



27 May 2015

**Hero Acquisitions Limited**  
**Q1 Trading Update for Hero Acquisitions Limited**

*Hero Acquisitions Limited (“Hero Acquisitions Limited” or the “Group”), a wholly owned subsidiary of HSS Hire Group plc, announces an update on its performance for the 13 week period ended 28 March 2015.*

**Unaudited Financial Highlights for Hero Acquisitions Limited**

- Q1 trading in line with expectations
- Revenue up 15.3% to £72.5m (Q1 14: £62.9m), with organic growth of 13.2%
- Adjusted EBITDA <sup>(1)</sup> up 9.2% to £15.4m (Q1 14: £14.1m)
- Net third party debt reduced to £167.6m at end of Q1 15 in line with expectations post IPO (Q1 14: £214.2m)

**Trading and Operational Highlights for Hero Acquisitions Limited**

Trading in Q1 was in line with expectations with good volume growth in both the Core and Specialist businesses. Revenue in the Core business grew 12.4% to £62.7m (Q1 14: £55.8m), whilst Specialist revenue was up 36.1% to £9.8m (Q1 14: £7.2m). Utilisation improvements were achieved across the Group with Core utilisation up 1% to 47% (LTM Q1 14: 46%) and Specialist utilisation up 3% to 72% (LTM Q1 14: 69%).

As expected, adjusted EBITDA performance in the Core business at £10.2m was 6.4% lower (Q1 14: £10.9m) reflecting: the Group’s cost investment in the planned roll-out of local branches (primarily new sales colleagues and rent & rates), with 13 new branches being opened in Q1 (2014: 4) and the ongoing investment in rolling out the “HSS Way” process improvement initiative. Adjusted EBITDA in the Specialist business grew 67.7% to £5.2m (Q1 14: £3.1m).

Key account wins through Q1 have helped build the pipeline for H2 FY15 and the Group remains on track to open 50 new local branches in FY15.

**Current Trading and Outlook for Hero Acquisitions Limited**

Trading in Q2 15 is ahead of Q2 14 with 7 new local branches opened to date, taking the total opened in the year to date to 20, with 30 further openings approved for the remainder of FY15. Alongside the local branch rollout strategy, the Group has continued to invest in its colleagues and operational processes to support its future growth plans and most recently, on 8 May 2015, HSS successfully completed the acquisition of All Seasons Hire, a specialist HVAC hire business.

Explanatory Note:

1) Adjusted EBITDA defined as Operating profit with depreciation, amortisation and exceptional costs added back.

**Chris Davies, Chief Executive Officer of Hero Acquisitions Limited's parent company HSS Hire Group plc, said:**

"The Group delivered double digit revenue growth in both the Core and Specialist businesses through Q1. This performance leads us to believe that we are successfully taking market share from our competitors, both local and national. In addition to customer demand-led investment in our hire fleet, we have continued to invest in our platforms for growth; opening new local branches, recruiting and training new sales colleagues, developing larger account relationships and growing specialist businesses that enhance our ability to serve our customer base."

Hero Acquisitions Limited will announce its interim results for the 26 week period ended 27 June 2015 on 26 August 2015.

**Update call for holders of the Senior Secured Notes**

As required by the reporting obligations for the Senior Secured Notes, a conference call discussing the results of Hero Acquisitions Limited (a wholly owned subsidiary of HSS Hire Group plc) will be held for noteholders at 2.00 p.m. BST today. Details for this call, the accompanying presentation and the Q1 report will be made available at [www.hsshiregroup.com/investor-relations/senior-secured-notes/](http://www.hsshiregroup.com/investor-relations/senior-secured-notes/)

**For further information, please contact:**

**Hero Acquisitions Limited**

Chris Davies

Steve Trowbridge

Tel: (On 27 May 2015) 020 7638 9571

Thereafter: 020 8260 3343

**Citigate Dewe Rogerson**

Simon Rigby

Kevin Smith

Jos Bieneman

Tel: 020 7638 9571

**Note to editors**

Hero Acquisitions Limited, a wholly owned subsidiary of HSS Hire Group plc, provides tool and equipment hire and related services in the UK and Ireland through a nationwide network of over 265 locations. Focusing primarily on the maintain and operate segments of the market, over 90% of its revenues come from business customers. HSS Hire Group plc is listed on the Main Market of the

London Stock Exchange, following its IPO in February 2015. For more information please see [www.hsshiregroup.com](http://www.hsshiregroup.com).