

Ashtead
group

Project 2021

OCTOBER 13, 2016

Ashtead Group plc Investor Presentation



AGENDA / SPEAKERS

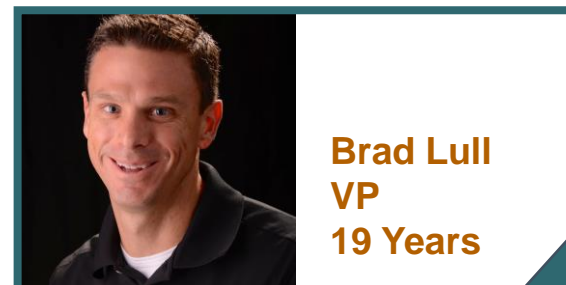
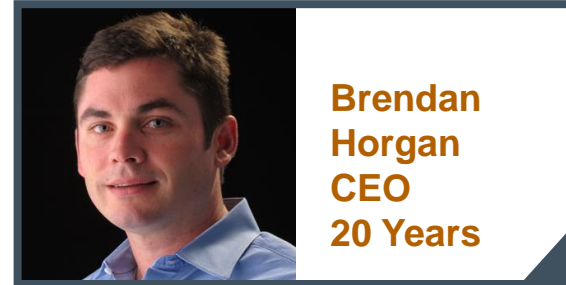
What's happening with rental penetration?

Further share gains

Outlook for Greenfields and Bolt-Ons

- *Target markets*
- *Benefits of clusters*
- *What does it all shape up to?*

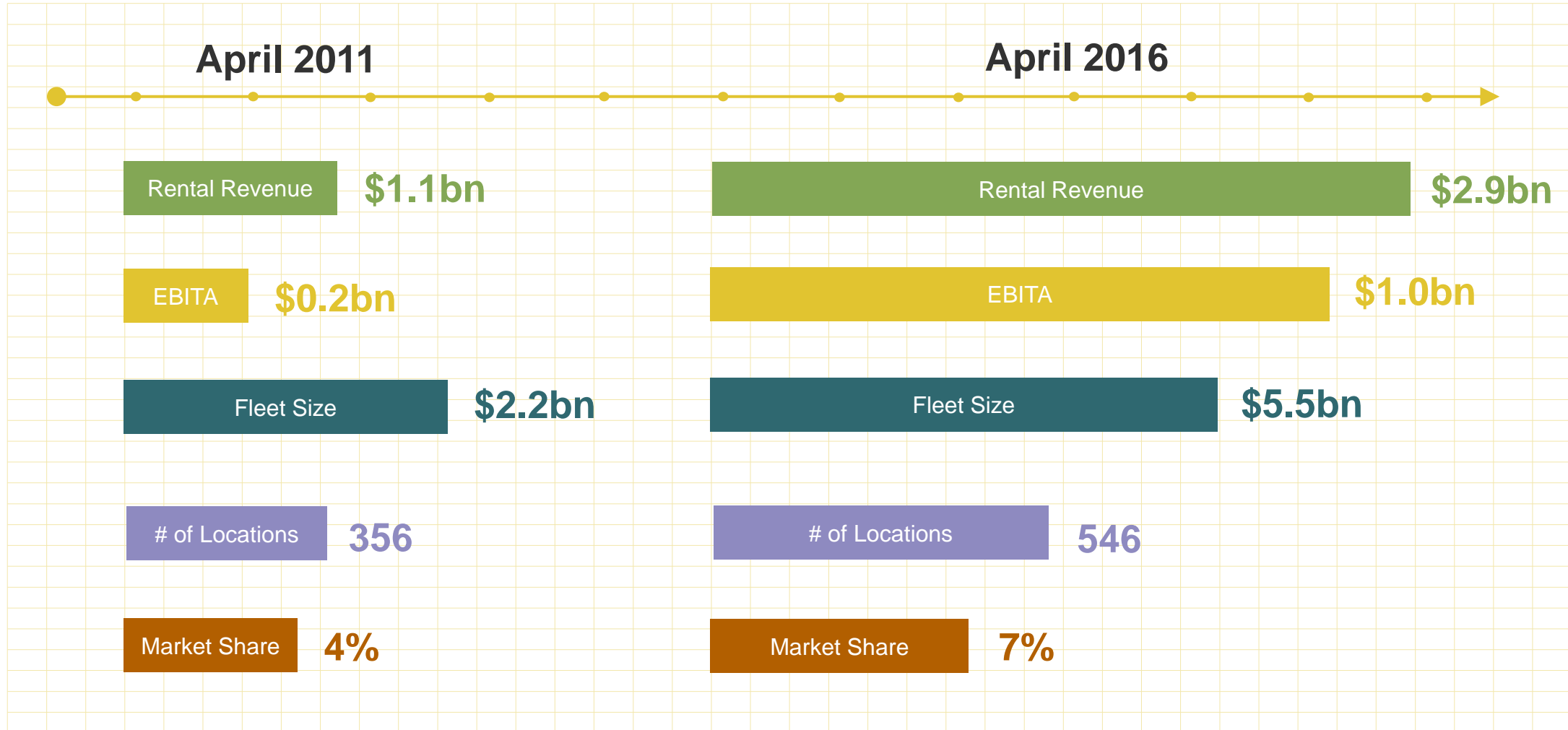
What does it all look like by 2021?



PROJECT 2021

- Initial plan set in 2011 to take advantage of structural changes in the market
- Objective was to grow and diversify from both a geographic and product perspective
- The plan proved very successful and Project 2021 is all about refining our plans

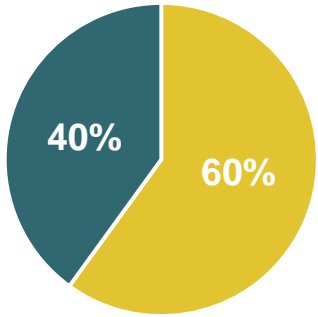
OUR GROWTH



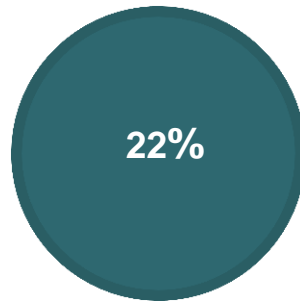
OUR DIVERSIFICATION

SEGMENTAL ANALYSIS

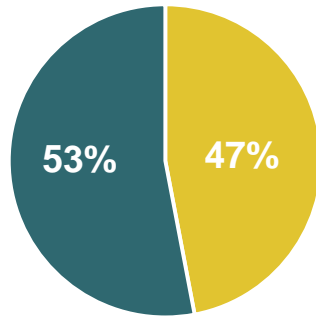
GENERAL TOOL



SPECIALTY

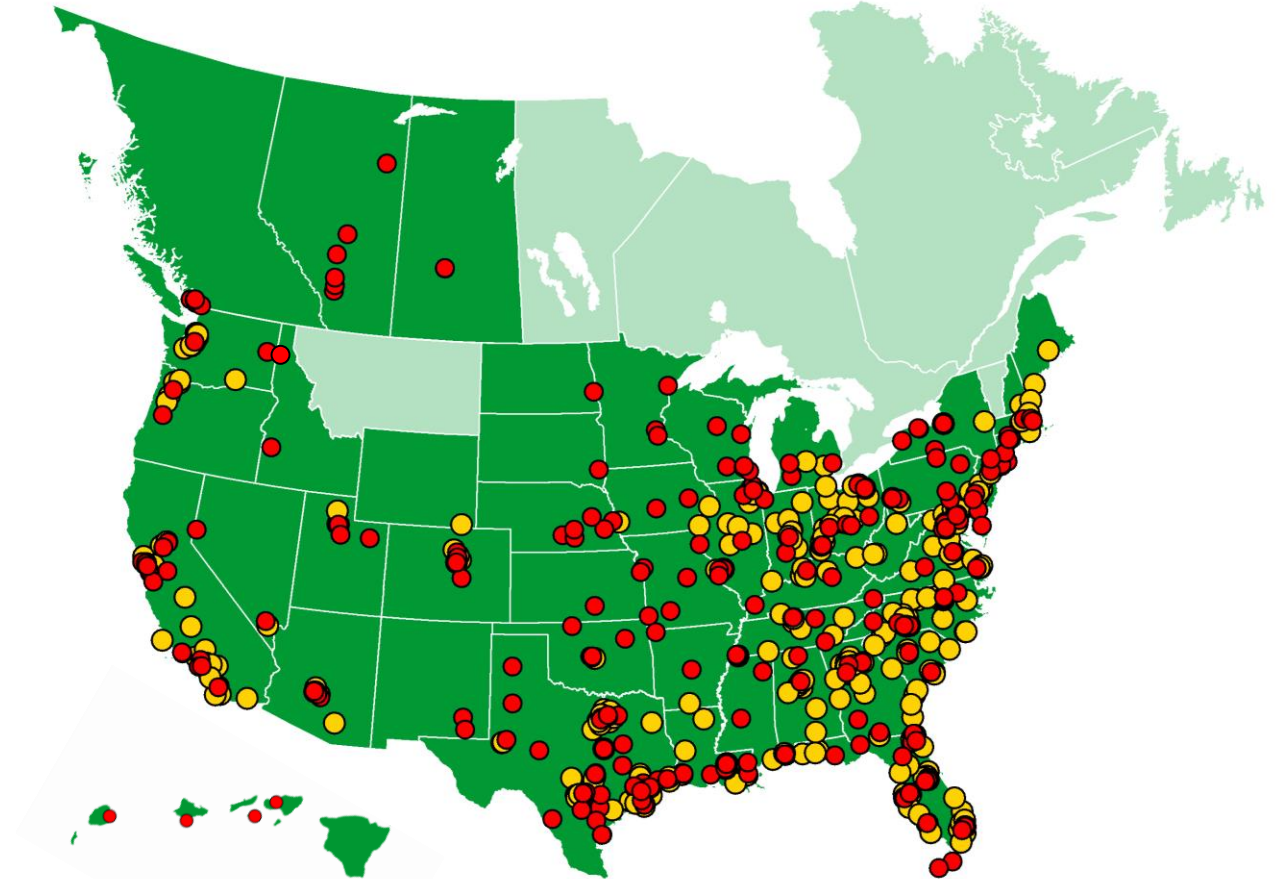


TOTAL BUSINESS



- Non-Construction
- Construction

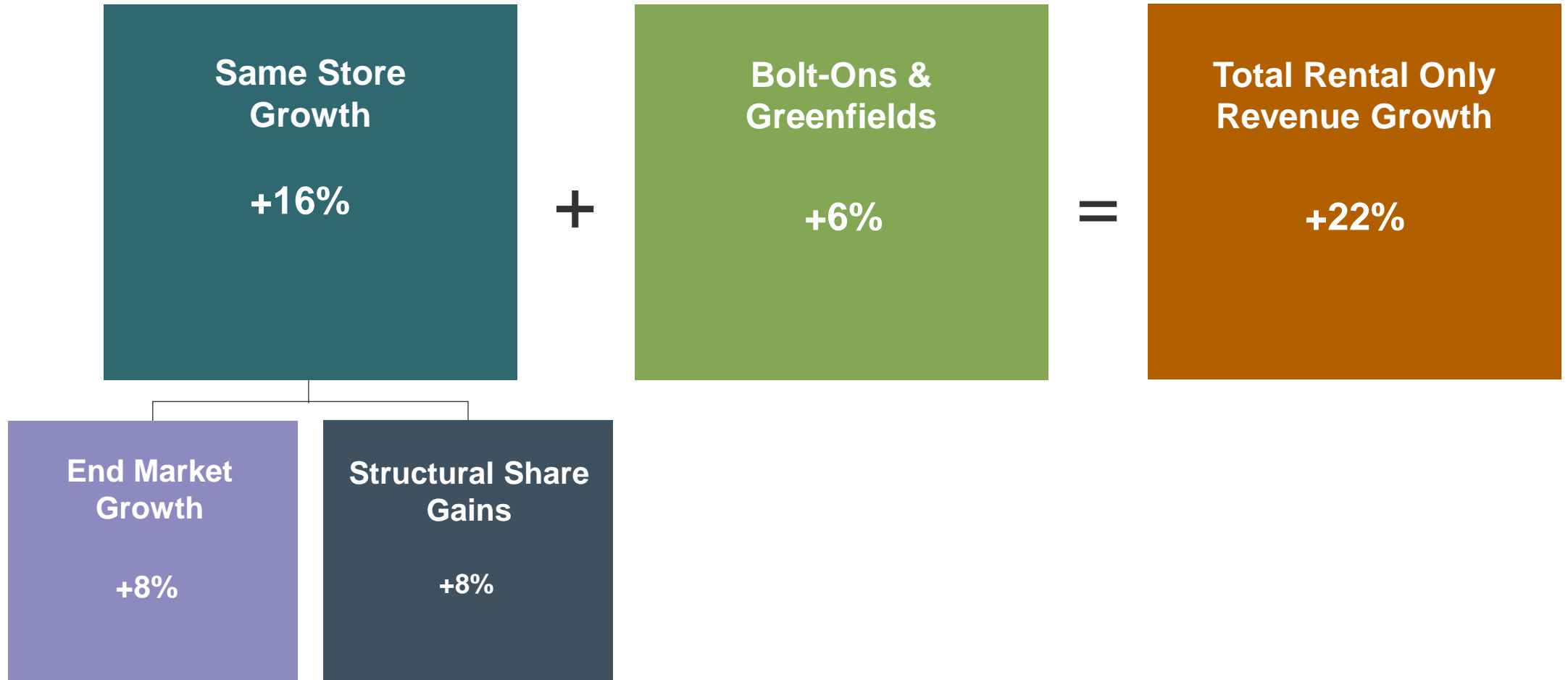
GEOGRAPHY



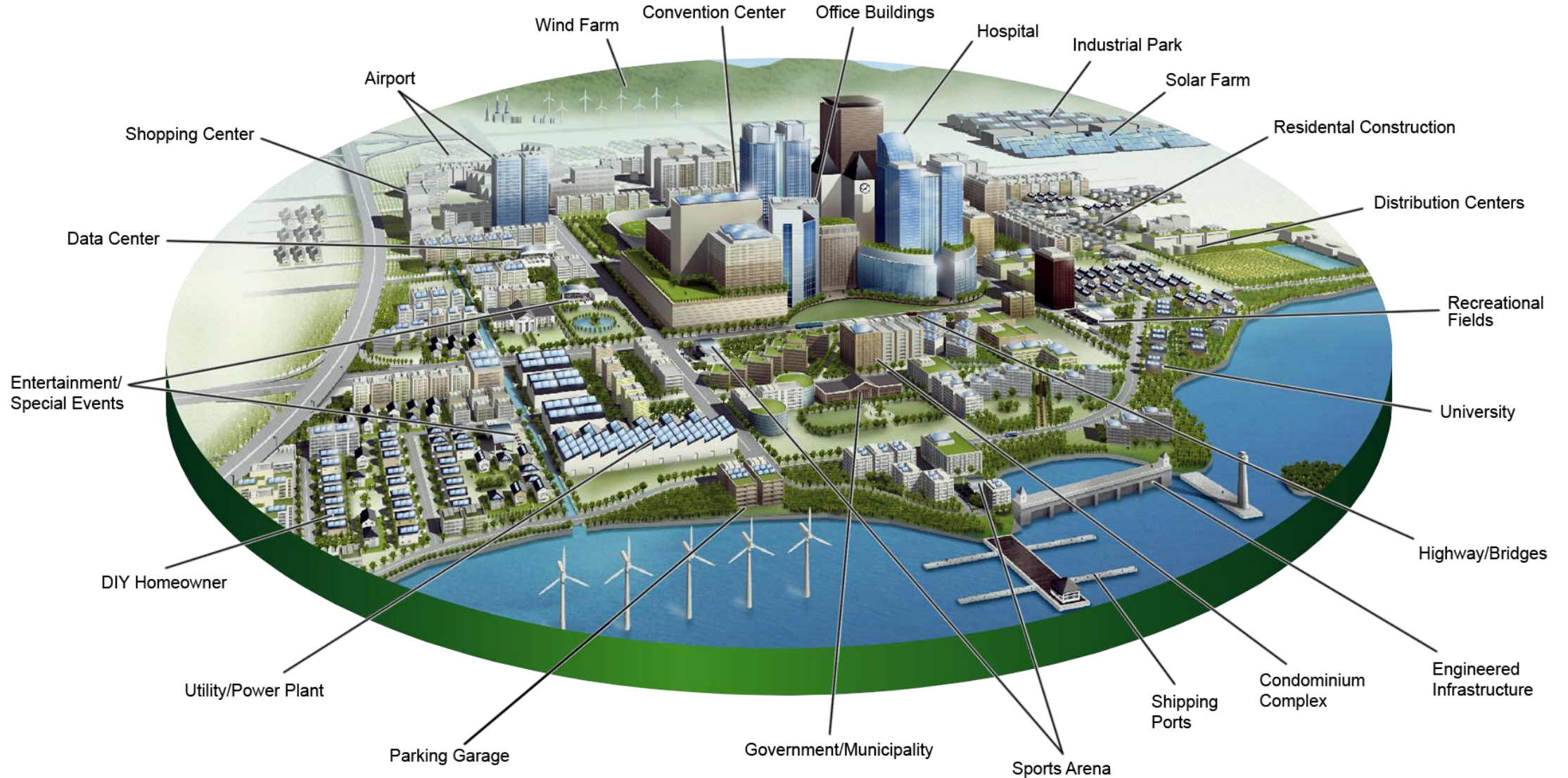
- 2012
- Growth Locations

WHERE THE GROWTH HAS COME FROM

CAGR FY11 – FY16



OUR MARKET



OUR MARKET CONSTRUCTION



Construction

- Airports
- Highways and bridges
- Office buildings
- Data centers
- Schools and universities
- Shopping centers
- Residential
- Remodel

OUR MARKET ENTERTAINMENT AND SPECIAL EVENTS



Entertainment / Special Events

- Concerts
- Sporting events
- Movies/TV production
- Theme parks
- Festivals
- Farmers market
- Local 5K

OUR MARKET FACILITIES AND MUNICIPALITIES



Facilities and Municipalities

- Office complexes
- Parks and recreation depts
- Schools and universities
- Shopping centers
- Condo complexes
- Sidewalk/Curb repairs
- Golf Course maintenance
- Government

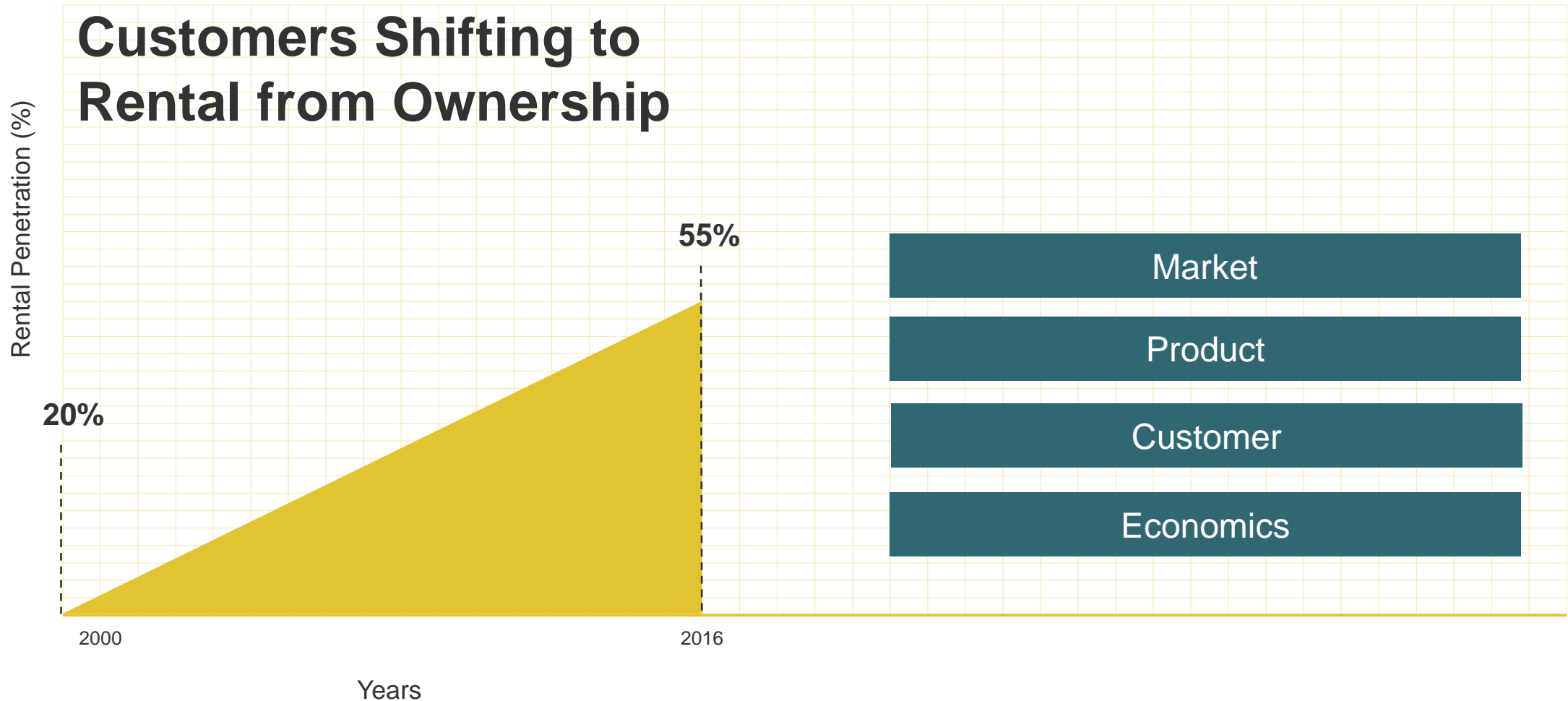
OUR MARKET EMERGENCY RESPONSE



Emergency Response

- Fire
- Hurricanes
- Flooding
- Tornadoes
- Winter storms
- Residential emergencies

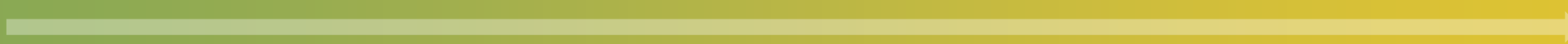
STRUCTURAL CHANGE



RENTAL PENETRATION THE PRODUCT RANGE



HIGH



LOW

RENTAL PENETRATION THE PRODUCT RANGE

AERIAL WORK PLATFORM +90% MARKET PENETRATION

Drivers

- Product range introduced by rental
- Range of quantity and size needs
- Health and safety requirements



RENTAL PENETRATION THE PRODUCT RANGE

ROUGH TERRAIN FORKLIFT +80% MARKET PENETRATION

Drivers

- Manufactured largely by Aerial OEMs
- Health and safety requirements
- Exponential growth — universal applications



RENTAL PENETRATION THE PRODUCT RANGE

GENERAL EQUIPMENT ~35% MARKET PENETRATION

Drivers

- Deep history of ownership
- Absence of industry reliability



RENTAL PENETRATION THE PRODUCT RANGE

CONTRACTOR TOOLS ~10% MARKET PENETRATION

Drivers

- Deep history of ownership
- Absence of industry reliability
- Vast range



RENTAL PENETRATION THE CUSTOMER – CONSTRUCTION MARKET

Large National Contractor



Mid-Sized Contractor



Small Local Contractor



RENTAL PENETRATION THE CUSTOMER – NON-CONSTRUCTION MARKET

Events / Entertainment



Remediation / Restoration



Facility / Municipality



UNDERSTANDING RENTAL PENETRATION ECONOMICS



ACQUISITION COSTS

- Inflation
- Tier4
- Capital Availability
- Cash in hand v. in equipment



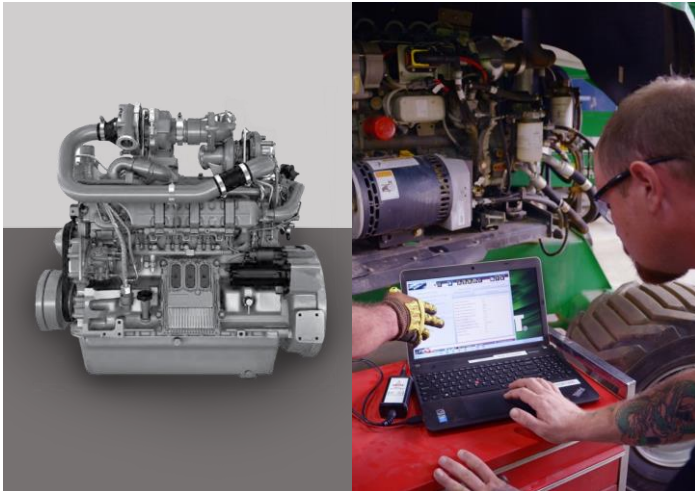
OPERATING EXPENSES

- Facilities
- Employees
- Stocking Spare Parts
- Repair / Maintenance
- Logistics

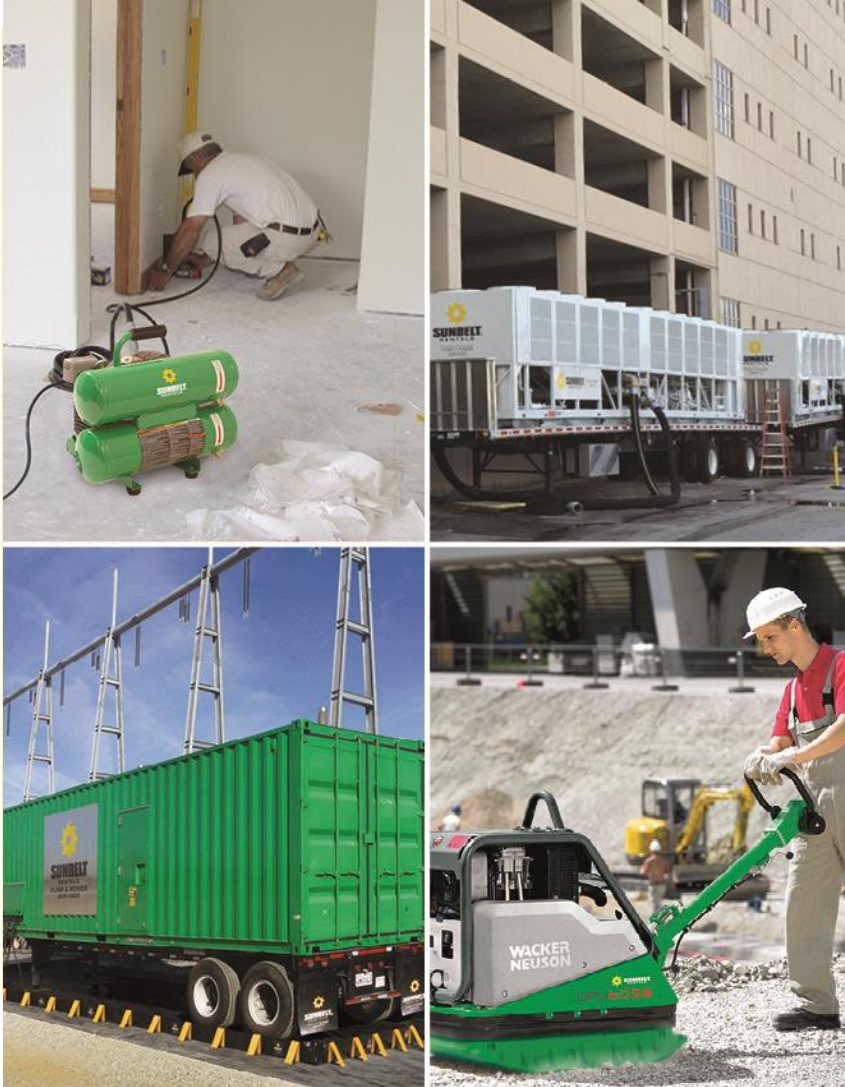


TECHNOLOGY / REGULATORY

- Tier4
- Legislative Requirements
- OSHA
- Environmental
- D.O.T.



WHY FROM SUNBELT? PRODUCT RANGE



Product Stats

\$600k

\$340k

\$190k

\$38k

\$9k

\$1k

\$250

\$45

2 meg Generator

400 ton Chiller

135' Boom

Track Skidsteer

19' Electric Scissor

Rotary Hammer

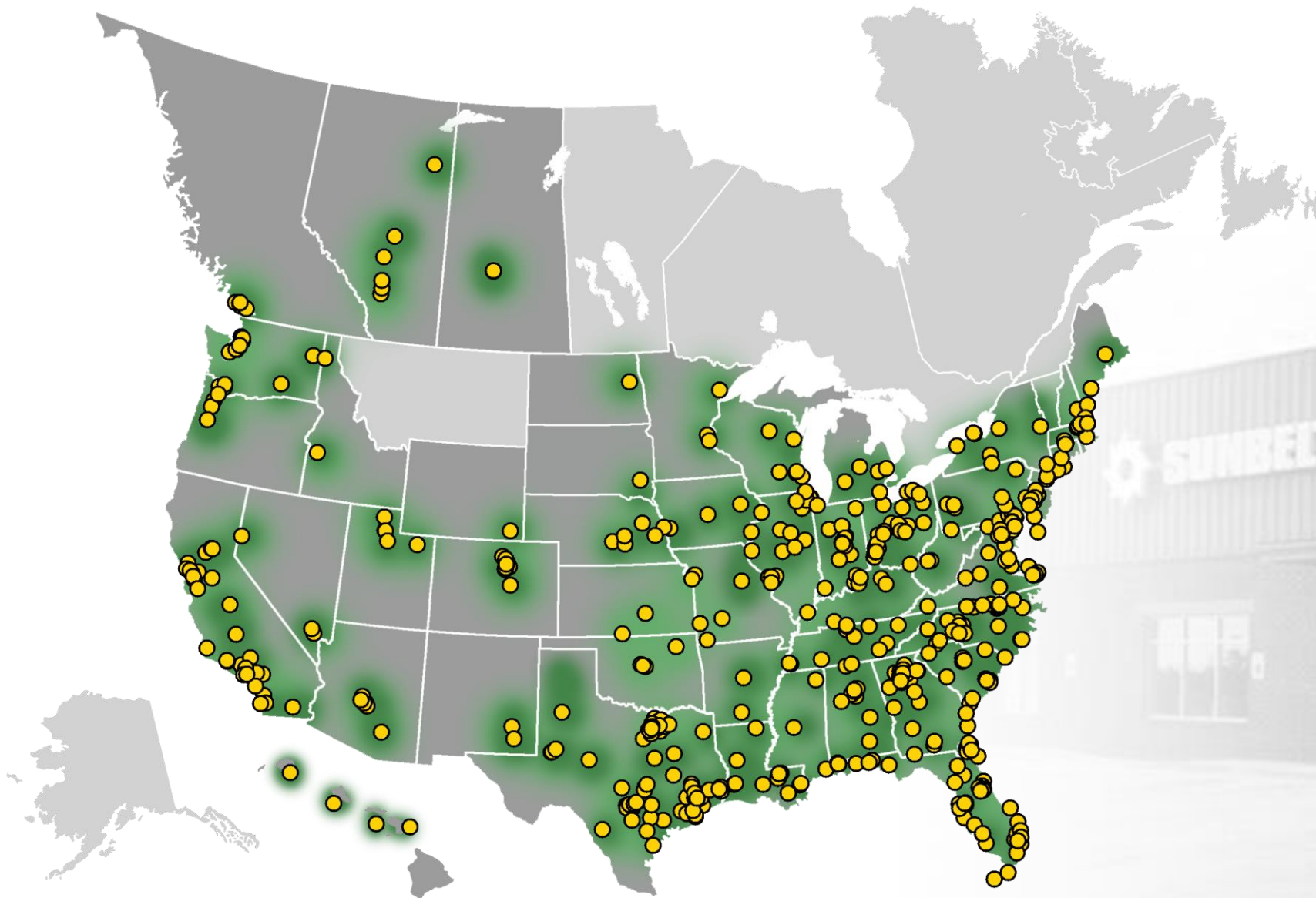
2" Submersible Pump

Steel for Air Hammer

Fleet size
\$6 billion

Fleet range
8,500 classes

WHY FROM SUNBELT? FOOTPRINT



WHY FROM SUNBELT? SERVICE & SOLUTIONS

10,125 EMPLOYEES



193K
SERVICE CALLS

**JUST SAY
YES!**



We solve customers
problems AND make it easy!



1,724
DRIVERS



2,440
DELIVERY & SERVICE
FLEET



689
FIELD TECHNICIANS

1,442
TECHNICIANS

98M
MILES DRIVEN
LAST YEAR



73%
ORDERS
WITHIN 24 HRS



ENGINEER, DESIGN
(BYPASS – SCAFFOLD -
CLIMATE CONTROL ETC.)

WHY FROM SUNBELT?



PRODUCT
(Size & Range)



FOOTPRINT
(Breadth & Depth)



**SERVICE &
SOLUTIONS**
(People, Technology, Specialty)

=

AVAILABILITY
RELIABILITY
EASE

WHY FROM SUNBELT? INNOVATION

Complete digital eco-system



COMMAND CENTER &
COMMAND CENTER MOBILE



ACCELERATE



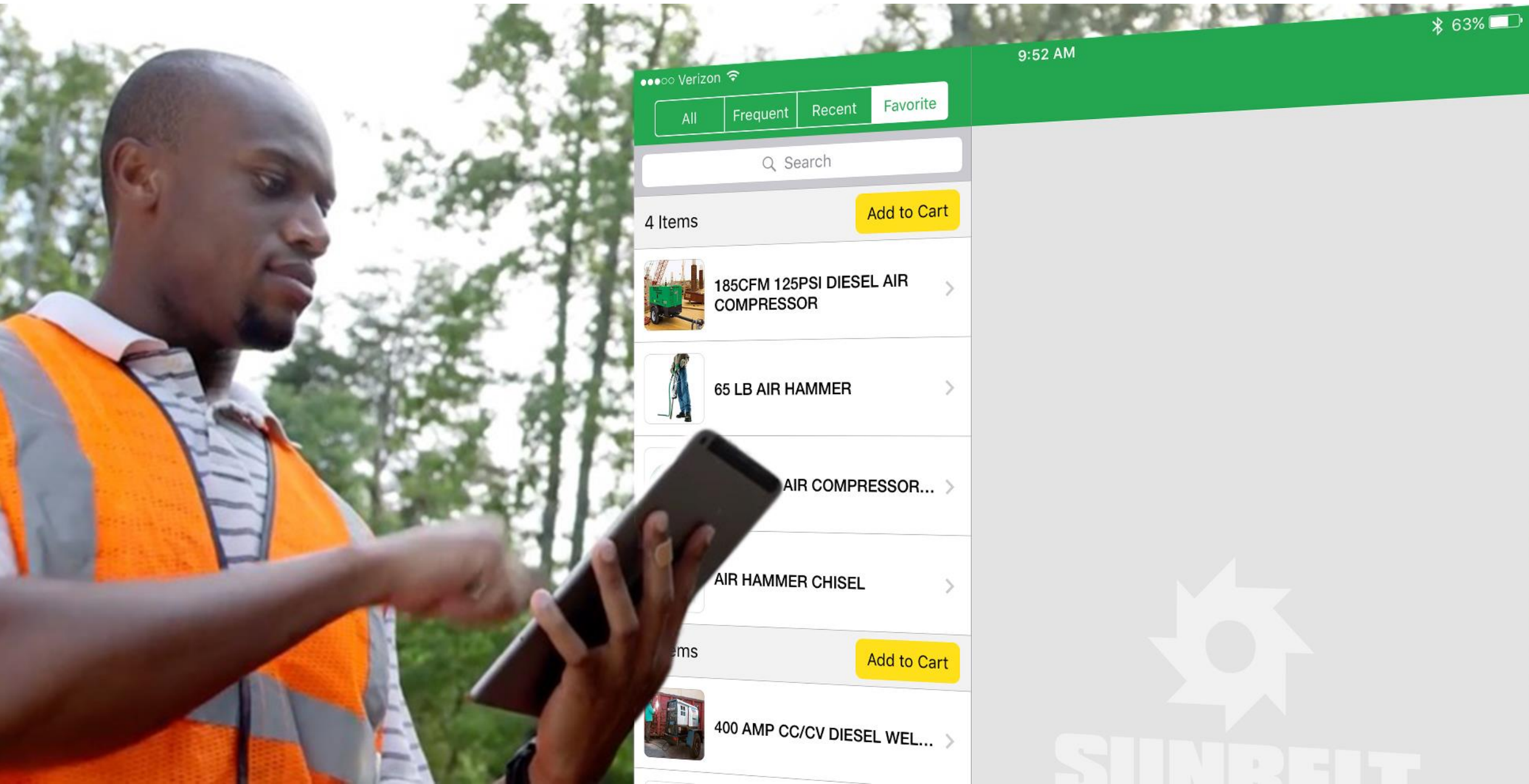
VDOS



TOOLFLEX

CREATING AVAILABILITY, RELIABILITY AND EASE FOR THE CUSTOMER

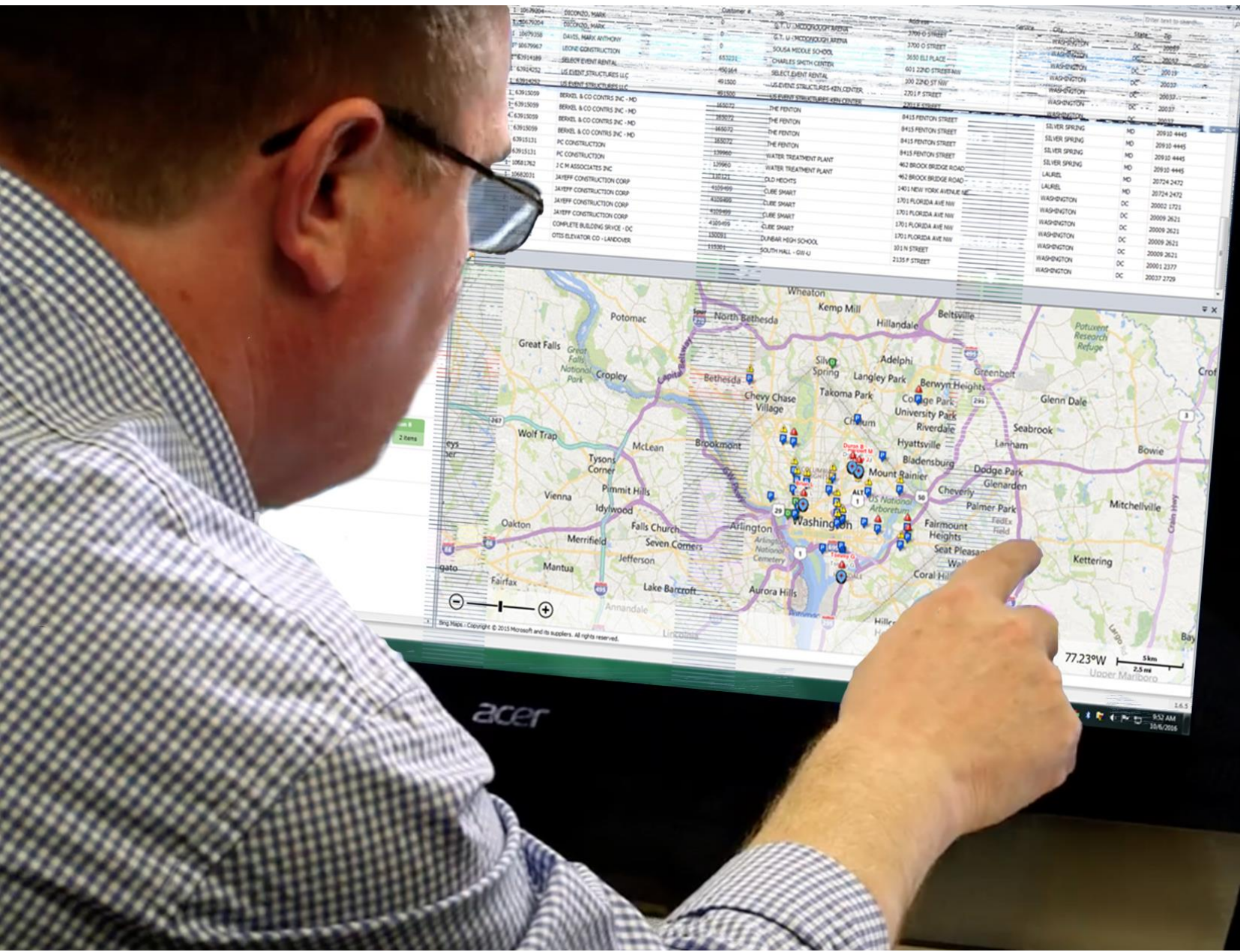
COMMAND CENTER



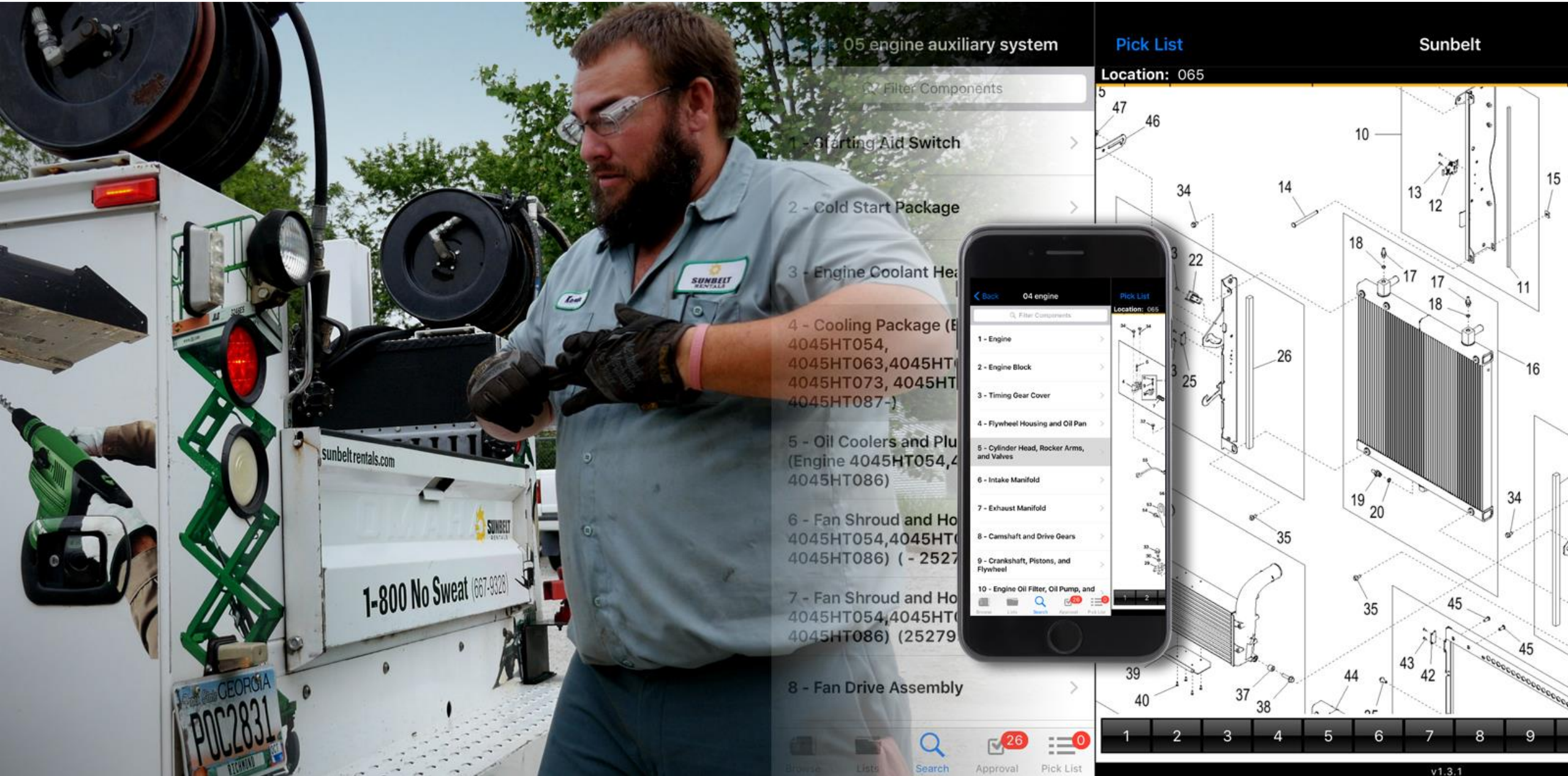
ACCELERATE



VEHICLE DELIVERY OPTIMIZATION SYSTEM (VDOS)



MOBILE FIELD SERVICE TOOLS



05 engine auxiliary system

Pick List

Sunbelt

Filter Components

Location: 065

1 - Starting Aid Switch

2 - Cold Start Package

3 - Engine Coolant Heat

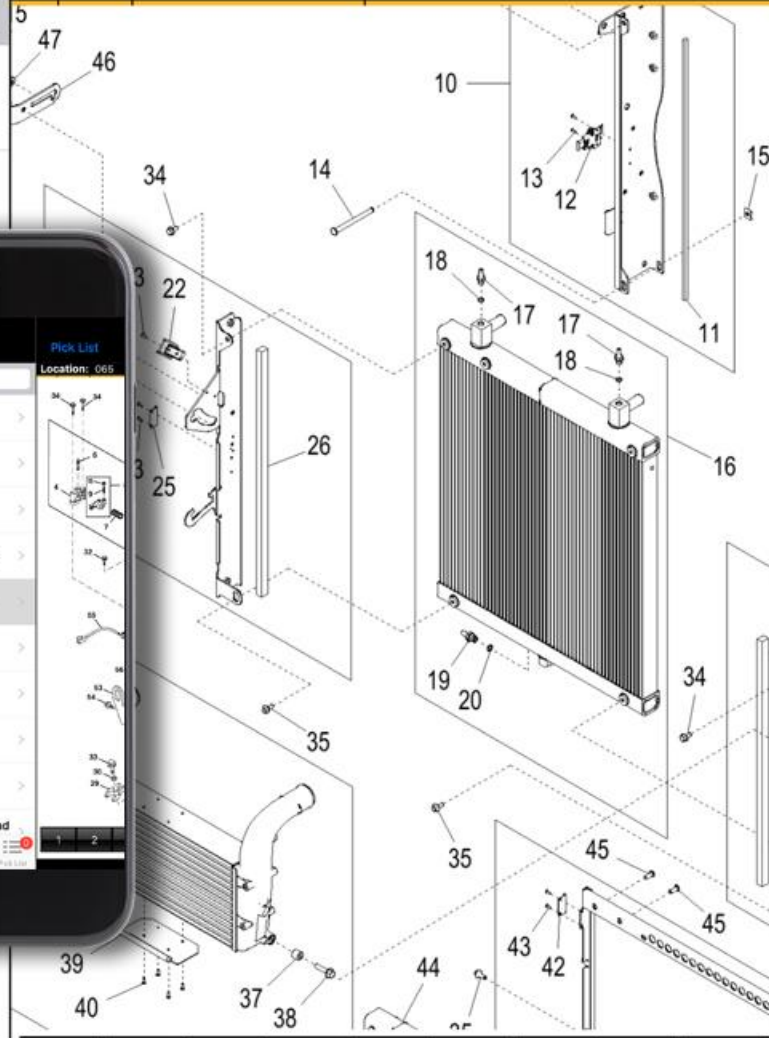
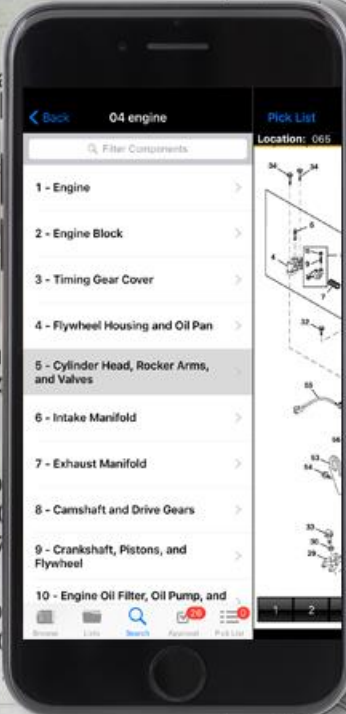
4 - Cooling Package (E
4045HT054,
4045HT063,4045HT
4045HT073, 4045HT
4045HT087-)

5 - Oil Coolers and Plu
(Engine 4045HT054,4
4045HT086)

6 - Fan Shroud and Ho
4045HT054,4045HT
4045HT086) (- 2527

7 - Fan Shroud and Ho
4045HT054,4045HT
4045HT086) (25279

8 - Fan Drive Assembly



WHY FROM SUNBELT? INNOVATION



Rent the small tools you use
with the flexibility you need.

1

BUILD IT.

Begin building your pack with 3 tools (minimum) selected from our extensive list of hundreds of items.

2

CUSTOMIZE IT.

Additional tools can be added to your pack at any time. Don't need a tool? Simply return it and remove it from your pack.

3

RENT IT.

Take your custom pack with you and use it for one great package price. Minimum 4 week period.

4

EXCHANGE IT.

Exchange items within your pack at any time at any Sunbelt Rentals General Tool location.



HUNDREDS OF ITEMS

FLEXIBILITY MADE EASY



WHY FROM SUNBELT? THE VOICE OF THE CUSTOMER

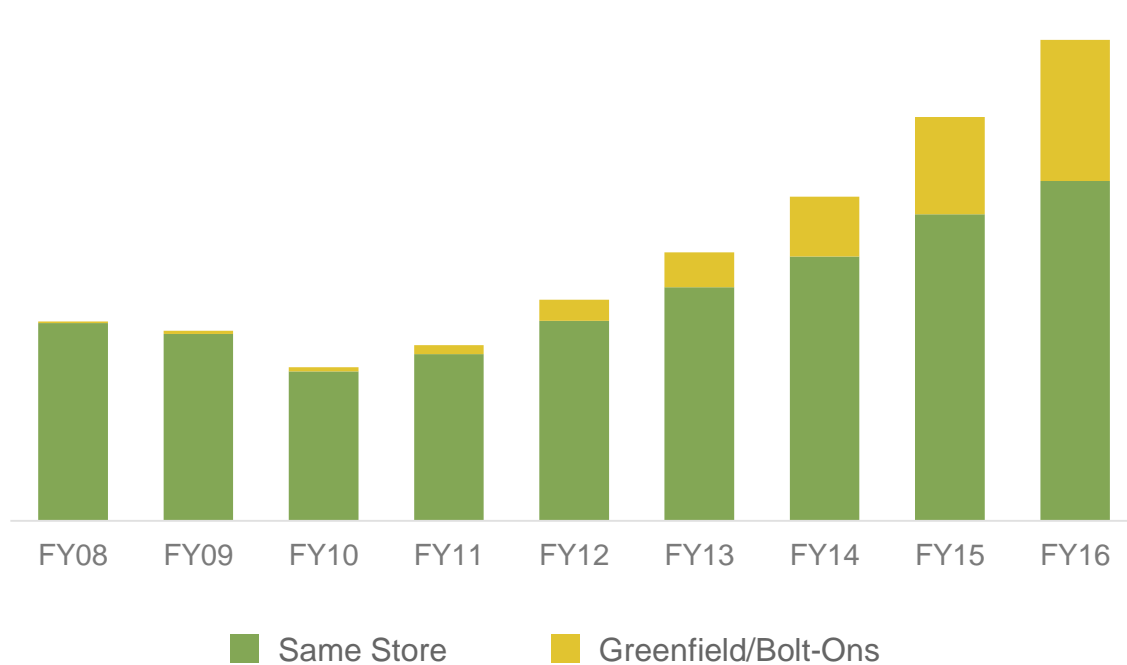


FUTURE GROWTH STRATEGY

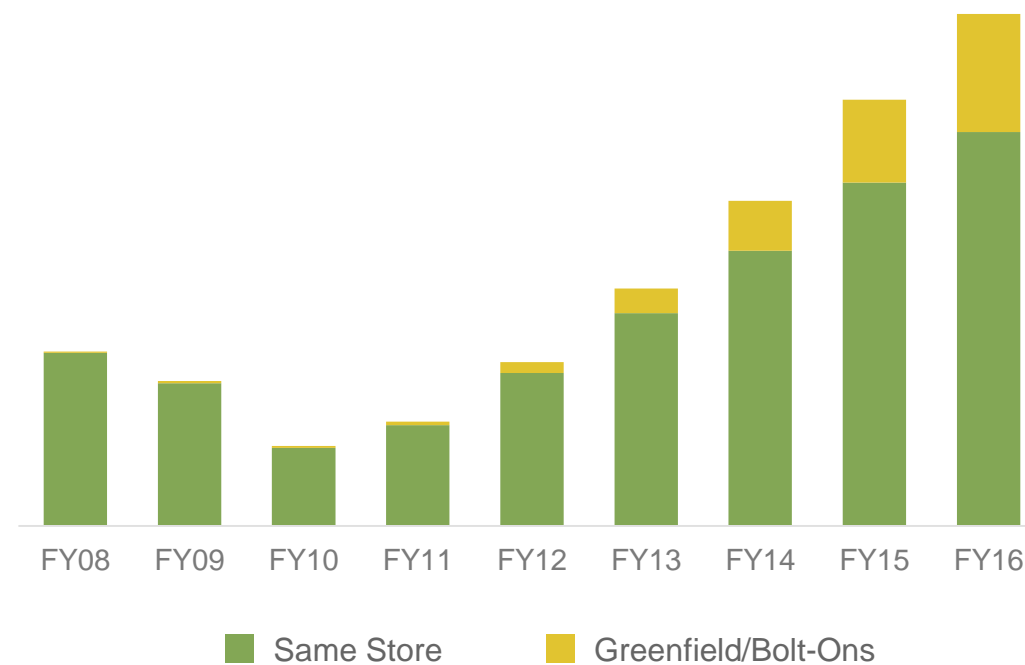


THROUGH THE CYCLE GROWTH: FY08 – FY16

Revenue



EBITA



THE RENTAL MARKET: MACRO VIEW

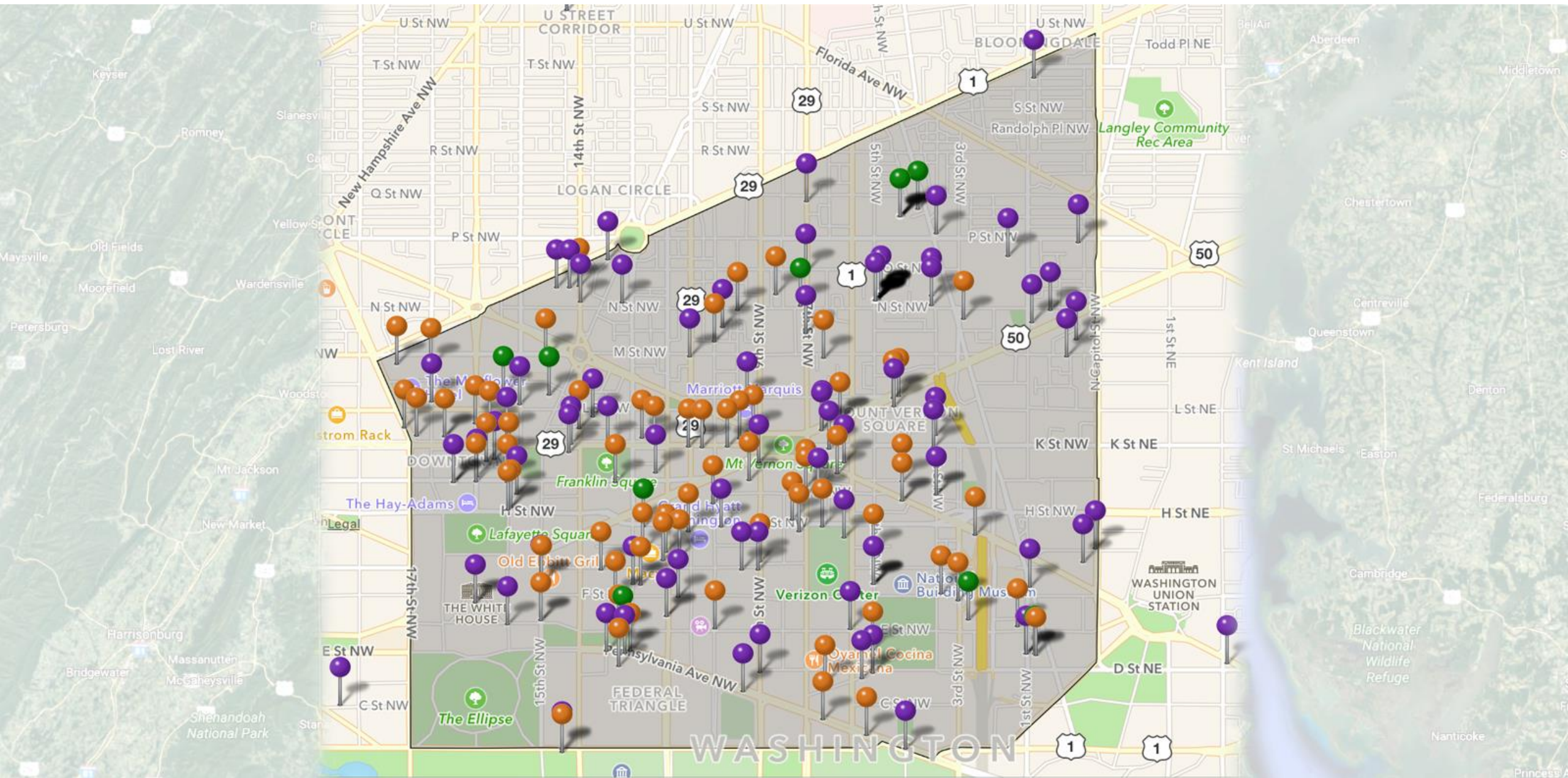
Rental Market DMAs	Today's Rental Market \$bn	% Of Rental Market	2015 Sunbelt Market Share*	Rental Market CAGR (08-15)	Sunbelt CAGR (08-15)	Sunbelt Vs Market
1 to 25	22.5	56%	6%	3.0%	10%	3.3x
26 to 50	7.5	19%	9%	2.7%	9%	3.3x
51 to 100	6.5	16%	5%	2.7%	13%	4.8x
100 to 210	3.8	9%	6%	2.1%	11%	5.2x

Top 25 Markets = 56% Of The U.S. Rental Market

26 To 50 Markets Is Historically The "Sunbelt" Of The U.S. – 9% Share

Sunbelt Has Out Performed The Market In Each Segment No Less Than 3x

THE RENTAL MARKET: MICRO VIEW



GROWTH TIMELINE – GREENFIELDS & BOLT-ONS



Greenfields	138
Bolt-Ons	98
Total Additions	236

General Tool	116
Specialty	120
	236

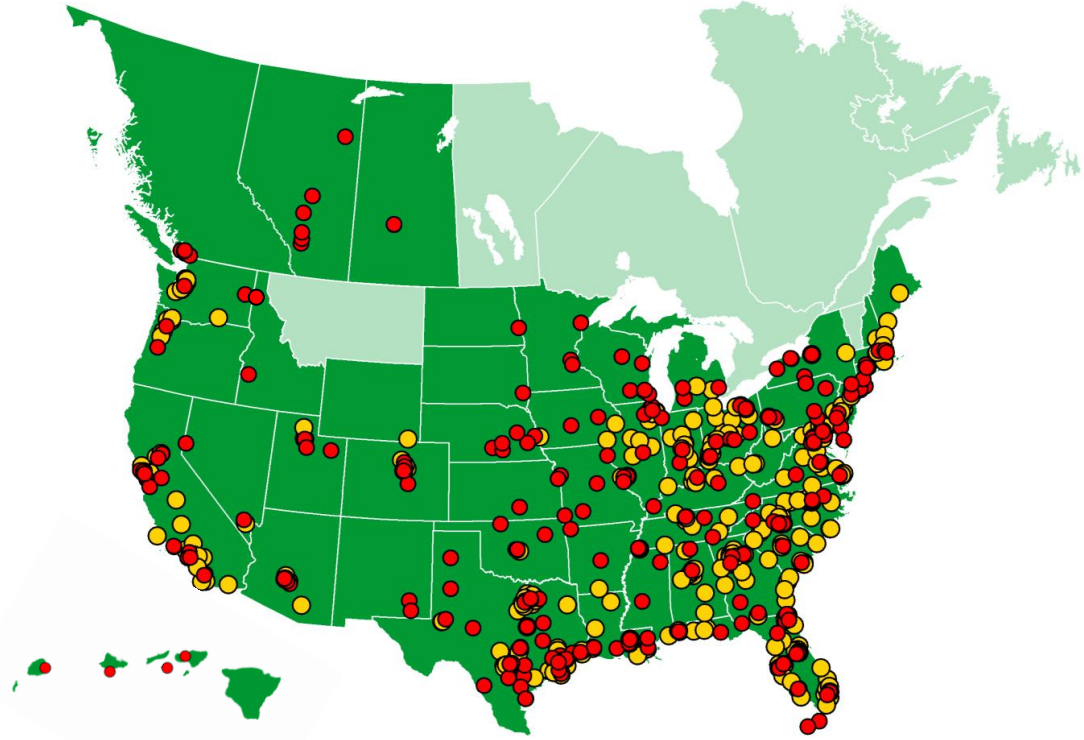
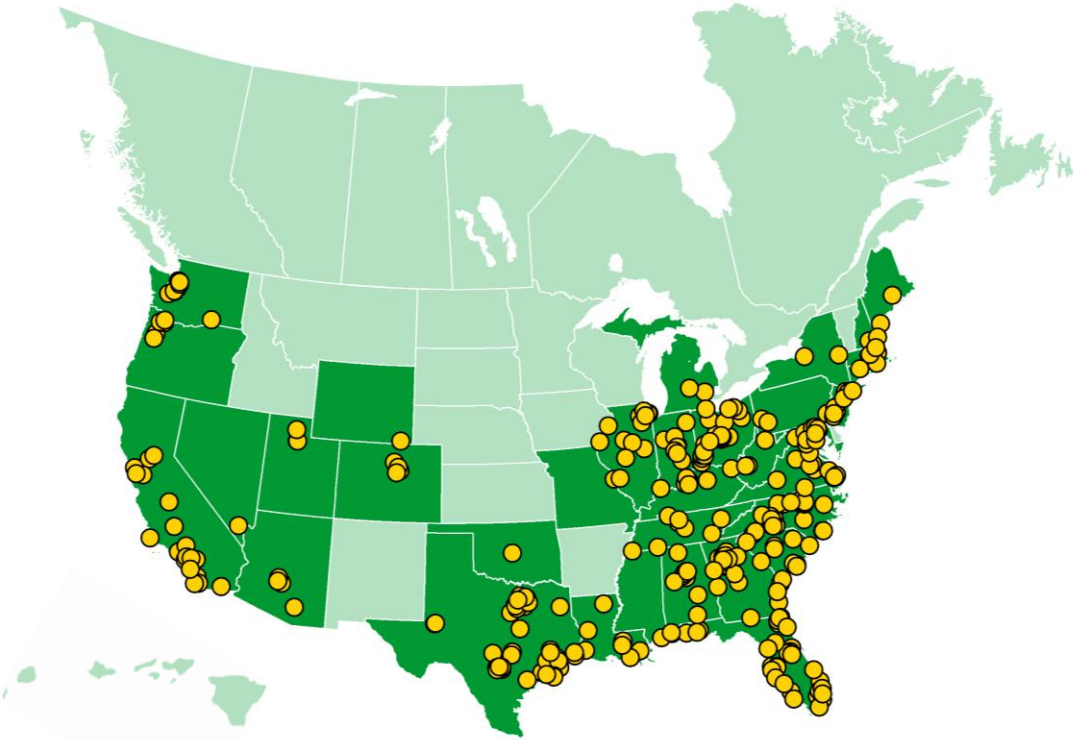
Growth locations since April 2011



WHERE WE ADDED LOCATIONS

2012

2016



Opened locations in new markets

Added locations in existing markets to build out clusters

Introduced specialty locations to existing clusters

- 2012
- Growth Locations

2021 GROWTH LOCATIONS

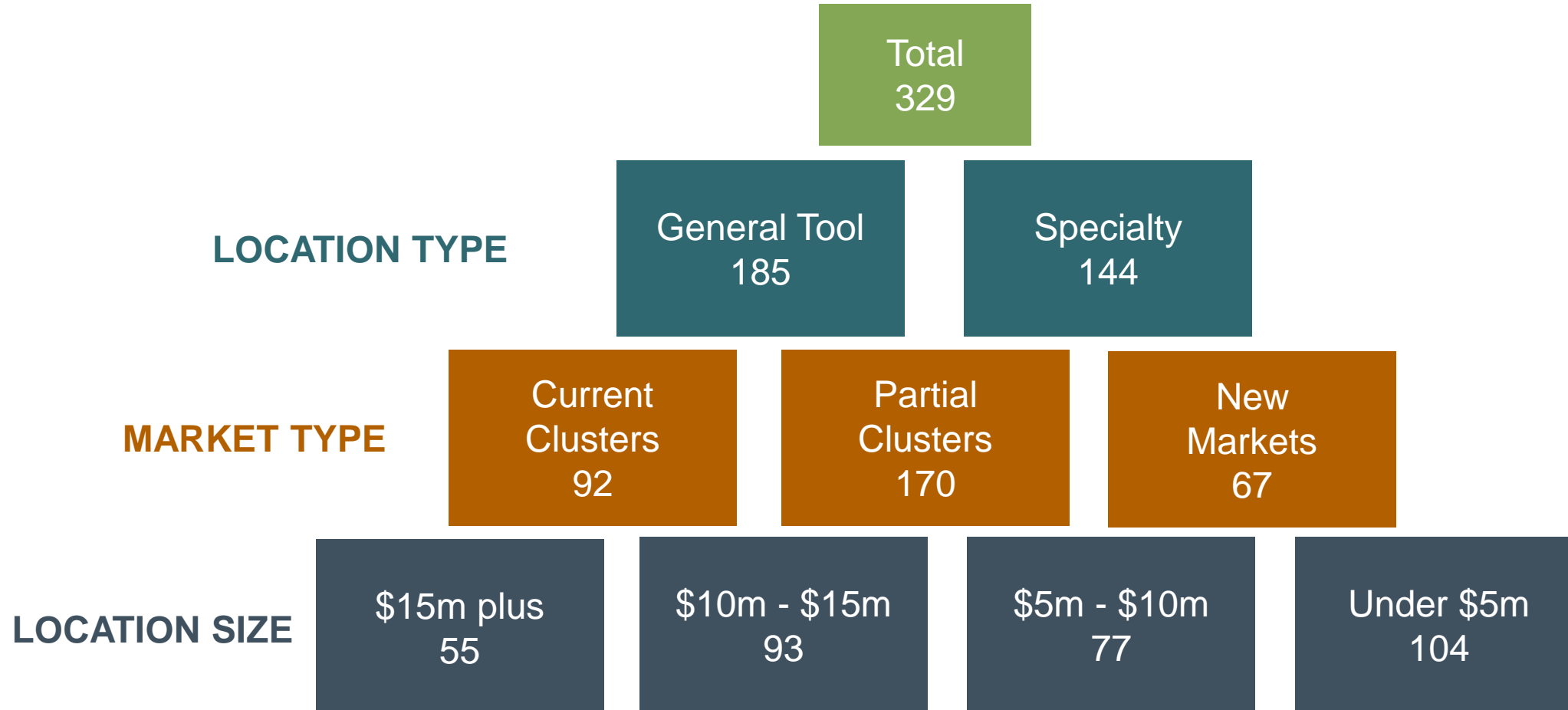
	April 16	Planned Openings	2021
Locations	546	329	875

**Targeted
location
openings**

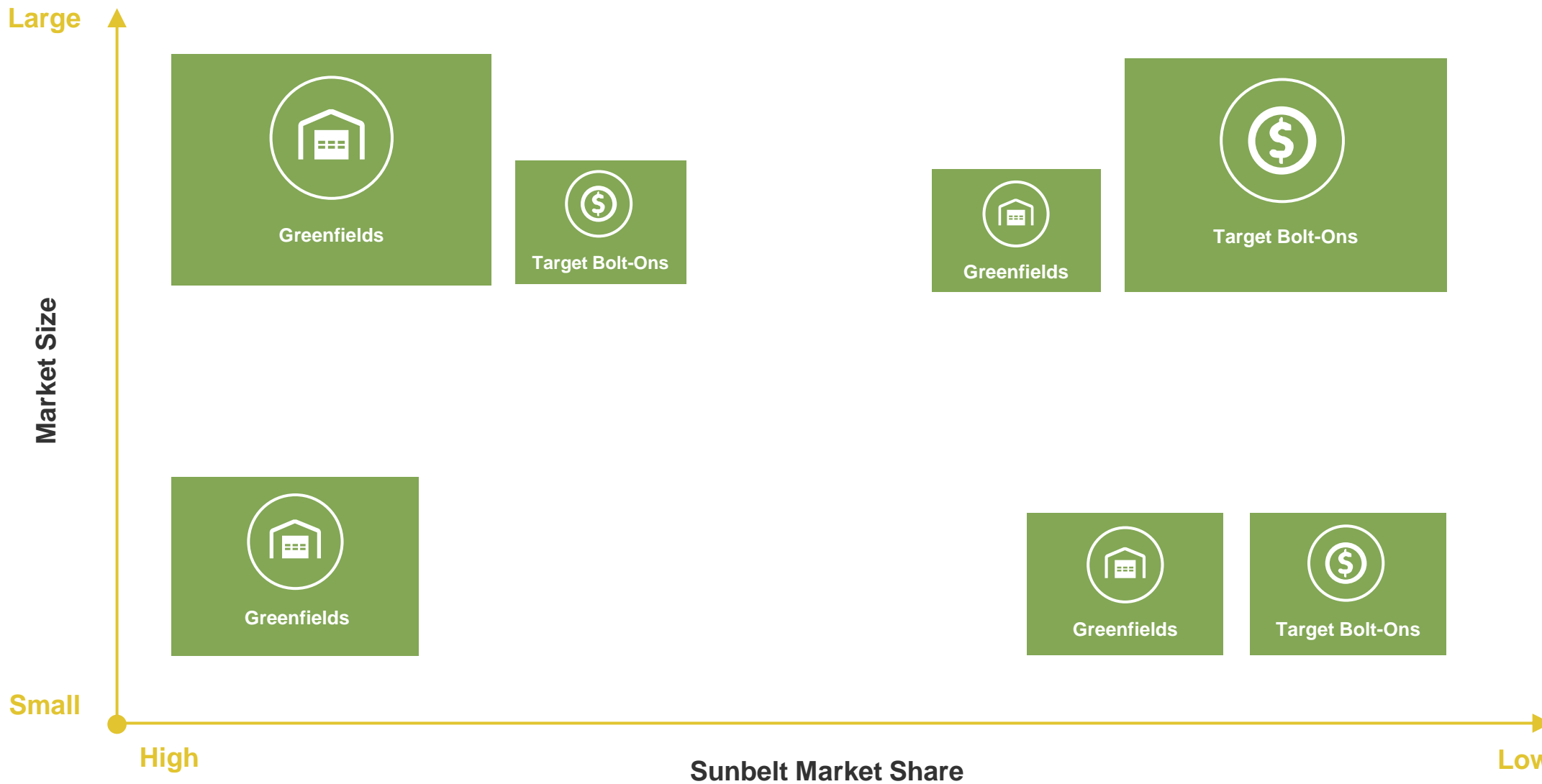
**Advancement of
Clusters**

**Continued
progression of
Specialty business**

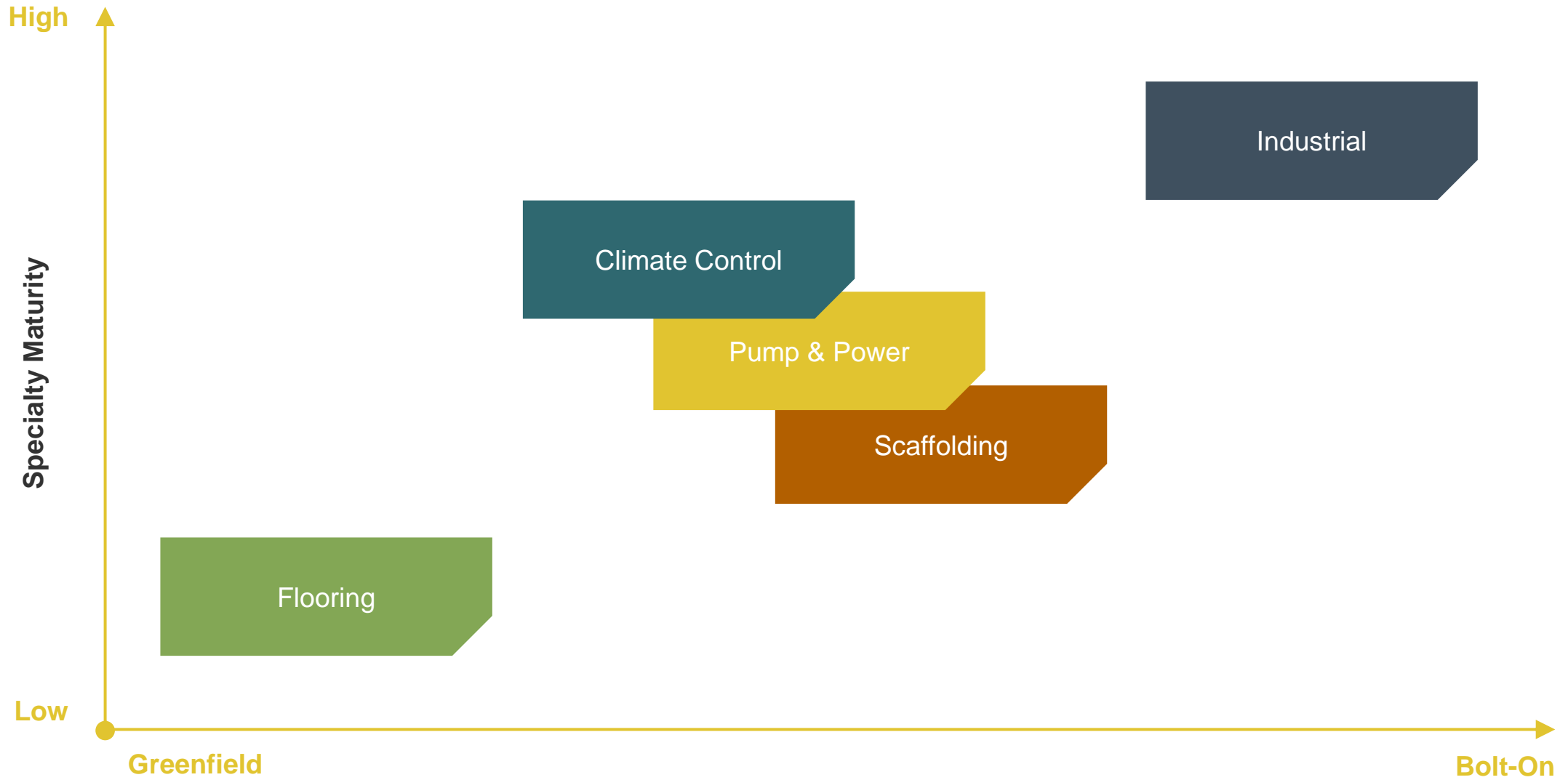
COMPOSITION OF GROWTH LOCATIONS



GENERAL TOOL GREENFIELD V. BOLT-ON



SPECIALTY GREENFIELD V. BOLT-ON



OPPORTUNITY FOR BOLT-ONS

BENEFITS OF CONSOLIDATION



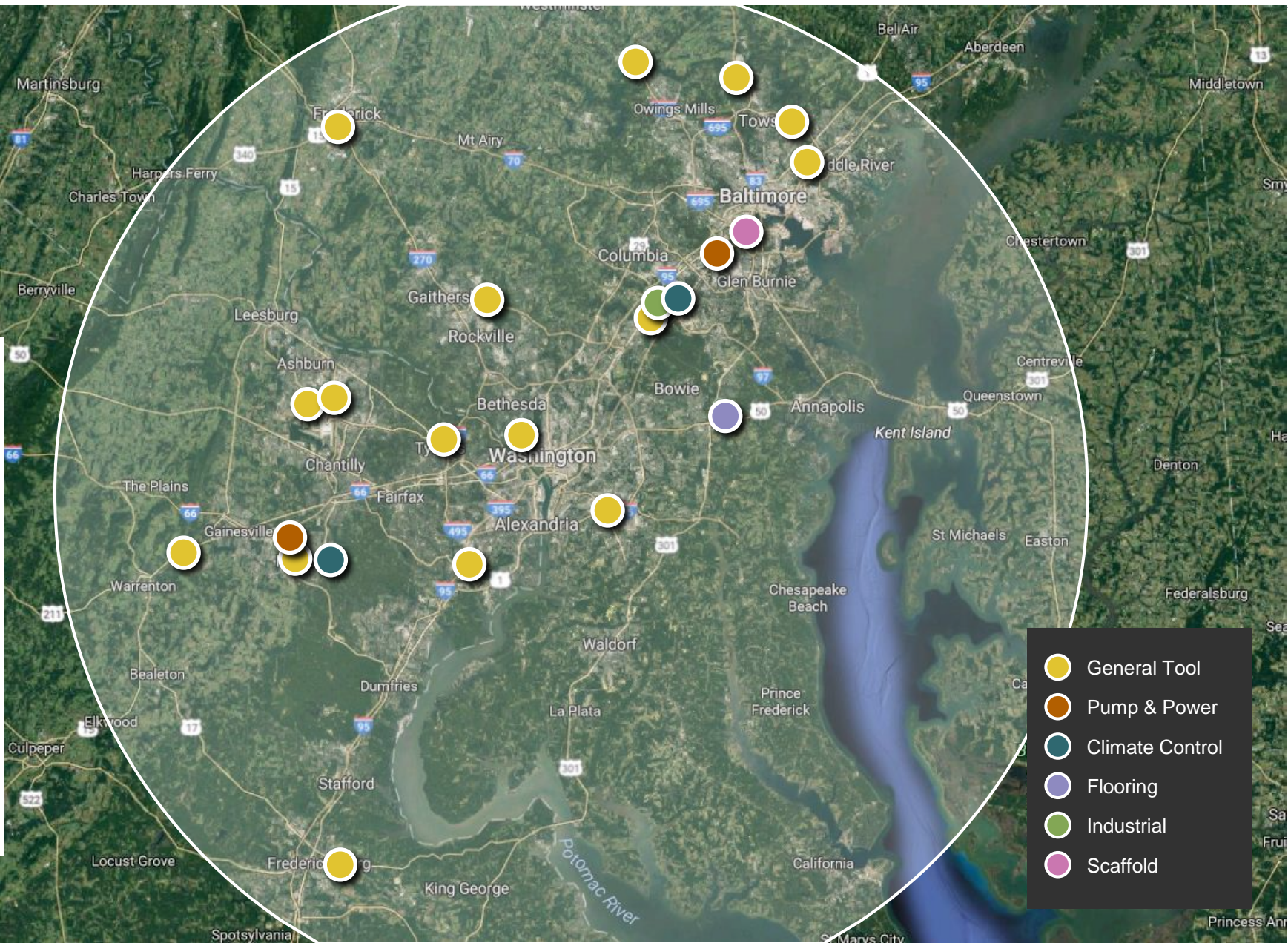
UNDERSTANDING THE CLUSTER









WORKING CLUSTER

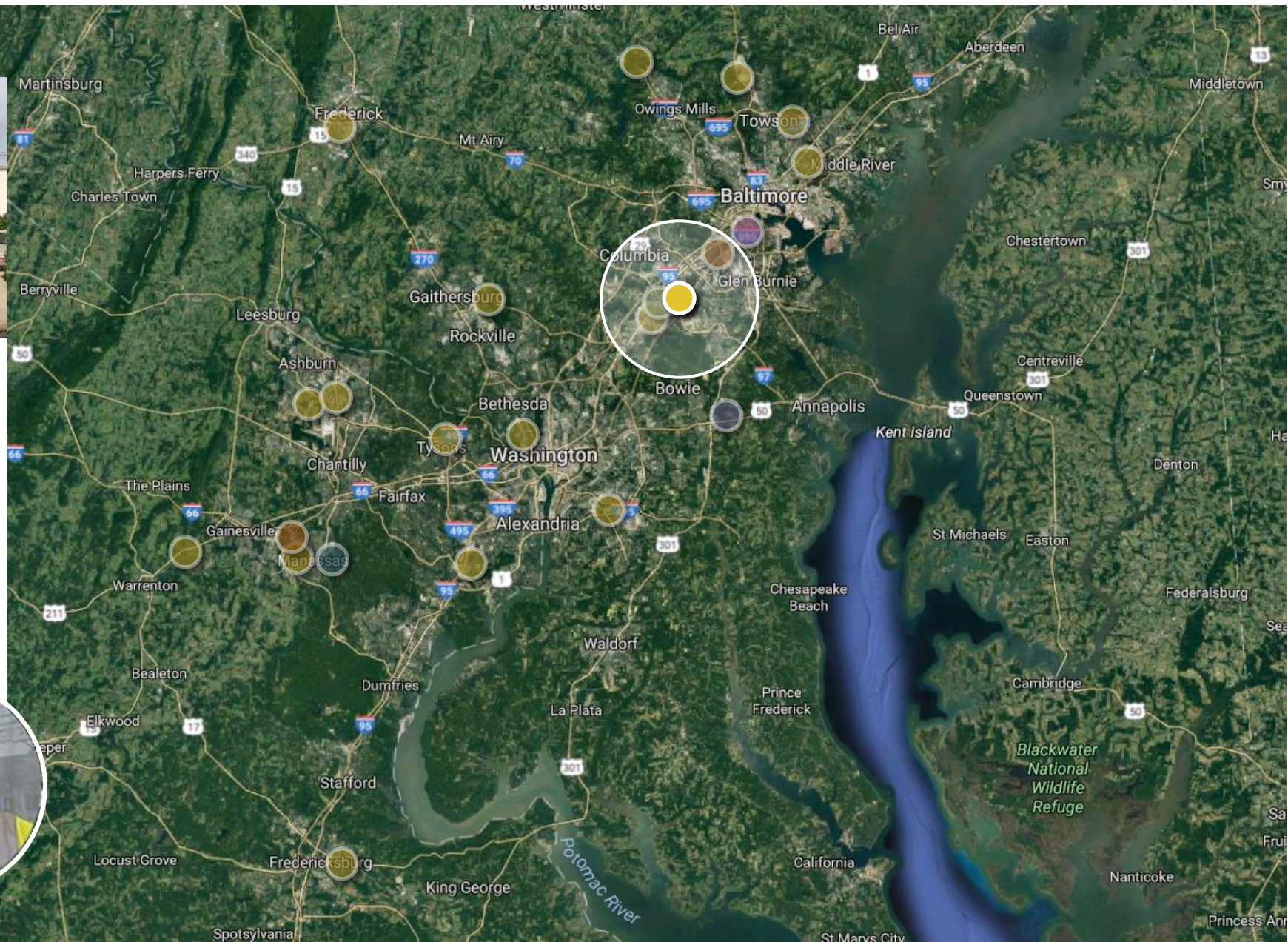
Baltimore/Washington DC

Fleet Size	\$299 million
GT Locations	21
Specialty Locations	10
Market Share	12%
EBITA	44%
ROI	31%



-  General Tool
-  Pump & Power
-  Climate Control
-  Flooring
-  Industrial
-  Scaffold

LARGE GENERAL TOOL LOCATION

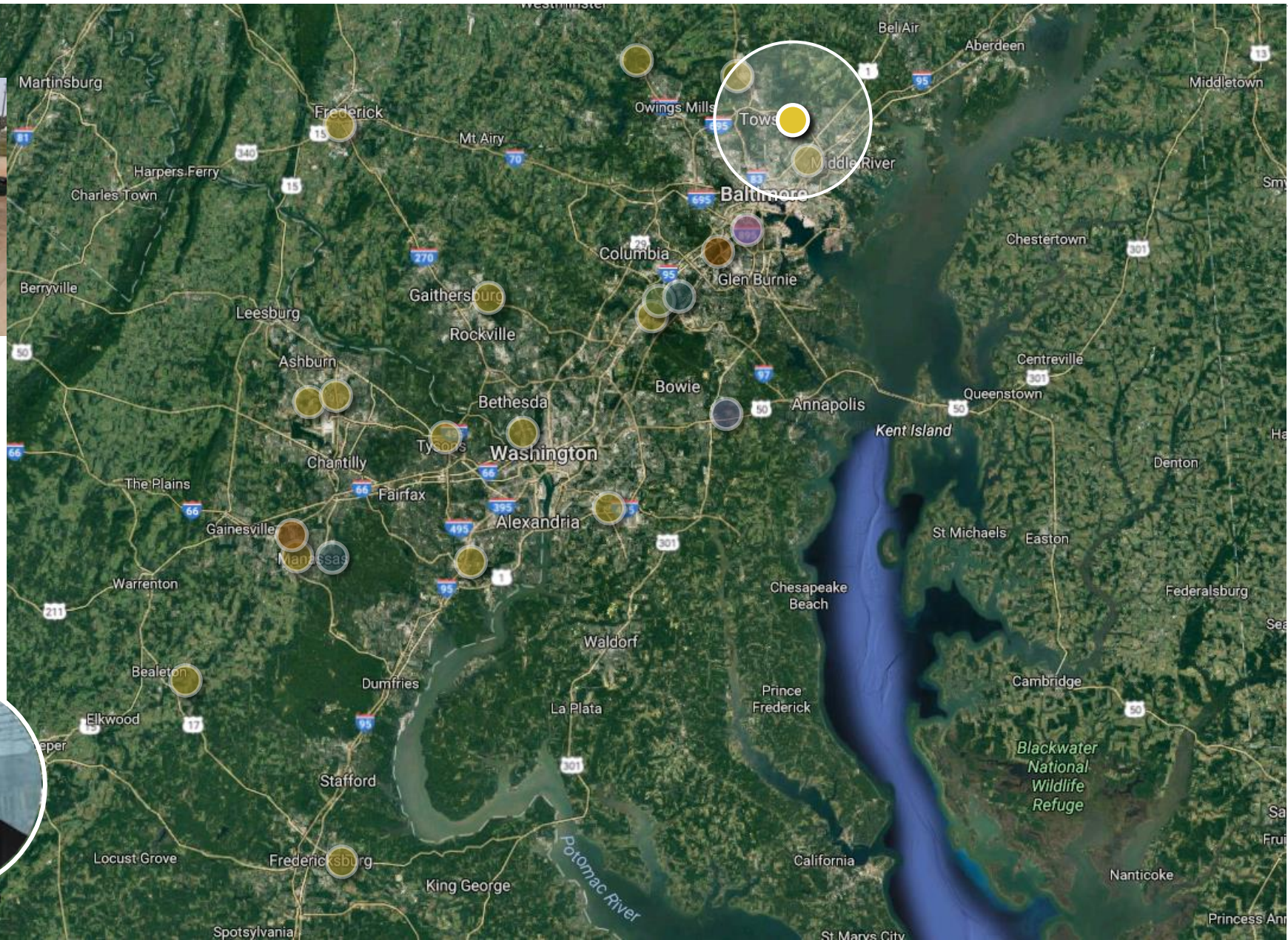
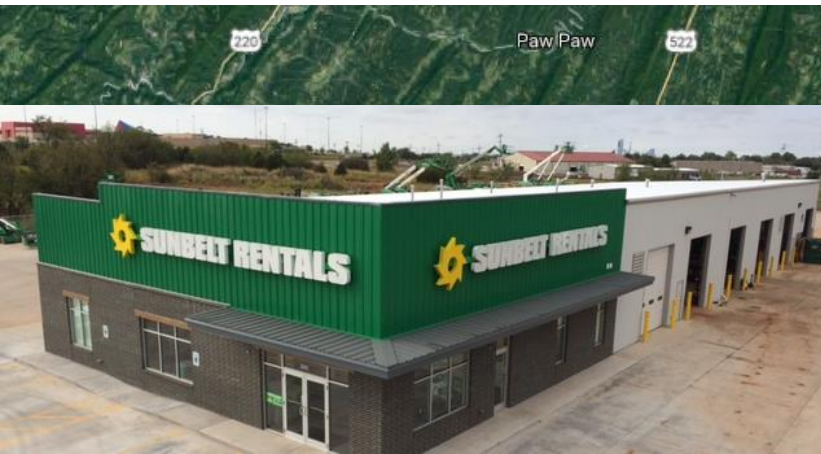


General Tool location

	Laurel, MD
Fleet Size	\$40 million
Rental	\$21 million
Employees	46
Avg. Open Contracts	866
ROI%	29%
EBITA	44%



MIDSIZE GENERAL TOOL LOCATION



General Tool location

	Parkville, MD
Fleet Size	\$6 million
Rental	\$4 million
Employees	8
Avg. Open Contracts	150
ROI%	32%
EBITA	44%



DIFFERENT SIZE GENERAL TOOL LOCATIONS SATISFY MULTIPLE NEEDS

	Day	Week	Month
Suggested	\$419	\$990	\$2,695
Book	\$415	\$990	\$2,695
High	\$445	\$1,065	\$2,860
Average	\$420	\$1,015	\$2,590
Floor	\$400	\$970	\$2,390

Rough Terrain Forklifts

Laurel, MD

Parkville, MD

Quantity

99 units

12 units

Utilization

85%

72%

Example of Rental

Major Commercial Project

Landscape Project

4 units

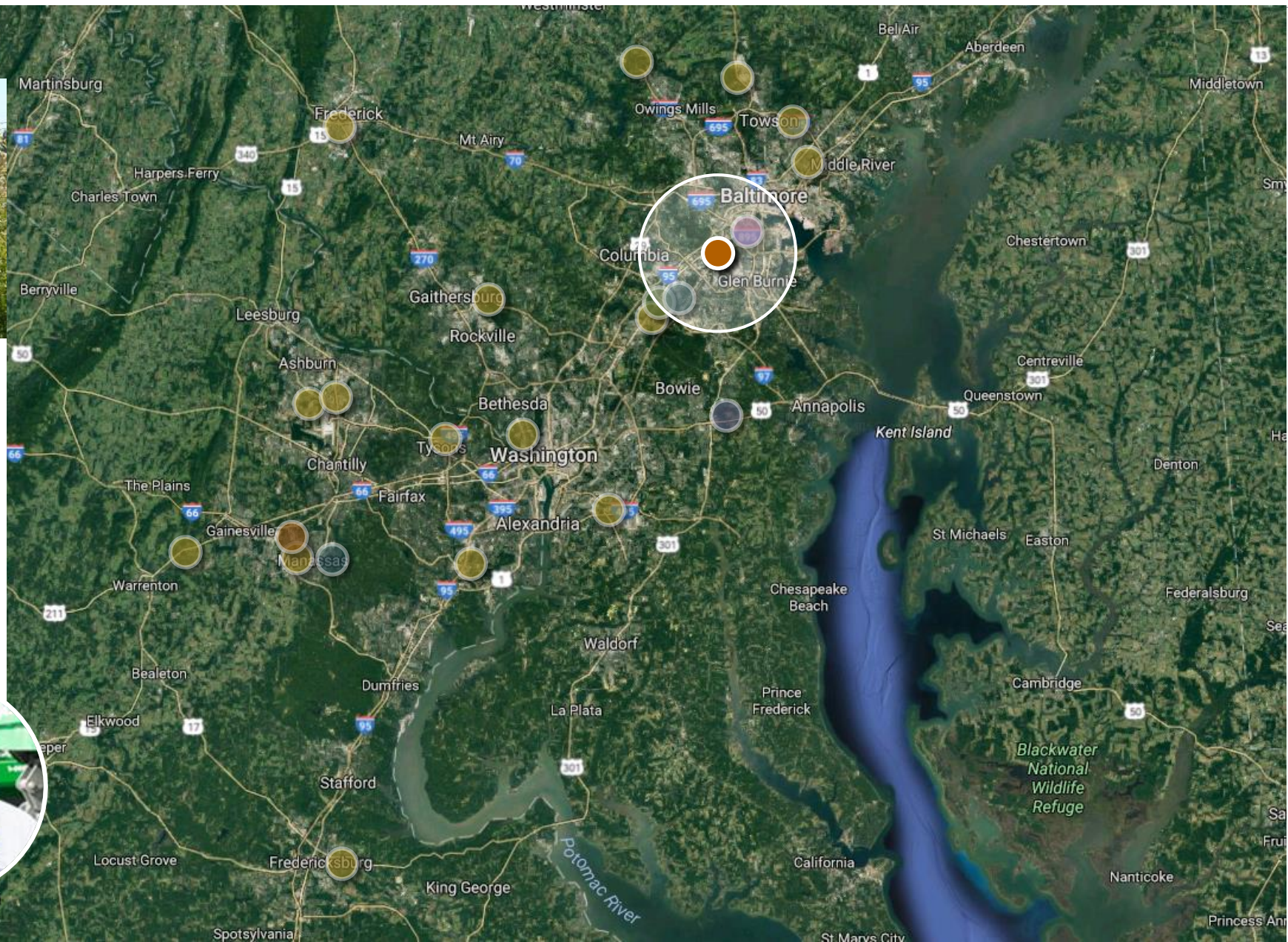
1 unit

Multi-Month Rental

2 Day Rental



PUMP & POWER LOCATION

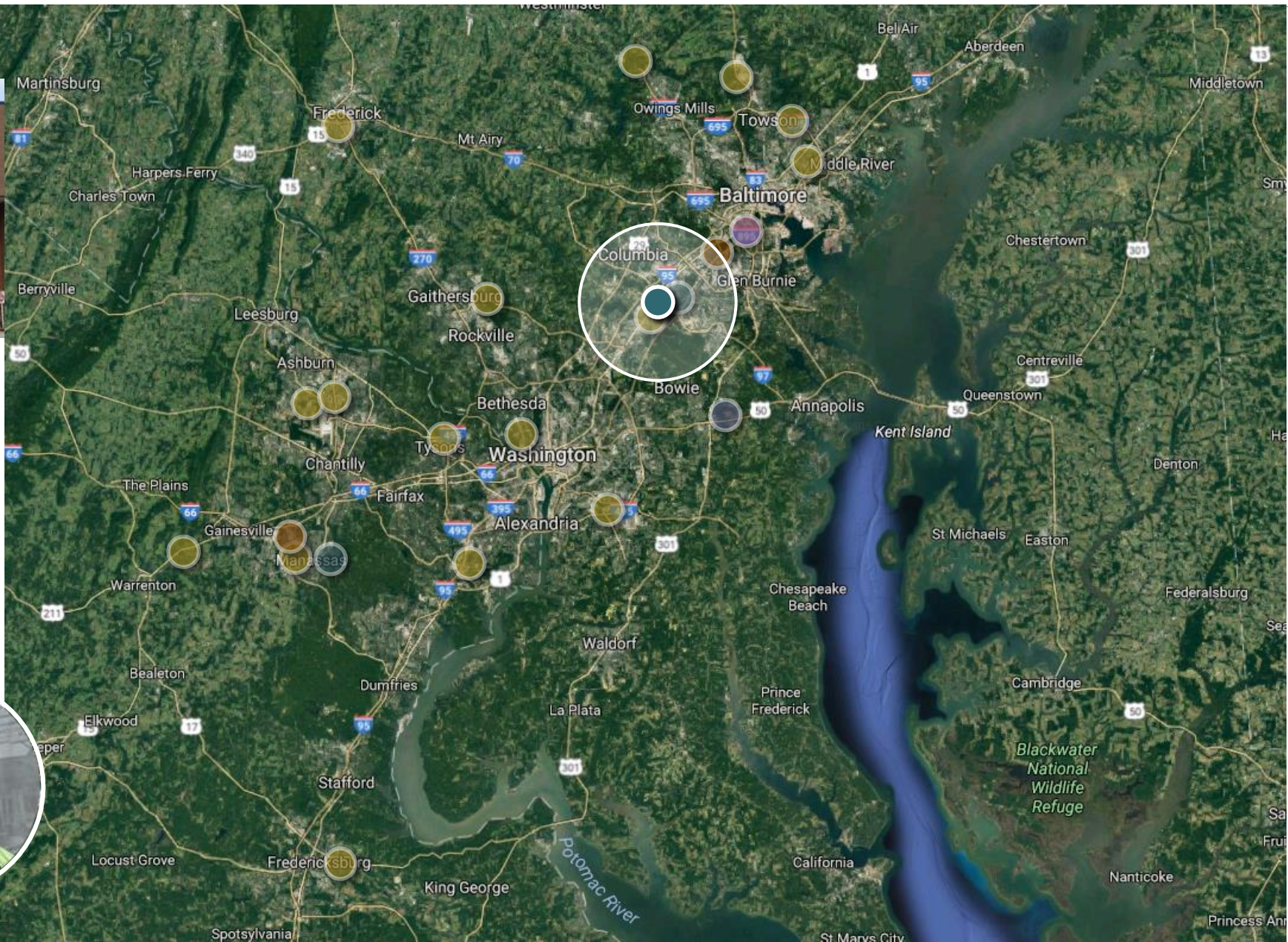
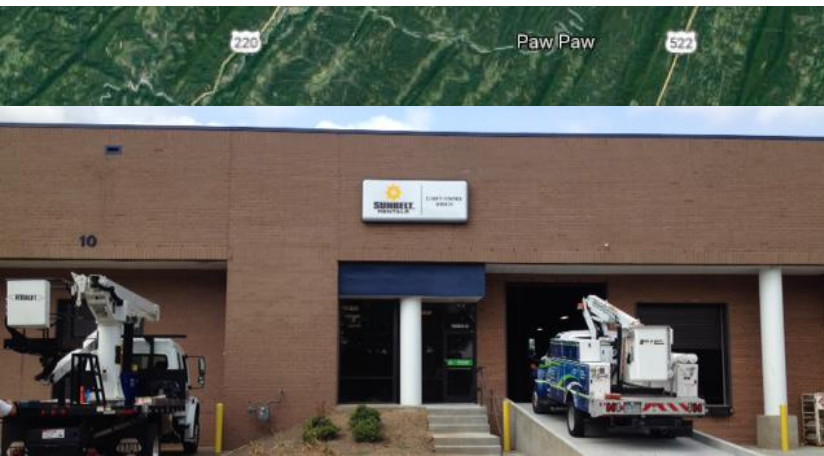


Pump & Power location

	Maryland Pump & Power
Fleet Size	\$16 million
Rental	\$10 million
Employees	23
Avg. Open Contracts	155
ROI%	42%
EBITA	44%



CLIMATE CONTROL LOCATION



Climate Control location

DC Climate Control	
Fleet Size	\$4 million
Rental	\$4 million
Employees	8
Avg. Open Contracts	103
ROI%	69%
EBITA	49%



CLUSTERS – A PROVEN TRACK RECORD OF ENHANCED PERFORMANCE

SEGMENTAL ANALYSIS

Same Store Rental Revenue
CAGR (FY11-FY16)



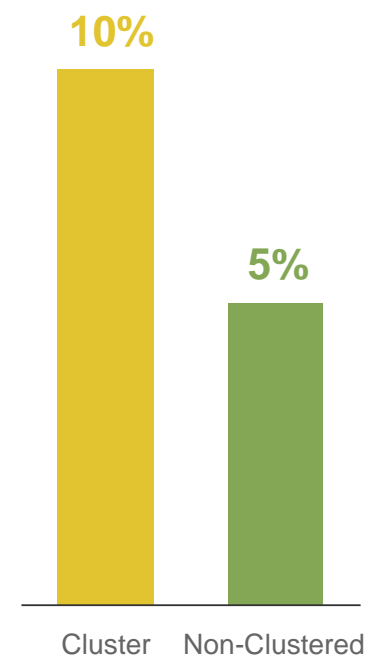
EBITA margin



ROI



Market share



SIGNIFICANT OPPORTUNITY TO BUILD OUT FURTHER CLUSTERS

Rental Markets	Top 25	26-50	51-100	100-210
Rental Market %	56%	19%	16%	9%
Cluster Definition	>10	>7	>4	>1
Clustered	9 markets 132 stores	8 markets 70 stores	2 markets 13 stores	13 markets 32 stores
Non-Clustered	16 markets 103 stores	17 markets 70 stores	44 markets 66 stores	34 markets 34 stores
No Presence	0	0	4	63

2021 GROWTH PLAN



2021 CULTURE

Time to set what we want to be in 2021



Who We Want to Be



Customers & Markets
We Are Targeting

This is what we are rolling out to our team



There are the physical
& financial elements



But also at our core
is the culture

- Entrepreneurial spirit closest to the customer
- Empowerment to do the right thing
- Community engagement

THE FUTURE STARTS TODAY



OUR FINANCIAL ROAD MAP TO 2021

Store Vintage	Locations	Revenue \$bn		2016 EBITA Margin %*	Evolution
		2016	2021		
Mature stores (up to FY11)	310	2.5	3.3 - 3.5	39	<ul style="list-style-type: none"> Continue to build at circa 1.5x market growth EBITA improvement through scale and efficiency
Recent openings (FY12-FY16)	236	0.7	0.9 - 1.0	30	<ul style="list-style-type: none"> Growth at rate of mature stores as we broaden the product offering and establish ourselves in newly penetrated markets EBITA margin trends towards mature stores
Future openings (FY17-FY21)	329	N/A	0.8 - 1.0	N/A	<ul style="list-style-type: none"> Similar evolution in revenue and margins as recent openings
	875	3.2	5.0 - 5.5	36	

* EBITA margins exclude central cost

SUMMARY

- Structural change still the main driver of growth
 - Increased rental penetration
 - Consolidation to larger more sophisticated players

- Scale and technology increasingly important
 - Availability
 - Reliability
 - Ease

- We are uniquely positioned to benefit from these changes

- Detailed roadmap by location to grow to 875 locations and a \$5bn+ business by 2021

Q&A SESSION

