/ (loss) (£m)			
Profit/ (loss) for the period after tax – basic earnings	**4.2**	(11.4)	(52.7)
Intangible amortisation charge (after tax)	**0.7**	1.1	2.4
Exceptional items (after tax)	**0.5**	11.8	54.4
Adjusted earnings (after tax)	**5.4**	1.5	4.1
Weighted average number of shares in issue (m)			
At the beginning of the period	**519.2**	515.6	515.6
Change in weighted average number of ordinary shares	**0.1**	0.6	1.7
At the end of the period – basic number of shares	**519.3**	516.2	517.3
Share options	**2.0**	-	1.7
Employee share schemes	**-**	-	0.5
At the end of the period – diluted number of shares	**521.3**	516.2	519.5
Earnings per share (pence)			
Basic earnings per share	**0.81**	(2.21)	(10.19)
Amortisation	**0.13**	0.21	0.47
Exceptional costs	**0.10**	2.29	10.51
Adjusted earnings per share	**1.04**	0.29	0.79
Basic earnings per share	**0.81**	(2.21)	(10.19)
Diluted earnings per share	**0.81**	(2.21)	(10.19)
Adjusted earnings per share	**1.04**	0.29	0.79
Adjusted diluted earnings per share	**1.04**	0.29	0.79

Total number of shares outstanding at 30 September 2016 amounted to 523,452,759, including 4,146,598 shares held in the Employee Benefit Trust, which are excluded in calculating the earnings per share.

8 Dividends

The aggregate amount of dividend comprises:

	Six months ended 30 September 2016 £m	Six months ended 30 September 2015 £m	Year ended 31 March 2016 £m
2015 final dividend (0.40 pence on 521.9m ordinary shares)	**-**	2.0	2.0
2016 interim dividend (0.30 pence on 522.1m ordinary shares)	**-**	-	1.6
2016 final dividend (0.40 pence on 523.4m ordinary shares)	**2.1**	-	-
	2.1	2.0	3.6

Subsequent to the end of the period, and not included in the results for the period, the Directors have declared an interim dividend of 0.33 pence (2016 interim dividend: 0.30 pence) per share, to be paid on 27 January 2017 to shareholders on the register on 16 December 2016.

9 Non-GAAP performance measures

The Group believes that the measures below provide valuable additional information for users of the financial statements in assessing the Group's performance. The Group uses these measures for planning, budgeting and reporting purposes and for its internal assessment of the operating performance of the individual divisions within the Group.

	Six months ended 30 September 2016 £m	Six months ended 30 September 2015 £m	Year ended 31 March 2016 £m
Operating profit/ (loss)	**7.0**	(11.0)	(52.6)
Add back: amortisation	**0.9**	1.3	2.7
Add back: exceptional costs	**0.5**	14.2	59.9
Operating profit before amortisation and exceptional costs	**8.4**	4.5	10.0
Add back: depreciation	**22.0**	21.1	43.1
EBITDA before exceptional costs	**30.4**	25.6	53.1
Profit/ (loss) before tax	**5.4**	(13.5)	(57.6)
Add back: amortisation	**0.9**	1.3	2.7
Add back: exceptional costs	**0.5**	14.2	59.9
Profit before tax, amortisation and exceptional costs	**6.8**	2.0	5.0

10 Property, plant and equipment

	Land and buildings £m	Hire equipment £m	Other £m	Total £m
Cost				
At 1 April 2015	52.3	364.3	72.6	489.2
Foreign exchange	(0.1)	(0.1)	-	(0.2)
Additions	1.8	39.5	3.9	45.2
Disposals	(0.7)	(18.9)	(0.2)	(19.8)
Transfers to inventory	-	(4.0)	-	(4.0)
At 30 September 2015	53.3	380.8	76.3	510.4
Foreign exchange	0.4	0.4	-	0.8
Acquisition through business combinations	-	1.7	0.3	2.0
Additions	1.6	18.3	3.9	23.8
Disposals	(0.6)	(15.4)	(0.1)	(16.1)
Transfers to inventory	-	(6.8)	-	(6.8)
At 31 March 2016	54.7	379.0	80.4	514.1
Foreign exchange	0.4	0.5	-	0.9
Additions	0.6	22.4	1.3	24.3
Disposals	(0.3)	(21.7)	-	(22.0)
Transfers to inventory	-	(22.2)	-	(22.2)
At 30 September 2016	**55.4**	**358.0**	**81.7**	**495.1**
Depreciation				
At 1 April 2015	24.5	152.0	59.4	235.9
Foreign exchange	-	0.1	-	0.1
Charged in period	1.6	17.3	2.2	21.1
Disposals	(0.4)	(11.5)	(0.2)	(12.1)
Transfers to inventory	-	(2.0)	-	(2.0)
At 30 September 2015	25.7	155.9	61.4	243.0
Foreign exchange	0.1	0.1	-	0.2
Charged in period	1.6	17.9	2.5	22.0
Disposals	(0.4)	(11.8)	-	(12.2)
Transfers to inventory	-	(3.5)	-	(3.5)
At 31 March 2016	27.0	158.6	63.9	249.5
Foreign exchange	0.1	0.1	-	0.2
Charged in period	1.7	18.0	2.3	22.0
Disposals	(0.3)	(15.0)	-	(15.3)
Transfers to inventory	-	(6.2)	-	(6.2)
At 30 September 2016	**28.5**	**155.5**	**66.2**	**250.2**
Net book value				
At 30 September 2016	**26.9**	**202.5**	**15.5**	**244.9**
At 31 March 2016	27.7	220.4	16.5	264.6
At 30 September 2015	27.6	224.9	14.9	267.4

11 Borrowings

	30 September 2016 £m	30 September 2015 £m	31 March 2016 £m
Current borrowings			
Finance lease liabilities	**0.3**	-	0.1
Non-current borrowings			
Maturing between two and five years			
- Asset backed facilities	**84.6**	118.2	105.8
- Finance lease liabilities	**0.7**	-	1.1
Total non-current borrowings	**85.3**	118.2	106.9
Total borrowings	**85.6**	118.2	107.0
Less: cash	**(0.2)**	(15.6)	(4.4)
	85.4	102.6	102.6

The Group has a £180m revolving credit facility which is sub divided into:

(i) A secured overdraft facility, provided by Barclays Bank Plc which secures by cross guarantees and debentures the bank deposits and overdrafts of the Company and certain subsidiary companies up to a maximum of £5m.

(ii) An asset based revolving credit facility of up to £175m. The availability of this facility is dependent upon the Group's hire equipment and trade receivables. The headroom on this facility as at 30 September 2016 was £76.1m (2015: £51.4m) based on the Group's eligible hire equipment and trade receivables.

The facility is for £180m, but it is reduced to the extent that any ancillary facilities are provided, and is repayable in September 2019, with no prior scheduled repayment requirements.

Interest on the facility is calculated by reference to the London Inter Bank Offer Rate applicable to the period drawn, plus a margin of 170 to 275 basis points, depending on leverage and on the components of the borrowing base. During the period, the effective margin was 2.50% (2015: 2.41%).

The facility is secured by a fixed and floating charge over all the UK and Ireland assets and the overdraft and asset based revolving credit facility are rated pari passu.

12 Contingent liabilities

The Group has given warranties (including taxation warranties and indemnities) in relation to the disposal of certain businesses in prior years. These warranties and indemnities expire at various dates up to 2018.

In the normal course of business, the Company and certain subsidiaries have given performance bonds issued on behalf of Group companies and parental guarantees have been given in support of the contractual obligations of Group companies on both a joint and a several basis.

The Directors do not consider any provision is necessary in respect of guarantees and bonds.

13 Commitments

The Group had contracted capital commitments amounting to £2.6m (2015: £6.9m) at the end of the financial period for which no provision has been made.

14 Related party disclosures

There has been no significant change to the nature and size of related party transactions, including the remuneration provided to the key management, from that disclosed in the 2016 Annual Report.

Directors' Responsibilities

We confirm that to the best of our knowledge:

• the condensed set of financial statements has been prepared in accordance with IAS34 Interim Financial Reporting as adopted by the EU;

• the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

Thomas Christopher Morgan
Director
15 November 2016

Independent Review Report by KPMG LLP to Speedy Hire Plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 which comprises the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated balance sheet, the interim condensed consolidated cash flow statement, the interim condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS34 Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 is not prepared, in all material respects, in accordance with IAS34 as adopted by the EU and the DTR of the UK FCA.

Chris Hearld
for and on behalf of KPMG LLP
Chartered Accountants
1 St Peter’s Square, Manchester, M2 3AE