Responsible investment in growth

Third quarter results | 31 January 2014

Issued: 4 March 2014

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Some of the factors which may adversely impact some of these forward looking statements are discussed in the Principal Risks and Uncertainties section on pages 18–19 of the Group's Annual Report and Accounts for the year ended 30 April 2013 and in the unaudited results for the third quarter ended 31 January 2014 under "Current trading and outlook" and "Principal risks and uncertainties". Both these reports may be viewed on the Group's website at **www.ashtead-group.com**

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Overview

- Continue to execute a responsible growth strategy
- Revenue growth[1] of 23% year to date and 22% for the quarter
- Record nine month pre-tax profit of £293m, up 51% at constant exchange rates
- Group EBITDA margins rise to 43% (2013: 39%)
- Group RoI of 18% (2013: 15%)
- Net debt to EBITDA leverage[1] of 2.0 times (2013: 2.2 times)
- Continue to focus on organic growth with £564m (2013: £427m) of capital expenditure

[1] At constant exchange rates

Q3 Group revenue and profit

(£m)	Q3 2014	Q3 2013[1]	Q3 Change[2]
Revenue	**400**	**334**	**22%**
- of which rental	354	295	22%
Operating costs	(238)	(213)	14%
EBITDA	**162**	**121**	**37%**
Depreciation	(70)	(57)	25%
Operating profit	**92**	**64**	**48%**
Net interest	(12)	(11)	16%
Profit before tax and amortisation	**80**	**53**	**54%**
Earnings per share (p)	**10.1**	**6.8**	**51%**
Margins			
- EBITDA	*41%*	*36%*	
- Operating profit	*23%*	*19%*	

1 Prior year figures restated for the adoption of IAS19 'Employee Benefits' revised
2 At constant exchange rates
3 The results in the table above are the Group's underlying results and are stated before exceptionals, intangible amortisation and fair value remeasurements

Ashtead group

Nine months Group revenue and profit

(£m)	Nine months 2014	2013[1]	Change[2]
Revenue	**1,250**	**1,014**	**23%**
- of which rental	1,120	900	24%
Operating costs	(719)	(617)	16%
EBITDA	**531**	**397**	**33%**
Depreciation	(204)	(170)	21%
Operating profit	**327**	**227**	**43%**
Net interest	(34)	(34)	-
Profit before tax and amortisation	**293**	**193**	**51%**
Earnings per share (p)	**36.8**	**24.4**	**50%**
Margins			
- EBITDA	*43%*	*39%*	
- Operating profit	*26%*	*22%*	

1 Prior year figures restated for the adoption of IAS19 'Employee Benefits' revised

2 At constant exchange rates

3 The results in the table above are the Group's underlying results and are stated before exceptionals, intangible amortisation and fair value remeasurements

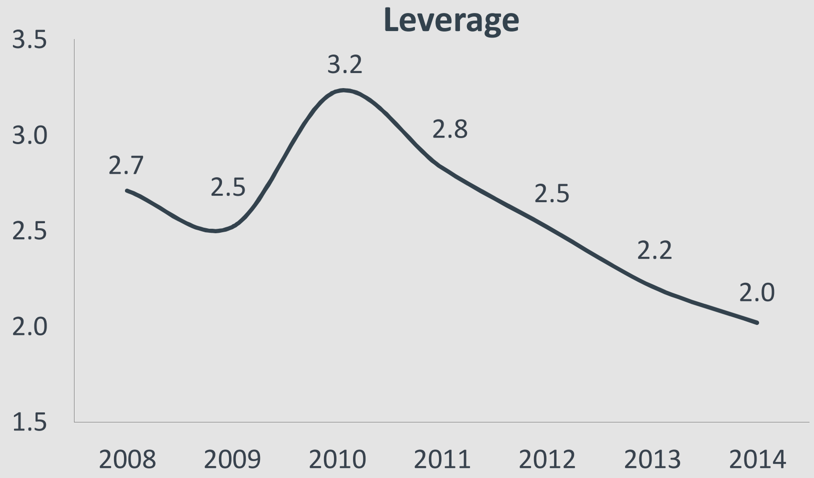
Ashtead group

Net debt and leverage

Net debt to EBITDA continues to reduce despite the fleet investment

(£m)	Jan 2014	Jan 2013
Net debt at 30 April	**1,014**	**854**
Translation impact	(63)	21
Opening debt at closing exchange rates	**951**	**875**
Change from cash flows	310	195
Debt acquired	2	-
Non-cash movements	3	7
Net debt at period end	**1,266**	**1,077**
Comprising:		
First lien senior secured bank debt	712	766
Second lien secured notes	552	309
Finance lease obligations	5	3
Cash in hand	(3)	(1)
Total net debt	**1,266**	**1,077**
Net debt to EBITDA leverage* (x)	**2.0**	**2.2**

* At constant exchange rates



At constant (January 2014) exchange rates

Interest

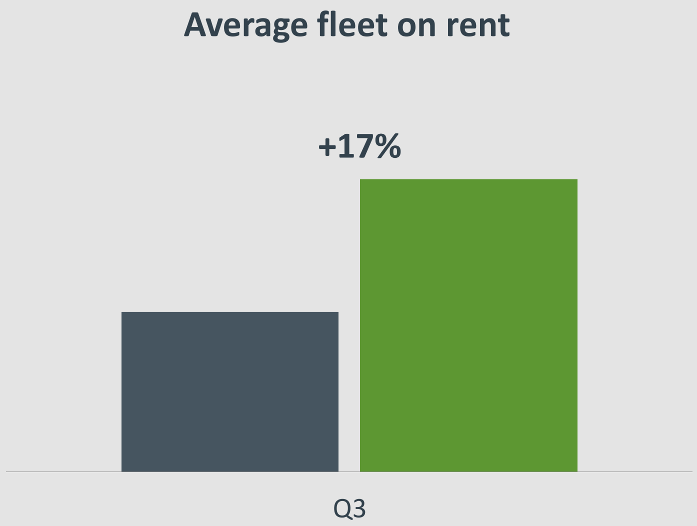
Floating rate: 56%

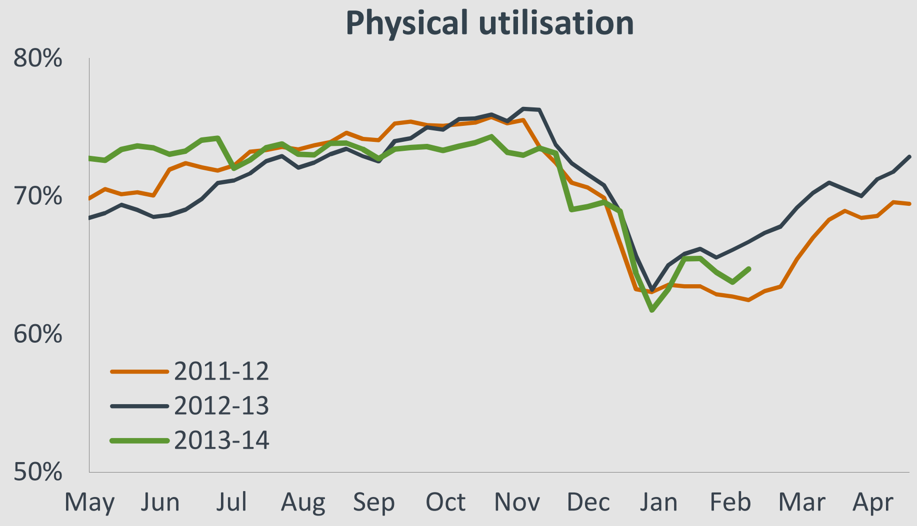
Fixed rate: 44%

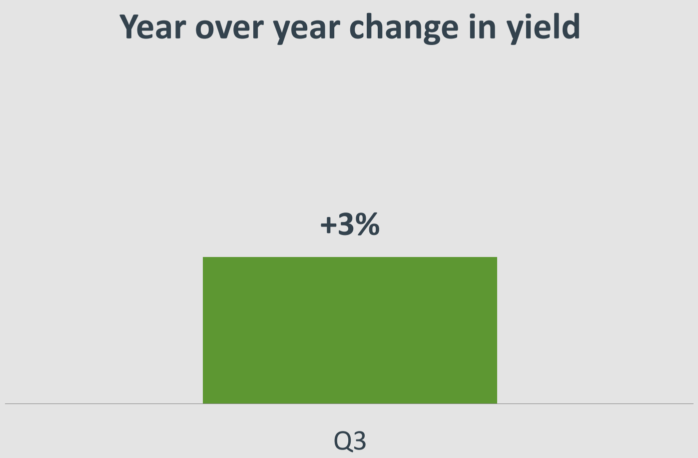
Ashtead group

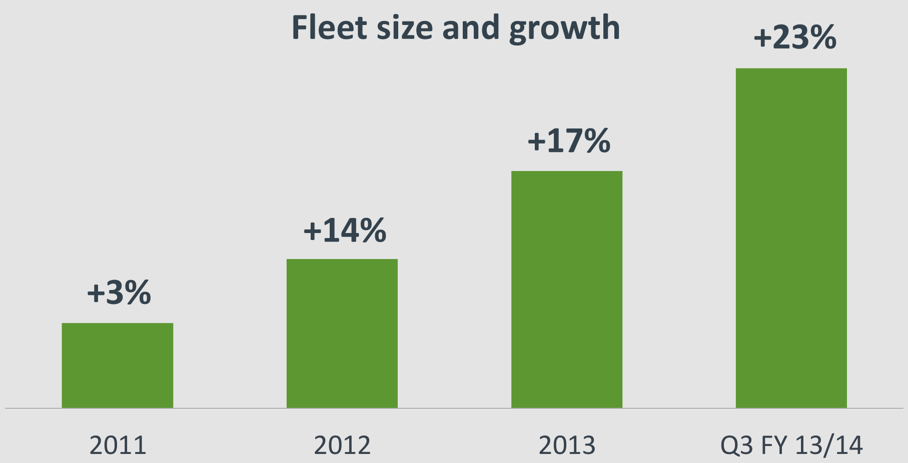
Sunbelt revenue drivers

Continuation of strong performance in both volume and yield

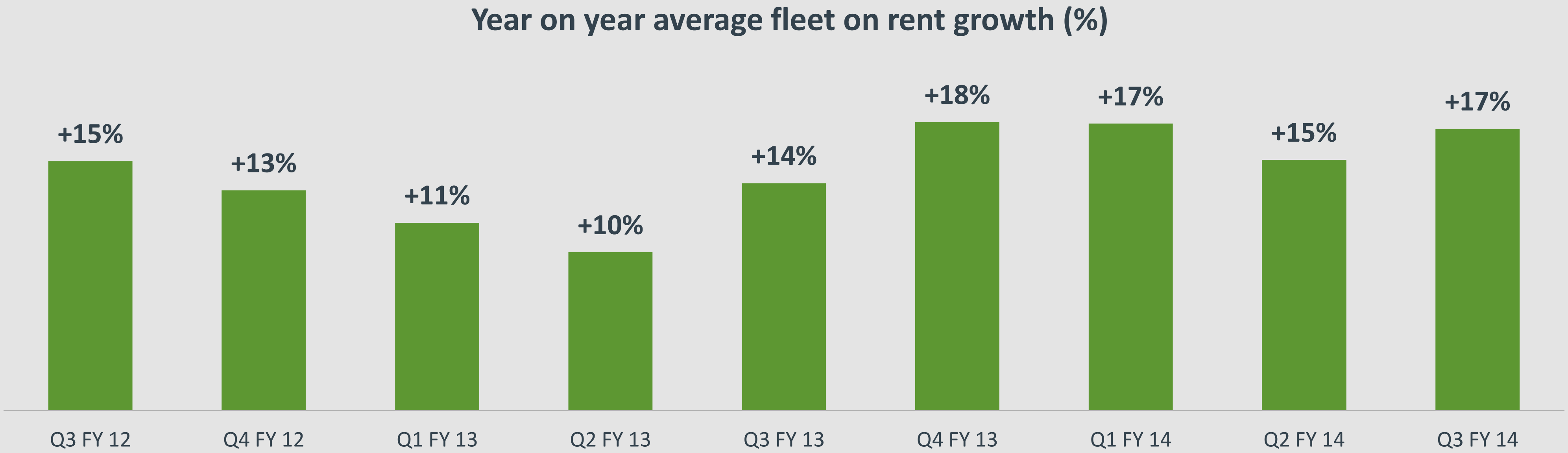


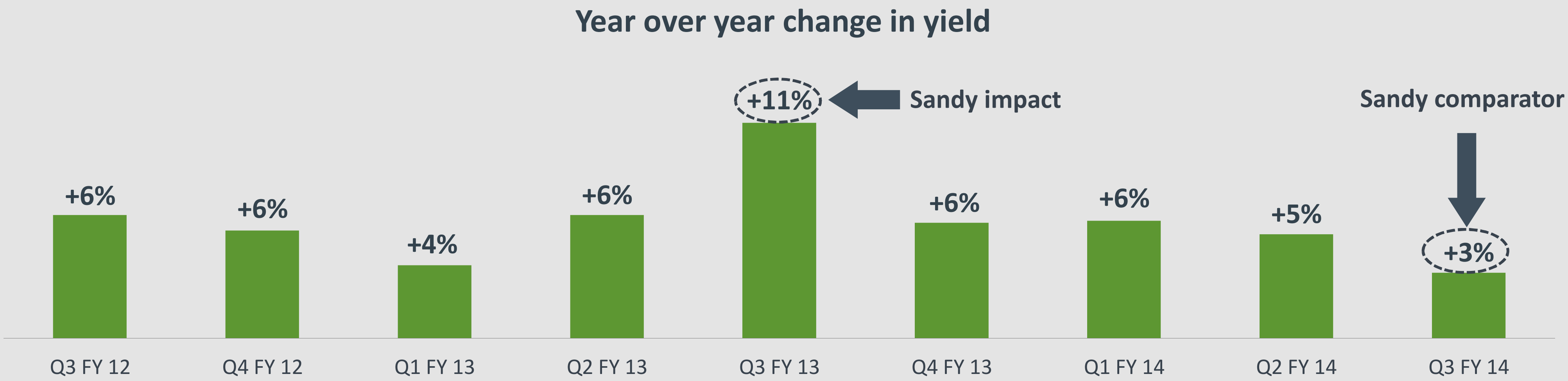






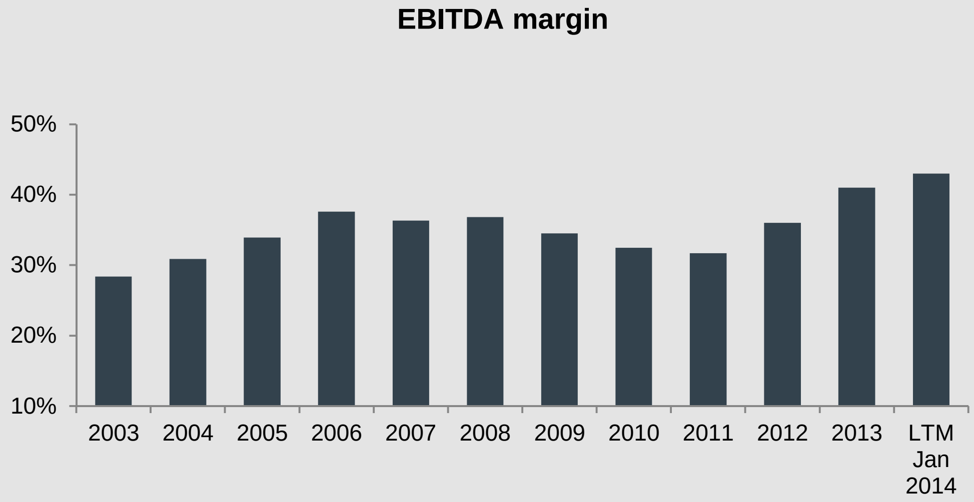
Well established pattern of volume and yield progression

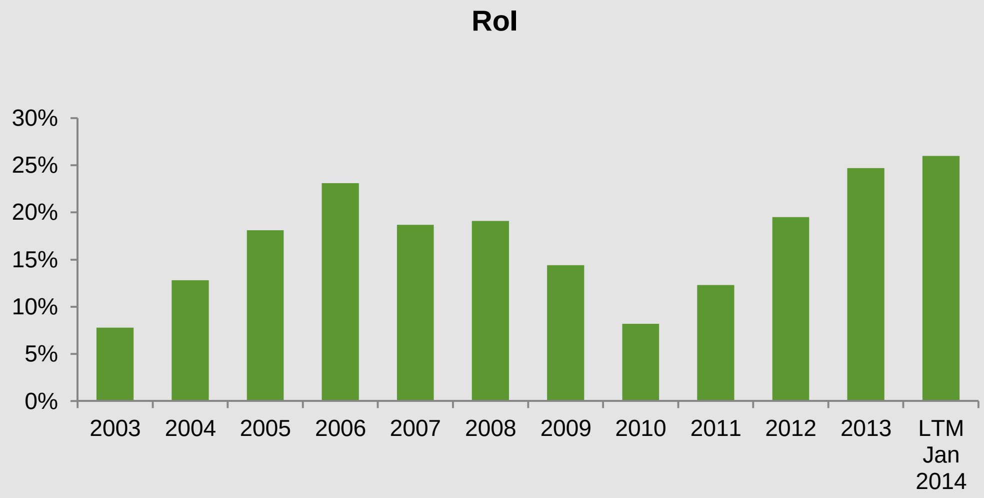




Continued progression in store maturity

Underpins RoI and margin evolution



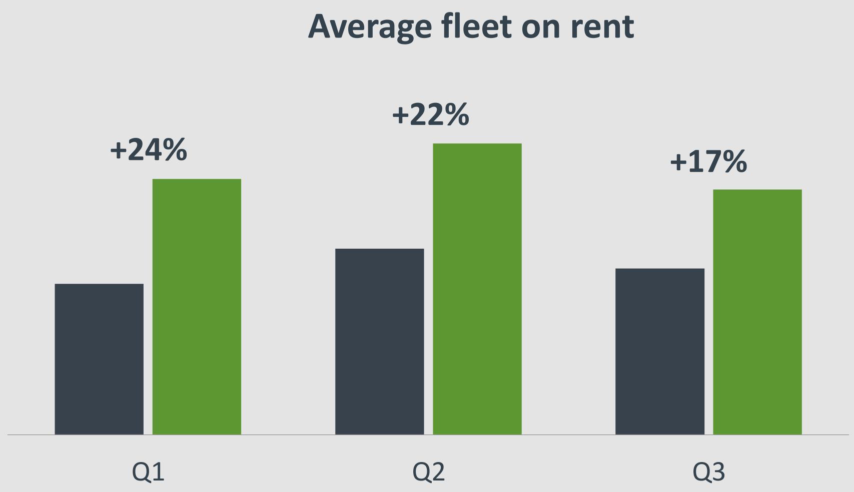


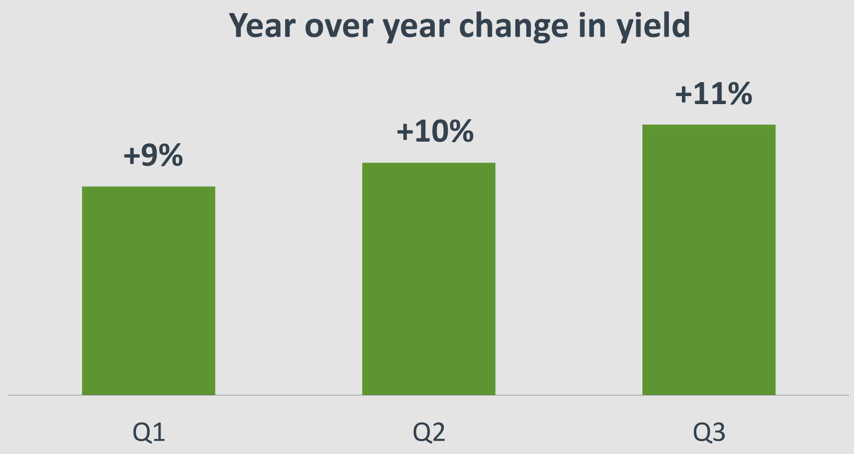
Location size	Fleet	Number		Operating margin		RoI	
		2008	2014	2008	2014	2008	2014
Extra large	> $15 million	14	41	37%	40%	26%	28%
Large	> $10 million	35	69	35%	36%	25%	25%
Medium	> $5 million	174	184	30%	32%	22%	23%
Small	< $5 million	115	68	24%	26%	19%	18%

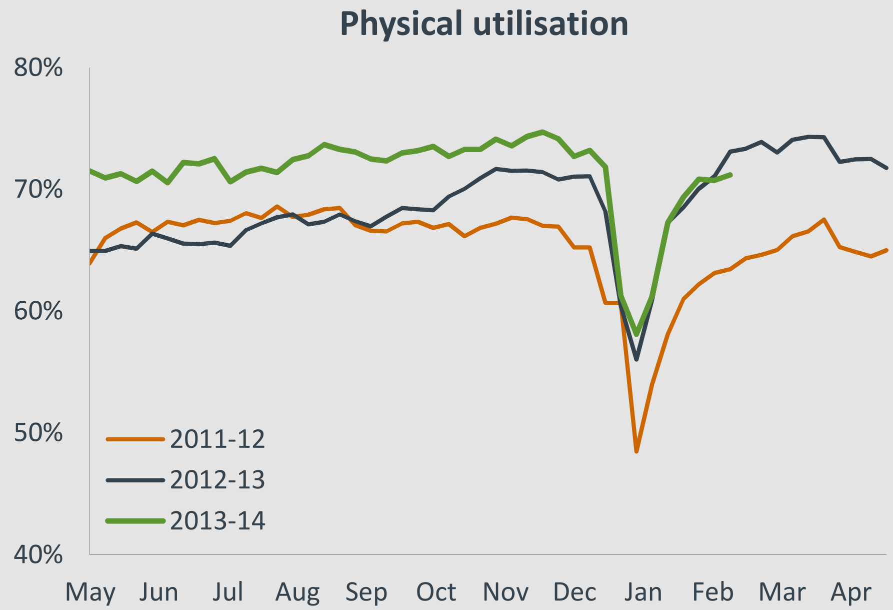
Note: 2008 reflects prior peak performance post the acquisition of NationsRent

A-Plant revenue drivers

Rental revenue growth of 33% benefitted from acquisitions – 18% excluding Eve







Note: Amounts include acquisitions and Q1 has been restated

Group capex guidance

	2012/13			2013/14 guidance		
	Replacement	Growth	Total	Replacement	Growth	Total
Sunbelt ($m)	330	384	714	275	585	860
Sunbelt (£m)	212	246	458	172	366	538
A-Plant	51	12	63	50	30	80
Rental equipment	263	258	521	222	396	618
Other, mainly delivery vehicles			59			82
			580			**700**

2014/15 outline

- Percentage growth in rental fleet in low to mid teens
- Broadly similar overall spend subject to 2015/16 outlook and replacement

Note: i) The growth proportion is estimated on the basis of the assumption that replacement capital expenditure in any period is equal to the original cost of the equipment sold

ii) Other includes delivery vehicle replacement

Summary

- Momentum in the business continues with improving end markets
- Organic growth remains our focus, supplemented by greenfields and small bolt-ons
- Responsible growth with leverage and “drop through” disciplines retained
- Low to mid teen percentage rental fleet growth anticipated for FY 2015
- The Board anticipates a full year result ahead of its earlier expectations

Appendices

Divisional performance – Q3

	Revenue			EBITDA			Profit		
	2014	2013	change[1]	2014	2013[2]	change[1]	2014	2013[2]	change[1]
Sunbelt ($m)	551	455	+21%	240	177	+36%	149	104	+44%
Sunbelt (£m)	337	284	+19%	146	110	+33%	90	64	+41%
A-Plant	63	50	+27%	18	13	+40%	4	2	+132%
Group central costs	-	-		(2)	(2)	+15%	(2)	(2)	+15%
	400	**334**	**+20%**	**162**	**121**	**+34%**	**92**	**64**	**+44%**
Net financing costs							(12)	(11)	+14%
Profit before tax and amortisation							**80**	**53**	**+50%**
Amortisation							(2)	(1)	+59%
Profit before taxation							**78**	**52**	**+50%**
Taxation							(29)	(19)	+57%
Profit after taxation							**49**	**33**	**+46%**
Margins									
- Sunbelt				*44%*	*39%*		*27%*	*23%*	
- A-Plant				*28%*	*26%*		*6%*	*3%*	
- Group				*41%*	*36%*		*23%*	*19%*	

1. As reported
2. Prior year figures restated for the adoption of IAS 19 'Employee Benefits' (revised)

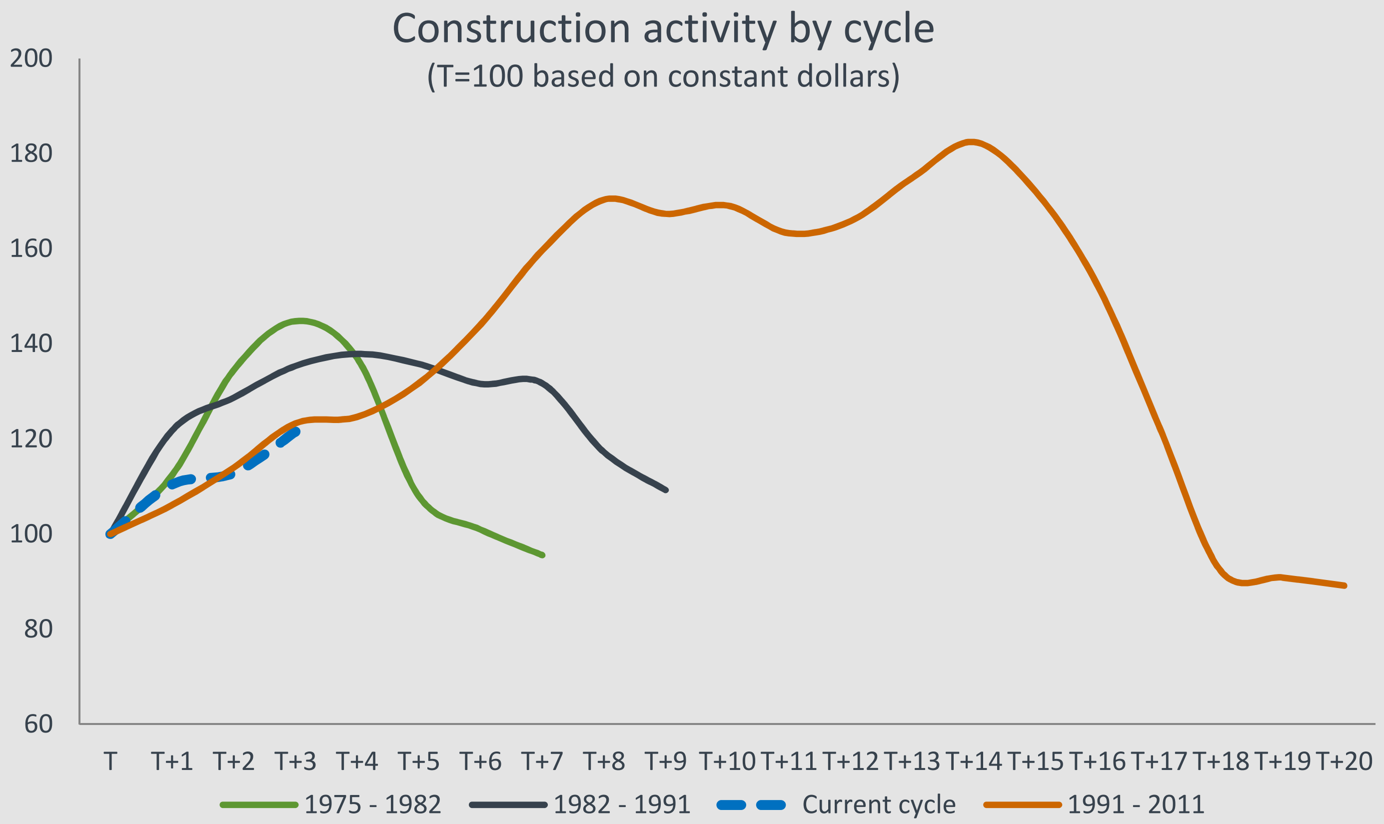
Divisional performance – LTM

	Revenue			EBITDA			Profit		
	2014	2013	change[1]	2014	2013[2]	change[1]	2014	2013[2]	change[1]
Sunbelt ($m)	2,110	1,745	+21%	925	696	+33%	589	419	+41%
Sunbelt (£m)	1,343	1,098	+22%	589	438	+34%	375	263	+42%
A-Plant	254	204	+25%	75	56	+34%	24	11	+126%
Group central costs	-	-		(10)	(9)	+13%	(10)	(9)	+13%
	1,597	**1,302**	**+23%**	**654**	**485**	**+35%**	**389**	**265**	**+47%**
Net financing costs							(45)	(46)	-4%
Profit before tax, exceptionals, amortisation and remeasurements							**344**	**219**	**+57%**
Exceptionals, amortisation and remeasurements							(8)	(23)	-61%
Profit before taxation							**336**	**196**	**+71%**
Taxation							(123)	(69)	+78%
Profit after taxation							**213**	**127**	**+67%**
Margins									
- Sunbelt				*44%*	*40%*		*28%*	*24%*	
- A-Plant				*29%*	*28%*		*10%*	*5%*	
- Group				*41%*	*37%*		*24%*	*20%*	

1. As reported
2. Prior year figures restated for the adoption of IAS 19 'Employee Benefits' (revised)

Cyclical recovery

We maintain our view of a long and steady recovery



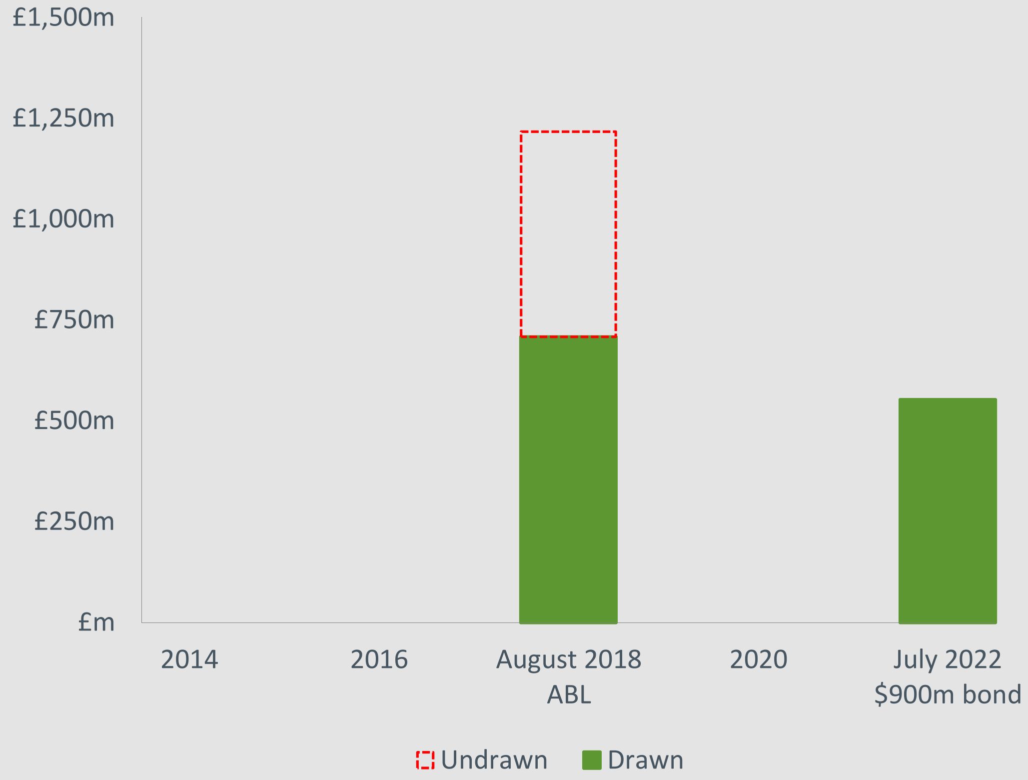
Source: McGraw Hill Construction

Cash flow funds organic fleet growth

(£m)	LTM Jan 14	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EBITDA before exceptional items	**654**	**519**	**381**	**284**	**255**	**359**	**380**	**310**	**225**	**170**	**147**	**150**
EBITDA margin	41%	38%	34%	30%	30%	33%	38%	35%	35%	32%	29%	28%
Cash inflow from operations before fleet changes and exceptionals	**608**	**501**	**365**	**280**	**266**	**374**	**356**	**319**	**215**	**165**	**140**	**157**
Cash conversion ratio	93%	97%	96%	99%	104%	104%	94%	97%	96%	97%	95%	105%
Replacement capital expenditure	(347)	(329)	(273)	(203)	(43)	(236)	(231)	(245)	(167)	(101)	(83)	(89)
Disposal proceeds	92	96	90	60	31	92	93	78	50	36	32	29
Interest and tax	(56)	(48)	(57)	(71)	(54)	(64)	(83)	(69)	(41)	(31)	(33)	(40)
Growth capital expenditure	(367)	(254)	(135)	-	-	-	(120)	(63)	(63)	(10)	-	(18)
Dividends paid	(38)	(20)	(15)	(15)	(13)	(13)	(10)	(7)	(2)	-	-	(9)
Cash available to fund debt pay down or M&A	**(108)**	**(54)**	**(25)**	**51**	**187**	**153**	**5**	**13**	**(8)**	**59**	**56**	**30**

- Healthy EBITDA margins ensure significant top line cash generation throughout the cycle

Robust debt structure with substantial capacity to fund further growth



- 6 year average remaining commitment
- No amortisation
- No financial monitoring covenants
  - whilst availability exceeds $200m (January 2014 : $790m)

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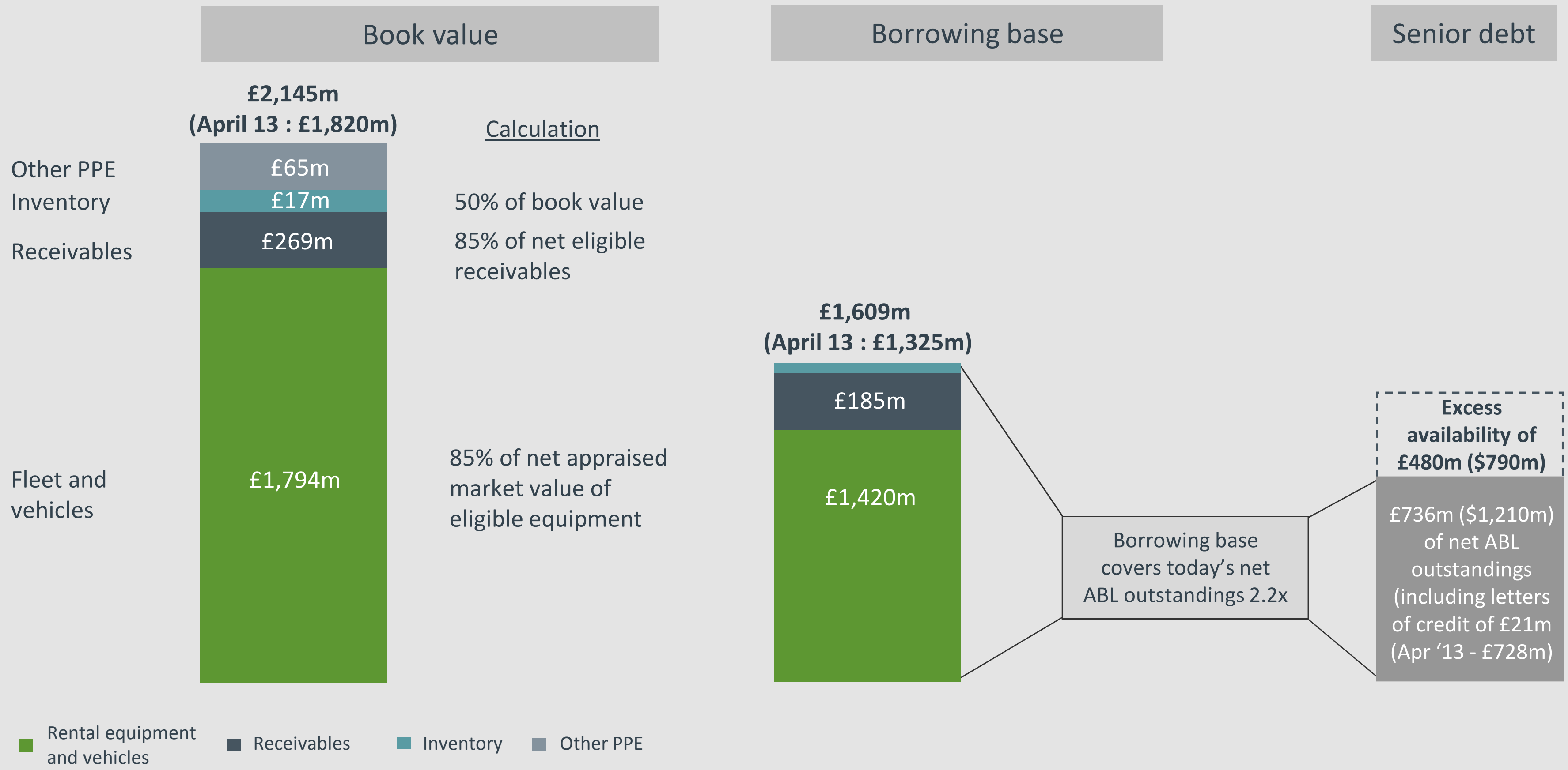
$790m of availability at 31 January 2014



- Borrowing base reflects July 2013 asset values

Debt and covenants

Debt

Facility	Interest rate	Maturity
$2bn first lien revolver	LIBOR +175-225bp	August 2018
$900m second lien notes	6.5%	July 2022
Capital leases	~7%	Various

Ratings

	S&P	Moody's
Corporate family	BB	Ba2
Second lien	BB-	B1

Availability

- Covenants are not measured if availability is above $200m

Leverage covenant

- Gross funded debt to EBITDA cannot exceed 4.0x
- EBITDA is measured before one time items and at constant exchange rates
- 2.0x at January 2014

Fixed charge coverage covenant

- EBITDA less net cash capex to interest paid, tax paid, dividends paid and debt amortisation must equal or exceed 1.0x
- Less than 1.0x at January 2014