Responsible investment in growth

Second quarter results | 31 October 2015

Issued: 9 December 2015

Legal notice

This presentation has been prepared to inform investors and prospective investors in the secondary markets about the Group and does not constitute an offer of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Ashtead Group plc or any of its subsidiary companies.

The presentation contains forward looking statements which are necessarily subject to risks and uncertainties because they relate to future events. Our business and operations are subject to a variety of risks and uncertainties, many of which are beyond our control and, consequently, actual results may differ materially from those projected by any forward looking statements.

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 24-25 of the Group's Annual Report and Accounts for the year ended 30 April 2015 and in the unaudited results for the second quarter ended 31 October 2015 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**

This presentation contains supplemental non-GAAP financial and operating information which the Group believes provides valuable insight into the performance of the business. Whilst this information is considered as important, it should be viewed as supplemental to the Group's financial results prepared in accordance with International Financial Reporting Standards and not as a substitute for them.

Overview

- Another strong financial performance
  - Group revenue +18%
  - First half profits of £343m (2015: £266m)
  - Group RoI of 19%
- Markets are strong with favourable structural and cyclical trends
- We have executed well with significant share gains
- Capital guidance increased from £1bn to £1.1bn
- Financial disciplines maintained – responsible growth
- Interim dividend raised to 4.0p per share
- We now anticipate a full year result ahead of our previous expectations

Suzanne Wood
Finance director

Q2 Group revenue and profit

(£m)	Q2 2015	Q2 2014	Change[1]
Revenue	**649**	**529**	**16%**
- of which rental	589	478	17%
Operating costs	(340)	(283)	14%
EBITDA	**309**	**246**	**19%**
Depreciation	(107)	(85)	21%
Operating profit	**202**	**161**	**18%**
Net interest	(20)	(16)	18%
Profit before amortisation and tax	**182**	**145**	**18%**
Earnings per share (p)	**24.1**	**18.6**	**23%**
Margins			
- EBITDA	*48%*	*46%*	
- Operating profit	*31%*	*30%*	

1 At constant exchange rates
2 The results in the table above are the Group's underlying results and are stated before intangible amortisation

H1 Group revenue and profit

(£m)	H1 2015	H1 2014	H1 Change[1]
Revenue	**1,267**	**987**	**21%**
- of which rental	1,129	896	18%
Operating costs	(675)	(532)	20%
EBITDA	**592**	**455**	**22%**
Depreciation	(210)	(160)	23%
Operating profit	**382**	**295**	**21%**
Net interest	(39)	(29)	27%
Profit before amortisation and tax	**343**	**266**	**21%**
Earnings per share (p)	**45.1**	**33.9**	**25%**
Margins			
- EBITDA	*47%*	*46%*	
- Operating profit	*30%*	*30%*	

1 At constant exchange rates
2 The results in the table above are the Group's underlying results and are stated before intangible amortisation

H1 Sunbelt revenue and profit

($m)	H1 2015	H1 2014	H1 Change
Revenue	**1,685**	**1,368**	**23%**
- of which rental	1,504	1,247	21%
Operating costs	(866)	(702)	23%
EBITDA	**819**	**666**	**23%**
Depreciation	(272)	(217)	25%
Operating profit	**547**	**449**	**22%**
Margins			
- EBITDA	*49%*	*49%*	
- Operating profit	*32%*	*33%*	

- Excluding gains on equipment disposals, EBITDA margins were 51% (2014: 50%)

Ashtead group

H1 A-Plant revenue and profit

	H1		
(£m)	2015	2014	Change
Revenue	**178**	**166**	**8%**
- of which rental	157	147	7%
Operating costs	(109)	(106)	4%
EBITDA	**69**	**60**	**15%**
Depreciation	(34)	(30)	12%
Operating profit	**35**	**30**	**18%**
Margins			
- EBITDA	*39%*	*36%*	
- Operating profit	*20%*	*18%*	

Capital expenditure update

	2015	2016 plan	2016 outlook
Sunbelt ($m)			
- rental fleet	1,268	1,200 – 1,300	1,300 – 1,400
- non rental fleet	100	100	100
	1,368	1,300 – 1,400	1,400 – 1,500
A-Plant (£m)			
- rental fleet	154	130 – 150	125 – 135
- non rental fleet	19	15	15
	173	145 – 165	140 – 150
Group capital expenditure forecast (£1 : $1.54)		£1bn	c. £1.1bn

Cash flow

Significant reinvestment in our rental fleet

(£m)	H1 2015	H1 2014	Change
EBITDA before exceptional items	592	455	30%
Cash conversion ratio[1]	85.1%	82.7%	
Cash inflow from operations[2]	**504**	**377**	**34%**
Payments for capital expenditure	(733)	(534)	
Rental equipment and other disposal proceeds received	81	42	
	(652)	(492)	
Interest and tax paid	(53)	(56)	
Exceptional costs paid	-	(1)	
Free cash flow	**(201)**	**(172)**	
Business acquisitions	(29)	(113)	
Dividends paid	(61)	(46)	
Purchase of own shares by the ESOT	(11)	(20)	
Increase in net debt	**(302)**	**(351)**	

[1] Cash inflow from operations as a percentage of EBITDA
[2] Before fleet changes and exceptionals

Ashtead group

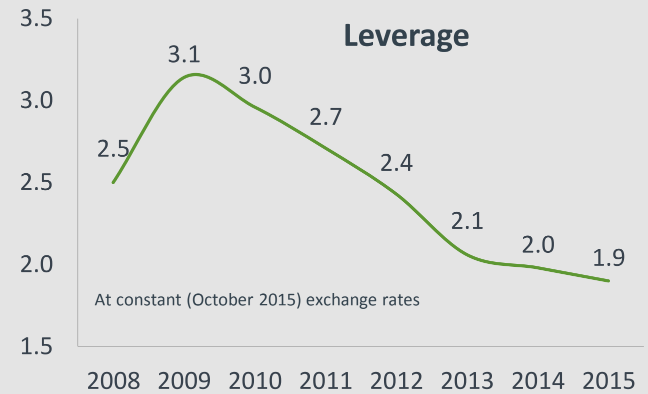
Net debt and leverage

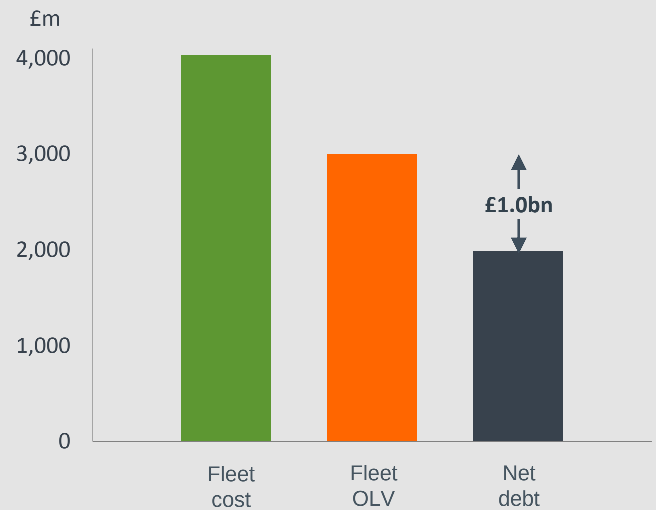
Net debt to EBITDA continues to reduce as we invest in the fleet

(£m)	Oct 2015	Oct 2014
Net debt at 30 April	**1,687**	**1,149**
Translation impact	(9)	69
Opening debt at closing exchange rates	**1,678**	**1,218**
Change from cash flows	302	351
Non-cash movements	2	2
Net debt at period end	**1,982**	**1,571**
Comprising:		
First lien senior secured bank debt	1,076	700
Second lien secured notes	905	874
Finance lease obligations	6	4
Cash in hand	(5)	(7)
Total net debt	**1,982**	**1,571**
Net debt to EBITDA leverage* (x)	**1.9**	**2.0**

*At constant exchange rates

- Fixed/floating rate mix – 46%/54%



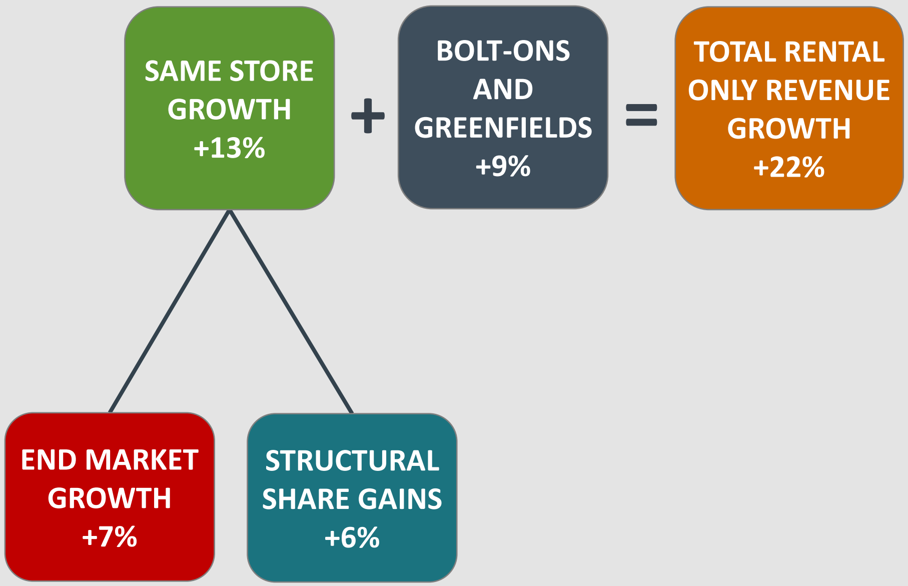


Geoff Drabble

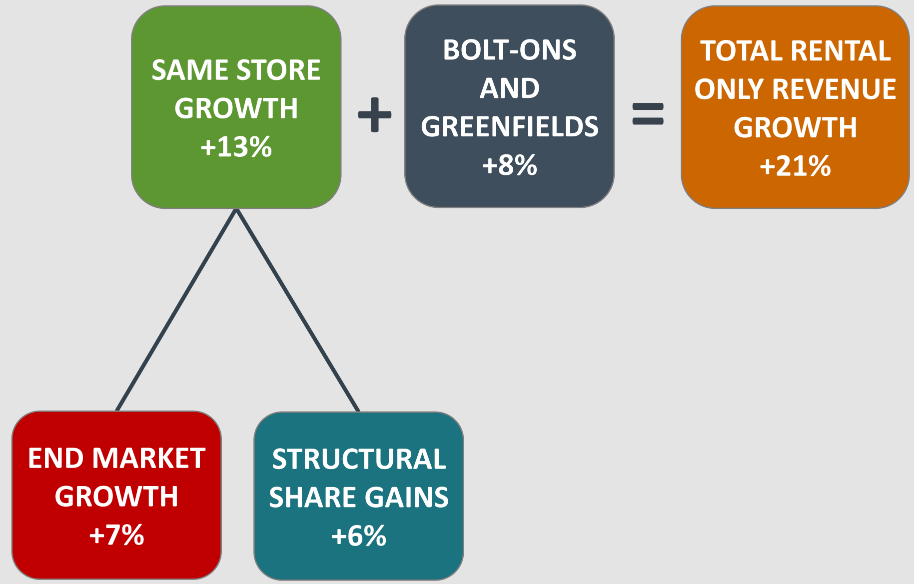
Chief executive

Capitalising on structural and cyclical factors to drive revenue growth

Six months ended 31 October 2015



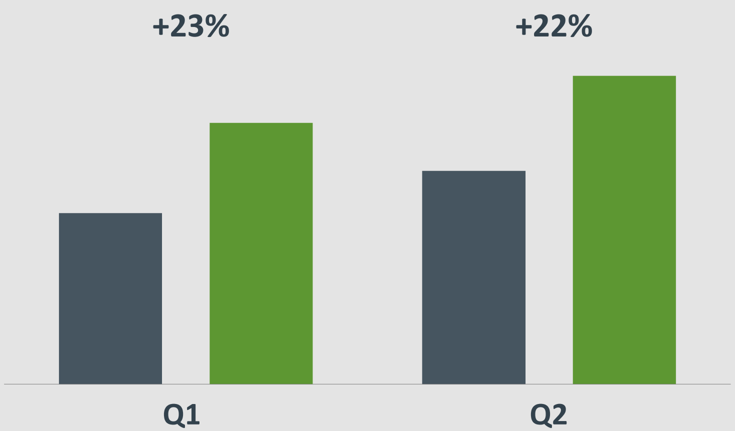
Quarter ended 31 October 2015



Sunbelt revenue drivers – rental only

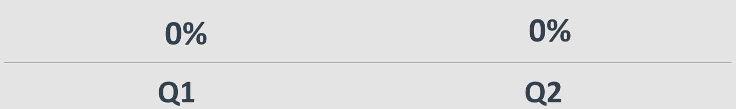
Continuation of strong performance

Average fleet on rent

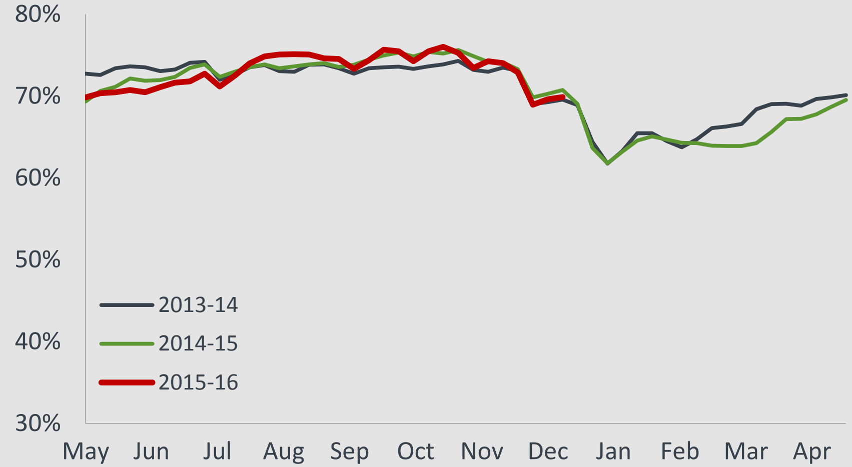


- Volume growth of $675m (2014: $519m)

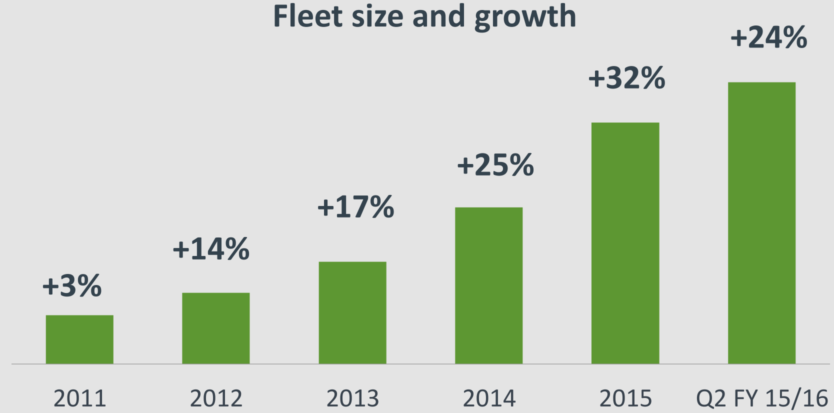
Year over year change in yield



Physical utilisation



Fleet size and growth



Good progress across the business

Driven by same-store growth

Q1

	Same-stores*	Greenfields*	Bolt-ons*	Oil & Gas	Total
Proportion of revenue	89%	4%	4%	3%	100%
Fleet on rent – % change	+13%	+1,084%	+365%	+25%	+23%
Net yield	+1%	+32%	+12%	-30%	0%
Physical utilisation – actual	74%	66%	63%	54%	72%
Dollar utilisation - LTM	59%	41%	47%	85%	59%
Drop through	58%	51%	50%	-193%	52%

** US only – excludes Canada*
** Excluding Oil & Gas*

Q2

	Same-stores*	Greenfields*	Bolt-ons*	Oil & Gas	Total
Proportion of revenue	89%	5%	4%	2%	100%
Fleet on rent – % change	+13%	+498%	+249%	-12%	+22%
Net yield	+2%	+17%	+29%	-44%	0%
Physical utilisation – actual	76%	69%	72%	50%	75%
Dollar utilisation - LTM	59%	43%	50%	66%	58%
Drop through	64%	51%	52%	-54%	60%

** US only – excludes Canada*
** Excluding Oil & Gas*

Rental penetration will continue to grow our market

	2010	2015	2020s
Rental penetration	Low 40s %	Low 50s %	Mid 60s %
Market growth		+20 to 25%	+20 to 25%

Why?

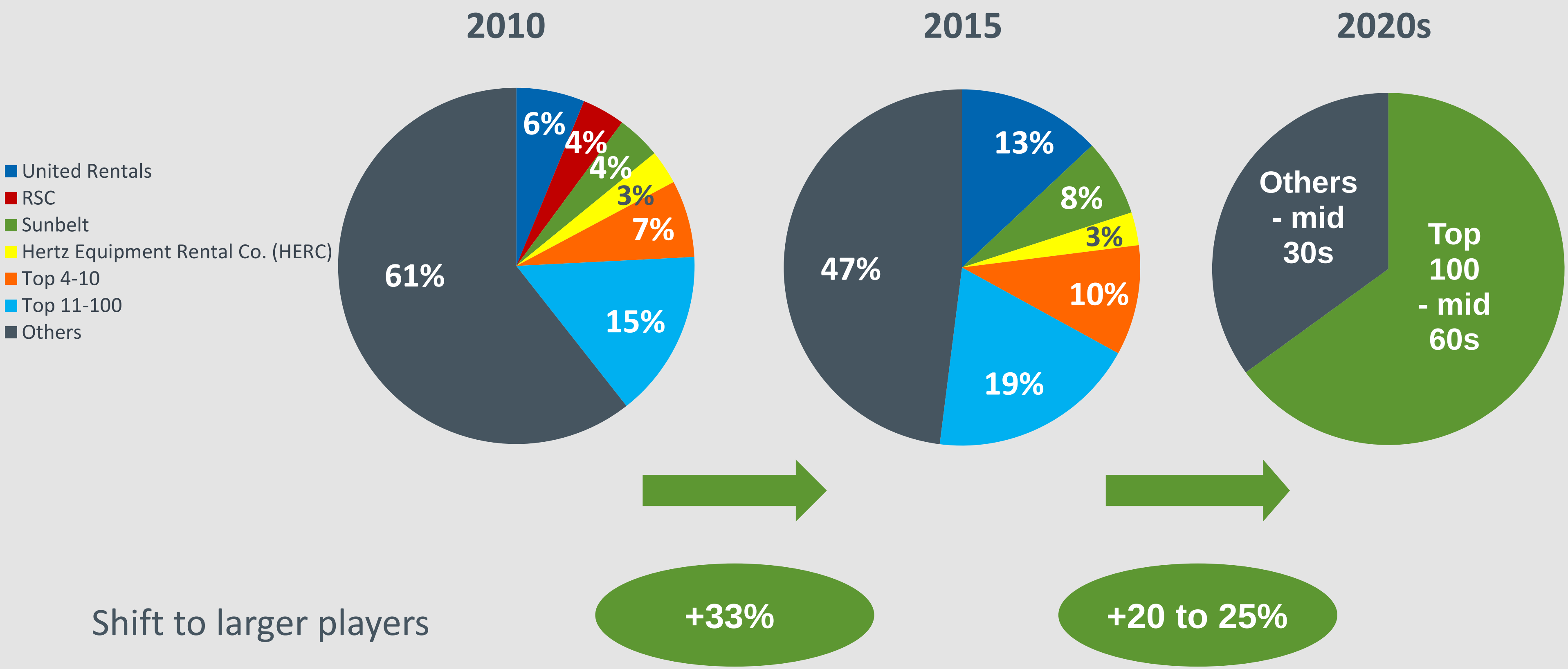
- Rental industry a more viable option
- Cost of ownership (Tier 4)
- Legislation – Health & Safety, Environmental, Department of Transport

We have the right fleet to benefit from these changes

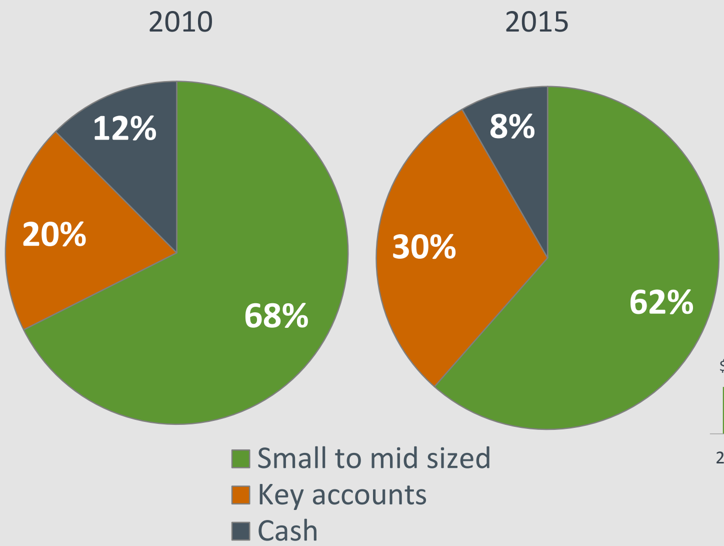
	Rental penetration	Rental penetration upside
	c. 80%	Low
	c. 80%	
	c. 30%	High
	c. 30%	
	c. 10%	

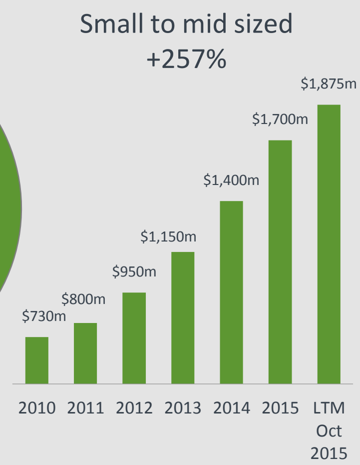
The big are getting bigger which provides further opportunity

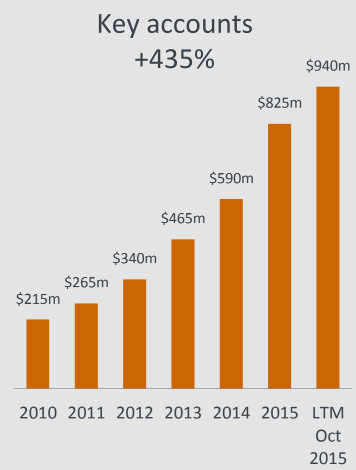
US market share

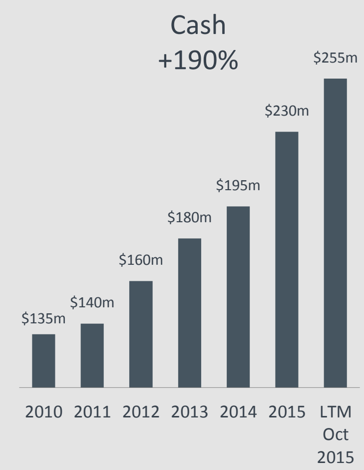


We have the right customer mix to benefit from these changes





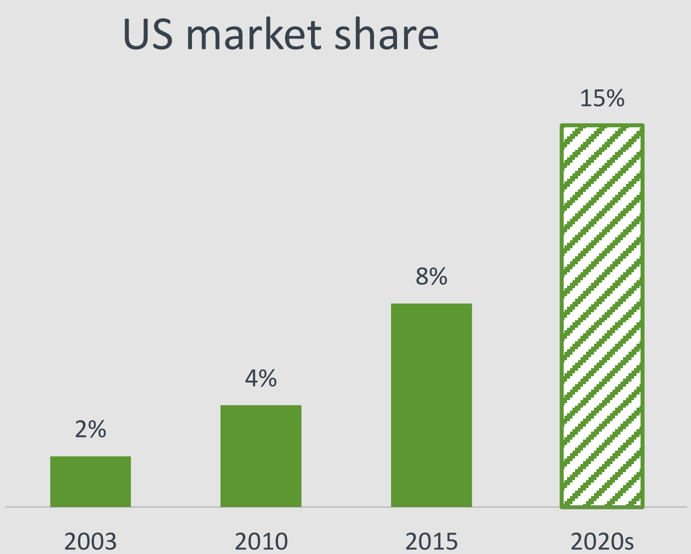


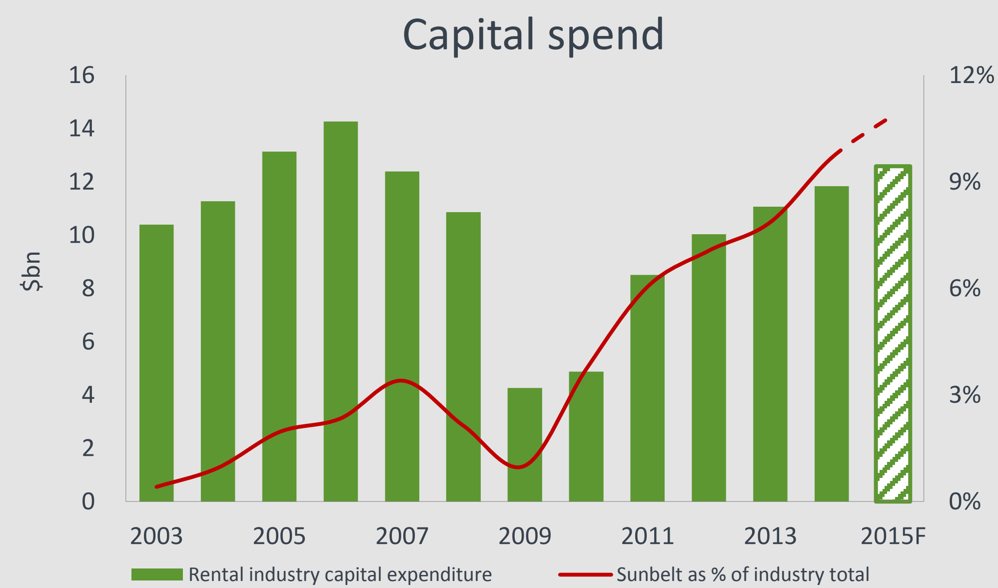


Transaction lead time

Same day	1 day	2 days	3-5 days	6-14 days	> 14 days
49%	23%	6%	13%	6%	3%

Further share gains available



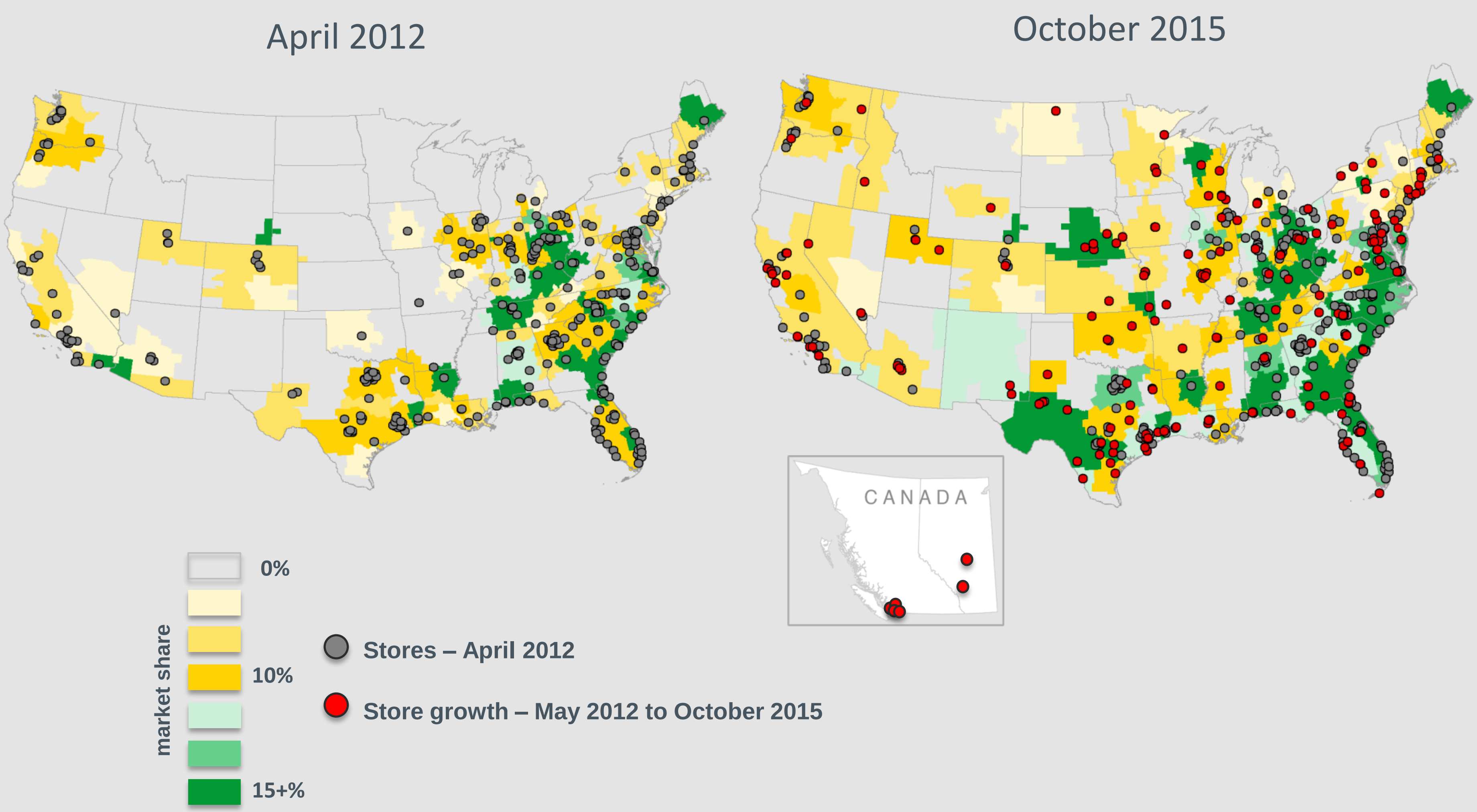


Source: IHS Global Insight (October 2015)

Achieved through;

- Same store growth
- Greenfields and bolt-ons

We have increased our footprint and gained significant share



Further upside available

A further 250 locations in top 100 markets alone

Store openings

	Greenfields	Acquisitions	Total
FY 13	17	6	23
FY 14	24	15	39
FY 15	31	51	82
FY 16 YTD	38	5	43
Total	110	77	187

General Tool	Speciality	Total
97	90	187

Further opportunity in major markets

Top 100 US markets

Clustered: 36 markets – 355 stores

Non clustered: 56 markets – 114 stores

No presence: 8 markets

Outside top 100 US markets

Locations in 44 markets - 62 stores

Plus Canada – small presence currently but big opportunity

Profitable and responsible growth

Further margin progression available as greenfields and bolt-ons mature

	Greenfields					
	FY13 (17)			FY14 (24)		FY15
	FY13	FY14	FY15	FY14	FY15	FY15
Rental revenue	12	37	48	20	60	22
EBITDA	42%	54%	54%	36%	52%	28%
Return on investment	6%	16%	20%	10%	20%	-1%
Fleet at cost	73	102	126	97	145	168
Utilisation	61%	69%	70%	56%	68%	56%

	Acquisitions					
	FY13			FY14		FY15
	FY13	FY14	FY15	FY14	FY15	FY15
Rental revenue	10	38	45	16	46	63
EBITDA	41%	48%	51%	48%	50%	38%
Return on investment (incl. goodwill)	22%	22%	21%	13%	19%	10%
Fleet at cost	55	68	83	85	104	299
Utilisation	58%	66%	71%	50%	56%	61%

Notes

[1] *Based on store level performance and excludes central costs*

[2] *Includes oil and gas*

The market

The majority of our markets are very strong with good long-term prospects

Rental revenue forecasts	2015	2016	2017
Industry rental revenue	+7%	+7%	+7%

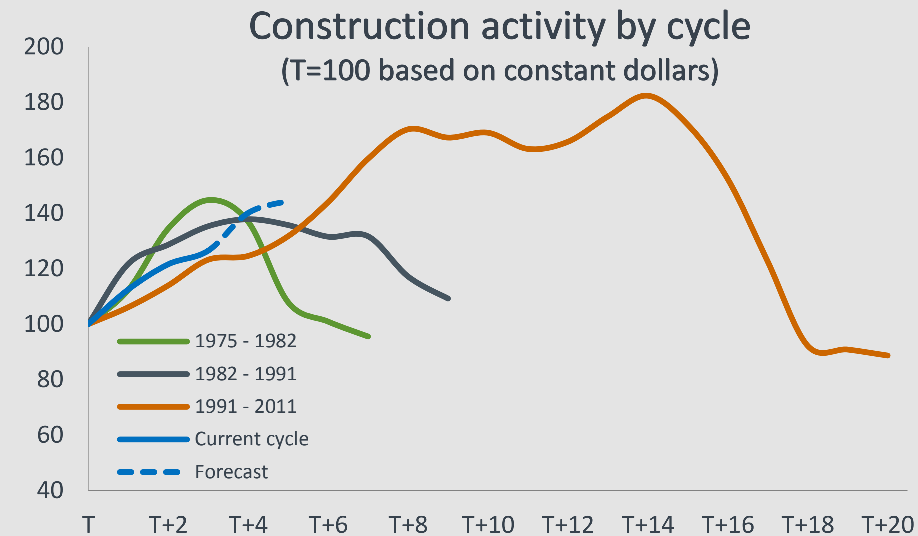
Source: IHS Global Insight (October 2015)

Total building starts (Millions of square feet)	2015	2016	2017
Total building	+11%	+13%	+14%
Commercial and Industrial	+4%	+10%	+7%
Institutional	+7%	+10%	+14%
Residential	+14%	+15%	+16%

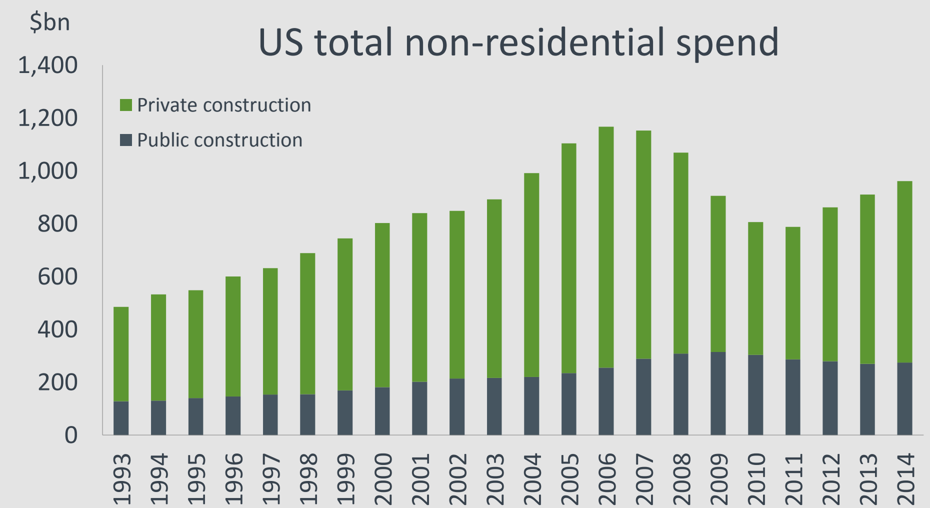
Source: Dodge Data & Analytics (September 2015)

Put in place construction	2015	2016	2017
Total construction	+10%	+5%	+6%

Source: Maximus Advisors (November 2015)

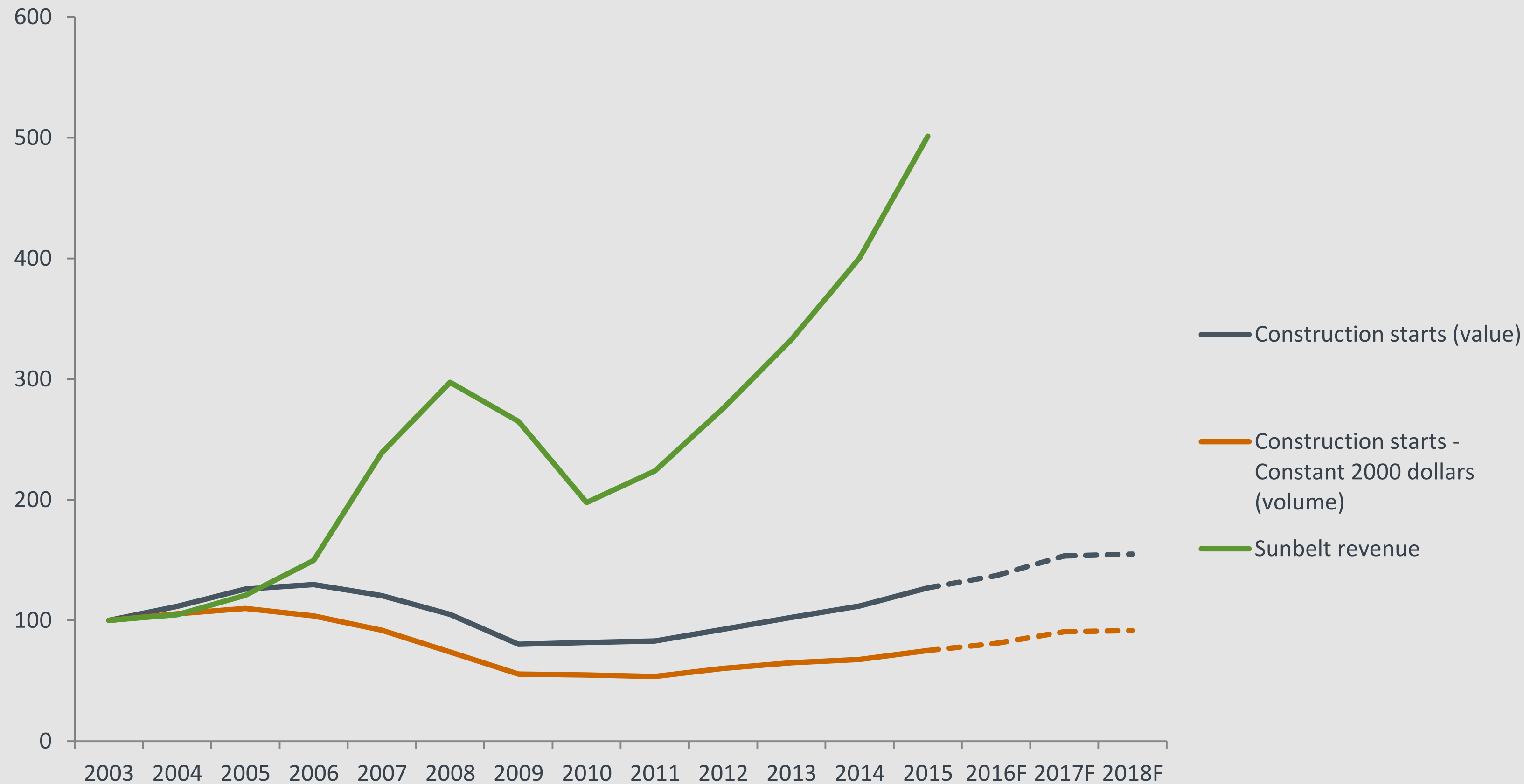


Source: Dodge Data & Analytics



Source: US Bureau of Statistics

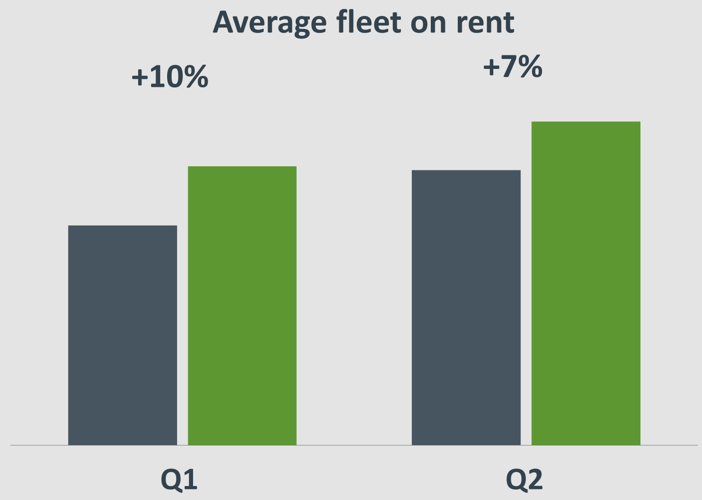
Structural drivers and diversification have created greater opportunities than construction markets alone

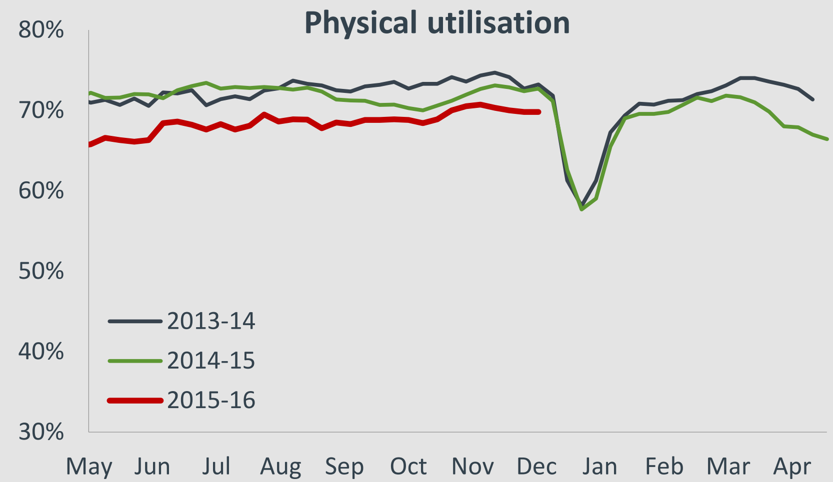


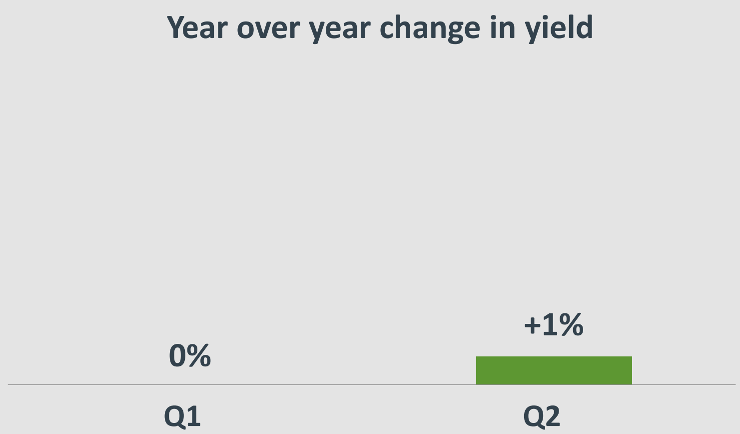
Source: Dodge Data & Analytics (December 2015)

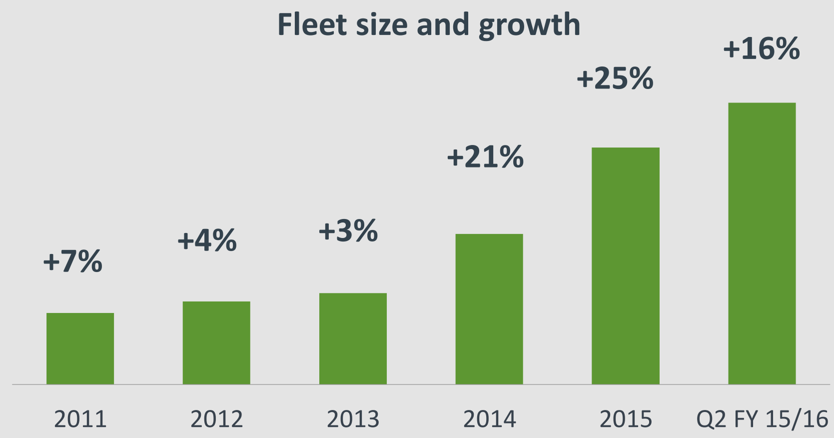
A-Plant revenue drivers

Growth continues backed by fleet investment



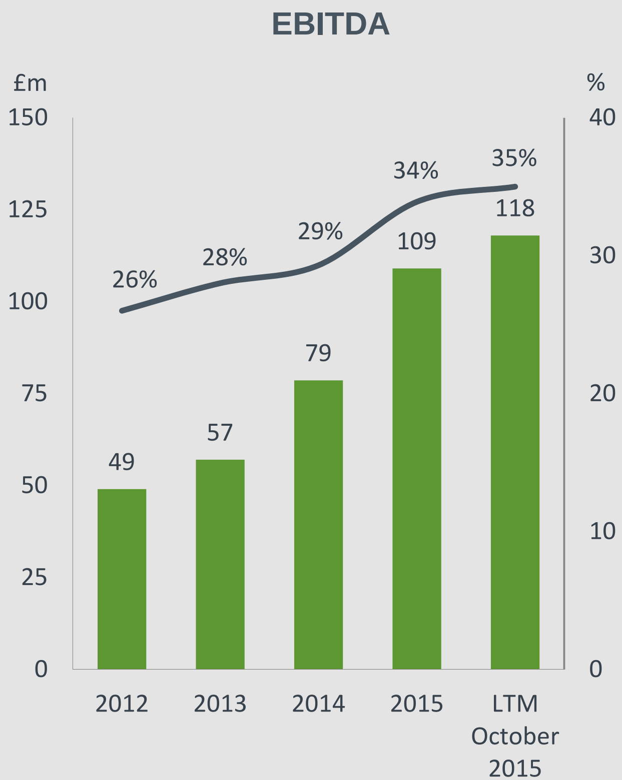


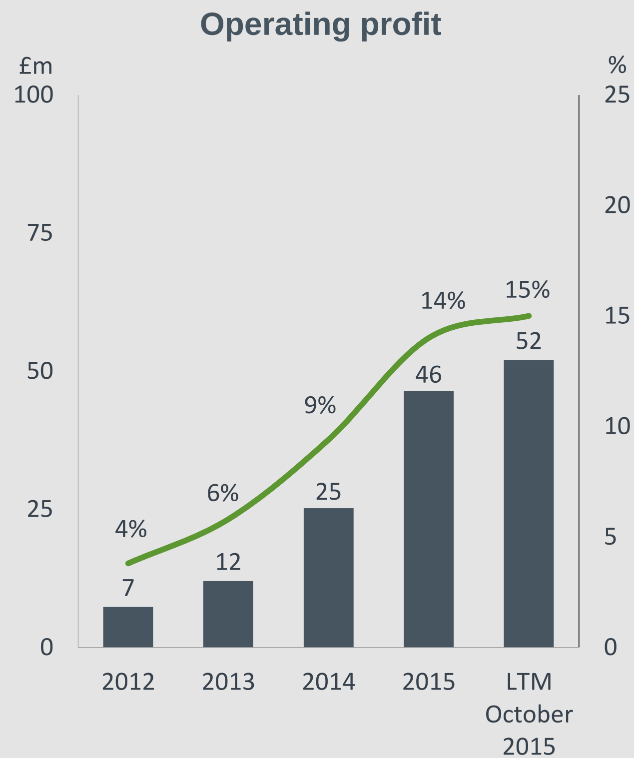


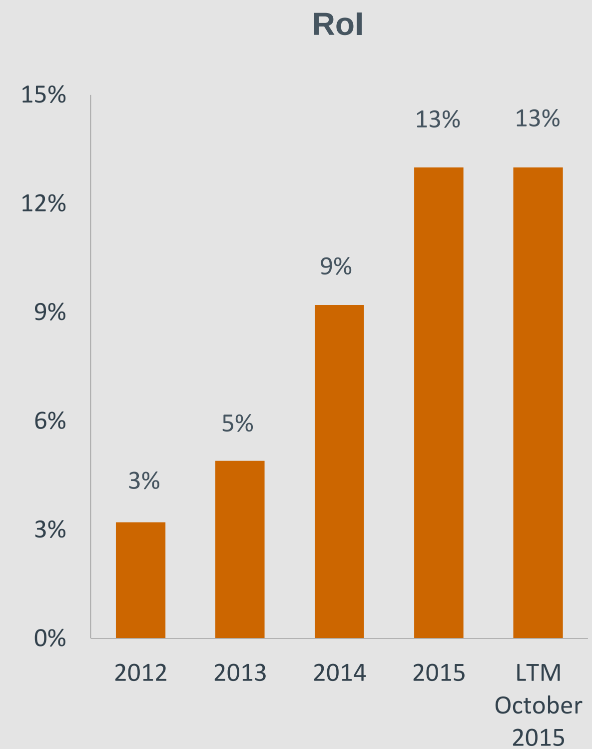


A-Plant continues to gain market share profitably

Margins and returns continue to improve







- Drop through in H1 of 70%

UK construction industry forecasts

Improving trends

(£m constant 2010 prices)	2014 Actual	2015 Estimate	2016 Forecast	2017 Forecast	2018 Projection	2019 Projection	% of Total
Residential	37,470	40,256	42,102	43,118	44,158	45,226	30.1%
		+7.4%	+4.6%	+2.4%	+2.4%	+2.4%	
Private commercial	36,979	38,764	40,612	42,258	43,724	45,221	30.1%
		+4.8%	+4.8%	+4.1%	+3.5%	+3.4%	
Public and infrastructure	49,282	50,765	52,548	54,634	57,549	60,183	39.8%
		+3.0%	+3.5%	+4.0%	+5.3%	+4.6%	
Total	123,731	129,785	135,262	140,010	145,431	150,630	100%
		+4.9%	+4.2%	+3.5%	+3.9%	+3.6%	

Source: Consumer Products Association (Autumn 2015)

Summary

- Another good quarter of revenue and profit growth
- Our model remains well positioned to benefit from ongoing structural and cyclical opportunities
- We will continue with our responsible growth strategy – broadening the markets we serve both in terms of geographies and sectors
- We have increased our planned fleet investment in the US in response to strong demand and anticipated further growth
- Interim dividend raised 33% to 4.0p per share (2014: 3.0p)
- We now anticipate a result ahead of our previous expectations

Appendices

Further market update

The pattern of US construction starts ($bn)	2010	2011	2012	2013	2014	2015	2016
Total construction	**435.3**	**441.3**	**492.5**	**545.2**	**594.7**	**674.7**	**712.0**
	+2%	+1%	+12%	+11%	+9%	+13%	+6%
Single family housing	**100.0**	**97.3**	**125.8**	**159.2**	**163.8**	**187.4**	**224.8**
	+6%	-3%	+29%	+27%	+3%	+14%	+20%
Multifamily housing	**22.1**	**29.7**	**40.6**	**51.5**	**67.9**	**85.1**	**91.2**
	+23%	+34%	+37%	+27%	+32%	+25%	+7%
Commercial buildings	**42.2**	**48.3**	**55.1**	**67.3**	**81.2**	**84.3**	**93.7**
	-11%	+15%	+14%	+22%	+21%	+4%	+11%
Institutional buildings	**112.2**	**100.3**	**91.8**	**92.0**	**103.6**	**110.2**	**120.3**
	0%	-11%	-8%	0%	+13%	+6%	+9%
Manufacturing buildings	**9.5**	**17.3**	**13.1**	**18.8**	**35.3**	**25.3**	**25.0**
	-2%	+82%	-25%	+44%	+88%	-28%	-1%
Public works	**120.7**	**106.9**	**112.3**	**126.7**	**119.8**	**122.4**	**122.9**
	-2%	-11%	+5%	+13%	-5%	+2%	0%
Electric utilities/gas plants	**28.7**	**41.5**	**53.8**	**29.7**	**23.2**	**60.0**	**34.0**
	+36%	+45%	+30%	-45%	-22%	+159%	-43%

Source: Dodge Data & Analytics (December 2015)

Fundamentals strong

Starts excluding gas + electric plants

2014	2015	2016
11%	8%	10%

Residential	Million units
Peak for single family	1.6
Peak for multi family	0.6
	2.2
2015 forecast	
Single family	0.7
Multi family	0.4
	1.1

Commercial buildings	Billion sq ft
Peaked at	1.1
2010 bottom	0.3
2015 forecast	0.7

Ashtead group

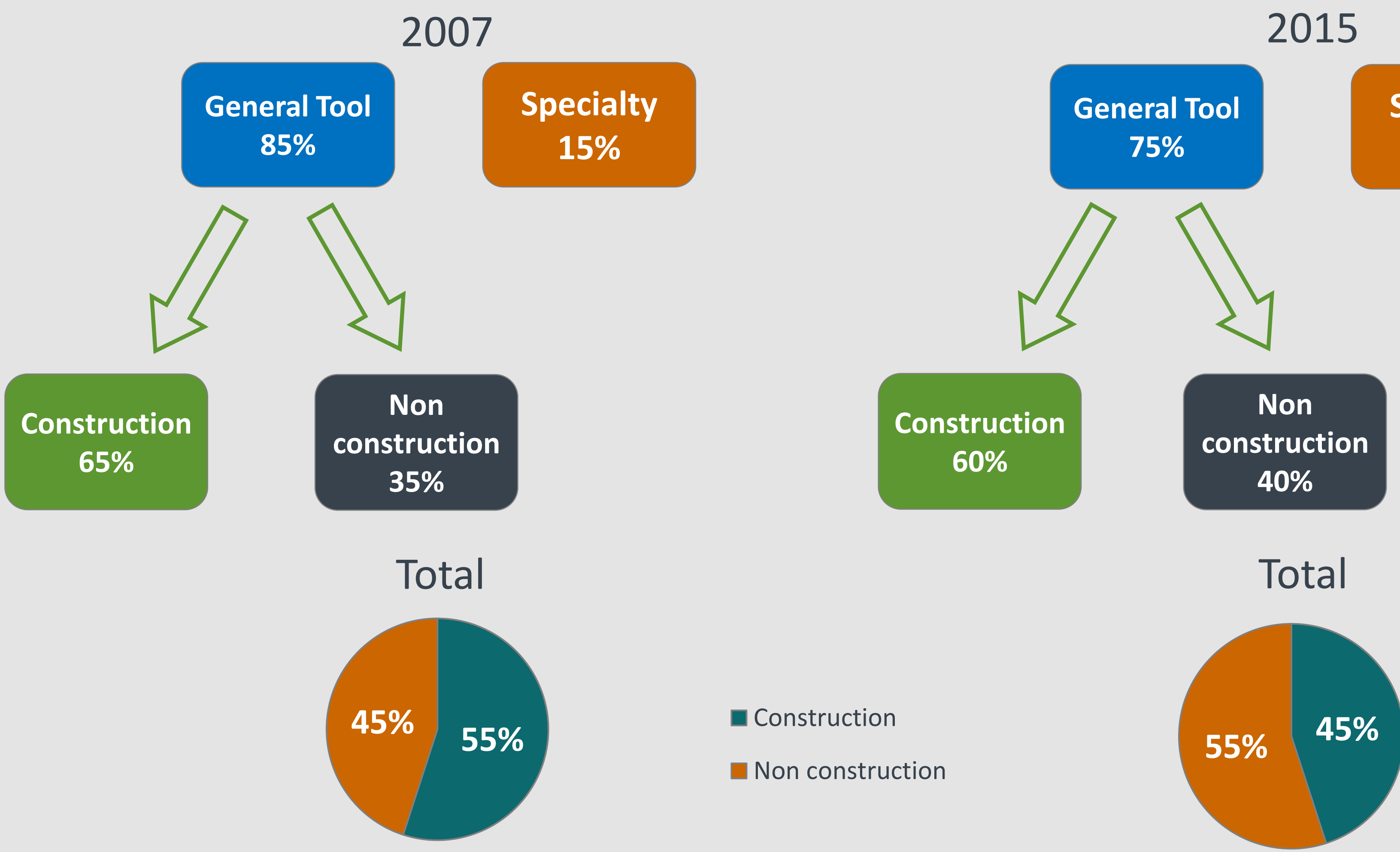
There is a well proven track record of developing the scale and profitability of locations over time

Location size	Fleet size	Number		Operating margin*		RoI*	
		2008	2015	2008	2015	2008	2015
Extra large	> $15 million	14	73	37%	41%	26%	28%
Large	> $10 million	35	108	35%	38%	25%	27%
Medium	> $5 million	174	181	30%	34%	22%	24%
Small	< $5 million	115	68	24%	29%	19%	23%

*Based on store level operating profit and excludes central costs
Note: 2008 reflects prior peak performance post the acquisition of NationsRent

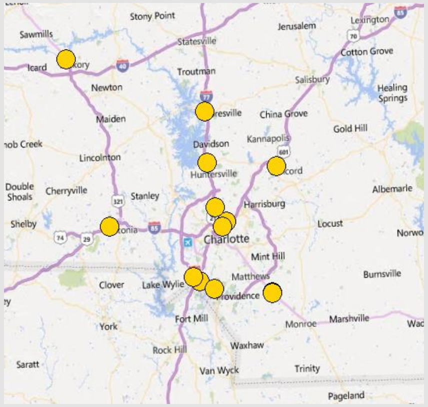
The benefit of our diversification has been shown in recent relative performance

Will remain a key element of our strategy



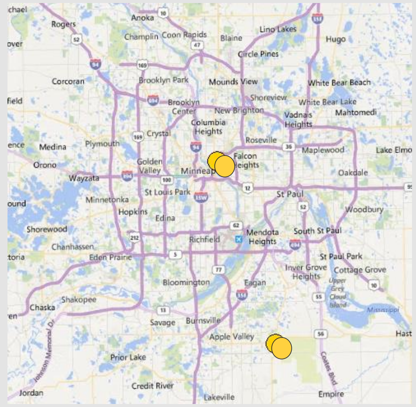
Growth opportunity to build out clusters in major markets

Charlotte, NC



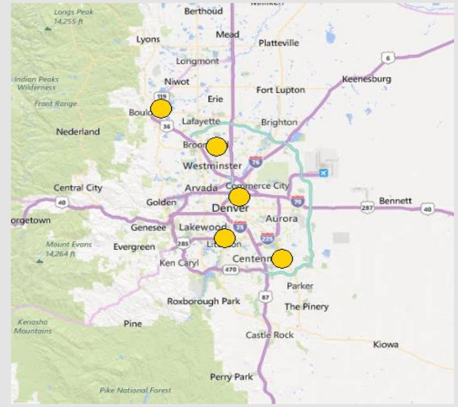
Population	3m
Put in Place	$4.0bn
Starts	$3.9bn
Stores	14
Fleet cost	$126m

Minn/St. Paul, MN



Population	4.5m
Put in Place	$5.9bn
Starts	$6.2bn
Stores	4
Fleet cost	$31m

Denver, CO



Population	4.1m
Put in Place	$9.6bn
Starts	$9.9bn
Stores	5
Fleet cost	$40m

Impact of oil and gas fleet limited in range and quantum

60ft manlift

80ft manlift

10,000lb telehandler

4,000W light tower

100KW generator

120KW generator

- 70% of our fleet on rent was and is just 6 products
- Total industry is very similar

Minimal impact on General Tool fleet

- Physical utilisation 80%* (2014: 77%)
- Fleet size +18%*
- Rates flat*

*For the six products listed above

Divisional performance – Q2

	Revenue			EBITDA			Profit		
	2015	2014	Change[1]	2015	2014	Change[1]	2015	2014	Change[1]
Sunbelt ($m)	864	730	+18%	429	355	+21%	289	242	+19%
Sunbelt (£m)	561	445	+26%	278	218	+28%	188	148	+27%
A-Plant	88	84	+5%	35	31	+10%	18	16	+12%
Group central costs	-	-	-	(4)	(3)	+36%	(4)	(3)	+37%
	649	**529**	**+23%**	**309**	**246**	**+26%**	**202**	**161**	**+25%**
Net financing costs							(20)	(16)	+25%
Profit before amortisation and tax							**182**	**145**	**+25%**
Amortisation							(6)	(3)	+56%
Profit before taxation							**176**	**142**	**+25%**
Taxation							(59)	(51)	+17%
Profit after taxation							**117**	**91**	**+29%**
Margins									
- Sunbelt				*50%*	*49%*		*33%*	*33%*	
- A-Plant				*39%*	*37%*		*20%*	*19%*	
- Group				*48%*	*46%*		*31%*	*30%*	

[1] As reported

Divisional performance – LTM

	Revenue			EBITDA			Profit		
	2015	2014	Change[1]	2015	2014	Change[1]	2015	2014	Change[1]
Sunbelt ($m)	3,059	2,449	+25%	1,446	1,139	+27%	931	736	+27%
Sunbelt (£m)	1,983	1,476	+34%	939	686	+37%	604	443	+37%
A-Plant	336	296	+13%	118	95	+24%	52	37	+38%
Group central costs	-	-	-	(12)	(10)	+17%	(12)	(10)	+17%
	2,319	**1,772**	**+31%**	**1,045**	**771**	**+35%**	**644**	**470**	**+37%**
Net financing costs							(77)	(55)	+43%
Profit before exceptionals, amortisation and tax							**567**	**415**	**+36%**
Exceptionals and amortisation							(20)	(7)	+178%
Profit before taxation							**547**	**408**	**+34%**
Taxation							(190)	(142)	+34%
Profit after taxation							**357**	**266**	**+34%**
Margins									
- Sunbelt				*47%*	*47%*		*30%*	*30%*	
- A-Plant				*35%*	*32%*		*15%*	*13%*	
- Group				*45%*	*44%*		*28%*	*26%*	

[1] As reported

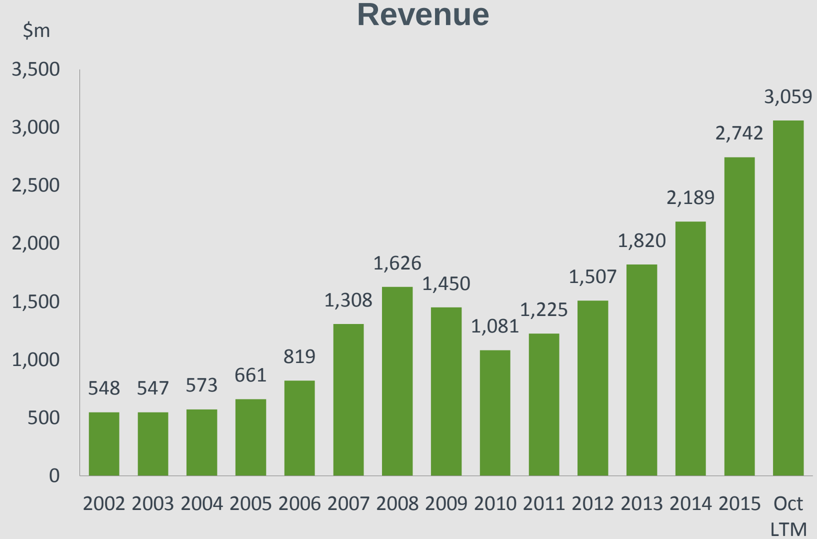
Margins continue to improve

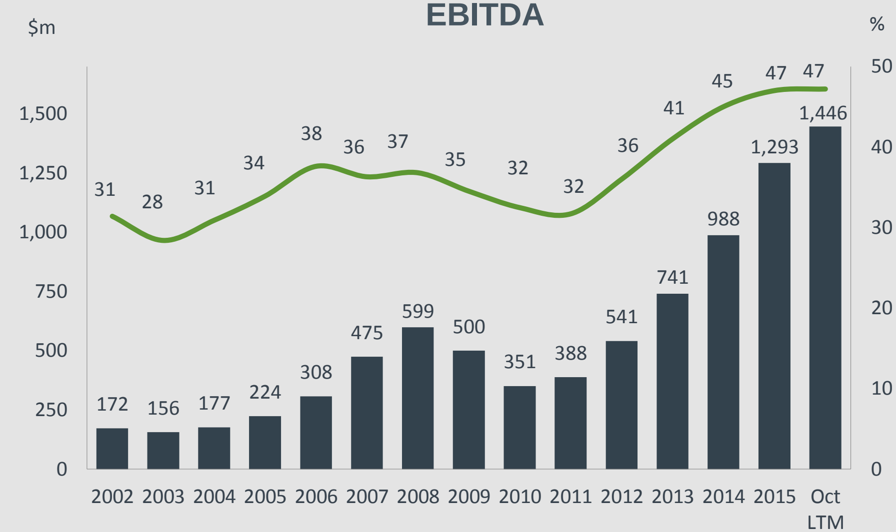
US margins have exceeded the previous peak with substantial opportunity for future earnings growth and margin expansion

Revenue

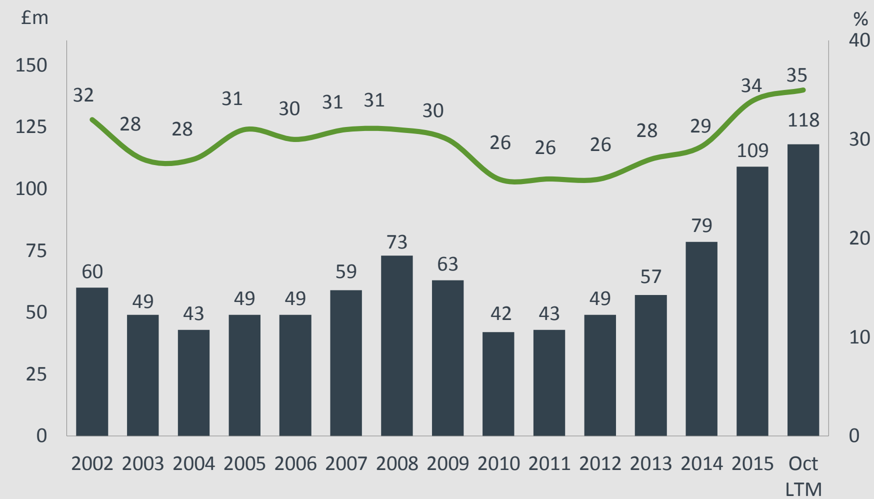
EBITDA

Sunbelt



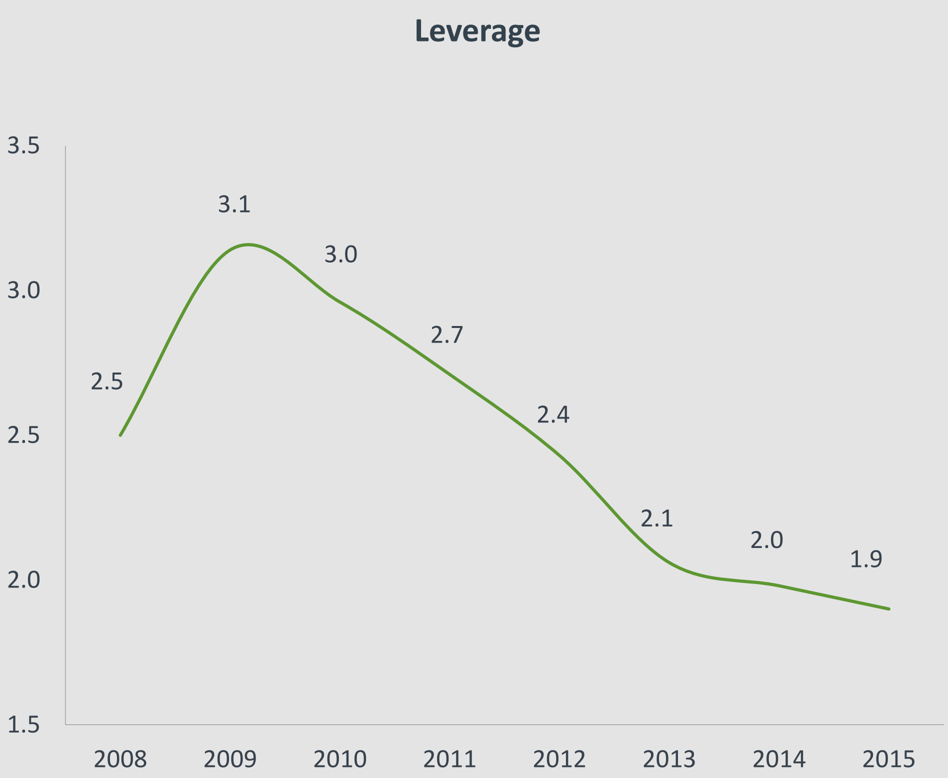


A-Plant

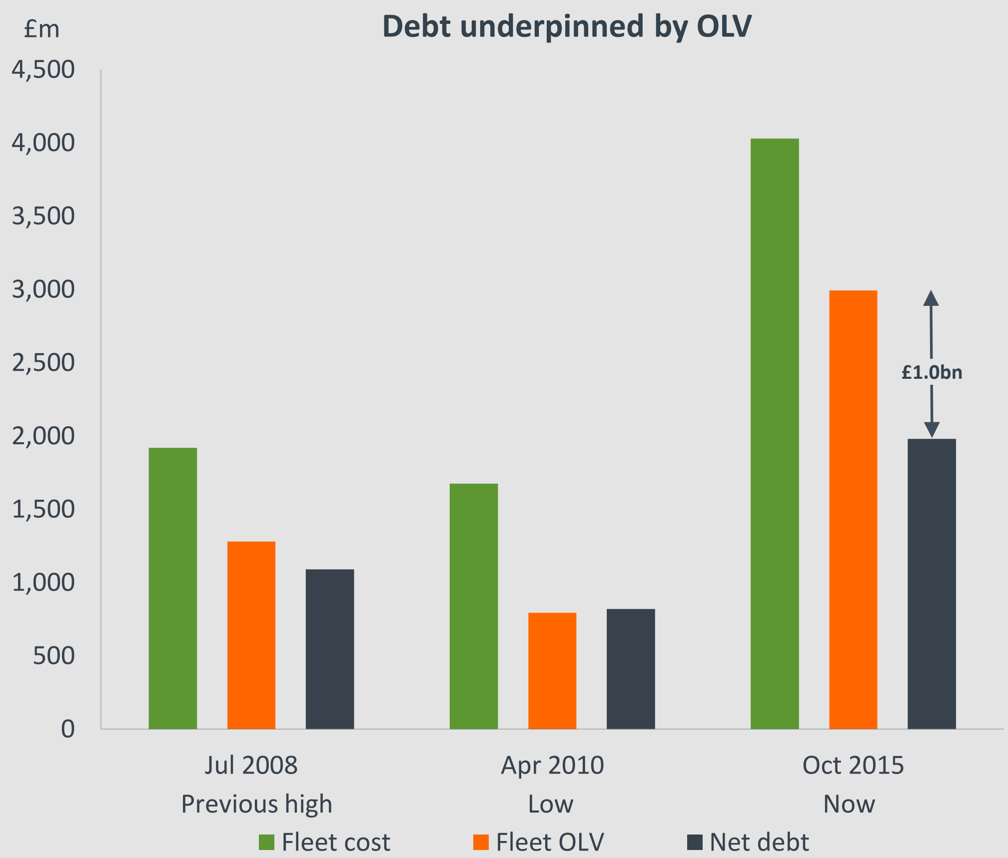


Financial strength

Growth potential is underpinned by the financial strength of the business

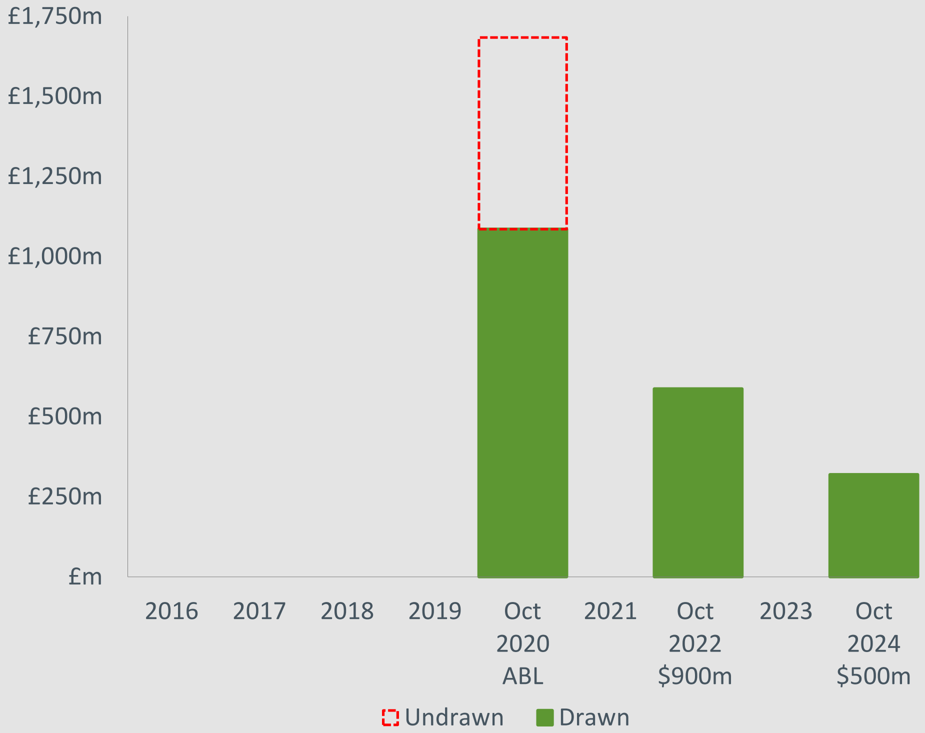


At constant (October 2015) exchange rates



Note: At constant exchange rates

Robust and flexible debt structure



- 6 year average remaining commitment
- No amortisation
- No financial monitoring covenants
  - whilst availability exceeds $260m (October 2015: $1,008m)

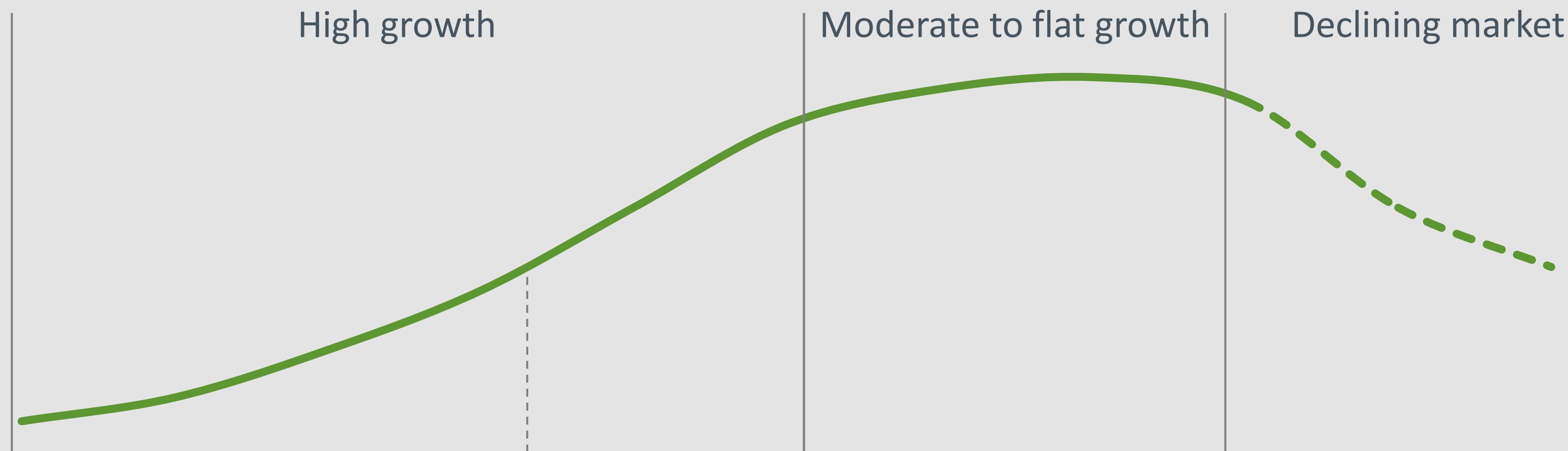
Cash flow

(£m)	Oct LTM	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EBITDA before exceptional items	**1,045**	**908**	**685**	**519**	**381**	**284**	**255**	**359**	**380**	**310**	**225**	**170**	**147**	**150**
EBITDA margin	45%	45%	42%	38%	34%	30%	30%	33%	38%	35%	35%	32%	29%	28%
Cash inflow from operations before fleet changes and exceptionals	**968**	**841**	**646**	**501**	**365**	**280**	**266**	**374**	**356**	**319**	**215**	**165**	**140**	**157**
Cash conversion ratio	93%	93%	94%	97%	96%	99%	104%	104%	94%	97%	96%	97%	95%	105%
Replacement capital expenditure	(472)	(349)	(335)	(329)	(272)	(203)	(43)	(236)	(231)	(245)	(167)	(101)	(83)	(89)
Disposal proceeds	142	103	102	96	90	60	31	92	93	78	50	36	32	29
Interest and tax	(92)	(95)	(56)	(48)	(57)	(71)	(54)	(64)	(83)	(69)	(41)	(31)	(33)	(40)
Cash flow before discretionary items	**546**	**500**	**357**	**220**	**126**	**66**	**200**	**166**	**135**	**83**	**57**	**69**	**56**	**57**
Growth capital expenditure	(663)	(588)	(406)	(254)	(135)	-	-	-	(120)	(63)	(63)	(10)	-	(18)
M&A	(158)	(242)	(103)	(34)	(22)	(35)	(1)	89	(6)	(327)	(44)	1	15	(1)
Exceptional costs	-	-	(2)	(16)	(3)	(12)	(8)	(9)	(10)	(69)	(20)	(6)	(17)	(8)
Cash flow available to equity holders	**(275)**	**(330)**	**(154)**	**(84)**	**(35)**	**19**	**191**	**246**	**(1)**	**(376)**	**(70)**	**54**	**54**	**30**
Dividends paid	(76)	(61)	(41)	(20)	(15)	(15)	(13)	(13)	(10)	(7)	(2)	-	-	(9)
Share issues/repurchases	(11)	(21)	(23)	(10)	(4)	-	-	(16)	(24)	144	69	-	-	-
	(362)	**(412)**	**(218)**	**(114)**	**(53)**	**4**	**178**	**217**	**(35)**	**(239)**	**(3)**	**54**	**54**	**21**

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

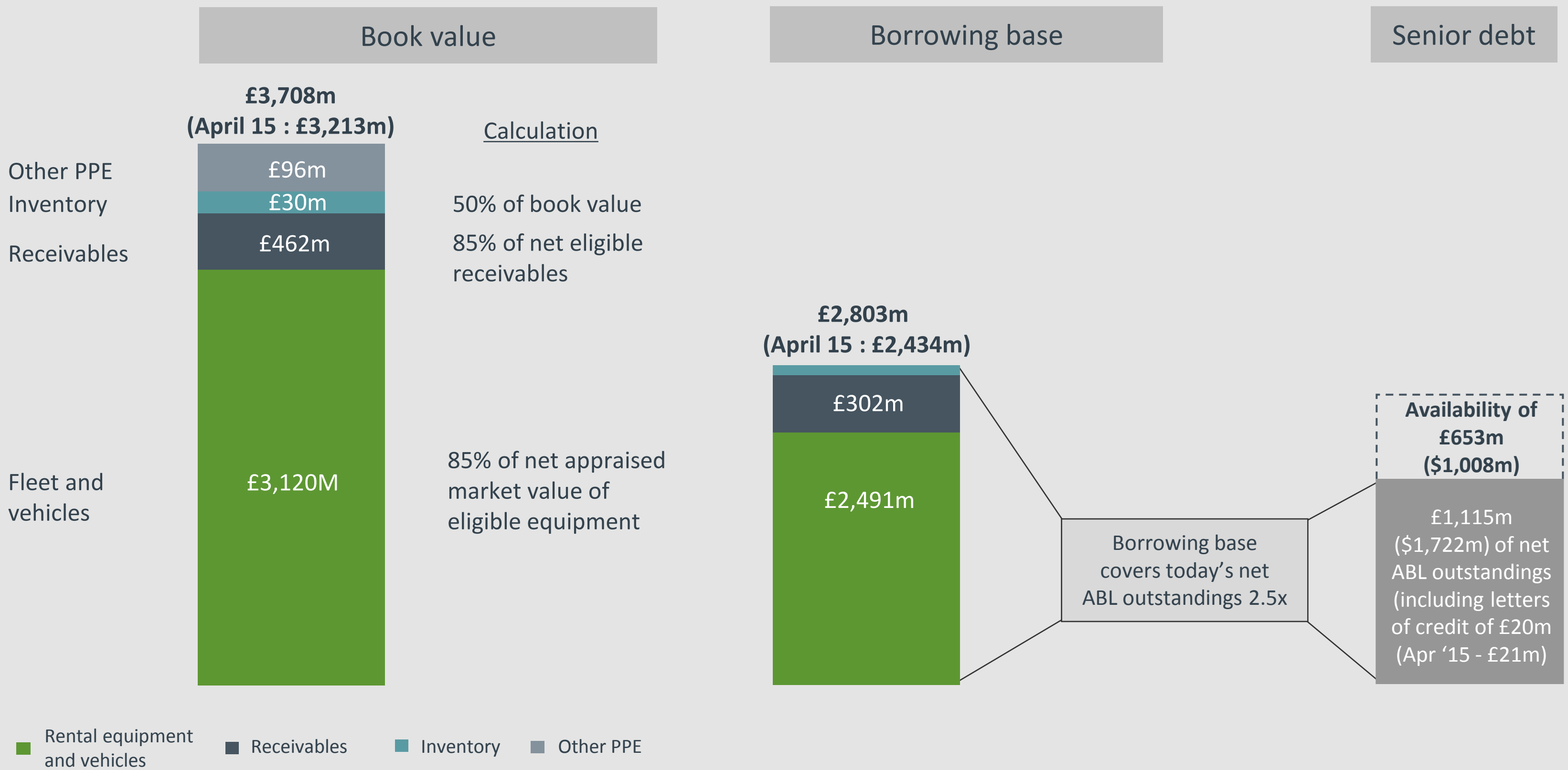
Cyclical cash generation

Cash positive once growth moderates – highly generative during downturn



	2011	2012	2013	2014	2015	← Ongoing →	Moderate / flat growth	Cyclical downturn
Cash flow from operations	280	365	501	646	841	Growing	Growing	Decreasing but remains positive
Capital expenditure	225	476	580	741	1,063	High	Moderating	Significantly reduced
Sunbelt average fleet growth	-	+9%	+16%	+21%	+29%	High (>12%)	Low (<12%)	Flat to declining
Free cash flow	54	(13)	(50)	(51)	(88)	Negative	Positive	Highly positive
Leverage (absent significant M&A)	2.9	2.3	1.9	1.8	1.8	Declining	Lower end of 1-2 range	Initial increase, subsequent decline
Dividend	3.0p	3.5p	7.5p	11.5p	15.25p	Increasing	Lower rate of increase	Maintained

$1,008m of availability at 31 October 2015



- Borrowing base reflects July 2015 asset values

Debt and covenants

Debt

Facility	Interest rate	Maturity
$2.6bn first lien revolver	LIBOR +125-175bp	July 2020
$900m second lien notes	6.5%	July 2022
$500m second lien notes	5.625%	October 2024
Capital leases	~7%	Various

Ratings

	S&P	Moody's
Corporate family	BB	Ba2
Second lien	BB	Ba3

Availability

- Covenants are not measured if availability is above $260m

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 October 2015

Ashtead group