



NYC 2018

Capital Markets Day

April 19, 2018

**Ashtead
group**

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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 34-37 of the Group's Annual Report and Accounts for the year ended 30 April 2017 and in the unaudited results for the third quarter ended 31 January 2018 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.

- 2021 Update
- Our Markets
 - Geographic
 - Channel Breadth
- Platform Development
- Financial Update
- Q&A

Introductions



Geoff Drabble



Brendan Horgan



Michael Pratt



Brad Lull



John Washburn

2021 Update



2021 plan did not detail Canada
329 U.S. locations | 25 Canadian locations | Plan inclusive of Canada now 900 locations

2021 Plan

Composition of Growth

102
General Tool

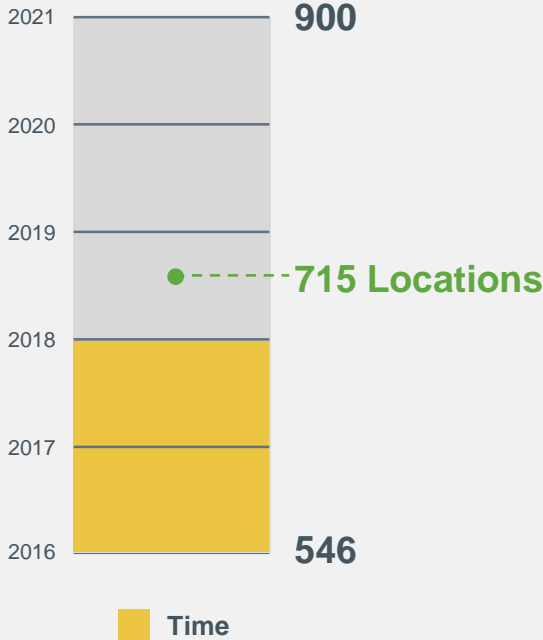
67
Specialty

169
Total

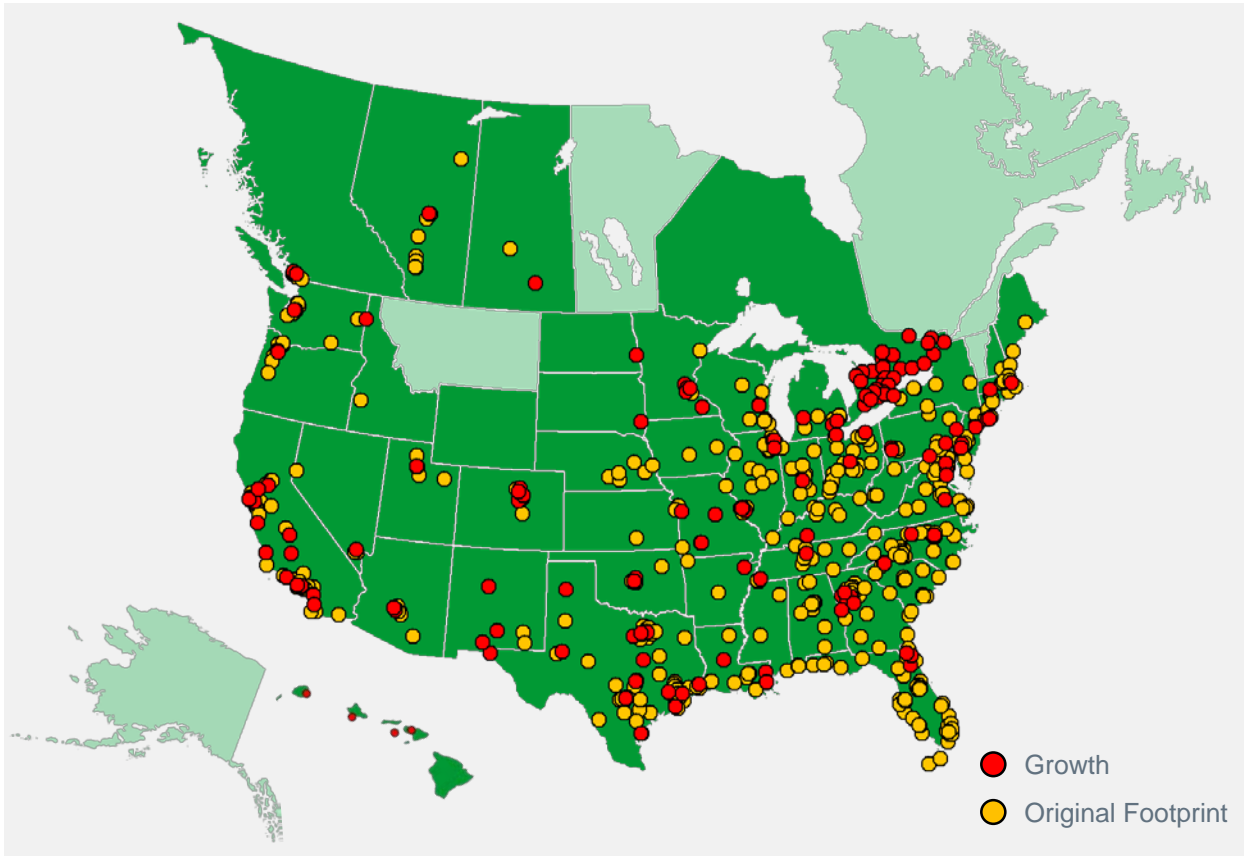
97
Greenfield

72
Bolt-on

169 of 354
Progress to Plan



Location Growth from May 1, 2016



- 169 locations added
- Further advancing clusters
- Large market progress
- Broadening and deepening customer reach
- Notable growth in Canada



Growth since May 1, 2016

13

Greenfields

35

Bolt-ons

Real Growth Opportunity Ahead

Bolster General Tool
market share

Augment with Specialty
businesses

Diversify end
markets

Significant Progress in Largest Markets

Market Band		Location Additions
USA	1 – 25	62
	26 – 50	29
	51 – 100	24
	101 – 210	13
Canada	1 – 10	27
	11 – 25	5
	26 – 76	9
Total Locations		169

71%

of U.S. Locations Added
in Top 50 Markets

66%


of Canadian Locations
Added in Top 10 Markets

Cluster Market Progress

Rental Markets	USA				Canada		
	Top 25	26-50	51-100	101-210	1-10	11-25	26-76
Addressable Market	57%	19%	15%	9%	64%	22%	14%
Cluster Definition	>10	>7	>4	>1	>7	>4	>1
May 1, 2016	9	10	3	10	-	-	-
Today	14	11	6	14	1	0	2

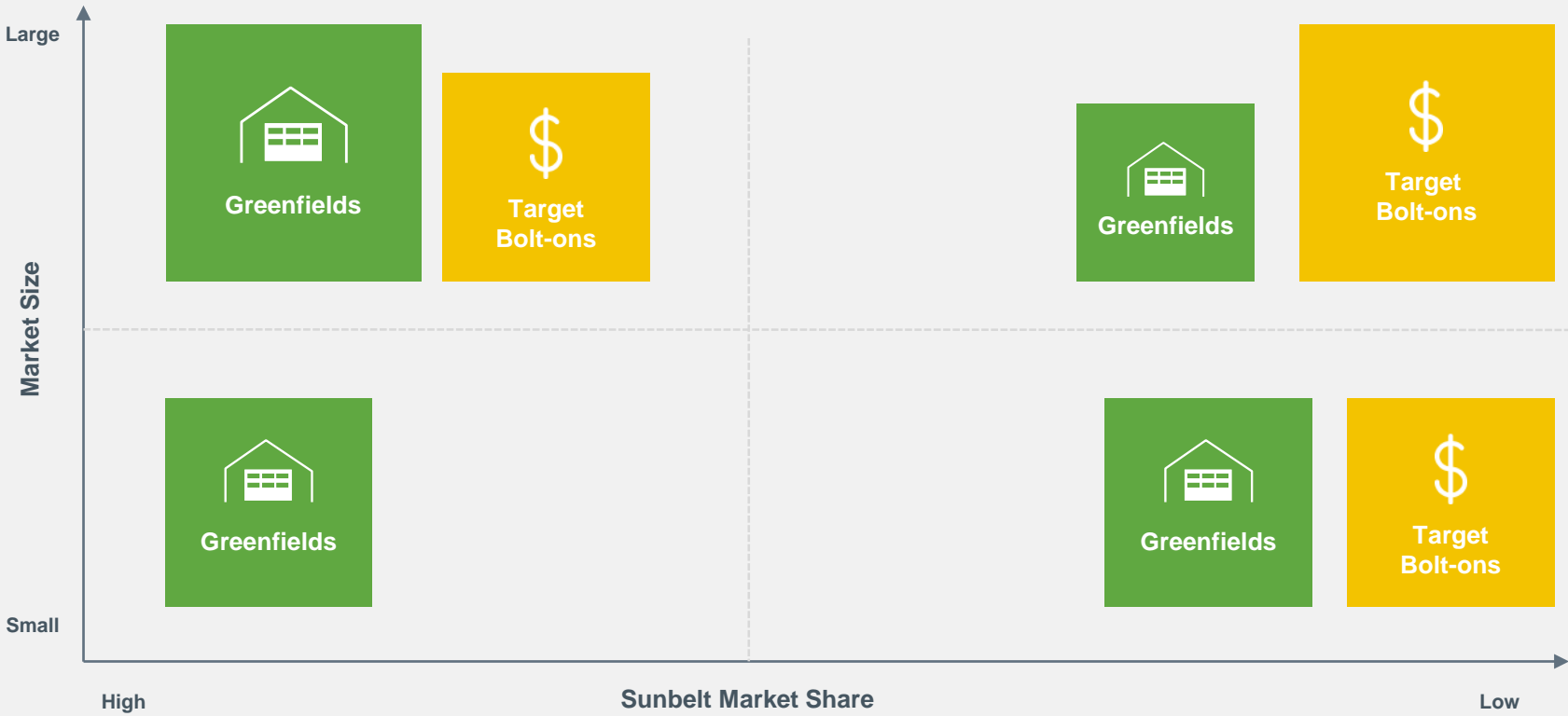
Expanding Our Clusters Creates Greater Opportunities

Total Rental Revenue Growth

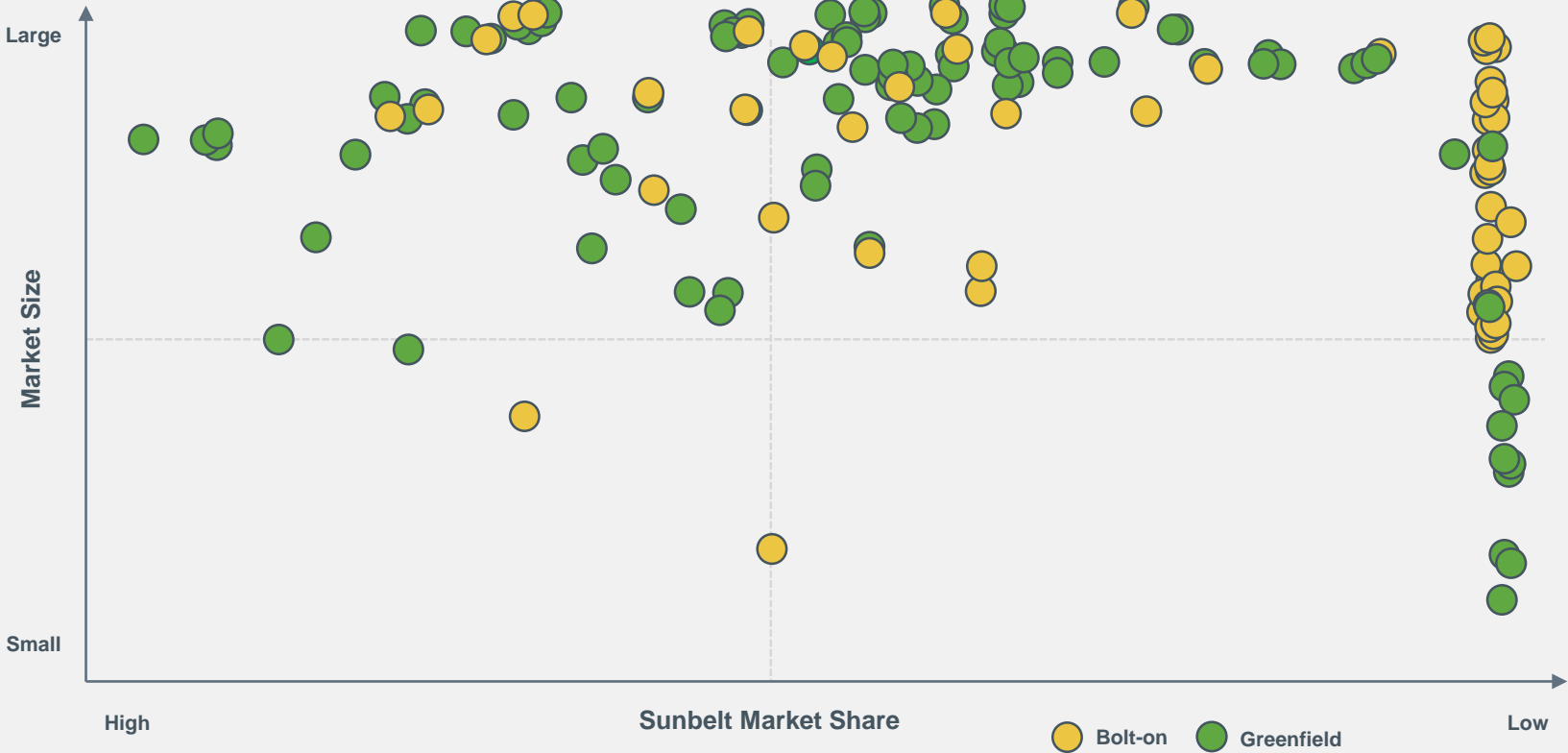
Year	2021 Plan	Actual
2017		12%
2018 YTD		20%
2019		-
2020		-
2021		-
CAGR		

How We View Markets Geographically

Our View of a Market | Expansion Strategy

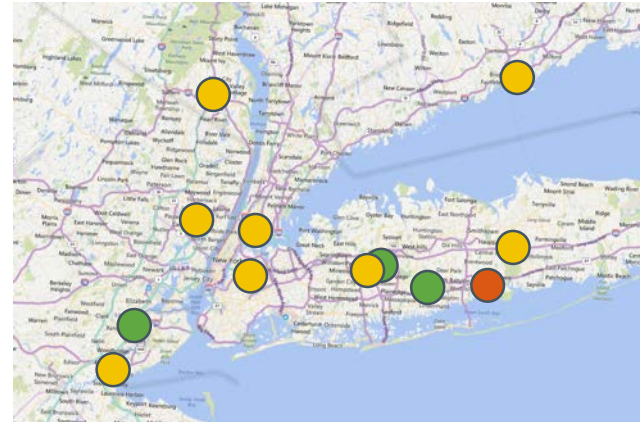
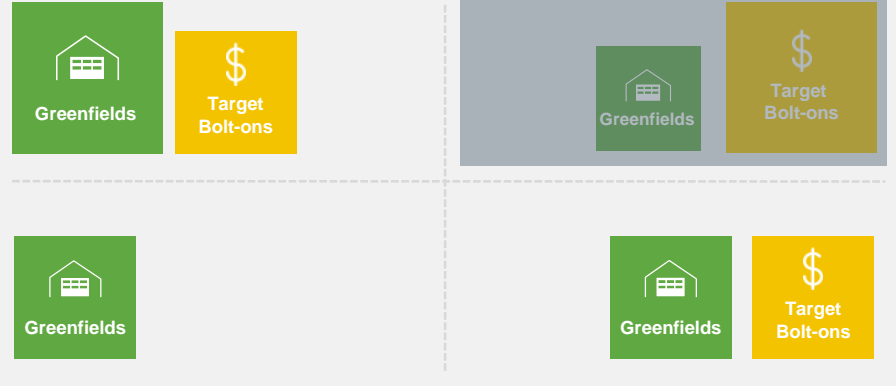


Where We Invested In Our Growth



PRIDE EQUIPMENT CORP.

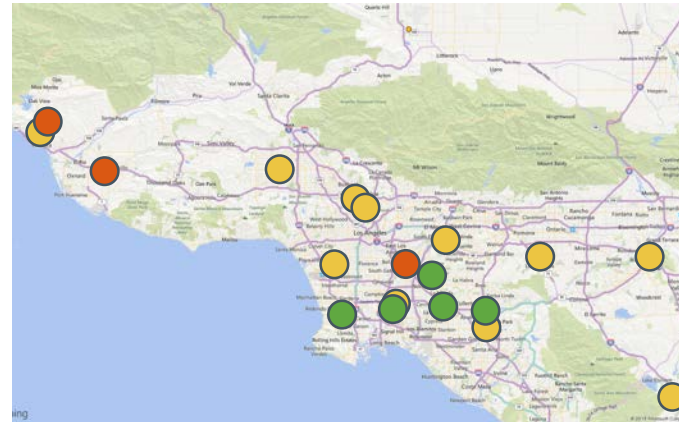
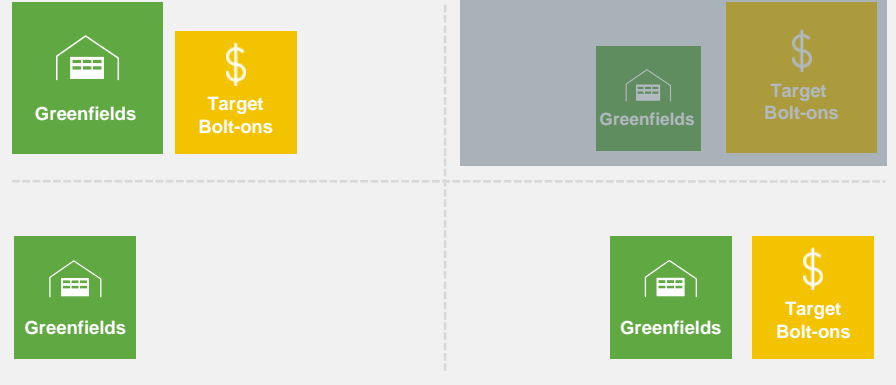
- Foundation for growing cluster
- Step change in market share
- 40 years of customer relationships
- Broad general equipment and specialty cross-selling opportunities



- GT
- Specialty
- Pride



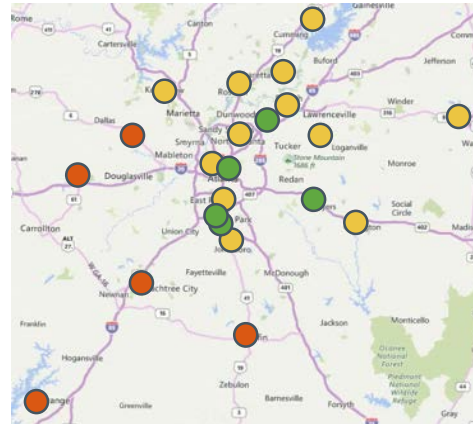
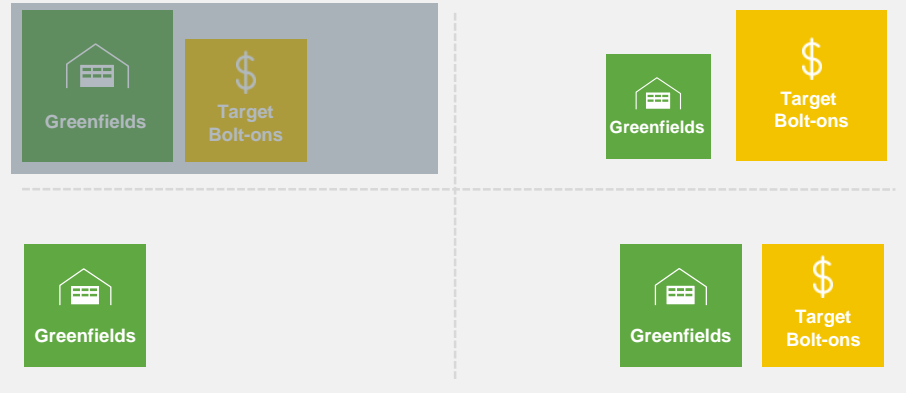
- Collection of bolt-ons enhance coverage in key market
- Strong legacy leadership & sales team
- Established anchor AWP location



- GT
- Specialty
- Ventura Noble Arsenal



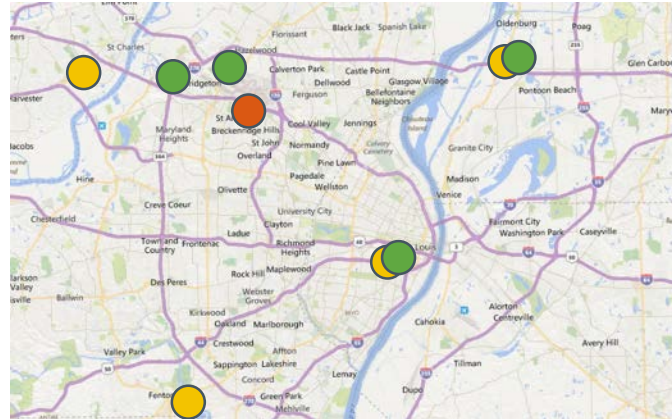
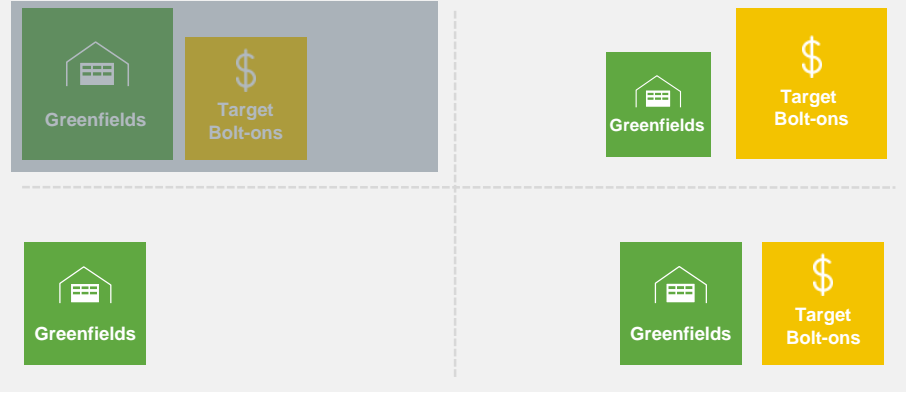
- Bolt-ons complimented existing coverage
- Strong legacy leadership and sales team
- Convenience and cross-selling opportunities with new customer base



- GT
- Specialty
- Nickell West GA



- Leading independent provider
- Key coverage in “gateway” market
- Strong legacy leadership team



- GT
- Specialty
- RGR

Demonstrating Our Range of End Markets





Square Foot Under Roof | New Dimension to Consider

Rental Markets	USA				Total
	Top 25	26-50	51-100	101-210	
Sq. Ft Under Roof	51B	18B	12B	6B	87B
Sq. Ft Under Roof (% of Total)	59%	20%	14%	7%	-

- Not new to us
- Exponential growth potential for rental
- Sunbelt leading the charge
- Product line and capabilities essential

So What Does This Mean? | Square Footage Under Roof Rental Opportunity

\$4

MRO p/Sq Ft

~2-3%

MRO Rental Spend

87B

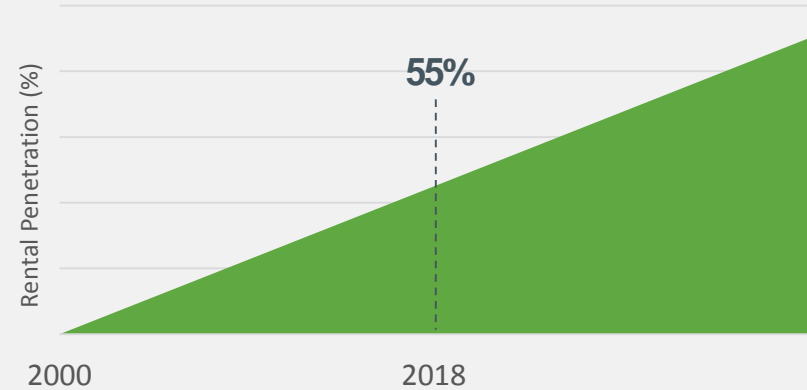
Sq Ft Under Roof

\$7-10B

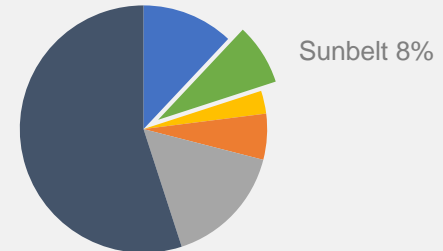
Addressable Market

- Building Services
- Commercial Cleaning
- Electrical & Lighting
- HVAC & Mechanical
- Property Management
- Remediation & Restoration

Rental Penetration Overstated



Market Share Overstated



Early



Kansas City

Mid-Term



Los Angeles

Mature



Tampa

Progression of Cluster

■ Construction

■ Non-Construction

Profile of Clustered Market | Maturity Makes The Difference

Profile	Non-Construction	EBITA	ROI
Mature	+60%	41%	29%
Mid-Term	40%	35%	22%
Early	20%	32%	19%

- Platform for increased throughput
- Broadens end market
- Catalyst for rental penetration
- Better financial returns

Our Thinking of Markets & Clusters Has Evolved

Rental Markets	USA				Canada		
	Top 25	26-50	51-100	101-210	1-10	11-25	26-76
2016 Cluster Definition	>10	>7	>4	>1	>7	>4	>1
Today Cluster Definition	>15	>10	>4	>1	>7	>4	>1

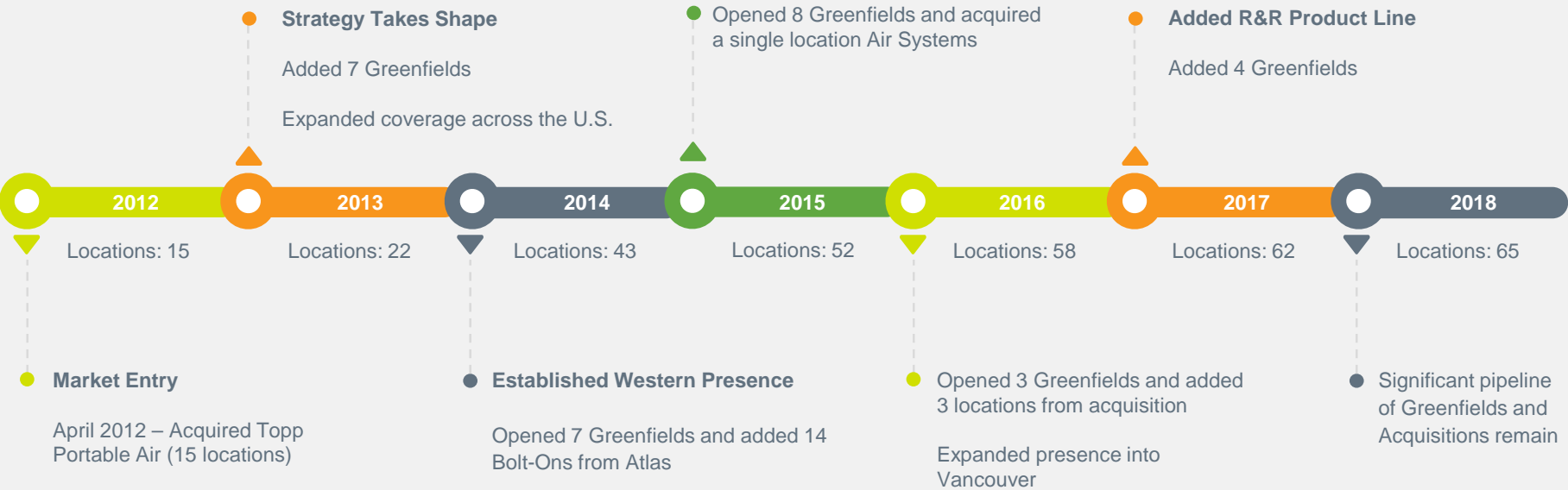
Addressable Markets

- Greater location opportunity within cluster
- Significance of non-construction sq. ft. under roof
- Understanding the potential of our cluster market platform

Climate Control Case Study



Climate Control | Timeline



Current

Locations

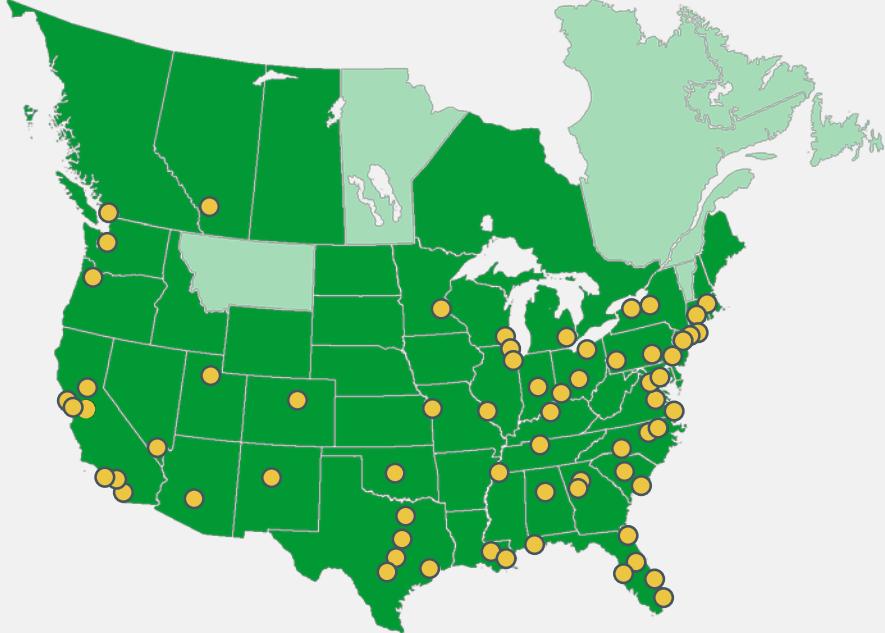
65

Top 25

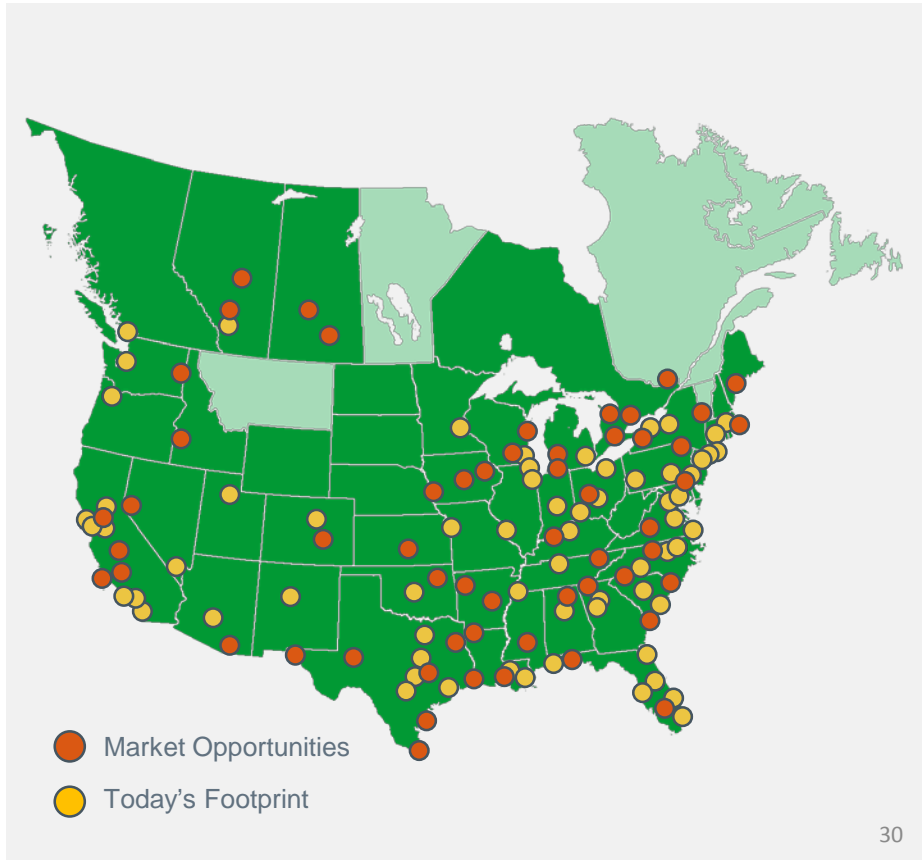
25 Markets
33 Locations

Top 50

44 Markets
53 Locations



	Current	Opportunity
Locations	65	120
Top 25	25 Markets 33 Locations	25 Markets 50 Locations
Top 50	44 Markets 53 Locations	50 Markets 85 Locations

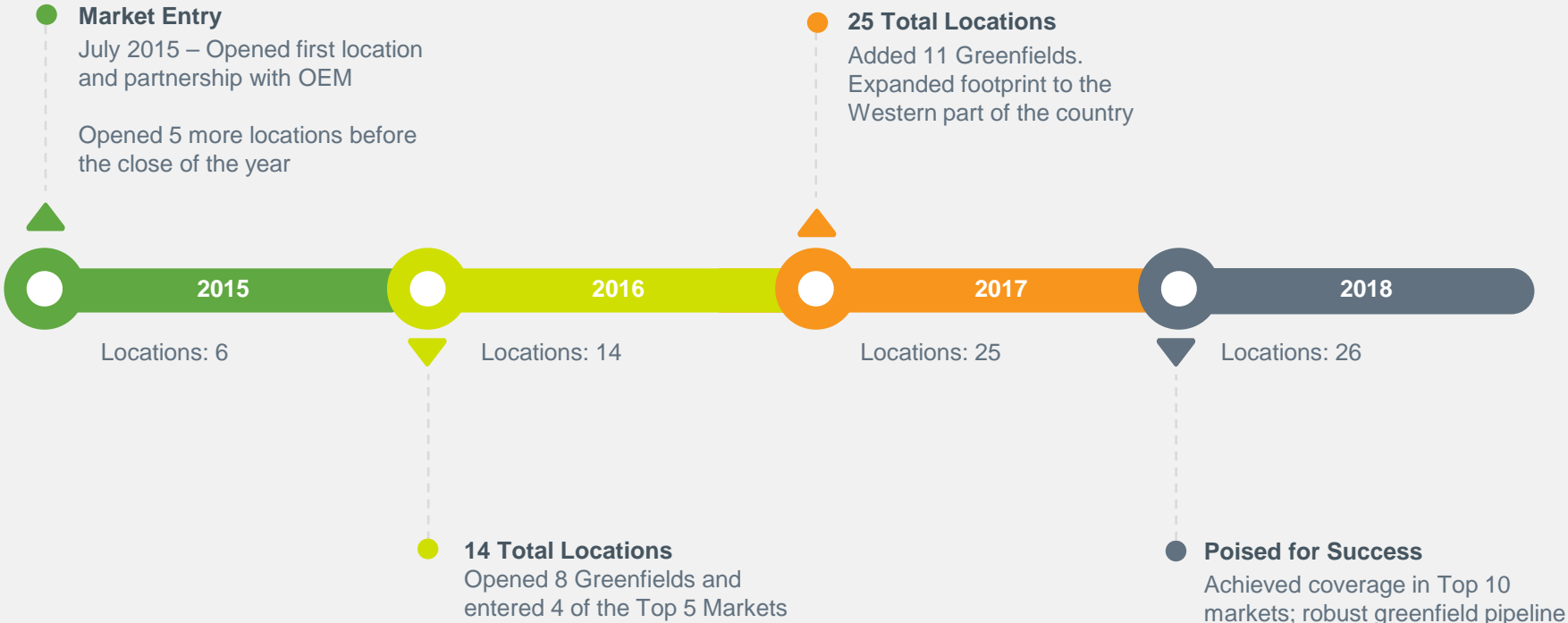




- Significant room for growth
- Leverage cluster platform
- Small portion of business tied to construction
- Diversifies end markets for general tool business

Flooring Solutions Case Study



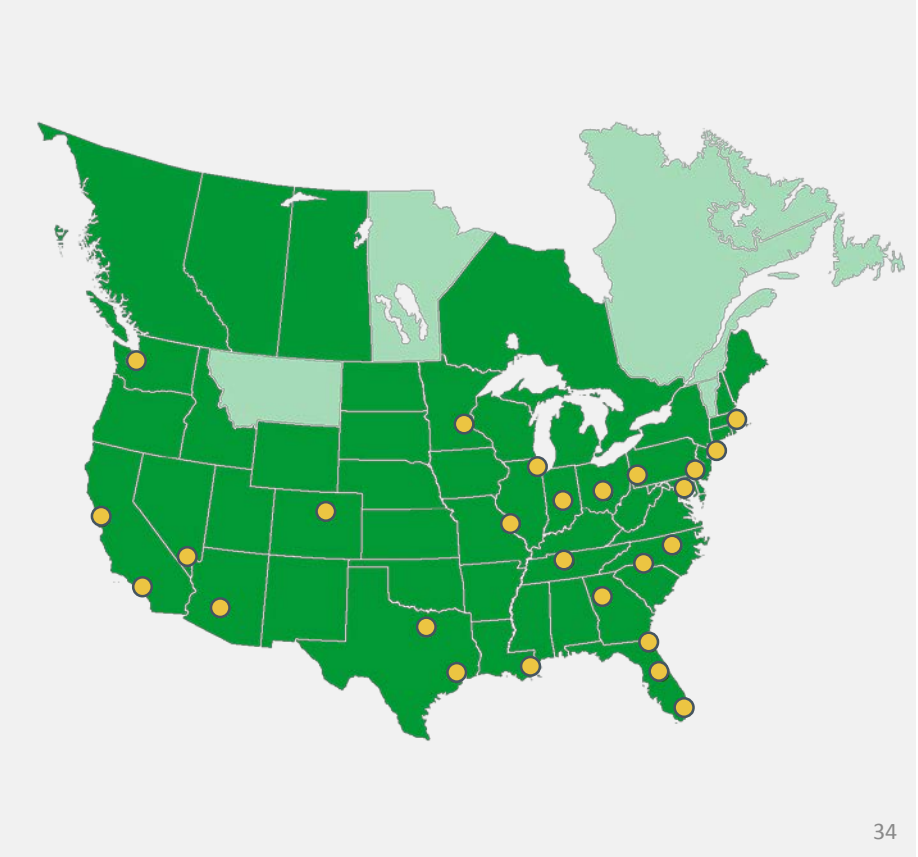


Current

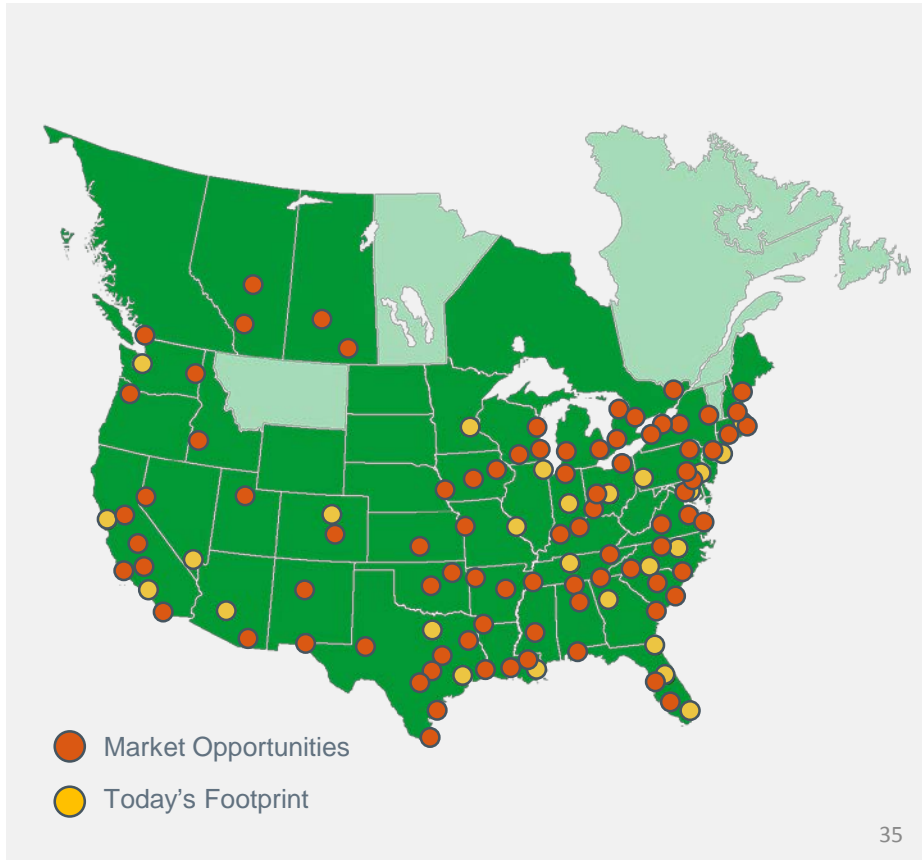
Locations 26

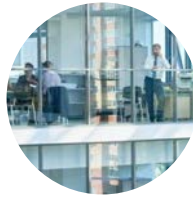
Top 25 19 Markets
19 Locations

Top 50 26 Markets
26 Locations



	Current	Opportunity
Locations	26	70
Top 25	19 Markets 19 Locations	25 Markets 30 Locations
Top 50	26 Markets 26 Locations	50 Markets 55 Locations





- Significant room for growth
- Leverage cluster platform
- Small portion of business tied to construction
- Diversifies end markets for general tool business

Key Enablers

Platform, Technology & Systems



Availability



Range of Products & Services

- General Tools
- Air Compressors & Accessories
- Compaction & Earth Moving
- Climate Control Services
- Power & HVAC
- Pump Solutions
- Remediation & Restoration

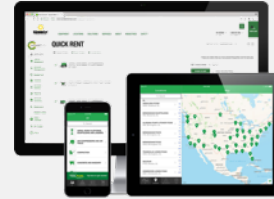
Reliability



Network

- Logistics
- Brick & Mortar
- Customers
- Our People
- Clusters

Ease



Technology to Simplify

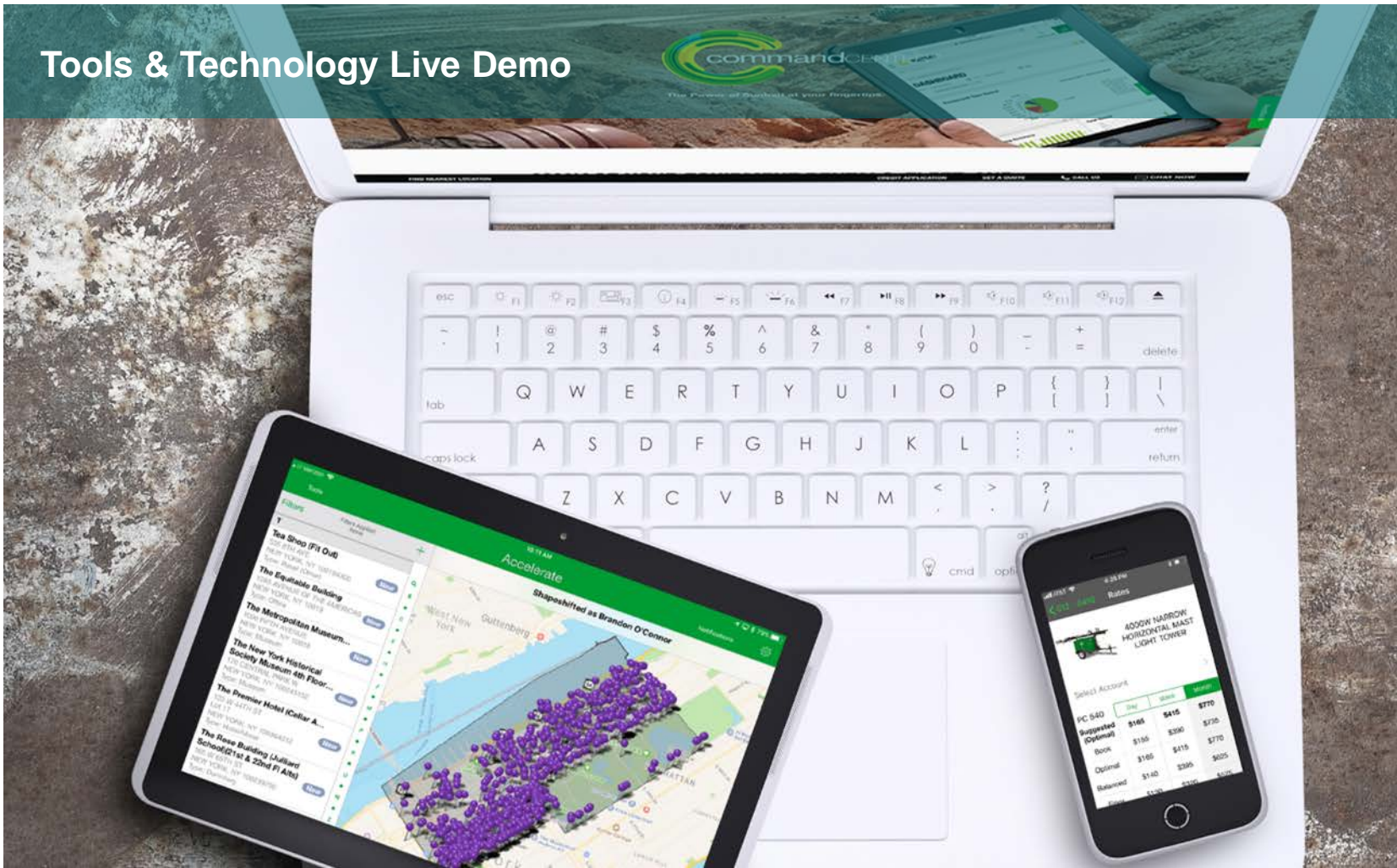
- CommandCenter
- Accelerate
- MSP
- VDOS

Enables



- Pace of Expansion
- Market Penetration
- Emergency Response
- Designed Solutions
- Serve Diverse End Markets

Tools & Technology Live Demo



command center
The Future of Real Estate at your Fingertips

Accelerate
Shopsifted as Brandon O'Connor
West New York
Guttenberg
The Tea Shop (Fit Out)
The Equitable Building
The Metropolitan Museum...
The New York Historical Society Museum 4th Floor...
The Premier Hotel Colbar A...
The Rose Building (Juliard School) (1st & 22nd (Arts))

Rates

4000W NARROW HORIZONTAL MAST LIGHT TOWER

Select Account	Qty	Unit	Price
PC 540			\$770
Suggested Optimal	\$165	\$360	\$735
Book	\$155	\$415	\$770
Optimal	\$165	\$415	\$905
Refunded	\$140	\$395	\$905

Tools and Technologies to Simplify



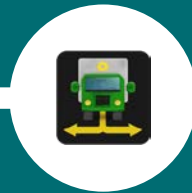
Command Center &
Command Center Mobile



Accelerate



MSP



VDOS



Market Intelligence

Creating

**AVAILABILITY
RELIABILITY
EASE**

for Our Customers

Digital Tools Enable

- Operating Efficiency
- Sales Productivity
- Customer Insights

Financial Update



Construction

- Dodge construction starts remain strong
- Significant backlog remains
- Further opportunities from tax reform and infrastructure plans

Non-Construction

- GDP growth rates 2.9%
- Consumer confidence highest since January 2004
- Unemployment rate 4.1%
- Strong growth in disposable personal income
- 87B square footage under roof

(£m)		Q3-LTM £m	2021 £m
Total rental revenue	Growth of 7 – 10%	3,347	4,200 – 4,350
Total revenue		3,646	4,600 – 4,700
EBITDA		1,723	2,200 – 2,300
EBITA		1,041	1,250 – 1,350

At Constant Currency

Store vintage	EBITA margin % ¹	
	2016	2018 ²
Mature stores (up to FY11)	39	40
Initial openings (FY12-FY16)	30	36
Recent openings (FY17-FY18 ²)	N/A	32
Future openings (FY19-FY21)	N/A	N/A
Central and overheads	36	38
As reported	(5)	(7)
	31	31

¹ EBITA margins exclude central cost

² Represents LTM to 31 January 2018

- Stores continue to improve margin through time
- Scale of new stores creates short-term drag effect on reported margins
- Investment in central overheads to support growth – will leverage over time

The Key Remains The Cash & The Opportunity For Further EPS Enhancement

(£m)	Forecast Assumption
Based on three year organic growth	7-10%
Group EBITDA margin	47-48%
Group EBITA margin	29-30%
Three year capital expenditure spend	c. £3bn
Amount available for M&A and share buybacks	c. £3.5bn ¹

¹Assuming EBITDA to net debt ratio of 2.0 times

Clear Priorities

- **Organic fleet growth**
 - Same-store
 - Greenfields
- **Bolt-on acquisitions**
- **Returns to shareholders**
 - Progressive dividend policy
 - Share buybacks

Consistently Applied

- £859m on capital expenditure
- £315m on Bolt-ons
- £100m on spent on share buybacks under programme previously announced; minimum of £500m and up to £1bn

How Will We Deploy Further £3.5bn

100% M&A

If you assume average transactions of:

- 2.5 times revenue
- 5.5 times EBITDA
- 10 times EBITA

Initially acquired:

- £1.4bn revenue
- £0.6bn EBITDA
- £0.35bn EBITA

+

Track record of significant growth post acquisition

=> 8 – 10% per annum

Likely Path

100% Share Buybacks

=> 8 – 10% per annum

EPS Enhancement

per annum
through to 2021

Capital Allocation

8 – 10%

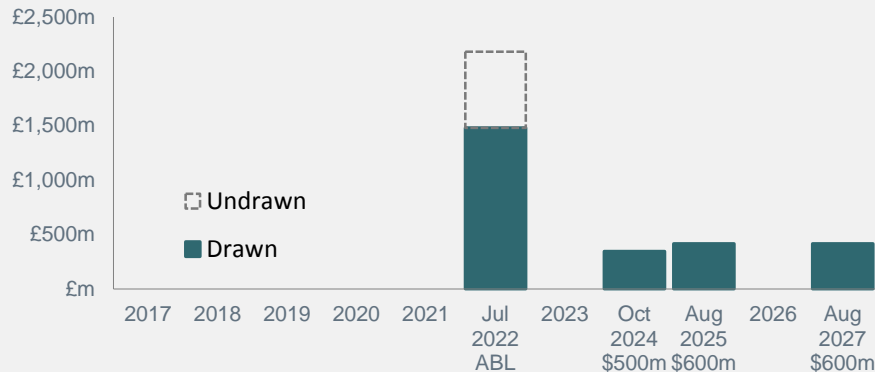
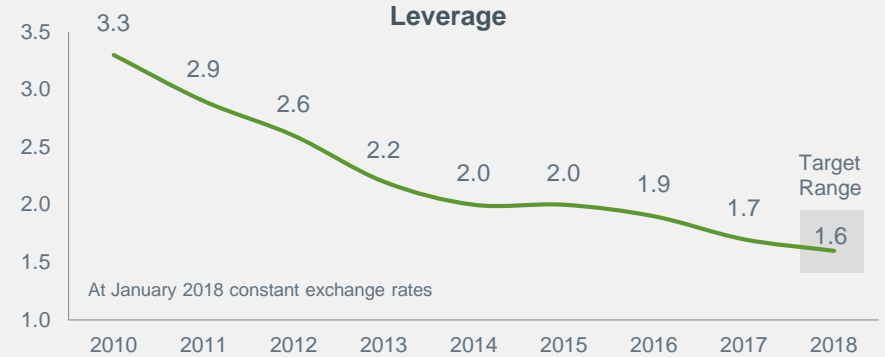
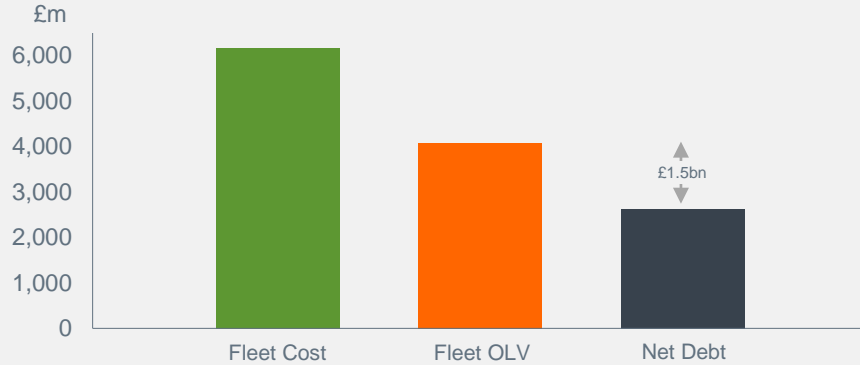
Organic Growth

7 – 10%

Total

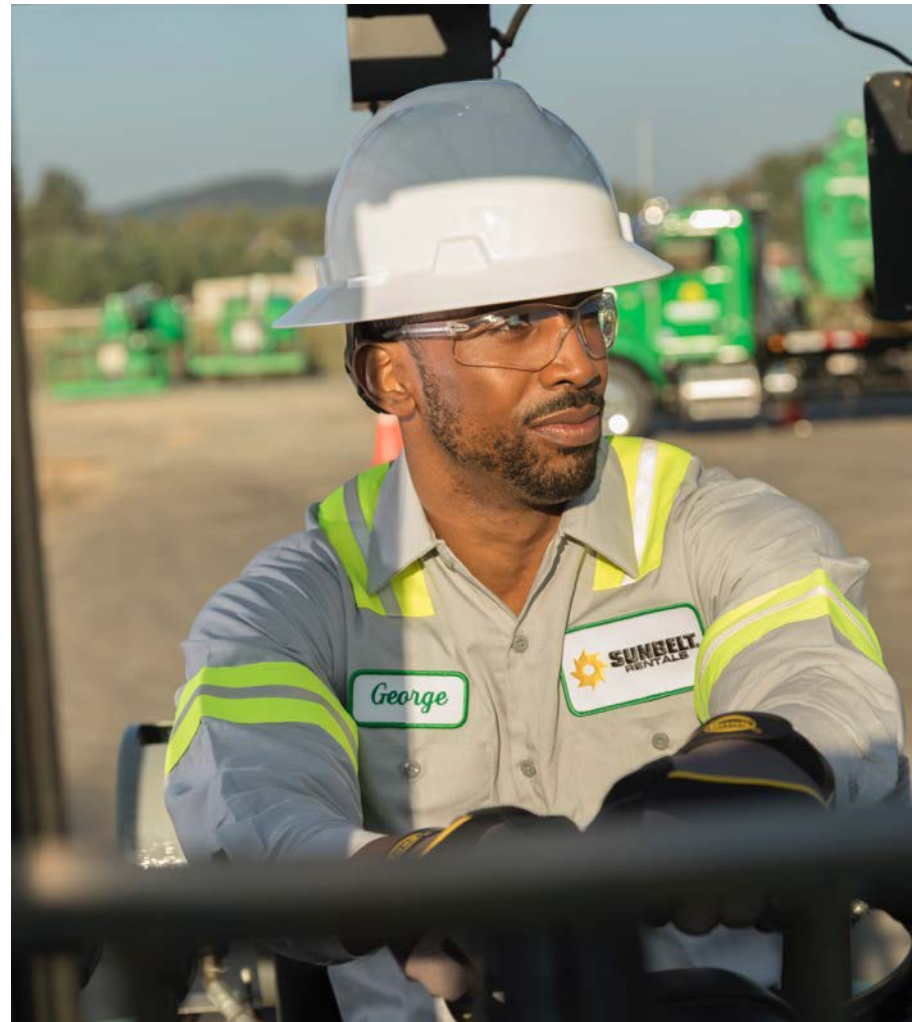
15 – 20%

Responsible Growth Supported by Strong Balance Sheet



- Debt facilities committed for average of 6 years
- Average cost of debt c.4%
- No amortisation
- No financial monitoring covenants whilst availability exceeds \$310m (January 2018: \$1,124m)

Wrap Up



- We are executing well on the plan
- Greater opportunities than originally anticipated
 - Cluster concentration
 - End market expansion
 - Canada
 - All supported by physical and technical platform
- Strong Margins = Significant cash generation
 - Further organic growth
 - Further bolt-ons
 - Returns to shareholders

15 – 20% EPS growth per annum through to 2021
- Will maintain leverage discipline and continue to grow responsibly

Q & A

Innovation

- Creating Ease for our customers
- Digitally empowering our sales force
- Leveraging real-time information in our suite of tactical and strategic tools

Market Analytics

- Uncovering new opportunities within our broad range of end markets
- Understanding where and how our growth will occur through analytics

Facility Maintenance

- 87B square feet under roof of opportunities
- When construction ends, facility maintenance begins

Breakout Leaders



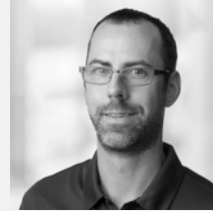
Kirby Miner



Bill Moertel



Dean Moore



Ryan Scutt



Eric Hornyak



Dustin Thompson



Marcus Rubenstein



Adam Camhi



Holly Price



John Murray



Walter Hoehn



Ray Campbell



Kelly Unterreiner

Thank You