



26 November 2024

Vp plc
(‘Vp’, the ‘Group’ or the ‘Company’)

Interim Results

Robust performance and refreshed operating model positioning the Group well for future market opportunities

Vp plc, the equipment rental specialist, today announces its Interim Results for the period ended 30 September 2024 (‘the period’).

Financial highlights

	30 Sept 2024	30 Sept 2023	% change
Revenue (£m)	192.5	190.9	1%
Adjusted profit* (£m)	21.0	21.5	(2)%
Return on average capital employed*	14.7%	14.7%	-
Adjusted earnings per share* (pence)	39.0	39.3	(1)%
Interim dividend (pence per share)	11.5	11.5	-
Adjusted EBITDA* (£m)	47.0	47.6	(1)%
Net debt excluding lease liabilities* (£m)	140.4	133.4	(5)%
Capital investment in rental fleet (£m)	38.5	27.8	39%
Statutory profit before tax (£m)	19.5	19.9	(2)%
Basic earnings per share (pence)	36.2	36.4	(1)%

* These measures are explained and reconciled in the Alternative Performance Measures section in note 14 below.

- Robust performance despite challenges in some end markets
- Continued sector-leading return on average capital employed (ROACE*) at 14.7%
- Increased investment in rental fleet to support growth and transition towards greener solutions with £39m fleet capex in the period
- Robust balance sheet with leverage* expected to be c.1.5x at end of the year, well within stated target
- Interim dividend of 11.5 pence per share, continuing 30+ years of uninterrupted track record

Strategy update and operational highlights

- Good progress on refreshed operating model:
 - Transition towards centralisation of rehire operations, management of key strategic customers and procurement activities to drive growth and operational efficiencies
 - Investment in the leadership of Technology, Health & Safety and Sustainability, and Procurement
- Ongoing review of end market sectors and improved divisional collaboration to maximise customer opportunities:
 - Launch of Vp Rail, an integrated rail solution providing customers with direct access to all the Group’s rail specialisms

Continued

- Acquisition of Charleville Hire & Platform Ltd ('CPH') in early October, one of Ireland's leading specialist powered access companies, progressing M&A strategy and providing a platform for growth in the buoyant Republic of Ireland market

Current trading and outlook

The Group continues to make good progress on delivering its refreshed strategy.

Vp continues to trade strongly in its Infrastructure and Energy markets, where positive momentum and market opportunity provide confidence. Headwinds and challenging conditions continue to impact General Construction and Housebuilding, which are expected to remain subdued over the short term.

We note the upcoming changes to National Insurance and National Minimum Wage which, before mitigating actions, will have an impact of c£4m on the Group in the next financial year.

The Group remains in a strong financial position with an excellent track record of delivery and further opportunity to drive performance from increased collaboration across its specialist divisions.

We expect performance for the full year to be in line with market expectations.

Commenting on the Interim Results, Anna Bielby, Chief Executive of Vp plc, said:

"Due to its specialist businesses and diversified revenue streams, the Group has delivered a robust performance in the first half of the year, despite challenging conditions in some end markets.

"In parallel, Vp is progressing well with its refreshed strategy; centralising operations and investing in people. While market headwinds persist in the short-term, management remains encouraged by market opportunities, particularly in areas such as Rail, Water and Transmission.

"These opportunities, alongside strategic progress, a strong financial position and increased investment in the rental fleet, position the Group well for the future."

Analyst Briefing: 9.30am GMT Today, Tuesday 26 November 2024

A live briefing for sell-side analysts will be hosted at the offices of Sodali & Co, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AB, at 9.30am GMT today. After the briefing has finished, an audio webcast of the presentation will be made available for retail investors on the Group's Investor Relations website [here](#).

Presentation with Equity Development: 11am GMT, Thursday 28 November 2024

Vp management will host an online presentation for retail investors via Equity Development at 11am GMT on Thursday 28 November. The session is open to all existing and potential shareholders, and registration is free. Questions can be submitted during the presentation and will be addressed at the end. To register for the event, please click [here](#). A recording will be available shortly after the event on Equity Development's website [here](#) and Vp's website [here](#).

Investor Meet Company Presentation: 11am GMT, Friday 29 November 2024

Vp management will host a live online presentation and Q&A at 11am GMT on Friday 29 November on the Investor Meet Company ("IMC") platform. The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event on the IMC dashboard up until 9am GMT on the day before the meeting, or at any time during the live presentation. Investors can sign up to IMC and register to meet Vp via: <https://www.investormeetcompany.com/vp-plc/register-investor>. Investors who already follow Vp on the IMC platform will automatically be invited.

- ENDS -

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Notes to Editors

Vp plc is a specialist equipment rental business providing equipment, people, services and support for specialist projects. It focuses on niche sectors principally in the Infrastructure, Construction, Housebuilding and Energy markets in the UK and overseas. Businesses include: Groundforce, TPA, Torrent Trackside, Brandon Hire Station, ESS, MEP Hire, CPH, UK Forks, Airpac Rentals and Tech Rentals.

Our approach to environmental and social impact is guided by our core values and responsible business framework, for more information go to: www.vpplc.com/esg-and-governance/

Chief Executive's Review

Our specialist businesses and diversified revenue streams have enabled us to deliver a robust performance in the first half of the year, despite challenging conditions in some end markets.

While short-term headwinds exist, we remain encouraged by market opportunities, particularly in Infrastructure.

In addition to external market factors, as part of our refreshed strategy, we are progressing a number of changes and initiatives with a focus on delivering growth and driving operational excellence.

These improvement measures, combined with a strong financial position and increased investment in the rental fleet, position the Group well to take advantage of the significant market opportunities which exist in the medium to long-term, particularly in areas such as Rail, Water and Transmission.

Progress includes:

Divisional collaboration – Our specialist divisions are at the heart of Vp and we are focused on improving their ability to work closely together to support our major customers and projects. By collaborating more, we can maximise the opportunities which exist in both external markets and with our customers. A key enabler for this is our digital roadmap which is progressing well.

End market focus – In the period, and building on feedback from our customers, we have commenced a group-wide review of end market sectors starting with the creation of a dedicated Director of Vp Rail, to lead our rail offerings across the Group. This provides a more joined-up approach, giving customers easier access to our specialist capabilities and offerings.

Growth through M&A – We continue to pursue our M&A strategy, and were pleased to complete the acquisition of CPH in early October. We see this specialist business as a strong fit for the Group and are excited about our ability to grow the business to take advantage of opportunities that exist in the buoyant Republic of Ireland market. CPH also provides complementary specialisms to our existing divisions. We continue to look at options to rebalance the Group's offerings, including opportunities to divest any business which does not fully align with our strategy.

Refreshed operating model – We have reviewed our operating model to ensure that we use our scale to drive simplicity and efficiency in the way we work. Where it makes sense to do so, we are in the process of centralising certain functions, for example rehire operations, management of key strategic customers and our procurement activities. This will drive efficiencies, new opportunities and cost savings. The investment in our digital roadmap will facilitate this, making it easier for our customers to work with us.

The right team – To deliver our strategy, we have made further additions to the senior team including the leadership of Technology, Health & Safety and Sustainability, and Procurement.

Financial Review

Revenue in the period was £192.5m, a 1% increase on the prior period (H1 2024: £190.9m). Adjusted profit* was slightly down at £21.0m (H1 2024: £21.5m). Segmental analysis of the Group's results is shown in note 3.

Return on average capital employed (ROACE)* was 14.7% (H1 2024: 14.7%) demonstrating the continued sustainable quality of the Group's earnings.

Adjusted basic earnings per share* has decreased slightly to 39.0 pence per share (H1 2024: 39.3 pence per share).

Net debt excluding lease liabilities is £140.4m (30 September 2023: £133.4m, 31 March 2024: £125.2m). The increase is mainly due to increased capex, in particular within the Transmission sector in Germany where we have taken advantage of market opportunity. Our investment prioritises those areas with the highest return and growth potential. Despite the increase in net debt, we continue to operate with significant headroom and well within our previously stated leverage target of less than 2x.

Despite continuing to operate in a challenging credit environment, particularly in Construction, our focus in this area has resulted in a reduction to both Days Sales Outstanding (57 days, 30 September 2023: 61 days) and lower impairment of trade receivables.

Post period end, the Group's revolving credit facility (RCF) was extended for a further year to November 2027. In addition, NatWest replaced Bank of Ireland within our banking club. The Group is pleased to welcome NatWest to the club and thanks Bank of Ireland for its support. The first date of any debt maturity in the Group is now January 2027 when a tranche of private placement matures.

**These measures are explained and reconciled in note 14. Return on Average Capital Employed includes an increase of 0.6% due to impairments recorded in H2 2024.*

Operating Review

The Group has experienced varying conditions in its end markets with Infrastructure and Energy generally supportive, and more challenging conditions in Construction and Housebuilding.

Infrastructure

We have seen growth in Infrastructure, where prospects and external spending commitments provide confidence and where we have continued to invest capex.

We have experienced good momentum in the Water and Transmission sectors in the period. In Rail, we have seen lower revenue than H1 2024 due to the delay in spend caused by the transition from Control Period 6 to Control Period 7. Despite this slightly slower start, we remain positive about the sector and we expect our dedicated Vp Rail offering to maximise opportunities and drive best value by working together to support major projects and customers.

Construction

During the period, the Construction market continued to be challenging and we experienced a slight reduction in revenue alongside a tough credit environment.

Within Construction, we continue to be more successful in our most specialist areas. In these areas, we have seen growth compared with H1 2024 and we have invested in capex in the period.

In General Construction, market conditions continue to be challenging, linked to wider economic headwinds. This has impacted the performance of Brandon Hire Station. In Brandon Hire Station, whilst improvements in business performance have been slower than anticipated, our recovery plan continues and the steps we are taking leave us well positioned to capitalise on market recovery. The

recovery plan is centred on refocussing the division to have the optimal physical footprint with a real focus on the customer. We are also making control and process improvements, helped by data and system enhancements as part of our digital roadmap.

In addition to refocussing the core business, as part of the Group's operating model changes, we are transitioning certain activities from Brandon Hire Station into the Group's centre. This will allow areas such as our rehire operations and management of strategic customers to operate in a way which best serves the wider Vp Group, and will allow Brandon Hire Station to concentrate on its core business and recovery plan. As a result of these changes, we expect to incur exceptional costs in H2 FY25 and the year ending 31 March 2026.

Energy

The Energy market remains positive, with growth, strong demand and a good level of project activity. During the period, we also benefitted from our involvement in a number of industrial shutdown projects where our specialist divisions have had the opportunity to work closely together to support significant and highly specialised customer projects. We invested capex in the period to take advantage of these supportive markets.

Housebuilding

We are encouraged by the UK Government's focus on Housebuilding, including targets and progress in planning reform. Despite this, we continue to find market conditions challenging with a decrease in revenue compared with H1 2024. We are adjusting our capex accordingly and managing our cost base as tightly as possible.

Board update

After over ten years with the Group as a Non-Executive Director, Phil White has advised the Board that he will retire and step down from the Board on 30 June 2025. Phil's extensive plc experience has been of great benefit to the Group and the recruitment process for a successor has commenced.

Dividend

The Board is declaring an interim dividend of 11.5 pence per share (H1 2024: 11.5 pence per share) payable on 15 January 2025 to shareholders on the register as at 6 December 2024. As previously stated, our target dividend cover is 2x over the cycle and the interim dividend announced today maintains the Group's 30+ year uninterrupted dividend track record.

Outlook

The Group continues to make good progress on delivering its refreshed strategy.

Vp continues to trade strongly in its Infrastructure and Energy markets, where positive momentum and market opportunity provide confidence. Headwinds and challenging conditions continue to impact General Construction and Housebuilding, which are expected to remain subdued over the short term.

We note the upcoming changes to National Insurance and National Minimum Wage which, before mitigating actions, will have an impact of c£4m on the Group in the next financial year.

The Group remains in a strong financial position with an excellent track record of delivery and further opportunity to drive performance from increased collaboration across its specialist divisions. We expect performance for the full year to be in line with market expectations.

Anna Bielby

Chief Executive Officer

Condensed Consolidated Income Statement
For the period ended 30 September 2024

	Note	Six months to 30 Sept 2024 £000	Six months to 30 Sept 2023 £000	Full year to 31 Mar 2024 £000
Revenue	3	192,457	190,920	368,691
Cost of sales		(141,508)	(141,318)	(275,703)
Gross profit		50,949	49,602	92,988
Administrative expenses		(25,983)	(22,977)	(48,644)
Impairment losses on trade receivables		(605)	(1,828)	(3,743)
Impairment of intangible assets		-	-	(28,120)
Operating profit before amortisation and impairment of goodwill, trade names and customer relationships and exceptional items		25,865	26,370	49,496
Amortisation and impairment of goodwill, trade names and customer relationships		(1,504)	(1,573)	(31,198)
Exceptional items	4	-	-	(5,817)
Operating profit	3	24,361	24,797	12,481
Net financial expense		(4,816)	(4,901)	(9,635)
Profit before amortisation and impairment of goodwill, trade names and customer relationships and exceptional items		21,049	21,469	39,861
Amortisation and impairment of goodwill, trade names and customer relationships		(1,504)	(1,573)	(31,198)
Exceptional items	4	-	-	(5,817)
Profit before taxation		19,545	19,896	2,846
Taxation	5	(5,271)	(5,513)	(8,137)
Profit/(loss) after tax		14,274	14,383	(5,291)
		Pence	Pence	Pence
Basic earnings/(loss) per share	7	36.16	36.43	(13.41)
Diluted earnings/(loss) per share	7	36.03	36.12	(13.41)
Dividend per share	8	11.50	11.50	39.00

Condensed Consolidated Statement of Comprehensive Income
For the period ended 30 September 2024

	Six months to 30 Sept 2024 £000	Six months to 30 Sept 2023 £000	Full year to 31 Mar 2024 £000
Profit/(loss) for the period	14,274	14,383	(5,291)
Other comprehensive (expense)/income:			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit pension scheme	-	-	(391)
Tax on items taken to other comprehensive income	-	-	248
<i>Items that may be subsequently reclassified to profit or loss</i>			
Foreign exchange translation difference	(1,001)	(772)	(1,522)
Other comprehensive expense	(1,001)	(772)	(1,665)
Total comprehensive income/(expense) for the period	13,273	13,611	(6,956)

Condensed Consolidated Statement of Changes in Equity
For the period ended 30 September 2024

	Note	Six months to 30 Sept 2024 £000	Six months to 30 Sept 2023 £000	Full year to 31 Mar 2024 £000
Profit/(loss) for the period		14,274	14,383	(5,291)
Other comprehensive expense		(1,001)	(772)	(1,665)
Tax movements to equity		6	(12)	(20)
Share based payments expense in the period		267	463	767
Net movement relating to shares held by Vp Employee Trust		(111)	(698)	(706)
Dividends to shareholders	8	(10,853)	(10,460)	(14,997)
Change in equity during the period		2,582	2,904	(21,912)
Equity at the start of the period		153,020	174,932	174,932
Equity at the end of the period		155,602	177,836	153,020

There were no movements in issued share capital, the capital redemption reserve or share premium in the reported periods.

Condensed Consolidated Balance Sheet
At 30 September 2024

	Note	30 Sept 2024 £000	31 Mar 2024 £000	30 Sept 2023 £000
Non-current assets				
Property, plant and equipment	6	267,189	256,944	250,890
Intangible assets		26,904	28,572	56,970
Right of use assets		57,711	58,645	58,883
Employee benefits		1,778	1,853	2,240
Total non-current assets		353,582	346,014	368,983
Current assets				
Inventories		9,600	9,548	9,321
Trade and other receivables		79,394	74,753	83,755
Income tax receivable		104	3,582	496
Cash and cash equivalents	9	9,034	6,061	9,214
Total current assets		98,132	93,944	102,786
Total assets		451,714	439,958	471,769
Current liabilities				
Interest bearing loans and borrowings	9	-	-	(49,815)
Lease liabilities		(16,177)	(16,319)	(16,056)
Overseas income tax payable		(1,692)	(1,501)	-
Trade and other payables		(64,455)	(71,720)	(70,135)
Total current liabilities		(82,324)	(89,540)	(136,006)
Non-current liabilities				
Interest bearing loans and borrowings	9	(149,465)	(131,280)	(92,786)
Lease liabilities		(44,571)	(45,642)	(46,570)
Other payables		-	(667)	-
Provisions		(3,006)	(3,160)	(1,663)
Deferred tax liabilities		(16,746)	(16,649)	(16,908)
Total non-current liabilities		(213,788)	(197,398)	(157,927)
Total liabilities		(296,112)	(286,938)	(293,933)
Net assets		155,602	153,020	177,836
Equity				
Issued share capital		2,008	2,008	2,008
Capital redemption reserve		301	301	301
Share premium		16,192	16,192	16,192
Foreign currency translation reserve		(3,041)	(2,040)	(1,290)
Retained earnings		140,142	136,559	160,625
Total equity		155,602	153,020	177,836

Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2024

	Note	Six months to 30 Sept 2024 £000	Six months to 30 Sept 2023 £000	Full year to 31 Mar 2024 £000
Cash flows from operating activities				
Profit before taxation		19,545	19,896	2,846
Adjustment for:				
Share based payment charges		267	463	767
Depreciation	6	22,442	22,664	44,138
Depreciation of right of use assets		8,659	8,367	16,488
Amortisation and impairment of intangibles		1,933	1,794	32,054
Financial expense		4,913	4,917	9,693
Financial income		(97)	(16)	(58)
Profit on sale of property, plant and equipment		(3,578)	(4,350)	(7,456)
Release of arrangement fees		185	93	427
Operating cash flow before changes in working capital and provisions		54,269	53,828	98,899
Increase in inventories		(52)	(406)	(633)
(Increase)/decrease in trade and other receivables		(4,641)	(2,242)	6,760
(Decrease)/increase in trade and other payables		(7,330)	484	2,082
(Decrease)/increase in provisions		(154)	51	1,548
Cash generated from operations		42,092	51,715	108,656
Interest paid		(3,183)	(3,268)	(6,521)
Interest element of lease liability payments		(1,736)	(1,634)	(3,315)
Interest received		97	16	58
Income tax paid		(1,502)	(4,999)	(9,233)
Net cash flows from operating activities		35,768	41,830	89,645
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		11,647	12,845	25,273
Purchase of property, plant and equipment		(41,997)	(33,840)	(71,375)
Purchase of intangible assets		(266)	(176)	(963)
Net cash flows used in investing activities		(30,616)	(21,171)	(47,065)
Cash flows from financing activities				
Purchase of own shares by Employee Trust		(111)	(698)	(706)
Repayment of loans		(5,000)	(17,000)	(76,000)
New loans		23,000	14,000	62,000
Arrangement fees		-	-	(655)
Capital element of lease liability payments		(8,942)	(8,505)	(17,275)
Dividends paid	8	(10,853)	(10,460)	(14,997)
Net cash flows used in financing activities		(1,906)	(22,663)	(47,633)
Net increase/(decrease) in cash and cash equivalents		3,246	(2,004)	(5,053)
Effect of exchange rate fluctuations on cash held		(273)	78	(26)
Cash and cash equivalents at beginning of period		6,061	11,140	11,140
Cash and cash equivalents at end of period	9	9,034	9,214	6,061

Notes to the Condensed Financial Statements

1. Basis of Preparation

Vp plc (the “Company”) is a company limited by shares, incorporated and domiciled in the United Kingdom. Its registered office and principal place of business is Central House, Beckwith Knowle, Otley Road, Harrogate, North Yorkshire, HG3 1UD. Its shares are listed on the London Stock Exchange. The Condensed Consolidated Interim Financial Statements of the Company for the half year ended 30 September 2024 consolidate the financial information of the Company and its subsidiaries (together referred to as the “Group”).

The condensed interim financial statements have been prepared using accounting policies set out in the Annual Report and Accounts 2024. They are unaudited and have not been reviewed by the Company’s auditor. This report has been prepared in accordance with the UK-adopted International Accounting Standard 34 ‘Interim Financial Reporting’ and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

The results for the year ended 31 March 2024 and the Consolidated Balance Sheet as at that date are abridged from the Group’s Annual Report and Accounts 2024 which have been delivered to the Registrar of Companies. The auditor’s report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under sections 498 (2) or (3) of the Companies Act 2006.

The condensed interim financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The interim announcement was approved by the Board of Directors on 25 November 2024.

The preparation of 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 these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2024.

The Group continues to be in a healthy financial position with total banking facilities at the period end of £190.5 million, including an overdraft facility. Since the year end, net debt excluding lease liabilities has increased by £15.2 million to £140.4 million, which is £7.0 million higher than 30 September 2023. The Board has evaluated the banking facilities and the associated covenants on the basis of current forecasts, taking into account the current economic climate. These forecasts have been subjected to sensitivity analysis, involving the flexing of key assumptions reflecting severe but plausible scenarios, including a downturn in economic activity. Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due. Having reassessed the principal risks the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial information.

2. Risks and Uncertainties

The principal risks and uncertainties facing the Group and the ways in which they are mitigated are described on pages 52 to 55 of the 31 March 2024 Annual Report and Accounts. As part of the interim reporting process, the Group’s Risk Committee conducted a comprehensive review of Vp’s principal risks and concluded that there had been no change to principal risks or risk levels. The principal risks and uncertainties are: market and competition, people and culture, fleet management and investment, health & safety, financial, governance and legal/regulatory requirements, environmental, and technology and IT resilience.

3. Summarised Segmental Analysis

	Revenue			Operating profit before amortisation and impairment of goodwill, trade names and customer relationships and exceptional items		
		Restated	Restated		Restated	Restated
	Sept	Sept	Mar	Sept	Sept	Mar
	2024	2023	2024	2024	2023	2024
	£000	£000	£000	£000	£000	£000
UK	162,629	165,573	318,685	21,368	22,073	40,875
International	29,828	25,347	50,006	4,497	4,297	8,621
	192,457	190,920	368,691	25,865	26,370	49,496
Amortisation and impairment of goodwill, trade names and customer relationships				(1,504)	(1,573)	(31,198)
Exceptional items				-	-	(5,817)
Operating profit				24,361	24,797	12,481

The segmental analysis is different from that presented in the annual financial statements. Previously the segments were based on the historic management location. Following a reorganisation of the internal reporting of financial information, the UK segments now contain all divisions and sub-divisions which are primarily operating in the UK. International segment contains all divisions and sub-divisions which are primarily operating outside the UK. Prior year balances have been restated into the new segmentation. A full comparison of methodology will be included in the annual financial statements for the year ending 31 March 2025.

Below is a summary of the disaggregation of revenue from contracts with customers from the total revenue disclosed in the Condensed Consolidated Income Statement:

	Sept 2024	Sept 2023	Mar 2024
	£000	£000	£000
Equipment hire	145,172	143,297	273,874
Services	34,656	32,666	61,966
Sales of goods	12,629	14,957	32,851
Total revenue	192,457	190,920	368,691

4. Exceptional Items

During the half year ended 30 September 2024, the Group incurred no exceptional costs (H1 2024: £nil). In the year ended 31 March 2024, the Group incurred restructuring and reorganisation costs relating to changes to the Group's Board and senior leadership team of £1.6 million and branch closure costs of £4.2 million. The net cash outflow from activities associated with exceptional items in the half year ended 30 September 2024 is £1.2 million (H1 2024: nil).

5. Income Tax

The effective tax rate is 27.0% in the half year ended 30 September 2024 (H1 2024: 27.7%). The effective rate for the period reflects the current standard tax rate of 25% (H1 2024: 25%), as adjusted for estimated permanent differences for tax purposes offset by gains covered by exemptions. The rate includes the effect of higher statutory tax rates levied in Australia and Germany.

6. Property, Plant and Equipment

	Sept 2024	Mar 2024	Sept 2023
	£000	£000	£000
Opening carrying amount	256,944	252,385	252,385
Additions	41,470	69,876	31,327
Depreciation	(22,442)	(44,138)	(22,664)
Disposals	(8,071)	(17,815)	(9,426)
Transfer to intangible assets	-	(2,072)	-
Effect of movements in exchange rates	(712)	(1,292)	(732)
Closing carrying amount	267,189	256,944	250,890

The value of capital commitments at 30 September 2024 was £8,554,000 (31 March 2024: £15,965,000).

7. Earnings per Share

Earnings per share have been calculated on 39,472,640 shares (H1 2024: 39,482,946 shares) being the weighted average number of shares in issue during the period excluding those shares held by Vp Employee Trust. Diluted earnings per share have been calculated on 39,613,501 shares (H1 2024: 39,820,019 shares) adjusted to reflect conversion of all potentially dilutive ordinary shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

Basic earnings per share before amortisation and impairment of goodwill, trade names and customer relationships and exceptional items was 39.0 pence (H1 2024: 39.3 pence) ("Adjusted Basic EPS") and was based on an after-tax add back of £1,128,000 (H1 2024: £1,124,000) in respect of the amortisation of intangibles and exceptional items. Diluted earnings per share before amortisation and impairment of goodwill, trade names and customer relationships and exceptional items was 38.9 pence (H1 2024: 38.9 pence).

8. Dividends

The Directors have declared an interim dividend of 11.5 pence per share (H1 2024: 11.5 pence) payable on 15 January 2025 to shareholders on the register as at 6 December 2024. The dividend declared will absorb an estimated £4.556 million (H1 2024: £4.537 million) of shareholders' funds.

The cost of dividends in the Statement of Changes in Equity is after adjustments for the interim and final dividends waived by the Vp Employee Trust in relation to the shares it holds for the Group's share option schemes.

9. Analysis of net debt

	As at 1 Apr 2024 £000	Cash flow £000	Non-cash movements £000	As at 30 Sept 2024 £000
Cash and cash equivalents	6,061	2,973	-	9,034
Secured loans	(132,000)	(18,000)	-	(150,000)
Arrangement fees	720	-	(185)	535
Net debt excluding lease liabilities	(125,219)	(15,027)	(185)	(140,431)
Lease liabilities	(61,961)	10,678	(9,465)	(60,748)
Net debt including lease liabilities	(187,180)	(4,349)	(9,650)	(201,179)

The Group has two private placements with PGIM Inc. for £65 million (maturing in January 2027) and £28 million (maturing in April 2028). The Group also has committed revolving credit facilities of £90 million which was refinanced in November 2023. The Group also has overdraft facilities of £7.5 million, leading to total available facilities of £190.5 million.

10. Related Party Transactions

Transactions between Group Companies, which are related parties, have been eliminated on consolidation and therefore do not require disclosure. The Group has not entered into any other related party transactions in the period which require disclosure in this interim statement.

11. Contingent Liabilities

In an international group a variety of claims arise from time to time in the normal course of business. Such claims may arise due to actions being taken against group companies as a result of investigations by fiscal authorities or under regulatory requirements. Provision has been made in these consolidated financial statements against any claims which the directors consider likely to result in significant liabilities.

12. Post balance sheet event

On 2 October 2024, the Group completed the acquisition of a majority interest in Charleville Hire and Platform Ltd ('CPH'), a powered access business incorporated in the Republic of Ireland.

Total consideration for the entire share capital of CPH includes an initial cash consideration of €12.1 million. 90% of the share capital was initially acquired, with the remaining 10% to be acquired over a three-year period. Subject to continued employment of the selling shareholders and business performance against stretching EBITDA targets, a further maximum deferred and earn out payment of €21.7 million may be payable across the second and third anniversaries of the acquisition.

In November 2024, the Group extended its revolving credit facility, which now matures in November 2027.

13. Forward Looking Statements

The Chief Executive's Statement 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. Statements in respect of the Group's performance in the year to date are based upon unaudited management accounts for the period 1 April 2024 to 30 September 2024. Nothing in this announcement should be construed as a profit forecast.

Except as required by the Listing Rules and applicable law, the Company undertakes no obligation to update, review or change any forward-looking statements to reflect events or developments occurring after the date of this report.

14. Alternative Performance Measures (APMs)

The Board monitors performance principally through adjusted and like-for-like performance measures. Adjusted profit and earnings per share measures exclude certain items including amortisation of intangible assets, goodwill impairment charges and exceptional items.

The Board believes that such alternative measures are useful as they exclude one-off (amortisation, impairment of intangible assets and exceptional items) and non-cash (amortisation of intangible assets) items which are normally disregarded by investors, analysts and brokers in gaining a clearer understanding of the underlying performance of the Group from one year to the next when making investment and other decisions. APMs in previous years have excluded the net impact of IFRS 16. This adjustment has now been removed.

The key measures used as APMs are reconciled below:

	Sept 2024 £000	Sept 2023 £000	Mar 2024 £000
Profit before tax as per Income Statement	19,545	19,896	2,846
Amortisation and impairment of goodwill, trade names and customer relationships	1,504	1,573	31,198
Exceptional items	-	-	5,817
Adjusted profit before tax, amortisation and impairment of goodwill, trade names and customer relationships and exceptional items APM (Adjusted profit)	21,049	21,469	39,861
Interest (excluding interest on lease liabilities)	3,084	3,271	6,319
Adjusted operating profit before tax, amortisation and impairment of goodwill, trade names and customer relationships and exceptional items APM	24,133	24,740	46,180
Depreciation (excluding depreciation of right of use of assets)	22,442	22,664	44,138
Amortisation of software	429	221	856
Adjusted EBITDA APM	47,004	47,625	91,174

14. Alternative Performance Measures (continued)

Net margin of 10.9% (H1 2024: 11.2%) is calculated by dividing adjusted profit before tax, amortisation and impairment of goodwill, trade names and customer relationships and exceptional items by revenue.

	Sept 2024	Sept 2023	Mar 2024
	Pence	Pence	Pence
Basic earnings per share	36.2	36.4	(13.4)
Impact of amortisation and impairment of goodwill, trade names and customer relationships and exceptional items after tax	2.8	2.9	86.3
Adjusted basic earnings per share APM	39.0	39.3	72.9

	Sept 2024	Sept 2023	Mar 2024
	£000	£000	£000
Net debt including lease liabilities	201,179	196,013	187,180
Lease liabilities	(60,748)	(62,626)	(61,961)
Net debt excluding lease liabilities APM	140,431	133,387	125,219

Return on average capital employed (ROACE) is based on adjusted operating profit before tax, amortisation and impairment of goodwill, trade names and customer relationships and exceptional items as defined above divided by average capital employed on a monthly basis using the management accounts excluding IFRS16.

Leverage is defined as net debt divided by EBITDA using the management accounts excluding IFRS16.

Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed consolidated set of interim financial statements has been prepared in accordance with UK-adopted IAS 34 *Interim Financial Reporting*;
- 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.

By order of the Board

25 November 2024

The Board

The Directors who served during the six months to 30 September 2024 were:

Jeremy Pilkington (Chairman)
Anna Bielby (Chief Executive)
Keith Winstanley (Chief Financial Officer)
Phil White (Non-Executive Director)
Stuart Watson (Non-Executive Director)
Mark Bottomley (Non-Executive Director)

- Ends -