



Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement

HSS Hire Group Plc Sale of All Seasons Hire Limited

HSS announces that it has entered into an unconditional agreement to sell All Seasons Hire Limited (“ASH”), the Group’s heating, ventilation and air-conditioning (“HVAC”) hire solution provider, to Cross Rental Services (“CRS”) for a cash consideration of £55million (the “Disposal”). The proceeds from the Disposal will principally be used to accelerate the repayment of debt.

Following the Disposal, leverage will significantly decrease to around 1.0x on a non-IFRS16, LTM¹ pro-forma basis as at 3 July 2021 (FY 2020: 2.6x), materially strengthening the Group’s balance sheet and marking the completion of one of the Board’s three strategic goals: to Delever the Group. This balance sheet strength is expected to enable the Group to refinance its current facilities on attractive terms, supporting improved free cash flow generation.

The Board believe that the Disposal represents an attractive valuation for shareholders. Furthermore, as part of this transaction, HSS has entered into a commercial agreement with CRS for the cross-hire of HVAC equipment and services to ensure the broadest possible distribution of, and customer access to, both parties existing fleets. This follows the successful implementation of a similar commercial agreement following the disposal of the Group’s Aerial Work Platform business to Nationwide Platforms Limited in 2019.

ASH represented £18m of Group revenues and £6m of Group operating profit for the year ended 26 December 2020.

Steve Ashmore, Chief Executive, commented:

“Over the last four years HSS has undergone a radical transformation to become a modern, agile, digitally-driven business. During this time, we have continued to deliver against the strategic goals we set out in 2017 – to Delever the Group, Transform the Tool Hire business, and Strengthen our Commercial proposition – and today’s announcement marks the completion of one of these goals. With leverage at around 1.0x post this disposal, we have materially exceeded our previously stated targets. Going forward the Group will target leverage remaining between 1.0-1.5x.

ASH has made an important contribution to the Group over recent years and I would like to thank the team for their commitment. I am very pleased that the business will be joining Cross Rental Services, who recognise its value and will help it reach its full potential. HSS will continue to work with ASH to provide our UK customers with all of their larger scale HVAC hire requirements.

With a substantial reduction in net debt and a strong balance sheet, we are now positioned to refinance on attractive terms, improving sustainable cash flow and supporting our growth. We will continue to focus on our digital capabilities and differentiated customer proposition. Our strategy is delivering for all stakeholders and we look forward to a strong and healthy future for HSS.”

Notes

- 1) For the Group’s continuing operations

-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.

Notes to editors

About HSS Hire

HSS Hire Group plc provides tool and equipment hire and related services in the UK and Ireland through a nationwide network and its OneCall rehire business. It offers a one-stop-shop for all equipment through a combination of its complementary rental and rehire business 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 AIM Market of the London Stock Exchange. For more information please see www.hsshiregroup.com.

About All Seasons Hire

All Seasons Hire Limited (“ASH”) is one of the UK’s leading heating, ventilation and air-conditioning (“HVAC”) hire companies. ASH specialises in the supply and installation of temporary, large-scale heating and cooling equipment, including emergency boilers, across a wide range of customer segments and end markets. ASH was acquired in 2015 for a total cash consideration of £11.4m. As at 26 December 2020 ASH had total gross assets of £12.6m and made a profit before tax of £4.9m for the year ended 26 December 2020.

About Cross Rental Services

Cross Rental Services is a market leading HVAC and Refrigeration rental specialist, providing mission-critical cooling and heating equipment to an extensive B2B client base across the UK and Ireland. The business comprises two divisions: Climate Control Solutions (‘CCS’) and Refrigeration & Catering Solutions (‘R&CS’). The CCS division provides a large base of blue-chip customers with heating and cooling services, focusing primarily on chillers, boilers, heaters, and air-conditioning, with a specialisation in technically complex products which are used for high-criticality applications. The R&CS division provides a fully managed turn-key service for a range of commercial refrigeration and catering assets, with a market leading position for long-term retail refrigeration rental in the UK and Ireland.

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