

11 February 2025

**Hercules Site Services plc**  
("Hercules" or the "Company")

**Disposal of Suction Excavator Business**

***Transformational change for business as significantly reduced debt levels will result in higher profit before tax and improved earnings per share***

Hercules Site Services plc (AIM: HERC), a leading technology enabled labour supply group for the UK infrastructure and construction sectors, is pleased to announce that it has successfully divested its Suction Excavator business, delivering on the strategy set out by the Company in the announcement dated 6 January 2025 (the "Disposal").

The Company's Suction Excavator subsidiary has been sold to SNC Holdings (NW) Limited, for a total cash consideration of £2.4m. The divestment will materially reduce the Company's debt and lease liabilities by approximately £9m immediately. The Suction Excavator business accounted for 88% of Hercules' borrowings but less than 5% of its revenue in the Company's financial statements ended 30 September 2024 ("FY24").

The Company expects free cash flow to increase following the Disposal, enabling the Company to dedicate greater resources to delivering its strategy to capitalise on the high-growth opportunities available to Hercules' core Labour Supply business, as the UK carries out a series of substantial construction and infrastructure upgrades within the nuclear, power and energy distribution, aviation, water, and rail sectors.

Cash generated from the Disposal and associated debt reduction will support the Company's ongoing acquisition strategy. Furthermore, the Disposal will also help deliver increased profit before tax and improved earnings per share. In addition, the Disposal will streamline the business and simplify the Company's market position as a trusted supplier of skilled operatives for the many projects being delivered across the UK infrastructure and construction sectors.

In FY24, the Suction Excavator subsidiary generated revenue of £6.0m and a loss before tax of £0.4m (on a consolidated basis, the business had revenue of £5.055m and an adjusted loss of £1.3m). As at 30 September 2024 the subsidiary had a gross asset book value of £11.8m and net asset value of £2.2m.

**Brusk Korkmaz, CEO of Hercules, said:**"This is a hugely positive development for Hercules. As the UK carries out substantial construction and infrastructure upgrades within the nuclear, power and energy distribution, aviation, water, and rail sectors, our core Labour Supply business will now have greater resources to execute our strategy in these high-growth areas.

"This Disposal gives the Company a clearer identity and we are laser-focused on growth in our core sectors and strengthening our balance sheet. We expect our earnings per share and profit before tax to be enhanced for the benefit of shareholders."

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 which has been incorporated into UK law by the European Union (Withdrawal) Act 2018.*

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