

07 December 2017



HSS Hire Group plc

Strategic Review: Returning the business to historic levels of performance

HSS Hire Group plc (“HSS” or “the Group”), is hosting an event in London today, 7 December 2017, where management will update bondholders and equity investors on the outcome of the Group’s Strategic Review. HSS Hire Group presented its third quarter trading update on 29 November 2017.

Since the arrival of Steve Ashmore, Chief Executive Officer, in June 2017, the Group has undertaken an extensive review, looking across every aspect of HSS’s business with the aim of returning the Group to historic levels of performance. The analysis examined in great detail, the profitability of each customer, product and branch in a way that has never been done before.

The conclusions of the review have been used to define three new strategic priorities for the Group which are as follows:

1. To delever the Group

Taking the £13m delivered savings announced in the third quarter of this year, HSS Hire has identified £10m - £14m of additional savings that will enable the Group to substantially reduce leverage and create a more resilient platform from which to drive profitable growth.

2. To repair the tool hire business

The review has identified significant potential for improved profits in the heritage tool hire business by focusing on profit opportunities in relation to customers, products and branches. Whilst the Group will focus on the tool hire business, management will ensure its valuable specialist Rental and Services businesses continue to perform well.

3. To strengthen the commercial proposition

HSS has identified several actions to strengthen its commercial proposition across the Group. Targeted sales plans based on customer segmentation will provide focus on the most profitable opportunities and the prioritisation of local markets, with the Group continuing to build on its digital competitive advantage.

Looking ahead, HSS expects these priorities to deliver significantly improved business performance. The Group sets out today the following financial targets to achieve by 2020:

- Revenue growth: Grow in line with the market
- Rental revenue growth: Grow ahead of the market
- EBITDA margin: above 20%
- EBITA margin: above 9%
- Leverage: less than 3x
- Return on assets: above 20%

Steve Ashmore, Chief Executive of HSS, commented:

“HSS is a business with attractive qualities and significant potential. Our Strategic Review, the most detailed in the company’s history, has provided us with deep insights on HSS’s trading performance and enabled us to devise a clear and actionable set of priorities.”

We have made progress over the past six months to return the business to operating profitability, providing us with a platform from which to make further improvements. Our specialist tool hire and rental businesses are performing well and the additional cost savings we have identified will see a material reduction in leverage in 2018. As we look further ahead, we are excited by the Group's potential and confident in our plans."

-Ends-

HSS Hire will present to equity investors at 09.00 GMT and to bondholders at 11.00 GMT. Both these meetings will be available as a conference call and will include a Q&A session. A playback facility of both sessions will be available on the HSS Hire website in due course.

Dial-in details (09.00 GMT)

UK Toll Number: +44 (0)2031394830
UK Toll-Free: 08082370030
Pin: 22913317#

Dial in details (11.00 GMT)

UK Toll Number: +44 (0)2031394830
UK Toll-Free Number: 08082370030
Pin: 56730391#

Accompanying presentation materials will be available on the Company website from 08.45 GMT today. Please follow the link below for access:

<http://www.hsshiregroup.com/investor-relations/financial-results/>

For further information, please contact:

HSS Hire Group plc

(parent company of Hero Acquisitions Limited)

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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.

Notes 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 250 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.