



Speedy

PEEL HUNT CONFERENCE

October 2019

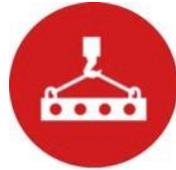
Speedy overview



Hire – 60% revenue



Tools



Lifting



Survey



Power



Rail



Powered access

Services – 40% revenue



Fuel



Training



Testing



Partnerships

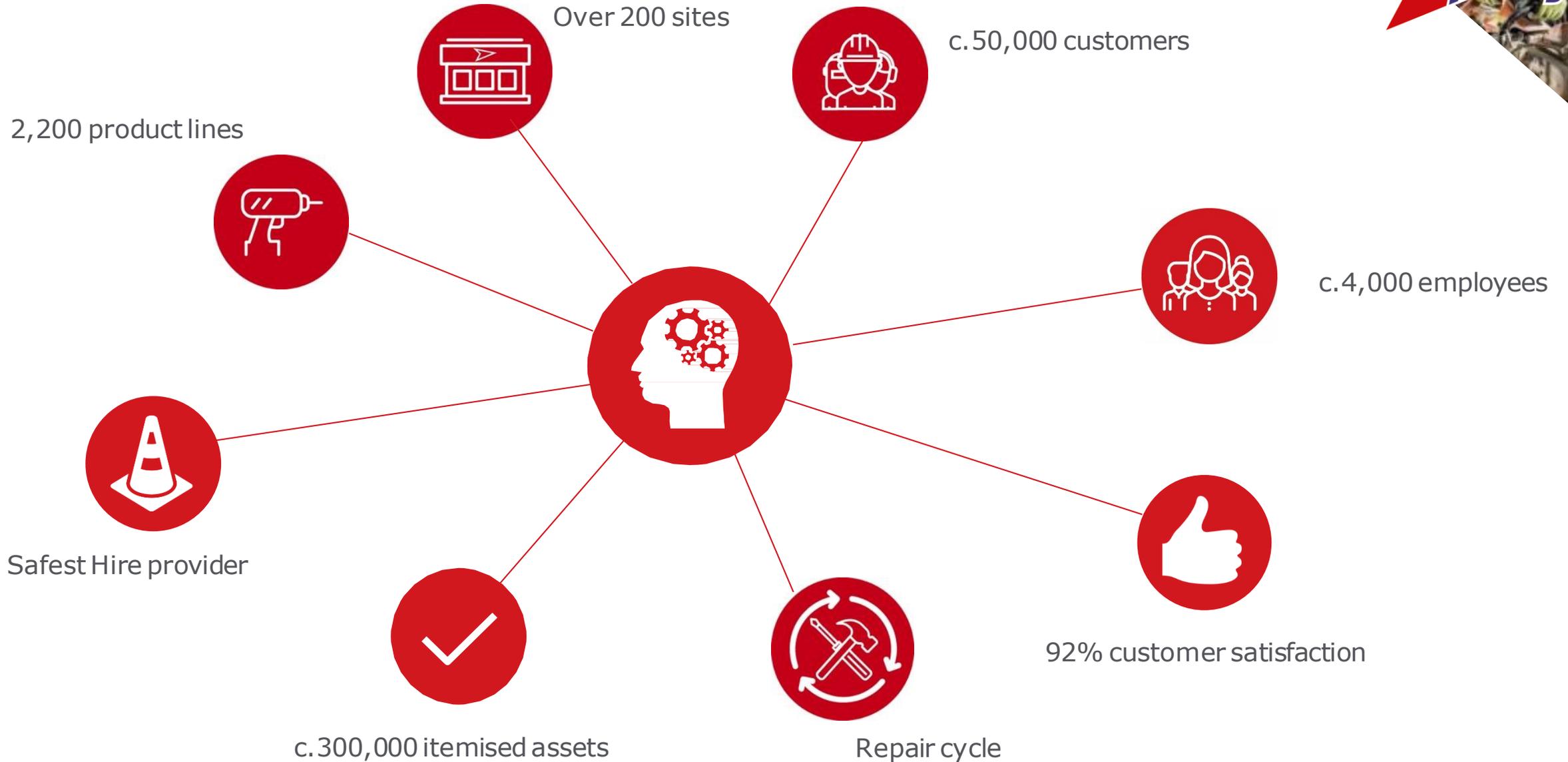


Product sales

Our vision is to become the best company in our sector to do business with and the best to work for

Our mission is to provide safe, reliable hire equipment and services to enable successful delivery of customer projects

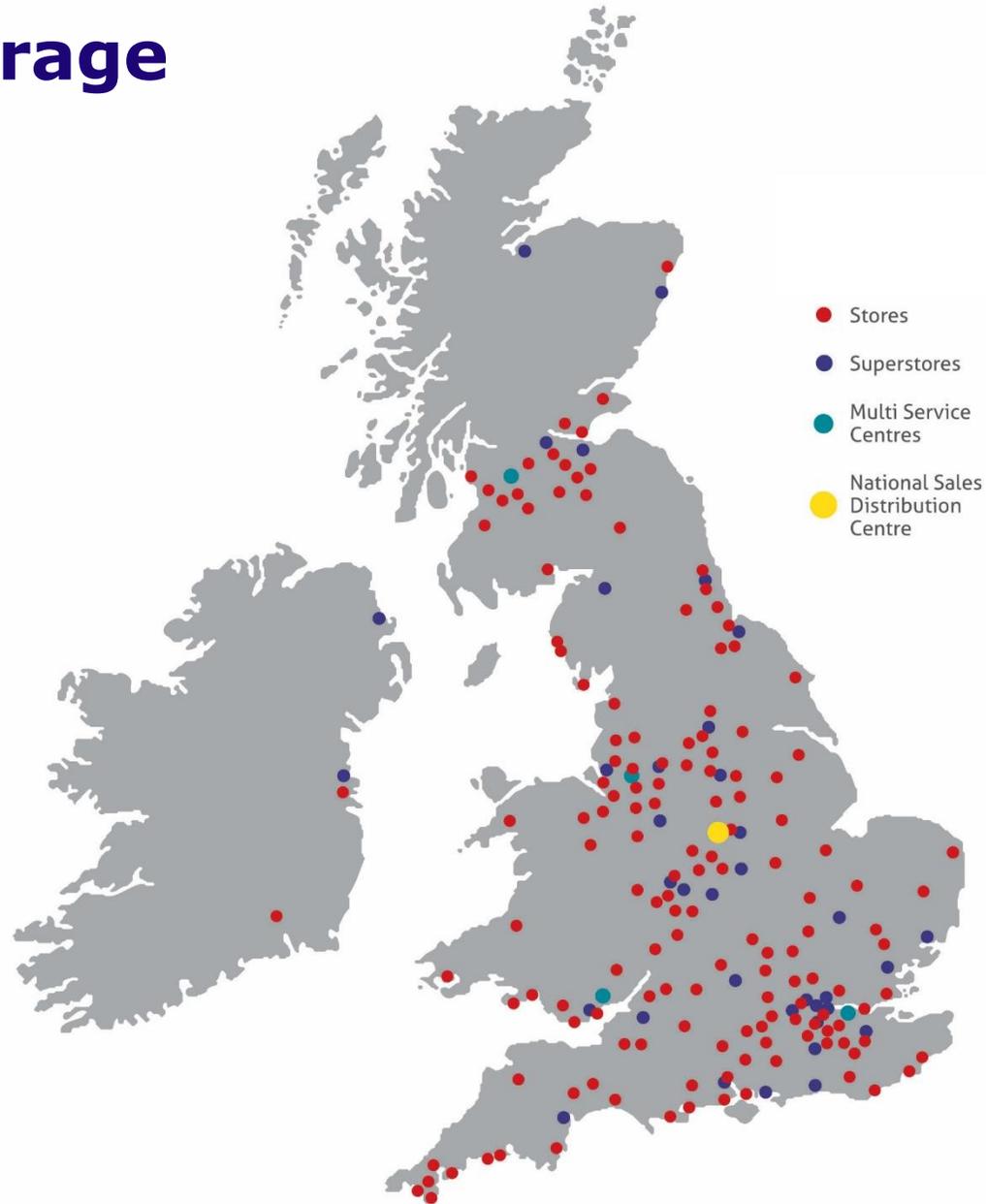
Speedy at a glance



Network coverage



Speedy



Why invest in Speedy

The Speedy logo is a red arrow pointing to the right, with the word "Speedy" written in white, italicized, sans-serif font inside the arrow. The background of the slide features a construction worker in an orange safety vest and a hard hat, working on a construction site.

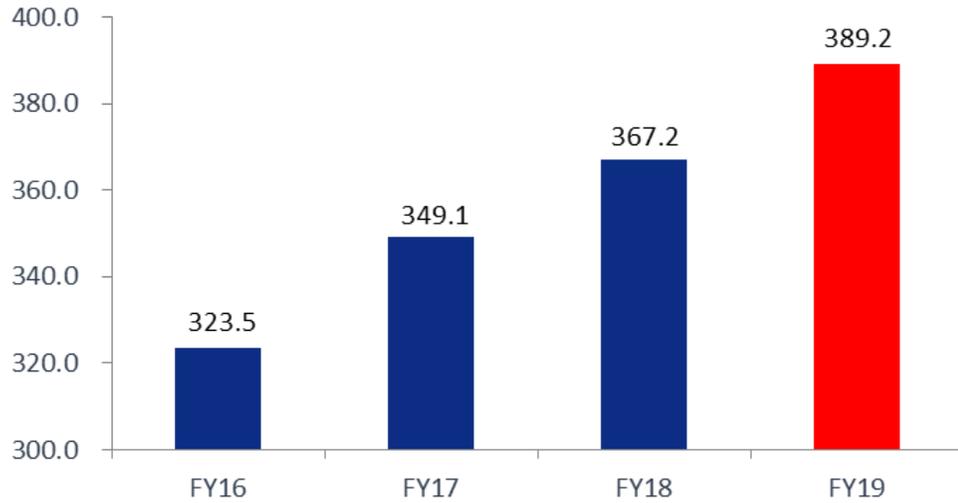
Speedy

- Supply 85 of the UK's top 100 contractors, as well as local trades and industries
- Significant scale infrastructure projects started/ in pipeline
- The UK construction rental market remains highly fragmented and competitive
- Top five players have c.30% share (Speedy share is c.7%. Addressable market c.£2.0bn)
- Speedy has a lower market share with SME contractors, hence a significant opportunity
- Safest UK hire provider
- Innovate to make our customer projects more successful
- Constantly improving asset availability; fundamental to great customer service
- Strong balance sheet and banking facility headroom - grow the business organically and value enhancing acquisitions
- Focus on growing Services – currently 40% revenue

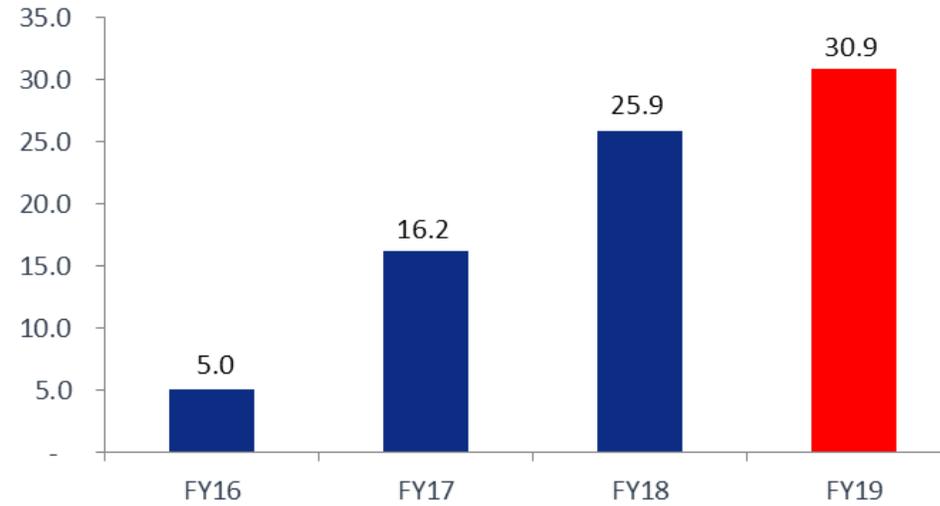
Financial KPIs



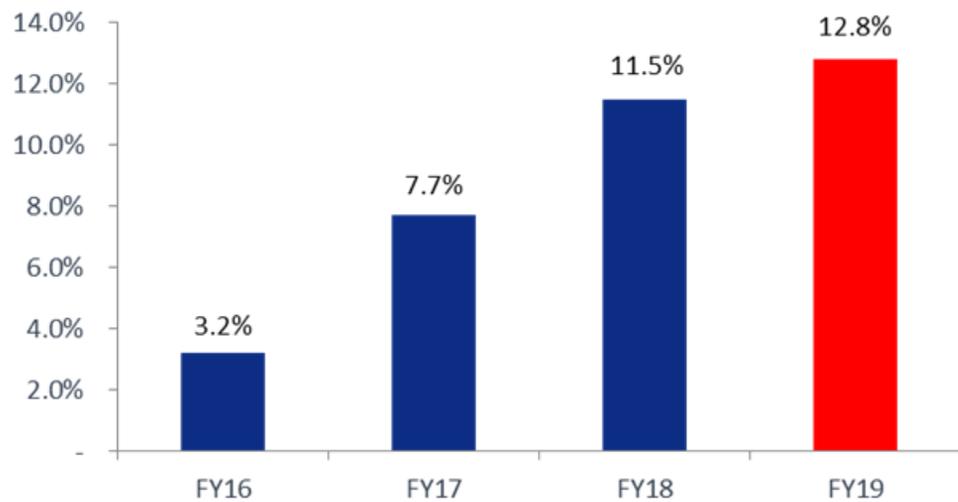
Revenue (pre-disposals) (£m)



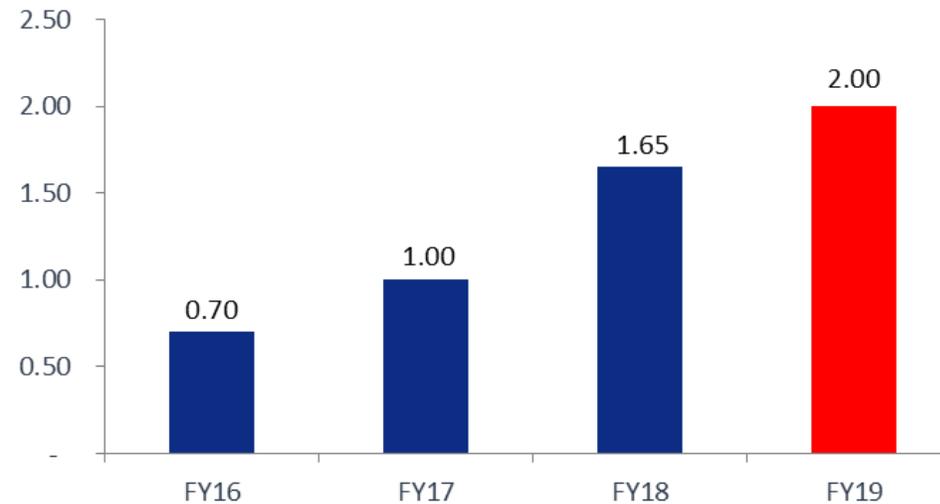
Adjusted PBT* (£m)



Group ROCE* (%)



Dividend (pence per share)



* Before amortisation and exceptional items

Highlights FY19



Speedy

Achieving strategic goals

- Growing services revenue
- Strong growth in SME revenues
- Digital transformation gaining momentum
- Two acquisitions completed in the year for £31m

Improving returns

- Utilisation increased to 57.0% (2018: 55.4%)
- Operating profit margin up to 8.3% (2018: 7.8%)
- ROCE* increased to 12.8% (2018: 11.5%)
- Full year dividend up 21.2% to 2.00p

Strong platform for future growth

- Strong balance sheet and leverage
- Fleet age reduced to 3.3 years (2018: 3.8 years)
- Digital investment underway

* Before amortisation and exceptional items

Trading update – 3 October 2019

- H1 FY20 revenue up c.6%
- Hire and services revenue up c.1% and c.13% respectively
- Contract wins and extensions
- Net debt c.£86m (31 March 2019: £89.4m)



Speedy

A red and white Speedy van is parked in a large industrial warehouse. A worker in an orange safety vest is standing next to the van, which has a blue pallet jack with yellow containers in front of it. In the foreground on the right, a red scissor lift is visible, also featuring the Speedy logo. The warehouse has a high ceiling with skylights and industrial lighting.

Speedy

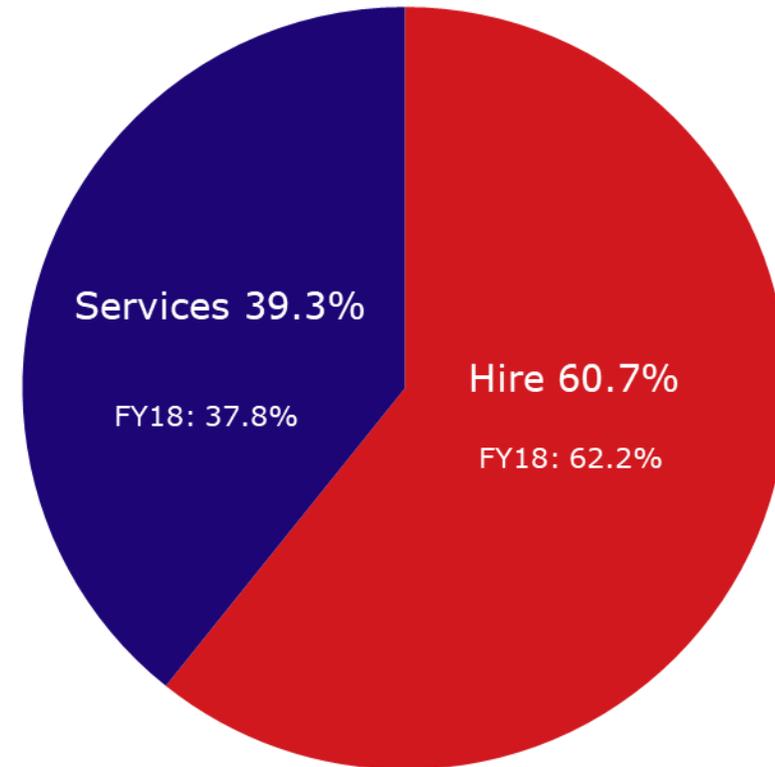
Strategy update

Revenue mix



Speedy

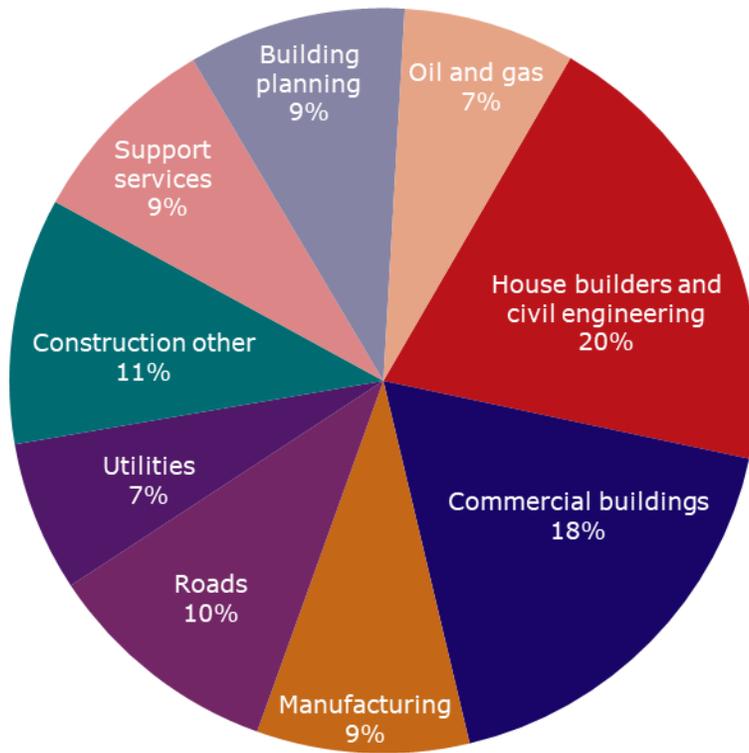
- Strategic objective to grow services revenue faster than hire revenue:
 - Diversification
 - ROCE enhancing
 - Lower risk
- Hire revenue includes:
 - Transport charges
 - Repair charges



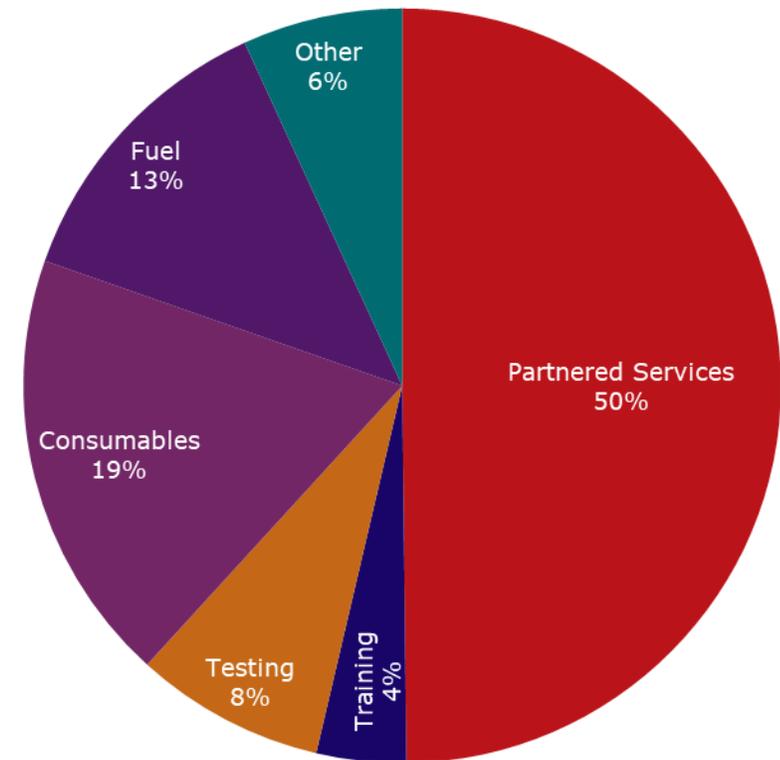
Revenue analysis



Hire by business sector



Services

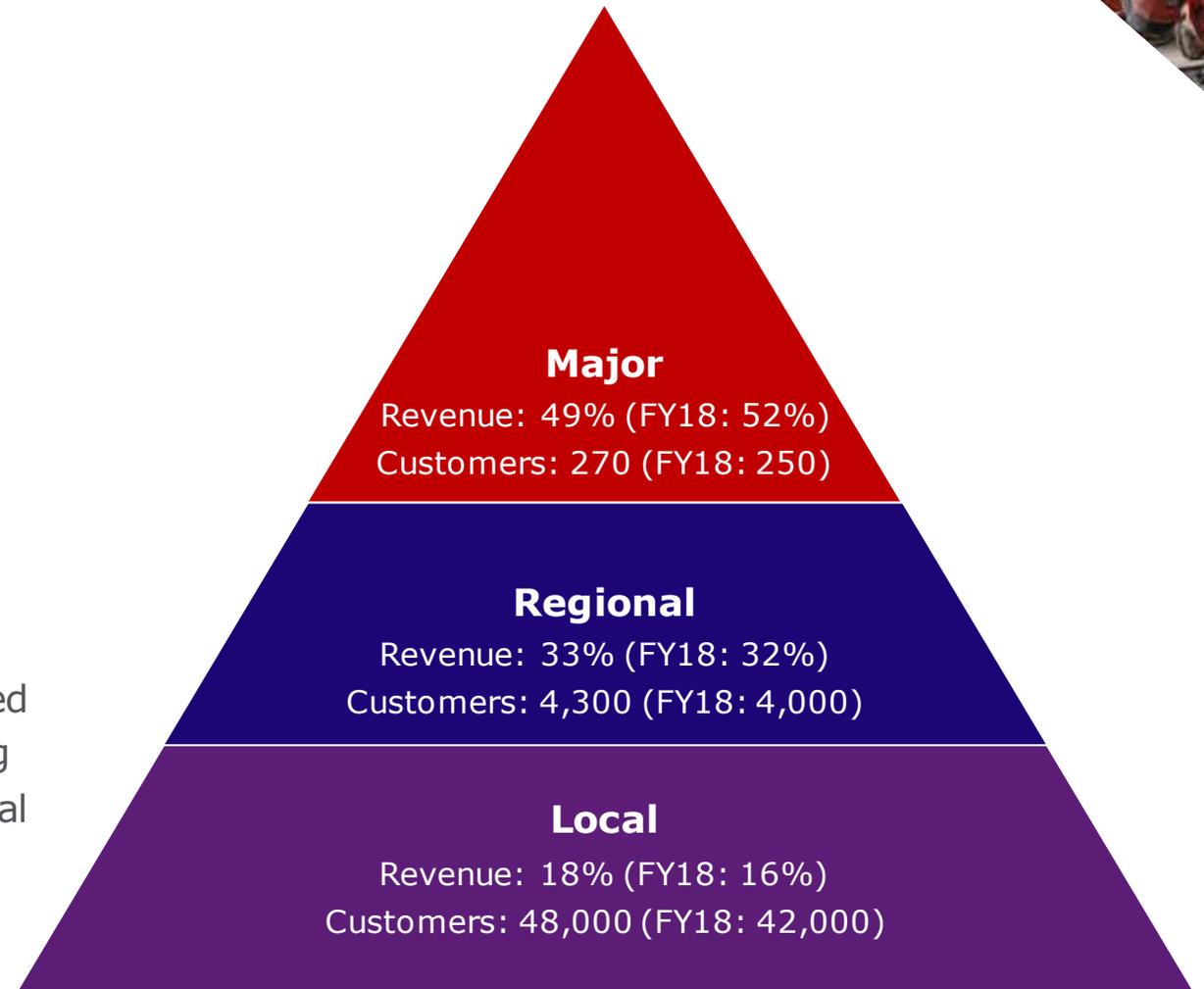


Customer segmentation



Speedy

- Strong market share with major and regional customers based on:
 - National footprint
 - Product range
 - Innovation
 - Health and safety
 - Relationships
- Growing SME market share
- Customer Relationship Centre (CRC) provides a dedicated service to our SME customers; reactivating down trading and dormant accounts; supporting specialist and seasonal marketing campaigns
- Increase in SME revenue has offset revenue lost from Carillion liquidation, in January 2018



Customer service culture



- Real-time customer satisfaction surveys undertaken at multiple points of the customer journey
- 400,000 surveys conducted to date, highest ever satisfaction score in March 2019 at 92.4%
- Low scores followed up within an hour; root cause analysis undertaken to prevent reoccurrence
- Same day service launched in London January 2018
 - Unique in the hire industry
 - Order by 3pm with same day delivery guaranteed, or a week's free hire
 - Rolled out nationally on 1 May 2018
 - London deliveries now guaranteed within four hours

Customer Satisfaction



Raveometer



Top Talking Points

Category	Insights
Process	1529
People	1449
Product	155
Place	66



Geason training

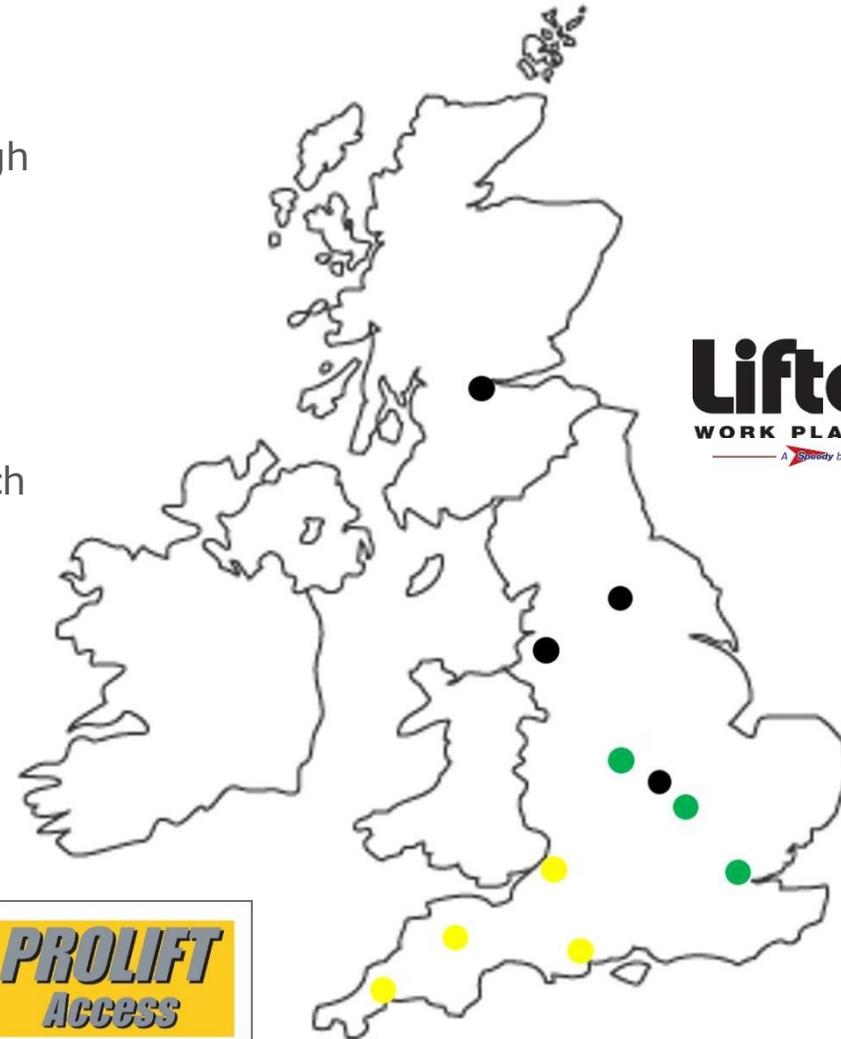
- Acquisition completed in December 2018
- 1,500 learners on programme
- Apprentices, NVQs and short courses
- Speedy training offering extended to a full end-to-end training solution with the addition of professional training and Apprenticeship Levy funding support
- Geason provide expertise and management support to enable growth of Speedy training business
- Geason are opening centres in existing Speedy depots during FY20, maximising the synergy opportunities



Speedy

Powered access

- Larger powered access equipment historically serviced through rehire
- Prolift and Platform Sales & Hire acquired November 2017; South West and Midlands based
- Lifterz acquired on 20 March 2019; Yorkshire based
- National footprint in powered access now complete from which to service major customers
- £52m invested in acquisitions and organic capex
- Over 8,000 machines; second largest UK fleet



Speedy

International

Speedy

- Middle East business performed strongly in the year
- Increase in activity levels predominantly through rehire and consumable sales
- Capex increased to £2.7m (2018: £0.5m) to support growth and develop specialist offering for the onshore market
- Business development activities increased during the year in order to diversify client base and operations
- Kazakhstan JV performed strongly in the year due to increased shutdown activity



People

- 4,063 employees (2018: 3,755); 246 employees joined through acquisition
- Underlying headcount remained broadly flat at 3,817 despite growing International business; 605 employees (2018: 517)
- All employees participate in a bonus scheme and receive an annual performance review
- High performance development programmes in place to nurture talent
- Regular employee events, spot rewards and recognition to reward excellent performance
- Employee engagement survey indicates strong engagement; response rate increased to 74% from 67%

The Speedy logo is a red arrow pointing to the right with the word "Speedy" in white, italicized, sans-serif font inside it. It is positioned in the top right corner of the slide, partially overlapping a background image of a race track with several red trucks.

Safety and sustainability

- Safest hire provider in the industry based on reported accident rates:
 - Lowest recorded RIDDOR accident frequency rate of 0.10 per 100,000 hours
 - Lowest recorded major accident frequency at 0.01
- Awarded a RoSPA Gold Award for the fifth year running
- Accredited to Fleet Operator Recognition Scheme (FORS) Gold
- CSR remains integral to our business objectives and strategy
- Winner of the 2018 LEAA Sustainable Solution of the Year Award
- Winner of the Best Sustainability and CSR Initiative at the HAE Awards in April 2019
- Winner of the Safe Fleet of the Year at the Fleet News Awards 2019



FTSE4Good



Summary and outlook

Speedy

- **Achieving strategic goals:**
 - Strong growth in SME revenues
 - Growing services revenues
 - Two acquisitions completed in the year for £31m
- **Improving returns:**
 - Operating profit margin up to 8.3% (2018: 7.8%)
 - ROCE increased to 12.8% (2018: 11.5%)
 - Strong balance sheet and leverage
- Investment in digital technology transforming the way the business is managed
- Excellent customer satisfaction scores
- **Strong platform for future growth**





Speedy



Our digital journey

Speedy value proposition



Customer value proposition

Provide safe, reliable hire equipment and services to enable successful delivery of customer projects

Helps customer perform a job

On-time

On-budget

Safely

Quality

Responsibly

The more important the job and the better our solution, the better the CVP

Delivery and collection service

Price and ease of transaction

Compliance/ training/ HSSEQ

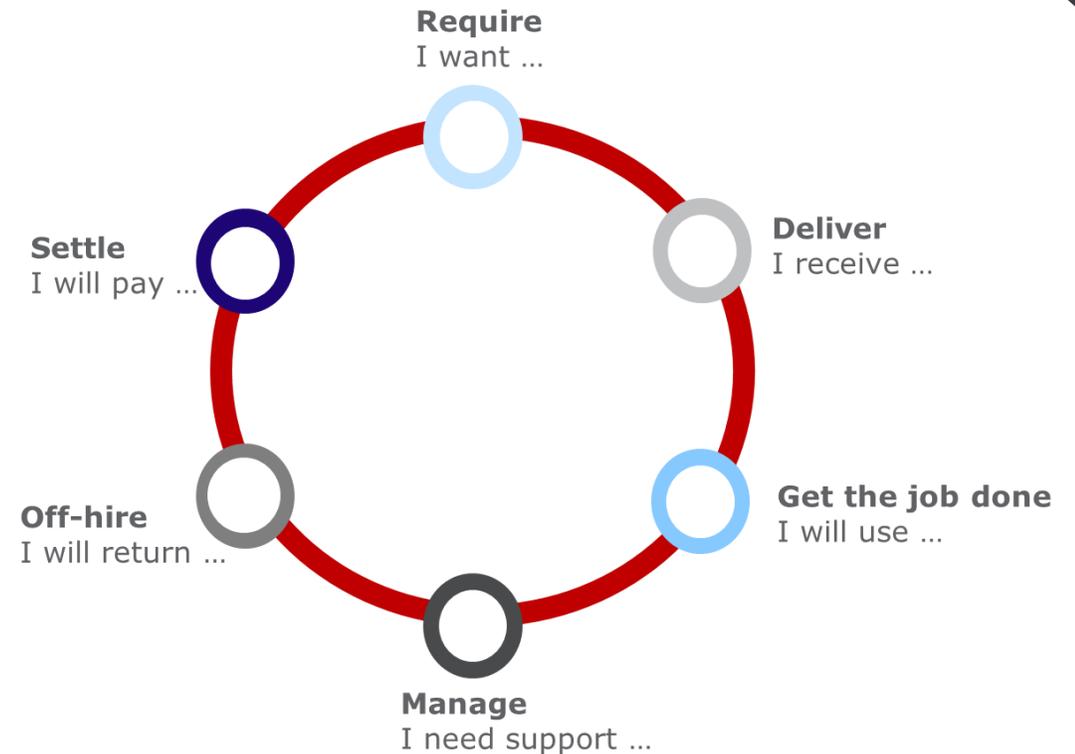
Fleet of reliable equipment

Environmentally friendly equipment

Speedy's digital vision and objectives



- Complementary to our current offering
- Be the easiest transaction possible for our customers – any place, any time, any device purchasing, hiring and off hiring
- Reduce the cost to serve through automation and intelligence
- Self serve, educate and personalise approach
- All aspects of the customer journey considered
- Smart “things” to replace dumb assets when technology allows
- Be customer led



Digital journey to date

- The creation of self service dashboards throughout the organisation and customer base
- Introduction of electronic proof of delivery and proof of collection
- Use of artificial intelligence and machine learning
 - Asset optimisation
 - Revenue maximisation
 - Logistics improvement
- Asset Replenishment Programme (ARP)
- Trunking automation
- Developed open interface (API) framework
- Punch out integration for customer electronic transaction

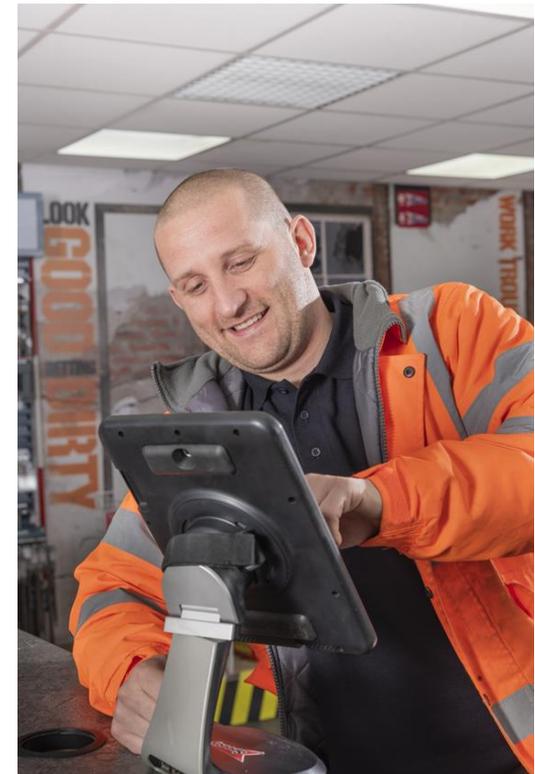


Speedy



Digital journey to date

- Creation of Speedy mobile app:
 - On hire – click and collect, click and deliver – service promise backed
 - Off hire – time stamped to reduce queries
 - On-line asset availability
 - Depot finder and contact
 - Delivery and collection tracking
 - Inspection checker
- Improved website
- Alignment with App functionality
- Proof of concept on sensor technology
- Four unique products
- Set up of data quality team to drive data quality improvement initiatives



Speedy

Digital journey next steps

The logo for Speedy, featuring the word "Speedy" in a stylized, italicized font with a red outline, set against a red arrow-shaped background pointing to the right. The background of the slide also features a photograph of a construction site with a yellow excavator and a red truck.

- Implementation of Dynamics 365 Finance and Operations, and Customer Engagement
- Technical refresh of My Speedy to improve integration capability
- Hand Arm Vibration led product selector on web and App
- Work on culture and compliance behaviours to increase system accuracy
- Sell benefits to customers to drive usage up
- Continue to develop ARP capability and increase products within scope
- Data quality and move to specific product codes – high quality product information and linking of products

Digital journey future roadmap

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Speedy

- Develop products available to transact digitally to include partnered services
- App functionality developments:
 - Use of notifications for managing hire duration and inspections
 - Breakdown and exchange reporting
 - Customer order workflow approval
 - Immediate ID verification and credit checking
 - “What3words” potential integration
- Internet of things sensor use case development as technology matures
- Consider partner relationships to consider end to end ecosystems
- Work with strategic customers to understand their personalised requirements





Speedy

Q&A

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