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Speedy Hire PLC
10 October 2023

Speedy Hire Plc

("Speedy", "the Company" or "the Group")

10 October 2023

Half Year Trading Update and Notice of Results

Speedy, the UK's leading tools and equipment hire services company, operating across the construction, infrastructure and industrial markets, today provides an update on the Group's trading performance for the half year ended 30 September 2023.

Trading performance

The performance in the first half has been satisfactory with revenue from our national customers growing 5% on last year. This has been offset by some softening of revenues with our regional customers. We have seen recent improvement in both of these areas.

As in prior years, the Group expects a second half weighting to its hire revenues and profits, as the winter programmes commence and new contracts extended and won fully mobilise in the period, including those communicated at year end. In addition, Speedy has a strengthening pipeline of new opportunities going into the second half of the year. Consequently, the Group anticipates full year performance to be in line with expectations.

Service revenues are expected to be lower, primarily due to the decline in the wholesale price of fuel, down c.20% against prior year. This has not materially impacted margin, as direct costs fall proportionately.

Velocity, the Company's five year transformation and growth strategy, was launched earlier in the year and is progressing well. The implementation of Velocity has initially focussed on supply chain benefits, which are anticipated to come through in the second half of the current financial year and beyond. £1m of costs relating to Velocity transformation have been incurred and expensed in the half year.

The joint venture in Kazakhstan continues to perform well, although there will be a second half weighting to profits. The weakening of sterling against the US dollar has resulted in slightly lower translation of profits for the period.

We recently communicated our intention to form a joint venture with AFC Energy PLC (AIM: AFC) to support our customers in decarbonising their power and energy solutions by transitioning to hydrogen fuel generation. This remains on track and we look forward to the exciting opportunities this will offer our customers. A further announcement will be made in due course.

Acquisition of Green Power Hire Limited

In addition, the Group has today announced the acquisition of the entire issued share capital of Green Power Hire Limited, a leading supplier of battery storage units. The acquisition positions the Group as the market leader in a key growth segment.

Cash Flow and Net debt

The Group has continued to see improvements in working capital management in the half year and has generated positive operating cashflow after payment of its final dividend of £8.3m.

Net debt at the half year was c.£90m, an improvement on the FY23 year end position. As expected, Net debt at the half year was [illegible], an improvement on the FY23 year end position. As expected, higher interest rates have resulted in slightly increased interest costs for the period.

Update on hire equipment stocktakes

The actions taken by the Group over the past nine months to improve asset controls continue to demonstrate benefits with digital technology being trialled to further assist in the control and counting of hire equipment. At the end of September a full count of all itemised and non-itemised hire equipment was undertaken. Initial results of the stock take have not identified the need for any increased inventory provisions.

Notice of results

The Group intends to announce its half year results for the six months ended 30 September 2023 on 22 November 2023.

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Inside Information: This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

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 and equipment 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 certified nationally to ISO50001, ISO9001, ISO14001, ISO17020, ISO27001 and ISO45001. The Group operates from c.180 fixed sites and selected B&Q stores across the UK and Ireland together with a number of on-site facilities at client locations and through a joint venture in Kazakhstan.

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