



HSS Hire

FY14 Results

April 2015

Agenda

- Chris Davies, CEO: Continued delivery of profitable growth and expansion
- Steve Trowbridge, CFO: Financial performance
- Chris Davies, CEO: Strategic and operational overview
- Q&A

Continued delivery of profitable growth and expansion

- 25.5% revenue growth and 26.7% Adj. EBITDA¹ growth in 2014
- Accelerated rollout of proven local branch format through Q4 - 23 branches opened in 2014
- Focus on 'maintain' and 'operate' segments delivering growth and development of key accounts
- £71.9m investment in hire fleet² driven by customer demand, generating industry-leading ROA of 26.6%
- Acquisition and integration of Apex Generators and trade and assets of MTS UK
- Trading in FY15 started in line with management expectations

¹ EBITDA stated before exceptional costs relating to restructuring and acquisition costs. See appendix C

² Fixed asset additions to materials and equipment held for hire

Income statement

Year ended 27 December / 28 December

£m	2014	2013	Growth (%)	Organic (%)
Revenue	284.6	226.7	25.5%	18.7%
EBITDA	67.4	52.3	28.9%	23.4%
Exceptionals (non-finance)	3.7	3.9		
Adj. EBITDA¹	71.1	56.2	26.7%	21.6%
<i>Adj. EBITDA margin</i>	<i>25.0%</i>	<i>24.8%</i>		

- Continued expansion of local branch network alongside focused fleet investment and sales initiatives
- Further economies of scale driving improvement in Adj. EBITDA margin

¹ Adjusted earnings stated before exceptional costs relating to restructuring and acquisition costs. See appendix C

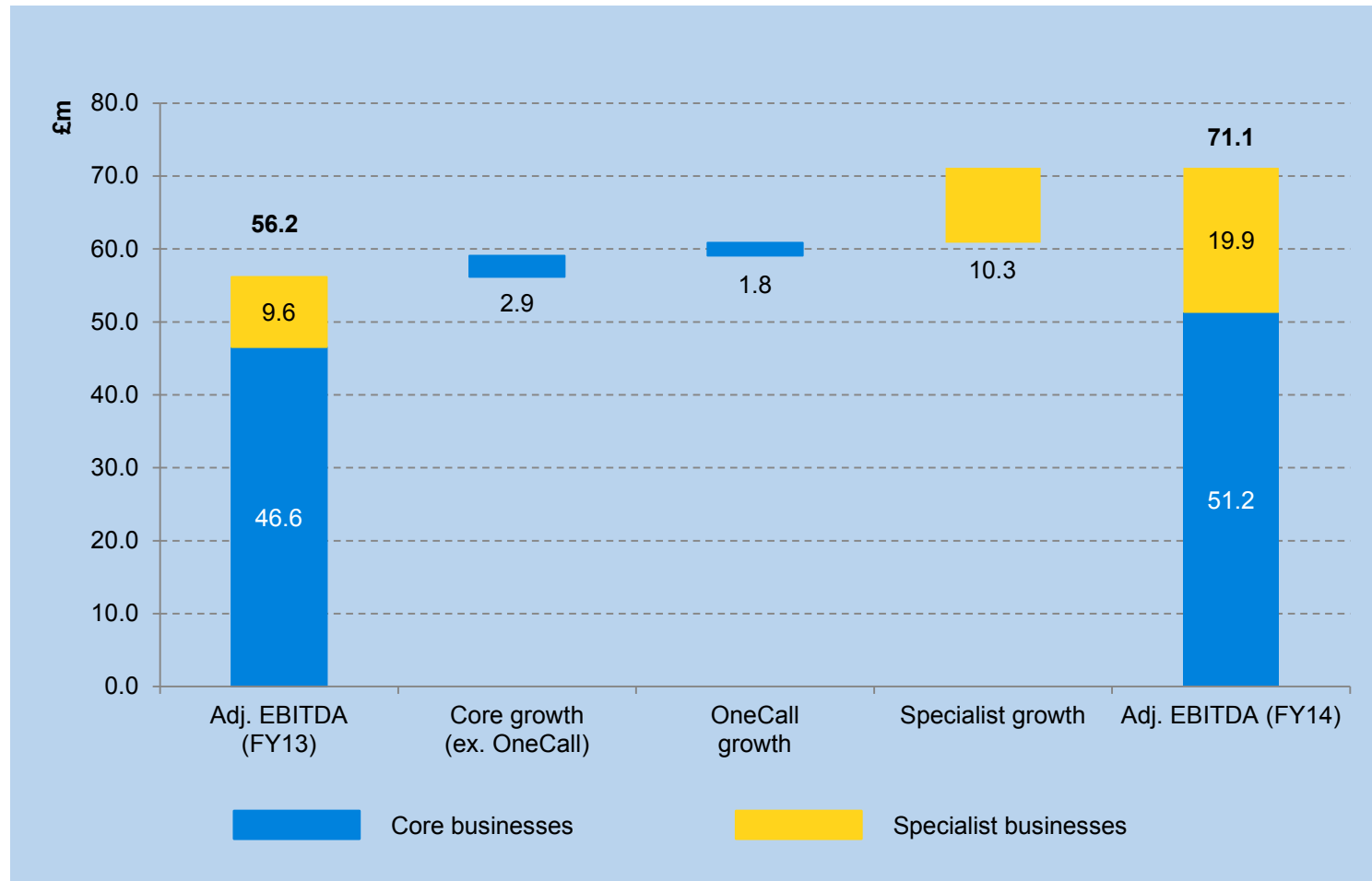
Segmental analysis

Year ended 27 December / 28 December

£m	2014	2013	Growth (%)
Core businesses			
Revenue	247.4	208.0	18.9%
Adj. EBITDA	51.2	46.6	10.1%
<i>Adj. EBITDA margin</i>	20.7%	22.4%	
Specialist businesses			
Revenue	37.1	18.6	99.1%
Adj. EBITDA	19.9	9.6	107.1%
<i>Adj. EBITDA margin</i>	53.6%	51.5%	

- Core performance driven by growth in all geographies, investment in local branches and performance of OneCall and Training businesses
- Specialist growth through geographic expansion and successful targeting of customer demand supplemented with Apex acquisition

Adj. EBITDA bridge



- Introduction
- Financial performance
- Strategic and operational review
- Q&A
- Appendix

Adjusted PBT, reported PBT and reported PAT

Year ended 27 December / 28 December

£m	2014	2013	Growth (%)
Adj. EBITDA	71.1	56.2	26.7%
Depreciation	(39.9)	(27.7)	44.3%
Amortisation	(3.9)	(3.3)	18.6%
Adj. Operating profit	27.3	25.2	8.3%
Net finance cost (pre exceptionals) ¹	(24.3)	(20.3)	
Adj. PBT	3.0	4.9	(39.3)%
Exceptionals (all)	(11.5)	(2.3)	
Reported PBT	(8.5)	2.6	
Tax	3.0	(2.2)	
Reported PAT	(5.5)	0.4	

- Depreciation increase reflects acquisitions and increased hire fleet investment
- Net finance cost impacted by changes in capital structure
- Tax planning delivered credit in year

¹ Pre exceptional finance costs which principally relate to costs related to the restructure of the group's debt during the year

Cash flow

Year ended 27 December / 28 December

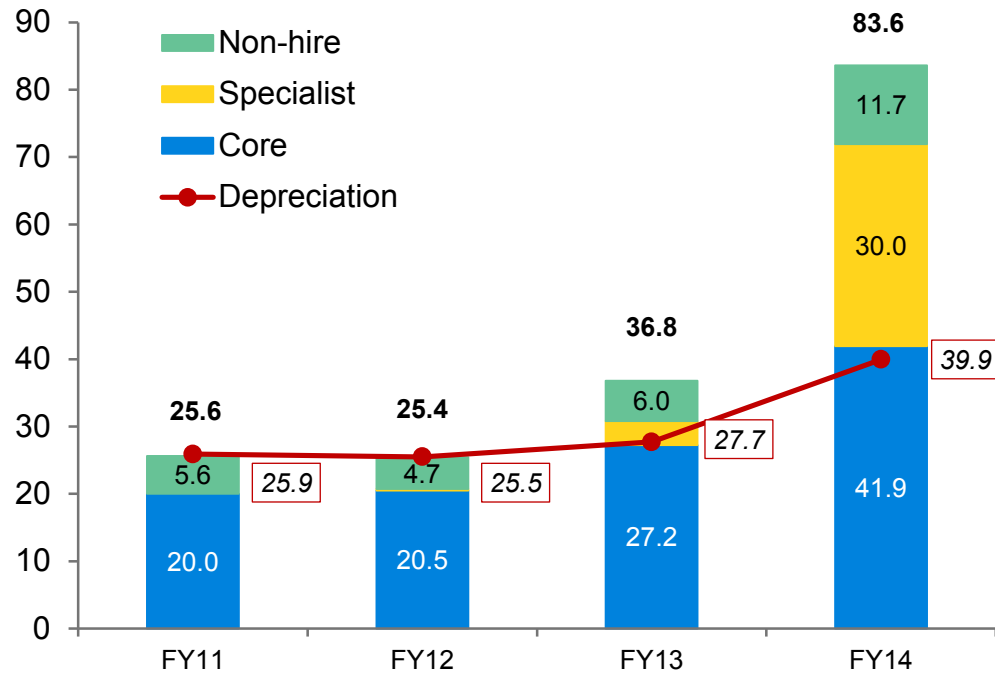
£m	2014	2013
Operating cashflow (“OCF”)¹	55.6	42.1
Less: Capex ²	(60.6)	(55.1)
OCF less Capex	(5.0)	(13.0)
Less: Tax	(0.2)	(1.5)
Net cash flow before financing	(5.3)	(14.5)
Less: Debt issue costs	(7.3)	(1.7)
Less: Net interest payable	(10.8)	(8.2)
Add: Net proceeds from borrowing	26.3	29.8
Net increase in cash	3.0	5.4

- Strong growth in operating cashflow
- 90% of trade receivables under 30 days aged
- Significant investment in hire and non hire fleet and small acquisitions to support growth

¹ Operating profit before depreciation and amortisation but after exceptionals and the net movement in working capital. See appendix E

² Capex includes purchase of hire equipment, non hire property, plant and equipment and software and acquisitions of subsidiaries

Capital expenditure and utilisation



Utilisation (LTM)	FY13				FY14			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Core	43%	43%	44%	45%	46%	46%	47%	47%
Specialist	51%	58%	62%	68%	69%	69%	70%	70%

- Well invested hire fleet: Hire fleet additions of c. 2.1x hire fleet depreciation in FY14
- Growing utilisation and capex reflects ability to match investment to demand
- Small portion of FY15 capex brought forward to support FY15 branch openings and rapid growth in ABird
- 26.6% ROA with significant hire fleet expansion during year

¹ Fixed asset additions to materials and equipment held for hire

Balance sheet

Year ended 27 December / 28 December

£m	2014	2013
Intangible assets	170.4	166.2
Tangible assets	147.2	99.9
Deferred tax asset	2.5	-
Derivative financial instruments	-	1.2
Working capital ¹	3.4	21.0
Other net liabilities	(17.9)	(17.4)
Net debt ²	(317.0)	(276.3)
Net liabilities	(11.5)	(5.5)

- Growth in intangible assets principally due to Apex acquisition (March 2014)
- Larger net liabilities position reflects investment in tangible assets offset by increased gearing and trade payables relating to preferable capex payment terms
- IPO post year end has subsequently de-gearred the business. Proforma net debt at IPO of c. £155m

¹ Current assets less current liabilities. Current assets / liabilities captured within net debt e.g. the current portion of finance leases are not reflected in Working capital

² Comprises cash and all debt principal and accrued interest balances, including those which would ordinarily be shown within current assets, current liabilities or non current liabilities. See appendix D

FY15 guidance

- Targeting Adj. EBITDA margins > **25.0%** for existing Group (full year) with margin growth in **both Core and Specialist** businesses
- Capex investment expected to be **slightly below FY14 capex**
- Pace of local branch openings faster in H1 FY15 than in H1 FY14
- Targeting **ROA > 25%** across existing portfolio
- Targeting **leverage of c. 2.0x Adj. EBITDA** at end of FY15
- First dividend expected to be interim payment in respect of FY15

Our strategy

- Local branch rollout to take share from the c. 48% of market held by independents
- Gaining greater share of customer wallet through our one-stop-shop solution
- Further complementary and value accretive bolt-on acquisitions

Achieved by:

- Driving availability and utilisation through “one fleet” approach and retail-like logistics network
- Being customer-driven, delivering against four foundations (safety, value, availability and support)
- Targeting customer segments which provide higher asset returns

Local branch rollout



Introduction

Financial performance

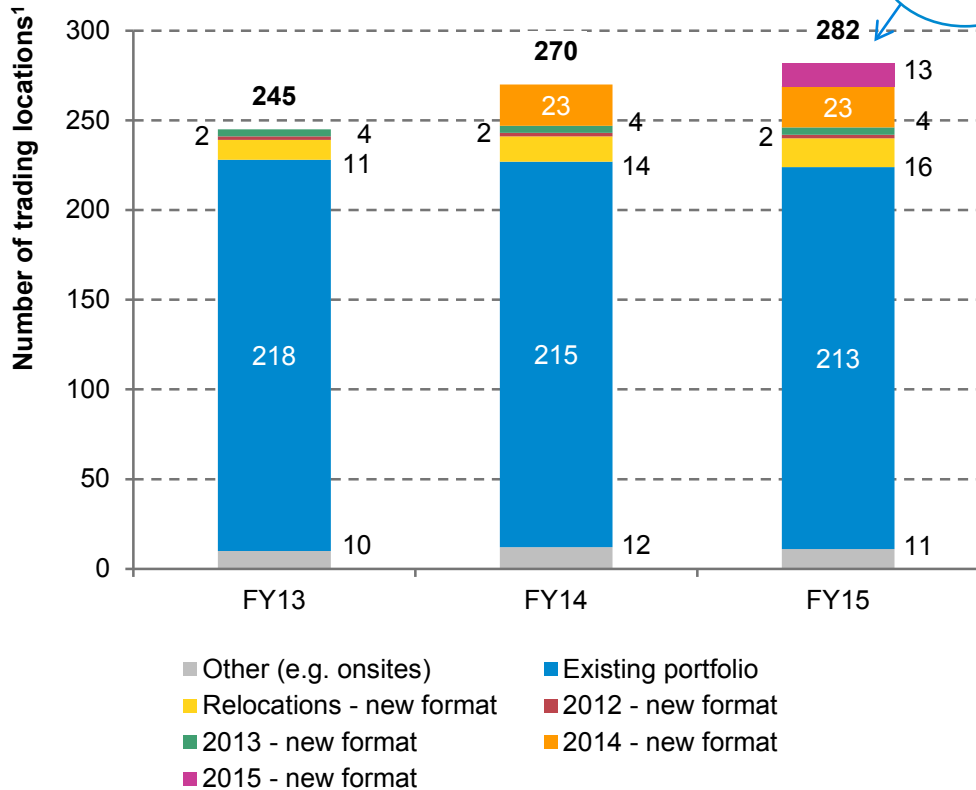
Strategic and operational review

Q&A

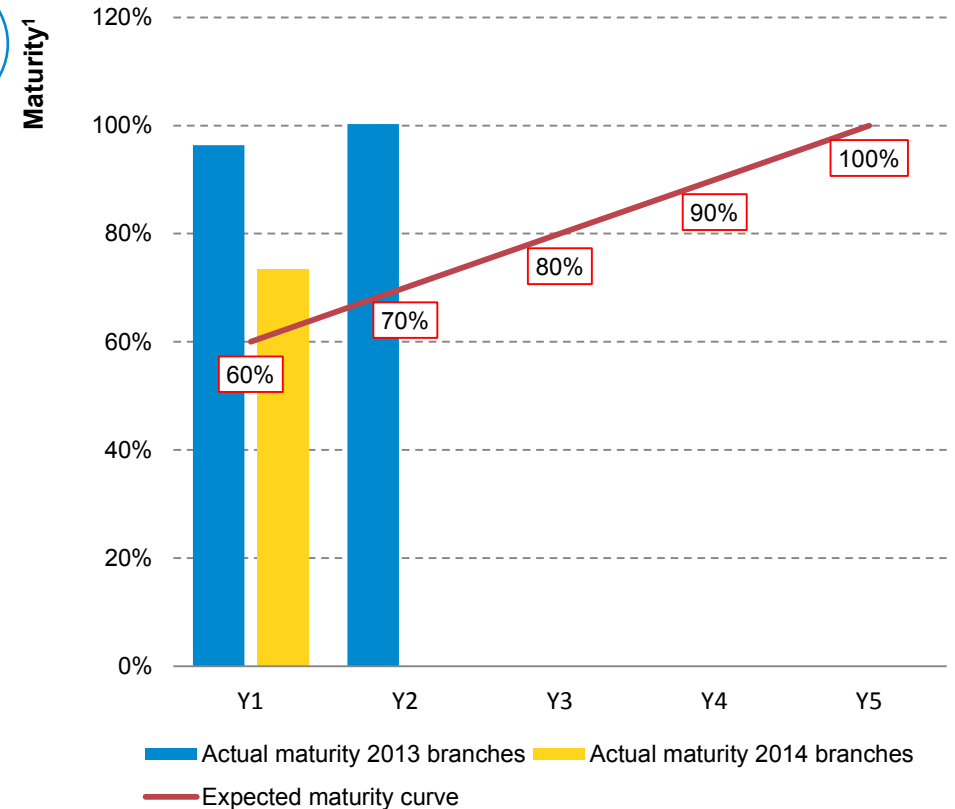
Appendix

Local branch rollout (cont)

Opening programme built on experience



Branches continue to outperform expectations



¹ Maturity measured against mature revenue of £450k per branch (grown at 2% p.a.)

- Introduction
- Financial performance
- Strategic and operational review
- Q&A
- Appendix

Key accounts

- Focused effort to increase share of wallet of large key accounts through:
 - Cross-selling group services
 - Targeted M&A activity
- Growth in our Total Equipment Management offer reflecting ongoing drive to outsource
- Consolidated position in key markets including airports, facilities management, infrastructure and retail
- Expanded Group onsite offer across major London build projects

Continued growth in Core business

Easier to do business with

- 23 new local branches opened
- Opened new customer service centre in Manchester

Trusted business partner

- Continued strong growth in HSS OneCall and HSS Training
- Reinforces the one-stop solution we provide customers and their employees

Enhanced product / service offering

- Acquired MTS UK rental fleet and integrated into HSS Scotland
- Core hire fleet investment of £41.9m² supported 18.9% revenue growth

¹ Fixed asset additions to materials and equipment held for hire

Continued investment in our Specialist businesses

- Specialist hire fleet investment of £30.0m¹ supported revenue growth of 99.1%
- Extended power generation and powered access businesses into Ireland
- Apex Generators acquisition (in Scotland) created a truly national temporary power solutions business and UK Platforms opened in Scotland
- Strong organic growth in Reintec



¹ Fixed asset additions to materials and equipment held for hire

Investing in our colleagues

- 378 new colleagues graduated from Academy Induction Programme
- 86% first year retention rate
- 76 new apprentices joined HSS in 2014



Summary and outlook

- Good progress against plans through FY14
- Trading in FY15 started in line with plan
- Element of short term uncertainty amongst customers due to UK general election
- 13 local branch openings, 34 more in progress

Revenue **↑ 25.5%**

ROA
26.6%

Adj. EBITDA margin
25.0%

Core utilisation
47%

Specialist utilisation
70%

Introduction

Financial performance

Strategic and operational review

Q&A

Appendix

Q&A

Important notice

By reading or reviewing this presentation, you agree to be bound by the following limitations:

This presentation has been prepared by the HSS Hire Group (the "Group") solely for information purposes. For the purposes of this disclaimer, the presentation that follows shall mean and include the slides that follow, the oral presentation of the slides by the Group or any person on its behalf, any question-and-answer session that follows the oral presentation, hard copies of this document and any materials distributed in connection with the presentation. By attending the meeting at which the presentation is made, dialling into the teleconference during which the presentation is made or reading the presentation, you will be deemed to have agreed to all of the restrictions that apply with regard to the presentation and acknowledged that you understand the legal regulatory sanctions attached to the misuse, disclosure or improper circulation of the presentation.

The information contained in this presentation should be considered in the context of the circumstances prevailing at the time and will not be updated to reflect material developments that may occur after the date of the presentation. The information and opinions in this presentation are provided as at the date of this presentation and are subject to change without notice. It is not the intention to provide, and you may not rely on this presentation as providing, a complete, fair, accurate or comprehensive analysis of the financial or trading position or prospects of the Group. No reliance may be placed on the information contained in this presentation for any purpose, and neither the Group nor any of its respective affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or their contents or otherwise arising in connection with the presentation, or any action taken by you or any of your officers, employees, agents or associates on the basis of the information.

The information contained herein does not constitute investment, legal, accounting, regulatory, taxation or other advice and does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and the market and for making your own independent assessment of the information. You are solely responsible for seeking independent professional advice in relation to the information.

This presentation contains financial information regarding the businesses and assets of the Group. Such financial information may not have been audited, reviewed or verified by any independent accounting firm. The inclusion of such financial information in this document or any related presentation should not be regarded as a representation or warranty by the Group or any of its affiliates, advisors or representatives or any other person as to the accuracy or completeness of such information's portrayal of the financial condition or results of operations by the Group and should not be relied upon when making an investment decision.

This presentation contains certain non IFRS and non-UK GAAP financial measures. These measures may not be comparable to those of other companies within our industry or otherwise. Reference to these non IFRS or non-UK GAAP financial measures should be considered in addition to IFRS or UK GAAP financial measures, but should not be considered a substitute for results that are presented in accordance with IFRS or UK GAAP.

The market data contained in this presentation, including all trend information, is based on estimates or expectations of the Group, and there can be no assurance that these estimates or expectations are or will prove to be accurate. Our internal estimates have not been verified by an external expert, and we cannot guarantee that a third party using different methods to assemble, analyse or compute market information and data would obtain or generate the same results. We have not verified the accuracy of such information, data or predictions contained in this report that were taken or derived from industry publications, public documents of our competitors or other external sources. Further, our competitors may define our and their markets differently than we do. In addition, past performance of the Group is not indicative of future performance. The future performance of the Group will depend on numerous factors which are subject to uncertainty.

Certain statements in this presentation and the materials distributed in connection with it are forward-looking or represent beliefs and opinions. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changing economic, business or other market conditions, changing political conditions and the prospects for growth anticipated by the Group management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future and forward-looking statements regarding future events or circumstances should not be taken as a representation that such events or circumstances will come to pass. The Group does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No statement in this presentation is intended to be a profit forecast. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation.

This presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire the Group or the Group's or any of its companies' securities, or an inducement to enter into investment activity in any jurisdiction in which such offer, solicitation, inducement or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever, nor does it constitute a recommendation regarding the securities of the Group or any of its companies. This presentation is not for publication, release or distribution in any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction nor should it be taken or transmitted into such jurisdiction.

Appendices

April 2015

hss.com / 08457 28 28 28

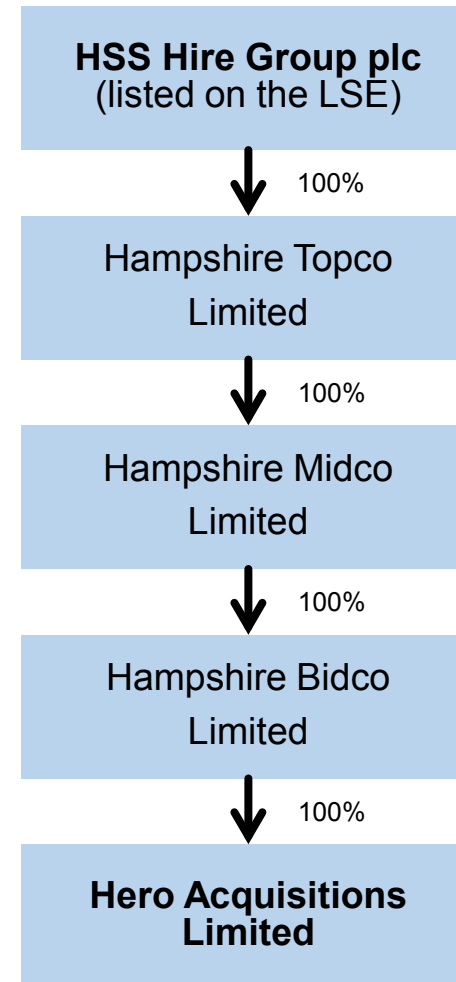
Safety / Value / Availability / Support



Appendix A

Group structure

- This appendix provides the reader with an overview of the group structure between:
 - HSS Hire Group plc, the new holding company admitted to the London Stock Exchange (LSE) on 9 February 2015;
 - Hampshire Topco Limited, the previous top company in the group whose FY14 numbers we report on today; and
 - Hero Acquisitions Limited, the consolidated level at which we have also reported today to meet the reporting obligations attached to our Senior Secured Notes



Appendix B

Hampshire Topco Ltd vs Hero Acquisitions Ltd

- Under the reporting obligations of our Senior Secured Notes issued in February 2014 we report Hero Acquisitions Limited group consolidated accounts on a quarterly basis
- This appendix provides a reconciliation and summary explanation for differences between the FY14 accounts for Hampshire Topco Limited and Hero Acquisitions Limited
- The main differences between the two reporting levels are:
 - IPO and other advisory fees charged above the Hero Acquisitions group;
 - Higher intangibles and higher amortisation costs in the Hampshire Topco group, principally related to intangibles relating to the acquisition of the Hero Acquisitions group in 2012;
 - Higher net debt in Hampshire Topco including shareholder loan notes instead of lower group payables balance; and
 - Differences in tax and interest resulting from the above differences

Appendix B (cont)

Hampshire Topco Ltd vs Hero Acquisitions Ltd – P&L

Income Statement	Hampshire Topco £m	Hero Acquisitions £m	Difference £m	Explanation
Revenue	284.6	284.6	-	
Cost of sales	(103.0)	(103.0)	-	
Gross profit	181.5	181.5	-	
Distribution costs	(37.2)	(37.2)	-	
Administrative expenses	(121.9)	(117.1)	(4.8)	<i>IPO fees and higher amortisation in Hampshire Topco</i>
Other operating income	1.1	1.1	-	
Operating profit	23.6	28.4	(4.8)	
Adjusted EBITDA(1)	71.1	71.1	0.0	
Less: Exceptional items (non-finance)	(3.7)	(1.4)	(2.4)	<i>IPO fees in Hampshire Topco</i>
Less: D&A	(43.8)	(41.4)	(2.5)	<i>Higher amortisation in Hampshire Topco on larger intangibles</i>
Operating profit	23.6	28.4	(4.8)	
Net finance expense	(32.1)	(30.4)	(1.7)	<i>Interest on loan notes, rather than group payables</i>
(Loss)/profit before tax	(8.5)	(2.1)	(6.5)	
Income tax credit/(expense)	3.0	3.4	(0.4)	
(Loss)/profit for the financial year	(5.5)	1.3	(6.8)	

Introduction

Financial performance

Strategic and operational review

Q&A

Appendix

Appendix B (cont)

Hampshire Topco Ltd vs Hero Acquisitions Ltd – BS

Statement of financial position	Hampshire Topco £m	Hero Acquisitions £m	Difference £m	Explanation
Non-current assets				
Intangible assets	170.4	141.9	28.4	Higher acquired intangible assets in Hampshire Topco
Property, plant and equipment	147.2	147.2	-	
Deferred tax assets	2.5	2.5	-	
	320.1	291.6	28.4	
Current assets				
Inventories	6.8	6.8	-	
Trade and other receivables	84.9	87.1	(2.2)	Hampshire Topco net of group receivables above Hero Aqns
Cash	5.9	5.9	-	
	97.6	99.8	(2.2)	
Total assets	417.7	391.4	26.3	
Current liabilities				
Trade and other payables	(102.8)	(96.6)	(6.2)	Loan notes rather than group payables in Hampshire Topco
Borrowings	(19.5)	(22.3)	2.8	Hero Aqns includes short term element of group payables
Current tax liabilities	(0.6)	(0.6)	-	
	(122.8)	(119.5)	(3.3)	
Non-current liabilities				
Trade and other payables	(7.0)	(7.0)	-	
Borrowings	(275.0)	(264.0)	(11.1)	Loan notes rather than group payables in Hampshire Topco
Provisions	(14.9)	(14.9)	-	
Deferred tax liabilities	(9.4)	(1.2)	(8.2)	Higher acquired intangible assets in Hampshire Topco
	(306.3)	(287.0)	(19.3)	
Total liabilities	(429.2)	(406.5)	(22.6)	
Net liabilities	(11.5)	(15.1)	3.6	

Appendix B (cont)

Hampshire Topco Ltd vs Hero Acquisitions Ltd – CFS

Statement of cash flows	Hampshire Topco £m	Hero Acquisitions £m	Difference £m	Explanation
(Loss)/profit before income tax	(8.5)	(2.1)	(6.5)	<i>IPO fees and higher amortisation in Hampshire Topco</i>
– Amortisation	3.9	1.4	2.5	<i>Higher amortisation in Hampshire Topco</i>
– Depreciation	31.8	31.8	-	
– Loss on hire stock disposals	8.0	8.0	-	
– Loss on disposal of PPE	0.2	0.2	-	
– Loss on financial instruments at fair value	1.2	1.2	-	
– finance expense	31.0	29.3	1.7	<i>Interest on loan notes, rather than group payables</i>
Changes in working capital	(11.8)	(14.2)	2.3	<i>Repayment of portion of group payables through SSN issue</i>
Purchase of hire equipment	(39.2)	(39.2)	-	
Cash generated from operations	16.4	16.4	-	
Net interest paid	(18.1)	(18.1)	-	
Income tax paid	(0.2)	(0.2)	-	
Net cash utilised in operating activities	(1.9)	(1.9)	-	
Net cash used in investing activities	(21.4)	(21.4)	-	
Net cash used in financing activities	26.3	26.3	-	
Net increase in cash	3.0	3.0	-	

Appendix C

Adjusted earnings calculations

Year ended 27 December / 28 December

£m	2014	2013
Operating profit	23.6	21.4
<i>Add: Depreciation & amortisation</i>	43.8	31.0
<i>Add: Non finance exceptionals</i>	3.7	3.9
Adjusted EBITDA	71.1	56.2
<i>Less: Depreciation</i>	(39.9)	(27.7)
Adjusted EBITA	31.2	28.5
<i>Less: Amortisation</i>	(3.9)	(3.3)
<i>Less: Net finance cost¹</i>	(24.3)	(20.3)
Adjusted PBT	3.0	4.9

¹ Pre exceptional finance costs which principally relate to costs related to the restructure of the group's debt during the year.

Appendix D

Net debt calculations

Year ended 27 December / 28 December

£m	2014	2013
Cash	5.9	2.9
Term Loans ¹	-	(159.6)
Senior Secured Notes ¹	(200.0)	-
RCF	(19.5)	(3.0)
Investor Loan Notes	(81.4)	(101.1)
Finance leases	(12.4)	(8.4)
Accrued Interest	(9.6)	(7.0)
(Net debt) / Cash	(317.0)	(276.3)
Leverage ²	4.5x	4.9x

¹ Shown gross of issue costs

² Calculated as Net debt / Adj. EBITDA

- Reflects borrowings from all third parties, including the investor loan notes which were held by related parties in the reported period

Appendix D (cont)

Net third party debt calculations

Year ended 27 December / 28 December

£m	2014	2013
Cash	5.9	2.9
Term Loans ¹	-	(159.6)
Senior Secured Notes ¹	(200.0)	-
RCF	(19.5)	(3.0)
Finance leases	(12.4)	(8.4)
Accrued Interest (Term Loans / SSN only)	(5.6)	(2.0)
(Net third party debt) / Cash	(231.6)	(170.2)
Third party leverage ²	3.3x	3.0x

- Reflects net debt owed to un-related third parties
- Net third party debt therefore excludes the investor loan notes and accrued interest on those loan notes

¹ Shown gross of issue costs

² Calculated as Net third party debt / Adj. EBITDA

Appendix E

Operating cash flow

Year ended 27 December / 28 December

£m	2014	2013
Operating profit	23.6	21.4
Depreciation & amortisation	43.8	31.0
Increase in Inventories	(0.9)	(1.7)
Increase in Trade and other receivables	(16.4)	(10.2)
Increase in Trade and other payables	6.3	2.0
Decrease in Provisions	(0.8)	(0.4)
Operating cash flow	55.6	42.1