HSS Hire
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Hero Acquisitions Limited

(subsidiary of HSS Hire Group plc)

Q3 17 Results

Agenda

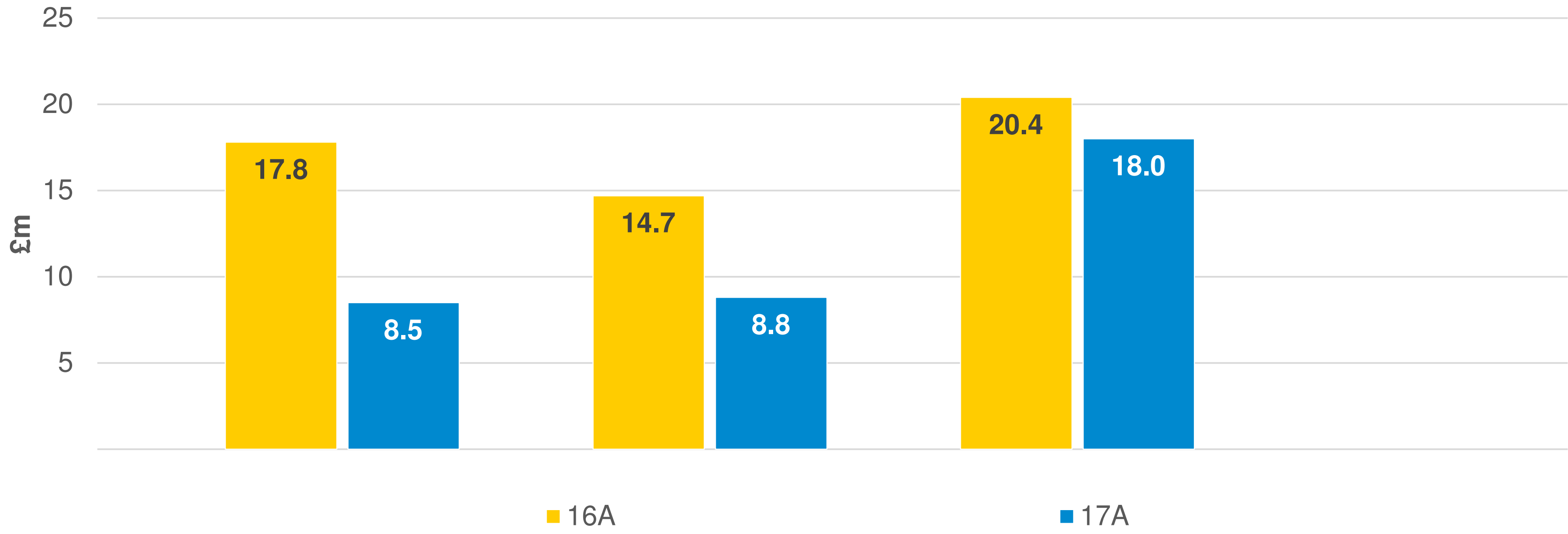
Headlines	Steve Ashmore, CEO
Q3 17 Results	Paul Quested, CFO
Outlook	Steve Ashmore, CEO

Decisive actions returning Group to profitability in Q3 17

- Q3 17 profit ahead of H1 17
    - Adjusted EBITDA of £18.0m (H1 17 £17.3m)
    - Adjusted EBITA profit of £6.7m (H1 17 loss of £7.1m)
- Underlying revenue growth through sales initiatives
    - Underlying rental revenue flat in Q3 17 vs prior year, H1 17 was a 3% decline
    - Services revenue growth of +12% with improving margins; contribution +23%
- Delivered annualised cost savings of £13m, realised £3m in Q3 17
- Net debt reduction remains a key focus and continues to reduce
    - Net external debt £8m lower than prior year at £232.1m (Q3 16 £240.4m)
    - Facility and cash headroom in excess of £33m (Q3 16 £15m headroom)

Improved EBITDA performance

EBITDA by quarter



(£m)	Q1 17A	Q2 17A	Q3 17A
EBITA	(4.4)	(2.7)	6.7

Q3 17 EBITA profit compared to H1 17 loss

£m	13 weeks Q3 17	13 weeks Q3 16	Q3 Growth %	26 weeks H1 17	27 weeks H1 16	H1 Growth %
Revenue	**89.6**	**89.8**	***(0.2%)***	**160.5**	**166.2**	***(3%)***
Adj. EBITDA[1]	18.0	20.4	*(12%)*	17.3	32.5	*(47%)*
Adj. EBITDA margin	*20.1%*	*22.7%*		*10.8%*	*19.5%*	
Adj. EBITA[2]	**6.7**	**8.3**	***(19%)***	**(7.1)**	**9.8**	
Adj. EBITA margin	*7.5%*	9.2%		*(4.4%)*	*5.9%*	
Exceptional costs [3]	3.4	5.5		12.6	7.0	

[1] Earnings stated before interest, tax, depreciation and amortisation ("EBITDA") and before exceptional items
[2] Adjusted EBITDA less depreciation
[3] Exceptional costs reflect impact of branch and office closures and associated fixed asset impairments, implementation of cost reduction programme and preparatory refinancing costs

Segmental analysis

Q3 performance demonstrates a significant step change on H1

£m	Q3 17	Q3 16	Q3 Growth	H1 17	H1 16	H1 Growth
Rental (and related revenue)						
Revenue	65.4	68.1	*(4%)*	119.3	128.7	*(7%)*
Contribution	44.0	48.4	*(9%)*	73.9	86.7	*(15%)*
Contribution margin	*67.3%*	*71.1%*		*61.9%*	*67.4%*	
Services						
Revenue	24.2	21.7	*12%*	41.3	37.5	*10%*
Contribution	3.2	2.6	*23%*	5.2	5.2	*0%*
Contribution margin	*13.2%*	*12.0%*		*12.6%*	*13.9%*	
Branch and selling costs	(20.2)	(22.7)		(41.3)	(45.5)	
Central costs	(9.0)	(7.8)		(20.5)	(13.9)	
Adj. EBITDA	**18.0**	**20.4**	*(12%)*	**17.3**	**32.5**	*(47%)*

Rental

- Underlying rental revenue flat in Q3 2017[1]
- Contribution down 3.8pp driven by network costs (2pp) and sales, product and customer mix (1.8pp)

Services

- Improving contribution through revenue growth and profit improvement plan

Costs

- Cost reduction initiatives delivered £3m savings against Q1 2017 run rate

[1] Underlying revenue is total rental revenue adjusted for branch closures, asset disposals in Q4 2016 and cooling product seasonality

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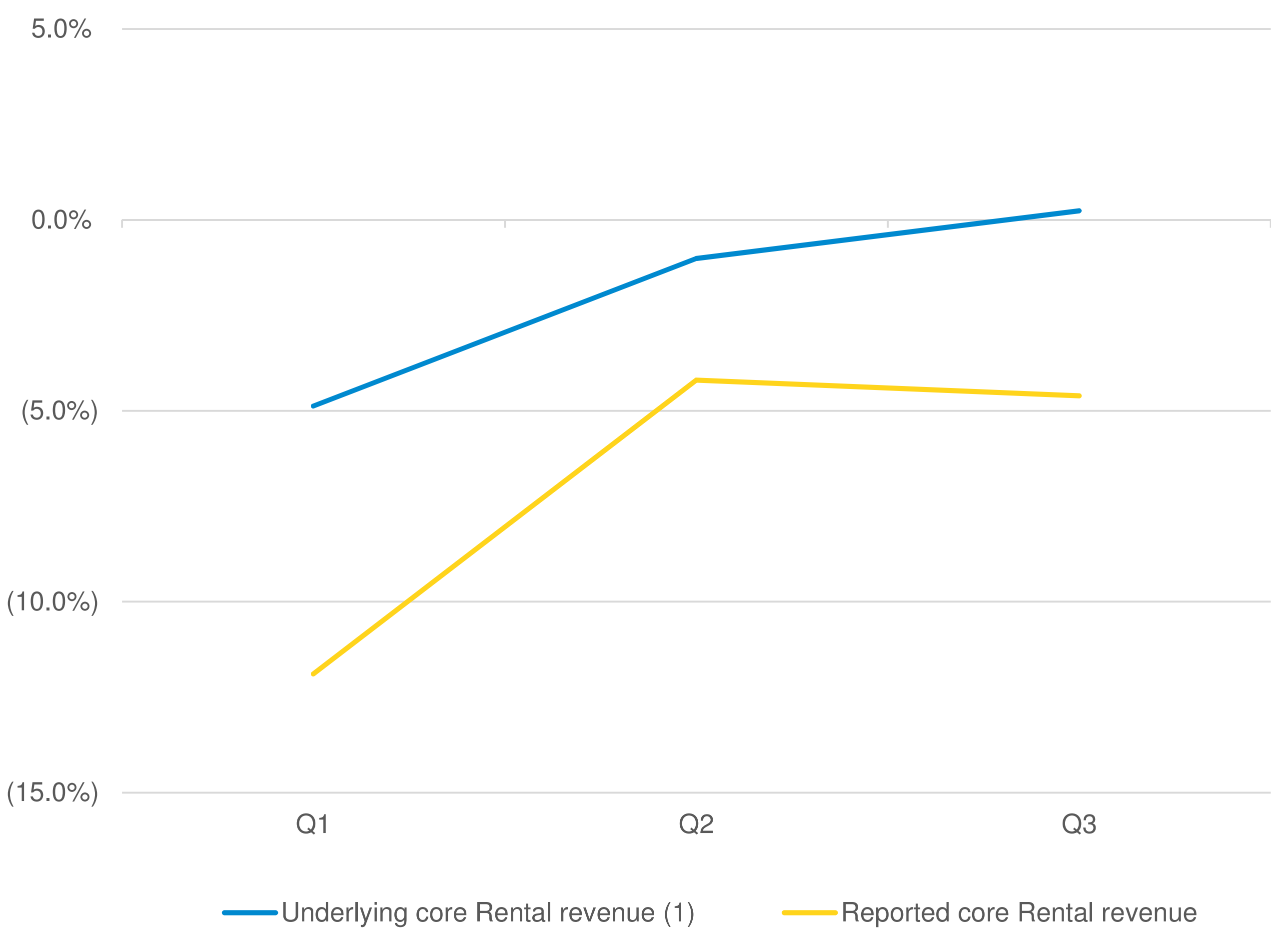
Recovery in underlying Rental revenue

Driving rental revenue

- Sales initiatives driving improved performance
- Focus on Rental revenue across the whole organisation through aligned incentives
- Improved availability and service fulfilment supporting growth
- Asset utilisation in Q3 of 55% in Core and 76% in Specialist business
- Targeted investment for high demand and highly utilised assets

Underlying Rental revenue trend improving



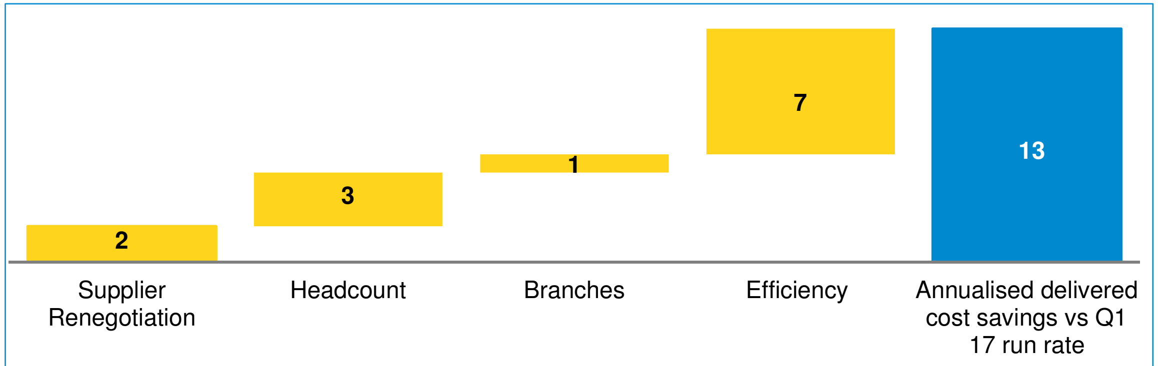
[1] Underlying revenue is total rental revenue adjusted for branch closures, asset disposals in Q4 2016 and cooling product seasonality

Costs reduced through cost actions taken

Cost actions implemented

- Efficiency through network e.g distribution routing
- Closed 68 branches since Q3 16
- Reduced central headcount by c. 100
- Closed former head office site
- Renegotiated terms with suppliers
- All implementation costs now incurred
- Proforma benefit of £11m vs Q3 17 LTM

Breakdown of cost actions implemented



Costs reducing in line with plan

£m	Q1 2017	Q2 2017	Q3 2017	*Q3 v Q1*
Rental segment; Distribution, stock maintenance and other non-variable costs	(20)	(19)	(19)	*+1*
Services segment; Non-variable costs	(1)	(1)	(1)	-
Branch, selling and central overheads	(31)	(31)	(29)	*+2*
Total overheads	**(52)**	**(51)**	**(49)**	**+3**

Third party net debt £8m lower against prior year

39 weeks ended 30 September 2017 / 40 weeks ended 1 October 2016

£m	2017	2016
Adjusted EBITDA	**35.3**	**52.8**
Cash exceptional items	(3.1)	(12.5)
Working capital	(8.4)	(10.3)
Capex [1]	(24.5)	(40.1)
Net interest paid	(12.4)	(12.1)
Tax paid	(0.2)	(0.1)
Intergroup funding including placing	13.4	-
Decrease / (increase) in 3rd party net debt	**0.1**	**(22.3)**
Opening 3rd Party net debt	(232.1)	(218.1)
Closing 3rd Party net debt	**(232.0)**	**(240.4)**

Lower net debt balance reflects:

- Lower adjusted EBITDA
- Flow down of funds from PLC from December 2016 placing
- Improved working capital management
- Capital efficiency and lower investment in non-fleet capex
- Disposal of non-core cleaning equipment, rental and maintenance business in Q4

[1] *Gross of finance lease funding*

>£33m facility headroom at end of Q3 17 (Q3 16: less than £15m)

Initiatives already undertaken improving continuing EBITDA

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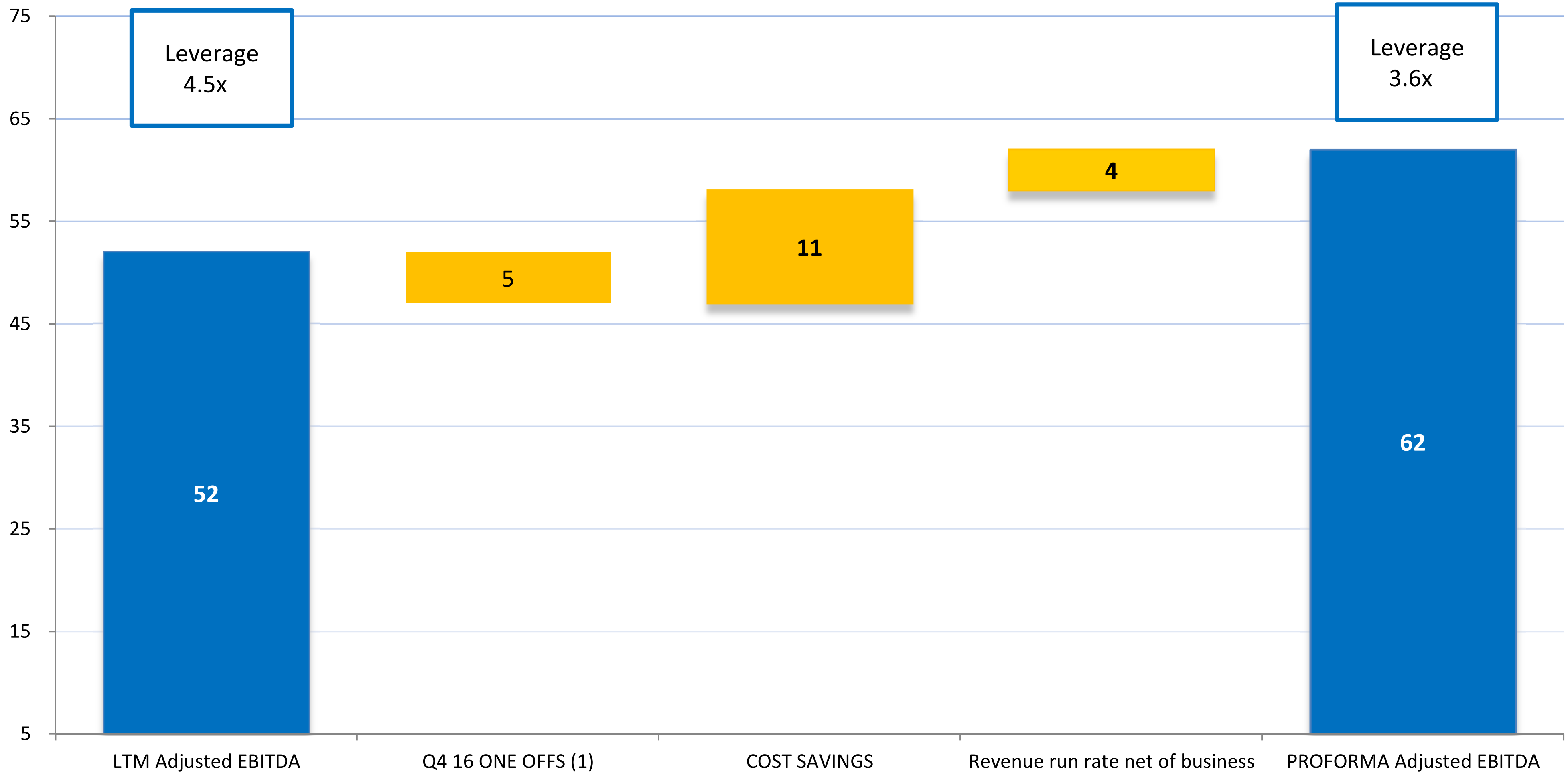
ProForma Adjusted EBITDA



(1) Realisation of supplier rebates and asset sales

Summary and outlook

- October was the fifth successive month of EBITA profit, albeit marginally behind expectations
- Cost saving initiatives fully implemented by end of Q3, further analysis of cost base undertaken in Strategic Review
- Asset utilisation in Q3 of 55% in Core and 76% in Specialist business
- Net debt reduction remains key focus and continues to reduce since end of Q3
- We remain focused on improving Group profitability noting caution should October's adverse seasonal effects continue for the remainder of the year
- Facility and cash headroom now in excess of £35m (Oct 16 £15m)
- Strategic Review progressing with update on 7 December 2017

Q&A

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Appendices

Appendix A
Net third party debt calculations

As at 30 September / As at 1 October

£m	2017	2016
Cash	(1.3)	(4.4)
Bank overdraft	-	5.1
RCF	68.5	71.0
Finance lease obligations	27.4	31.1
Senior Secured Notes[1]	136.0	136.0
Net debt (ex accrued interest)	**230.6**	**238.9**
Accrued interest	1.5	1.5
3rd Party net debt	**232.0**	**240.4**
Net intercompany borrowings	251.7	220.5
Closing Net debt	**483.7**	**460.9**

[1] *Shown gross of issue costs*

Appendix B
Q3 progress on H1

£m	H1 2017	Q3 2017	9M 2017	H1 2016	Q3 2016	9M 2016
Revenue	**160.5**	**89.6**	**250.2**	**166.2**	**89.8**	**256.0**
Adjusted EBITDA[1]	17.3	18.0	35.3	32.5	20.4	52.8
Adj. EBITDA margin	*10.8%*	*20.1%*	*14.1%*	*19.5%*	*22.7%*	*20.6%*
Adjusted EBITA[2]	**(7.1)**	**6.7**	**(0.4)**	**9.8**	**8.3**	*18.0*
Adj. EBITA margin	*(4.4%)*	*7.5%*	*(0.0%)*	*5.9%*	*9.2%*	*7.0%*

Appendix C
Group structure

- This appendix provides the reader with an overview of the group structure between:
    - HSS Hire Group plc, the parent company listed on the London Stock Exchange; and
    - Hero Acquisitions Limited, the consolidated level at which we report today to meet the reporting obligations attached to our Senior Secured Notes
- The main differences between the two reporting levels are:
    - Costs incurred at a HSS Hire Group plc level
    - Higher intangibles and higher amortisation costs in the HSS Hire Group plc group, principally related to intangibles relating to the acquisition of the Hero Acquisitions group in 2012;
    - Lower net debt in HSS Hire Group plc group due to elimination of intercompany debts; and
    - Differences in tax and interest resulting from the above differences