HSS Hire Group
9M 2014 Results Presentation
(Results for the 39 week period ended 27 Sept 2014)

17 November 2014

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Today's Agenda

1. Operational & Business Highlights

2. Financial Review

3. Strategic Update

1. **Operational & Business Highlights**

2. Financial Review

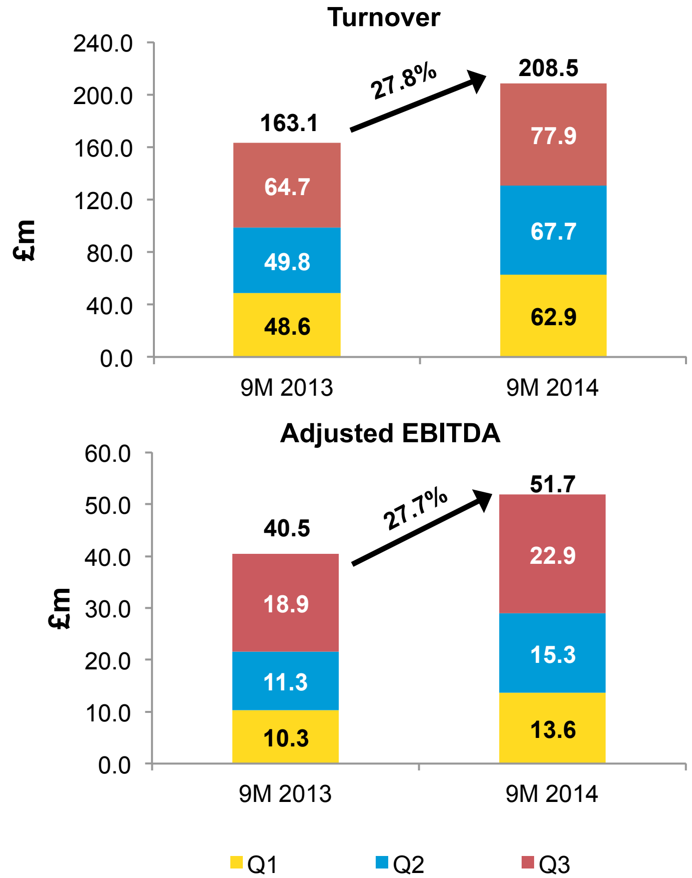
3. Strategic Update

Growth momentum maintained through the third quarter

- Strong revenue and EBITDA growth delivered across the Group in H1 2014 has continued through Q3 2014
- Results primarily underpinned by strong organic growth across all types of customers, supplemented by a positive contribution from our acquired businesses
- We have also continued to invest in our hire fleet across the group and accelerated branch openings through the quarter
- Investment is specifically targeted to support observed customer demand and to enable us to exploit market opportunities

Continued turnover and EBITDA growth

- 9M 2014[1] turnover grew 27.8% to reach £208.5m
  - 18.6% organic growth (existing and new customers)
  - 9.3% growth from acquired businesses
  - Revenue growth of 20.4% in Q3 2014 (17.2% organic, 3.2% acquired)[2]
- 9M 2014 adj. EBITDA grew 27.7% to reach £51.7m
  - Q3 2014 adj. EBITDA growth of 21.2%
  - 9M 2014 adj. EBITDA margin maintained at c. 25%
- De-gearing through 9M2014 (Proforma 3.7x at bond issue to 3.5x at Q3 2014)



Q1: 13 weeks ended 30 Mar 2013 & 29 Mar 2014
Q2: 13 weeks ended 29 June 2013 & 28 June 2014
Q3: 13 weeks ended 28 Sept 2013 & 27 Sept 2014

[1] For ease of reference, the 39 week period ended 27 September 2014 is referred to as '9M 2014' throughout this document

[2] H1 includes UKP revenue growth in acquired, whereas Q3 includes UKP revenue growth in organic

Focused on driving growth over the long term

- Expansion of branch network accelerated
  - 14 new Local Format Branches opened in 9M 2014
  - 6 in Q3: Cambridge, Hanworth, Borehamwood, Tottenham, Crayford and Epsom

- Continued strategic investment in hire fleet across each of our businesses:
  - £60.7m in Core, UK Platforms and ABird in 9M 2014 vs. £21.7m in 9M 2013[1]

- Integration of Apex Generators completed along with successful expansion of UK Platforms into Scotland and HSS Powered Access into Ireland – all three progressing to plan

[1] For ease of reference, the 39 week period ended 28 September 2013 is referred to as '9M 2013' throughout this document

Improving market conditions through Q3

- UK market for tool and equipment hire remains competitive
  - Large operators and numerous specialist and / or smaller regional hire businesses
  - Continued strength in Southern England, but all regions demonstrating double-digit growth

- Continued growth leads us to believe we are increasing market share
  - Investment in fleet has rapidly converted to high levels of utilisation, especially in specialist businesses
  - Demand led investment and OneCall allows us to react at short notice

- We continue to monitor macroeconomic conditions carefully
  - Optimism across customers and end-users means that investment in projects is continuing
  - Remain vigilant as to any changes in sentiment

1. Operational & Business Highlights

2. **Financial Review**

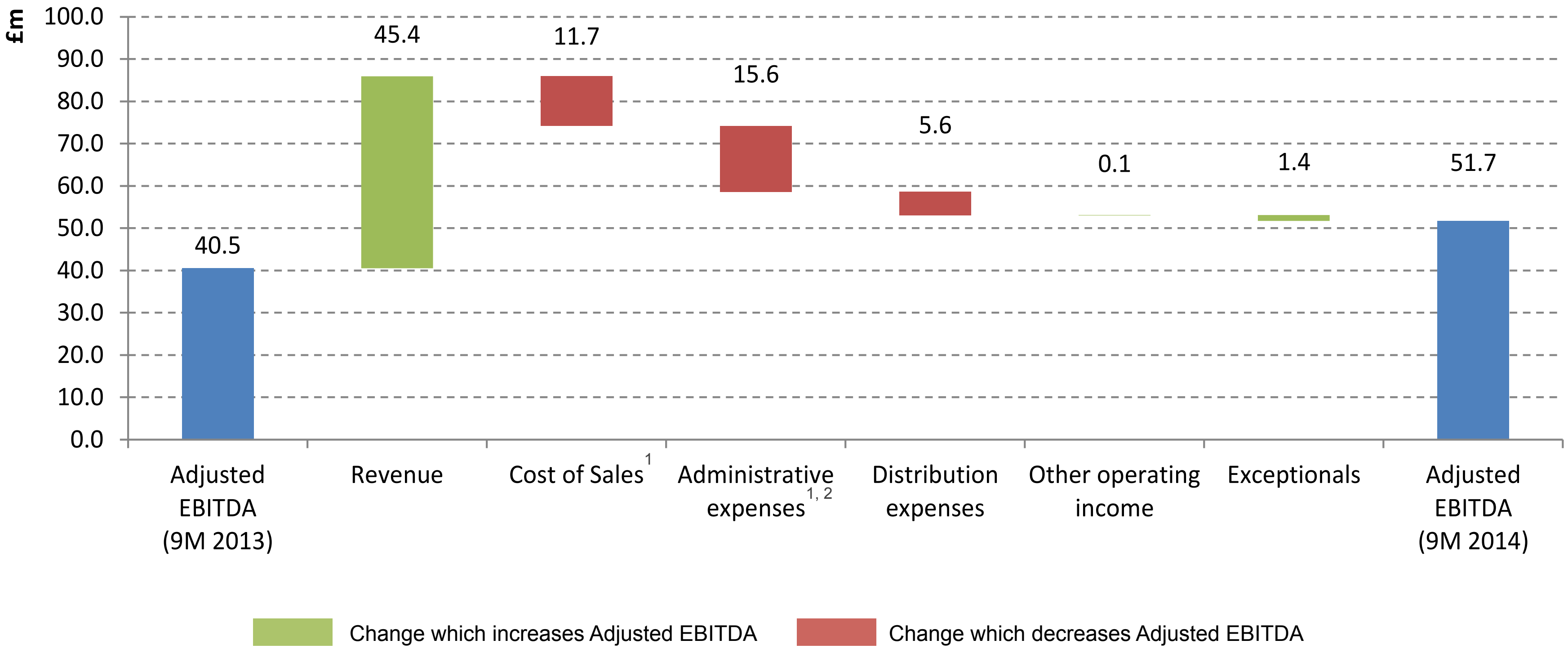
3. Strategic Update

Solid financial performance

- Revenue growth underpinned by increasing spend from existing customers and new customer wins demonstrating the underlying strength of our business
- Positive contributions from our acquisitions continue to validate our acquisition rationale and framework
- Continued focus on strict cost discipline has ensured lower growth in admin expenses relative to turnover. This is particularly pleasing in light of the branch network expansion and integration of Apex Generators during the period
- Distribution expenses grew in line with turnover, reflecting increased hire volumes across the organic and acquired businesses

£m	39 week period ended 28-Sep-13	39 week period ended 27-Sep-14	Change %
Turnover	**163.1**	**208.5**	27.8%
Cost of Sales	(50.7)	(72.8)	43.6%
Gross profit	**112.4**	**135.7**	**20.7%**
Margin	*68.9%*	*65.1%*	
Administrative expenses	(80.0)	(94.8)	18.4%
Distribution expenses	(20.7)	(26.2)	26.6%
Other operating income	0.8	0.9	12.5%
Total operating profit	**12.5**	**15.5**	**24.0%**
Margin	*7.7%*	*7.4%*	
Adjusted EBITDA	**40.5**	**51.7**	**27.7%**
Margin	*24.9%*	*24.8%*	

Growth in adjusted EBITDA driven by strong top line growth



[1] These movements exclude the impact of depreciation and amortisation reported in these cost headings in our Q3 report

[2] Admin expenses include rent and rates and indirect payroll costs

Prudent cashflow management

£m	39 week period ended		Change
	28-Sep-13	27-Sep-14	£m
Net cash inflow from operating activities	**29.6**	**55.9**	**26.3**
Net cash outflow from returns on investments and servicing of finance	(5.8)	(17.3)	(11.5)
Taxation (paid)/received	(0.5)	(0.7)	(0.2)
Net cash outflow from capital expenditure and financial investment	(22.7)	(54.1)	(31.4)
Net cash outflow from acquisitions and disposals	(25.9)	(6.7)	19.2
Net cash inflow/(outflow) before use of liquid resources and financing	**(25.3)**	**(23.1)**	**2.2**
Net cash inflow from management of liquid resources	0.0	0.0	0.0
Net cash inflow/(outflow) from financing	28.2	22.6	(5.6)
Increase/(decrease) in cash	**3.0**	**(0.5)**	**(3.5)**

- Fixed asset additions during 9M 2014 totalled £68.9m, £42.2m ahead of £26.7m during 9M 2013
- Cash outflow from capital expenditure and financial investment only increased by £31.4m compared to 9M 2013 to reach £54.1m, reflecting the positive impact of favourable supplier terms
- Increase in hire stock expenditure to £60.7m is in line with previous guidance and has supported revenue growth across the group businesses

1. Operational & Business Highlights

2. Financial Review

3. **Strategic Update**

Consistent strategic agenda focused on delivering growth and returns

Optimise the network	• Continued investment in new local format branches to drive organic growth with 6 new store openings in Q3 2014
Build sustainable revenues	• Apex and UK Platforms fully integrated and profitable
Drive operational efficiency	• Partnership with Unipart Group designed to optimise our engineering services and logistics operations
Invest in people and technology	• Operational management structure strengthened • On-going investment into development of e-commerce platform
Develop services	• Continued growth in innovative cleaning rental and maintenance • Assessment of additional Remote Fleet Management applications

Summary and outlook

- Trading remains in line with our expectations, with strong demand in our specialist businesses as well as our core HSS business
- New branch openings continue apace with another six completed since the end of Q3 expanding our network to win market share
- We remain ever vigilant as to macro economic conditions, matching investment to our view of sustained demand
- Q4 trading remains in line with our expectations, with broadly similar growth rates to those seen in Q3

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