

Demand boosts Redde Northgate's full-year profit expectations

North East vehicle hire operator Redde Northgate says it is trading ahead of expectations with strong demand for its services.

The Darlington-based plc told investors on the London Stock Exchange there had been demand from for both vehicle rental and accident management services, including growth from major insurance contracts launched over the past 12 months. In a trading update for the year to the end of April 2023, Redde said it now expected its full year pre-tax profits to be at the top end of its estimated range of between £149.6 to £164.4m.

A lack of available new vehicles has previously held back growth at the firm, and van supply constraints in the UK and Ireland were said to have continued throughout the year, despite an easing of the situation in the car market. Meanwhile Redde said that new vehicle supply in Spain – where the firm has an operation – was already close to normal levels.

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Elsewhere traffic volumes and incidents were said to be near normal levels with strong trading across Redde's integrated mobility platform. In half year results issued at the end of 2022, the firm pointed to a 13.6% rise in revenue to £696.3m and said its acquisition of highway maintenance vehicles outfit Blakedale was performing well.

Martin Ward, CEO of Redde Northgate, said: "The strategy of

delivering an integrated mobility platform has enabled us to provide a unique offering to a wide range of partners and customers and is bearing fruit. This is reflected in the strength of performance across the business, despite ongoing supply chain challenges and direct inflation seen most notably in areas such as vehicle repairs.

“As we look forward, the group is performing at record levels, there is more interest in our platform than ever before and we have a strong base from which to make strategic progress in the coming year.”

Redde’s overall fleet is now around 130,000 owned and leased vehicles. It also supports 600,000 managed vehicles, with around 175 branches in the UK, Ireland and Spain and employees a team of about 6,700 people.

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