

23 May 2019



HSS Hire Group plc

Q1 19 Trading Update

Q1 results for the 13 week period ended 30 March 2019

HSS Hire Group plc ("HSS" or the "Group"), today announces an update on the performance of the Group for the 13 week period ended 30 March 2019.

## Positive start to the year

Financial Highlights – Q1 <sup>1</sup> (Unaudited)	Q1 19 (13 weeks)	Q1 18 (13 weeks)	Change
Revenue	£82.2m	£77.2m	6.5%
Adjusted EBITDA <sup>2,3</sup>	£13.1m	£11.0m	18.6%
Adjusted EBITDA margin	15.9%	14.3%	1.6pp
Adjusted EBITA <sup>3,4</sup>	£3.4m	£0.3m	£3.1m
Adjusted EBITA margin	4.2%	0.3%	3.9pp
Net debt leverage <sup>5</sup>	2.9x	4.2x	1.3x

To aid comparison with Q1 18 Q1 19 results are presented excluding the impact of implementing IFRS16 Leases

### Good growth in revenue and profit with significant reduction in leverage

- Adjusted EBITDA growth of 18.6%, margins improved 1.6pp to 15.9%
- Revenue growth of 6.5%, with like-for-like Rental and Services revenue increasing 1.5% and 8.0% respectively<sup>6</sup>
- Significant reduction in net debt leverage to 2.9x (Q1 18 4.2x) through improved trading and UK Platforms disposal<sup>5</sup>
- Trading in line with expectations for the first seven weeks of Q2 19
- Expect full year EBITDA to be in line with market expectations

Steve Ashmore, Chief Executive Officer of HSS Hire Group plc, said:

*"I am pleased to report a good start to the year with growth in revenue and profit which, with the disposal of UK Platforms, resulted in a significant reduction in leverage.*

*As we set out in April the next phase of our strategy is focused on strengthening our customer proposition. We are pleased with the reaction to the recent launch of the customer app in our Rental business and the transformation of our OneCall Rehire business is proceeding to plan.*

*While the broader economic outlook remains uncertain, our leaner operating model, excellent market positions and clear strategy leave us well placed to continue to grow share in any market."*

**Notes:**

- 1) Results for Q1 19 and Q1 18 are for continuing operations and exclude the UK Platforms business which was sold in January 2019, except where separately disclosed
- 2) Adjusted EBITDA is defined as operating profit before depreciation, amortisation, and exceptional items. For this purpose depreciation includes the net book value of hire stock losses and write offs, and the net book value of other fixed asset disposals less the proceeds on those disposals.
- 3) To aid comparability with prior year, results are stated without the impact of IFRS16.
- 4) Adjusted EBITA defined as Adjusted EBITDA less depreciation
- 5) Net debt leverage is calculated as closing net debt as at 30 March 2019 divided by adjusted EBITDA for last 12 months (LTM). Q1 19 LTM EBITDA excludes UK Platforms, Q1 18 includes UK Platforms
- 6) Rental and Services revenue growth on a like-for-like basis to reflect disposal of UK Platforms and the ongoing supply agreement with its new owner

**Ends**

**Disclaimer:**

This announcement contains forward-looking statements relating to the business, financial performance and results of HSS Hire Group plc and the industry in which HSS Hire Group plc operates. These statements may be identified by words such as “expect”, “believe”, “estimate”, “plan”, “target”, or “forecast” and similar expressions, or by their context. These statements are made on the basis of current knowledge and assumptions and involve risks and uncertainties. Various factors could cause actual future results, performance or events to differ materially from those described in these statements and neither HSS Hire Group plc nor any other person accepts any responsibility for the accuracy of the opinions expressed in this presentation or the underlying assumptions. No obligation is assumed to update any forward-looking statements.

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**Notes to editors**

HSS Hire Group plc provides tool and equipment hire, re-hire and related services in the UK and Ireland through a nationwide network of over 240 locations and its OneCall re-hire business. It offers a one-stop shop for all equipment through a combination of our complementary rental and re-hire businesses to a diverse, predominantly B2B customer base serving a range of end markets and activities. 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).