

4 July 2017



**HSS Hire Group plc**  
**("HSS" or "the Group")**

### **Q2 FY17 Trading Update**

HSS is pleased to announce a pre-close trading update for the 13 weeks ended 1 July 2017.

Underlying revenue in the second quarter was marginally ahead of the prior year with an improving Rental revenue trend as the programme of sales initiatives we began implementing in March gained traction with target customers, supported by the continued strength of our Services business.

Good progress has been made with the cost reduction initiatives announced in May, with the majority of these - c.£10m – implemented by the end of Q2. Accordingly we expect to be at the upper end of our previous guidance of annualised savings of between £11m to £13m below the Q1 FY17 cost run-rate.

The Group's new operating model is delivering improved fleet availability across our network, driving greater capital efficiency, as expected. As a result we now expect that FY17 capital expenditure will be in the range of £36m - £38m, £4m - £6m lower than FY16.

EBITA growth and net debt reduction will be weighted towards H2 FY17 in line with usual trading seasonality and reflecting the growing momentum from our sales initiatives combined with the impact of our cost actions.

Alan Peterson, Chairman said: "Our clear focus during Q2 has been on translating our market-leading fleet availability into sales growth within our Rental business. We are therefore pleased to see underlying core hire sales momentum building month by month across the quarter as initiatives targeting smaller and medium sized customers have begun to have an impact.

"In parallel, the operating model is also delivering the planned benefits of greater capital efficiency, which is reducing our investment requirement, and higher cost savings through operational efficiency. We are encouraged by these initial signs that our operating model is delivering the benefits we expected."

Steve Ashmore, CEO, said: "Having only joined the Group towards the end of the quarter, I have spent the last few weeks familiarising myself with its operations and meeting the team. While this process is ongoing, it is already clear to me that we have a fundamentally strong business with the building blocks in place to deliver improved customer experience and shareholder returns. I look forward to updating shareholders further at the interim results in August."

HSS Hire Group plc will announce its interim results for the 26 week period ended 1 July 2017 on 30 August 2017.

**For further information, please contact:**

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**Note to editors**

HSS Hire Group plc provides tool and equipment hire and related services in the UK and Ireland through a nationwide network of over 280 locations. Focusing primarily on the maintain and operate segments of the market, over 90% of its revenues come from business customers. HSS is listed on the Main Market of the London Stock Exchange. For more information please see [www.hsshiregroup.com](http://www.hsshiregroup.com).