POWERING OUR PLATFORM FOR LONG-TERM GROWTH

BRENDAN HORGAN
Chief executive

MICHAEL PRATT
Finance director

We had another excellent year. The main driver of our growth remains organic investment but we supplemented this with 24 bolt-on acquisitions. We added 146 new locations in the year as we continue to broaden our product offering and geographic reach. The combination of this fleet investment and enhanced footprint forms a great platform for further growth as we progress with our 2021 plan.

We continue to deliver well, in markets that are generally supportive and performing as we expected from both a cyclical and structural perspective. As always, we continue to grow watchfully and responsibly. Sunbelt benefitted from generally strong end markets and, to a lesser degree, the impact of clean-up efforts following hurricanes Florence and Michael.

Our overall strategy remains unchanged, but we have been able to take advantage of increased market opportunities from recent industry consolidation and strong customer demand, which has contributed to our rate of growth. This represents an acceleration of our 2021 plan and demonstrates the flexibility we have in our plans to react to market conditions, whatever they may be. Our expansion is both geographic and product based, adding a nice mix of general equipment and specialty locations through our greenfield and bolt-on programme.

Our addressable market continues to grow, as square footage under roof and MRO (maintenance, repair and operations) opportunities increase. This is particularly useful when construction slows down for non-economic reasons, due to inclement weather, for example. We work on the basis that when construction work ends, maintenance work begins.

We made big strides this year on expanding our specialty offering as we continue to broaden our markets. There is clearly strong cyclical demand for General Tool fleet but our specialty businesses now represent 23% of our total and have seen 19% annual growth over the last three years. In the US we added locations with product solutions specific to Power & HVAC, Pumping, Flooring, Trench Shoring, Climate Control, Ground Protection and Industrial Tools – all to service our ever-broader customer base and end markets. In Canada we added Power Generation and Flooring businesses, beginning the integration of specialty into the broader business platform.

Even as we grow and enjoy the benefits of strong construction markets, we continue to diversify the business, and expect this broadening of our specialty offering to continue. Our overall 2021 plan remains in place but we have accelerated some greenfields in response to the opportunities that inevitably present themselves when there is significant market consolidation.

Group rental revenue was up 21% (18% on a constant currency basis) and we maintained margins despite opening 74 greenfields and completing 24 acquisitions in the period. The previous financial year was a particularly active hurricane season with three significant events and a huge rental revenue contribution, therefore making direct comparison difficult. There have been two hurricanes this financial year, which again unfortunately caused major devastation. Partly due to the timing of the events and partly due to the geographies affected, these resulted in $30–35m of rental revenue versus $100m last year.

Underlying pre-tax profit was £1,110m, up 17% at constant exchange rates. Sunbelt US rental only revenue grew by 20% as we continued to benefit from generally strong markets. This compares to overall US rental market growth of around 7%. Organic growth (same-store and greenfield) was 15%, while bolt-ons added a further 5%. We are well on track to deliver all elements of our 2021 strategy a year earlier than planned.

> **We made big strides this year on expanding our specialty offering as we continue to broaden our markets.**

We continued our expansion in Canada by leveraging our recently built scale, in a market where we still have comparatively low share. Throughout the year, we invested in the business with existing location fleet growth, greenfields and bolt-ons, with the aim of broadening our fleet mix and geographic service capabilities, all leading to strong pro forma rental only revenue growth of 18%. The scale of our operations in Canada was transformed by the acquisition of CRS last year and, to a lesser extent, Voisin's this year. In absolute terms, Canada contributed C$344m in revenue and C$55m in operating profit in the year. In a period of rapid growth, the key is to strike a balance between growth and profitability, and in Canada we achieved this. As is the case with US end markets, we continue to see positive indicators in Canada.

A-Plant's rental only revenue grew 4% over the year. The market in the UK remains relatively flat with a competitive rate environment. However, the strength of our business in the UK means A-Plant performed better than many of its peers. We watch the market closely and are focused on customer service and operational improvement to maintain our competitive advantage.

We continue to see good end markets with significant backlogs in terms of demand for our services and we anticipate low-teen revenue growth for the coming year. We watch key indicators closely and see no evidence of a slowdown coming any time soon. So we expect our growth to continue at current rates and next year plan on opening a further c. 80 new locations.

146

LOCATIONS ADDED IN THE YEAR

In the Strategic report

CAPITALISING ON MARKET OPPORTUNITIES

We are building market share through same-store growth, new greenfield investments, selected bolt-on acquisitions and the expansion of our product offering.

→ **Page 12**

CREATING SUSTAINABLE VALUE

Our equipment rental business model, and the management of that over the economic cycle, enable us to create long-term sustainable value.

→ **Page 16**

IMPLEMENTING OUR STRATEGY

We focus on building market share, maintaining flexibility in our operations and finances, and being the best we can be every day.

→ **Page 22**

MANAGING OUR RISKS

Our main risks relate to economic conditions, competition, financing, cyber security, health and safety, people, the environment and laws and regulations.

→ **Page 32**

MEASURING OUR PERFORMANCE

We had another year of strong financial performance, improved operational efficiency and excellent service metrics.

→ **Page 36**

BEING A RESPONSIBLE BUSINESS

We report on responsible business through the Group Risk Committee. We focus on health and safety, our people, the environment, community investment and ensuring the highest ethical standards across the Group.

→ **Page 44**

MAKING THE MOST OF GROWING MARKETS

The US continues to be our biggest market and we are seeing significant growth in our still relatively new Canadian market. We continue to perform well in the UK but this is a much more subdued environment than North America. The US rental market is five times bigger than the UK and we continue to capitalise on the structural changes in that market, as customers adapt to renting equipment rather than owning it. Our Canadian business is still smaller than our UK business but is growing rapidly. We have expanded our presence in Canada significantly and are excited by the opportunities we see there. We expect the Canadian market to develop similarly to the US, as customers get more used to renting a wider variety of equipment and more familiar with the Availability, Reliability and Ease we deliver. Our aim is to continue to grow the business wherever we are in the economic cycle. Strong markets in the US and Canada, and a stable one in the UK, mean we continue to perform very well.

> **Our markets continue to broaden.**

The breadth of our markets

Our markets continue to broaden, in terms of geography, range of equipment rented and the applications for which our equipment is used. The graphic below shows the growing diversity of end markets that are using our equipment more and more. In many cases, this is the same equipment just used for a different purpose. A significant proportion of our fleet was developed originally for the construction industry but is now used in applications varying from film and TV production to putting up Christmas decorations. We are reaching these broadening markets as a result of our scale, advancement of our market cluster strategy and specialty business evolution – all positioned to give great service to our customers through our corporate mantra, Availability, Reliability and Ease. For any one of these markets, there is also a wide range of equipment used. For example, on large festival sites such as Lollapalooza in Chicago or Glastonbury in the UK, we may have 400-500 pieces of equipment of all different types and sizes. Equipment that previously would not have been rented is now part of the rental mix. This is particularly the case with the ongoing structural change most noticeable in the US and Canada.

Construction continues to be busy but we are seeing lots of growth in general equipment and specialty businesses in areas such as special events and maintenance. A big change in recent years has been

BROADENING THE MARKETS WE REACH

EMERGENCY RESPONSE

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

FACILITIES MAINTENANCE AND MUNICIPALITIES

- Office complexes
- Parks and recreation departments
- Schools and universities
- Shopping centres
- Apartment complexes
- Pavement/kerb repairs
- Golf Course maintenance
- Government
- Hospitals

ENTERTAINMENT AND SPECIAL EVENTS

- National events
- Concerts
- Sporting events
- Film/TV production
- Theme parks
- Festivals
- Farmers' markets
- Local 5K runs
- Cycle races

CONSTRUCTION

- Airports
- Highways and bridges
- Office buildings
- Data centres
- Schools and universities
- Shopping centres
- Residential
- Remodelling

the increase in rentals taking place in ordinary square footage under roof applications every day, throughout our business and we expect this trend to continue.

We are also seeing changes in the length of time that customers hold onto equipment. Large projects are longer and rental is now core to these rather than being more 'top up' in nature, as it used to be. We are also seeing customers holding on to equipment longer to move to the next job or project. Demand is high, as are backlogs, and we are seeing customers extend rentals as a result.

The US

Economic strength

Our core US markets remain strong. Industry forecasts remain good, our end markets are busy and are signalling no change in course on the horizon. Naturally a range of market indicators can show a range of expectations. However, no one market indicator or forecast tells the full story, or should be overreacted to, but what we are seeing today is a broad set of data, internal and external, pointing to ongoing strong end markets.

Construction markets continue to be strong and, with growing employment, the benefits of lower energy prices and increased disposable income, people continue to spend more money which is positive for our broader, non-construction markets like event work and residential remodelling. Oil and gas, which remains only a very small part of our business, but which has struggled in the past, has rebounded from the lows of three to four years ago. Tax reform has added to positive trends with corporate tax cuts only now beginning to translate into actual projects. These include more data centres and distribution warehouses nearing starts, and office expansion and renovation, all of which need our services. We expect economic growth to continue in the US.

The markets we serve remain strong, as both structural and cyclical trends continue to be favourable. Chart 02 shows the last three construction cycles. These have followed one of two patterns. From 1975 to 1982 and from 1982 to 1991 the initial recovery was very aggressive but the overall cycle was relatively short. We believe we still have at least two to three years of growth left in the cycle and whilst the pace of growth may moderate, we should have multiple years of structural and cyclical opportunity ahead.

Market share in the US

We continue to grow our market share in the US and even though we are the second largest equipment rental company, there remains plenty of room to grow as chart 03 shows. Our major large competitors are United Rentals and Herc Rentals with 14% and 3% respectively. Home Depot, Ahern and H&E have shares of 2% or less. Most of the remainder of the market is made up of small local independent tool shops.

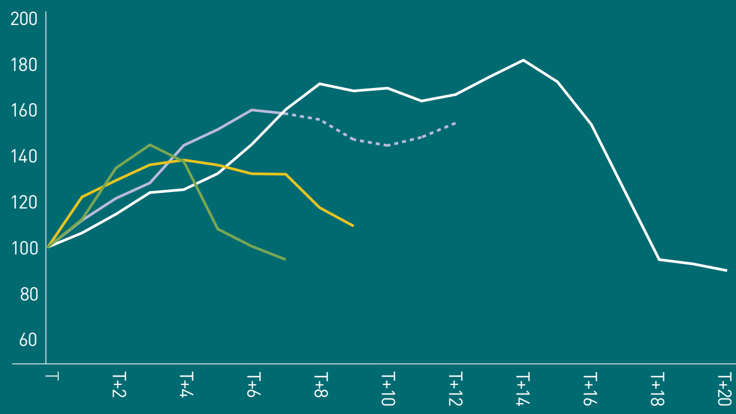
Much of our market share gain comes from these small independents when we set up new stores or acquire them. Ours is a capital-intensive industry where size matters. Scale brings cost benefits and sophistication in areas like IT and other services, and this leads ultimately to further consolidation. The proportion of the market enjoyed by the larger players continues to increase and we have clearly been a major beneficiary of this trend. Whilst there will always be a place for strong local players, the market share enjoyed by the larger players is likely to grow by a further 30 to 40% in the medium term.

01 US MARKET OUTLOOK (RENTAL REVENUE FORECASTS)

2019	2020	2021
+5%	+5%	+5%

Source: IHS Markit (May 2019).

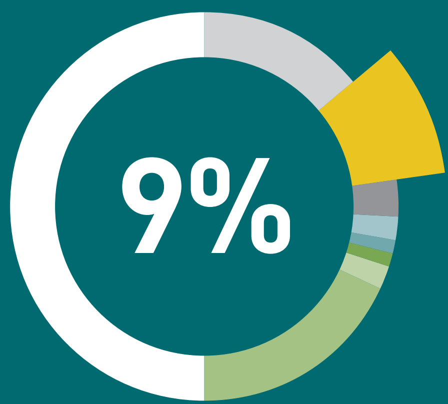
02 CONSTRUCTION ACTIVITY BY CYCLE



1975–1982
1982–1991
1991–2011
Current cycle
Forecast
(T=100 based on constant dollars)

Source: Dodge Data & Analytics (June 2019).

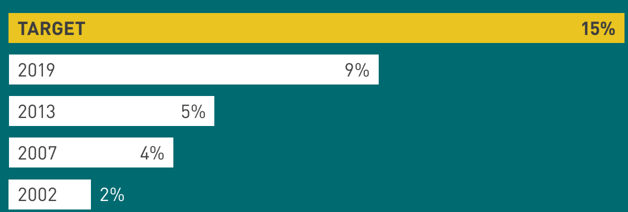
03 US MARKET SHARE



United Rentals	14%	H&E	1%
Sunbelt	9%	Top 7–10	2%
Herc Rentals	3%	Top 11–100	c. 18%
Home Depot	2%	Others	c. 50%
Ahern	1%		

Source: Management estimate based on IHS Markit market estimates.

04 US MARKET SHARE DEVELOPMENT



Source: Management estimates.

This market share analysis is based on the traditional definition of the rental market focused on construction. A significant market for us is property maintenance, repair and operation characterised by square footage under roof. In the US there is 87bn square feet under roof and we believe this represents a potential rental market of $7-10bn, with minimal rental penetration at the moment. It is not a new market for Sunbelt but one with increasing opportunity as we demonstrate the benefits of rental through Availability, Reliability and Ease. One consequence of this is that we believe the size of the rental market is understated and hence our, and everyone else's, market share is overstated. This only serves to increase the opportunities for growth.

We are confident that as the market grows, our share will also increase. We have a good track record of success having doubled our market share since 2010. We continue to set ambitious targets for continuing to increase our market share, with an initial goal of 15%. The speed with which we increase our market share is in part a function of how quickly we can get new locations up and running. However, as noted above, our market share growth also comes from continuing to broaden both our end markets and the range of equipment we have available to rent in each location (more on this in our strategy section on page 22).

The combination of our business model, which you can read more about on page 16, the continuing strong economy and the long-term trend to rental, provides the perfect environment for us to achieve our goals. In addition, our market share gains accelerate as we make the most of our scale advantages. In the longer term, we believe that US market share in the order of 20% is an attainable goal.

As we increase our market share and grow our specialty businesses, they become a greater proportion of the mix across the cycle. The acquisitions we make are often to expand into a new specialty area or to develop an existing one and then we supplement them with greenfield openings.

The trend to rental

The trend of rental penetration in the US continues to be positive for the industry as our customers have become accustomed to the flexibility of an outsourced model. Between 2010 and 2019, increased rental penetration effectively grew our end market by 20 to 25%. We see this trend continuing, which will provide similar levels of market growth over the coming years. Rental still only makes up around 55% of the US market compared to around 75% in the UK. However, this is a broad average with penetration levels ranging from single to low double-digit percentages for, say, floor scrubbers to 90%+ for large aerial equipment.

We like specialty products because they are at the low end of this range, which provides greater scope for growth. We see the potential market penetration for rental equipment to be well over 60% in the US. The short-term drivers of this evolution are the significant cost inflation in recent years associated with the replacement of equipment, technical changes to equipment requirements that make rental more attractive and health, safety and environmental issues which make rental more economical and just easier. In addition, our customers are ever more used to renting equipment rather than owning it themselves.

87bn

SQUARE FEET UNDER ROOF IN THE US

The diversity of our fleet helps us take advantage of the increasing trend to rental and we continue to expand the range of products we rent. Our customers often assume we will be able to fulfil their equipment needs with a rental product for an ever-widening range of applications. If your fleet consists of equipment which is already predominantly rented, like telehandlers and large booms, you are not necessarily benefitting from increased rental penetration as it is probably as high as it is likely to get. However, if you have a broader mix of fleet, then there is significant further upside to come from increased rental penetration.

The combination of increased environmental regulations on engines leading to higher replacement costs, more stringent health and safety requirements and technological advancements also make renting an increasingly attractive proposition. For example, environmental regulations have driven further rental penetration through the reduction in fleet size by those customers who previously may have chosen to own some if not all of their larger equipment needs.

Customers and smaller competitors with older fleets are faced with heavier replacement spend causing them to either replace less and rent or reduce their fleet size. Furthermore, the difficulties of getting to grips with new technology and maintenance requirements have also caused more operators to decide to rent. Maintaining optimally-serviced and therefore safe equipment can be a big outlay for a smaller operator. Therefore we continue to invest in keeping our fleet in the best condition it can be to take advantage of the increased demand for rental.

Our own development and use of technology is also driving rental penetration. Our highly sophisticated proprietary customer management, inventory and delivery tracking systems enable us to make our customers' rental experience one of Availability, Reliability and Ease. Our customers are increasingly willing to rent different types of equipment from us, more often. (More on this in the section on strategy on page 22.)

> **"The proportion of the market enjoyed by the larger players continues to increase.**

Canada
A fast-growing market

Canada is still a relatively new and fast-growing market for us. The existing rental market is just over a tenth of the size of the US. But in the same way that the US has experienced structural growth as more and more types of equipment are rented for different applications, we expect similar trends in Canada in the longer term. Our share of the Canadian rental market is around 4%. There is plenty of scope to develop this in the same way as in the US and we are growing rapidly. IHS Markit predicts Canadian rental revenue to grow between 4 and 6% annually through 2021. We anticipate growing more rapidly as we take market share and broaden our offering.

Our entry to the Canadian market was focused first on the southwest corner of Canada where we acquired a small business in 2014, GWG Rentals, with a strong management team. Using this as a base, we then opened a series of greenfields and made a number of small bolt-on acquisitions to expand the business. We now also have a significant presence in Ontario through the acquisitions of CRS in 2017 and Voisin's in 2018 and are expanding in Edmonton, Calgary and Winnipeg. We are creating a strong platform from which to grow.

Sunbelt Canada has had pro forma rental only revenue growth of 18% this year and in five years we have gone from six stores to 67. The rental market has, to date, been construction focused, but we continue to develop new markets such as the film industry in Vancouver. In addition, we have added our power and flooring solutions specialty businesses this year. Customers who traditionally rented mainly aerial work platforms are now renting smaller equipment as well. Customers are increasingly seeing the benefits of working with us to fulfil the full range of their rental needs. Prior to our arrival there was no branded equipment in the market. Our cluster approach (more on this in our section on strategy on page 26) also means we are able to be closer to our customers than has previously been the case.

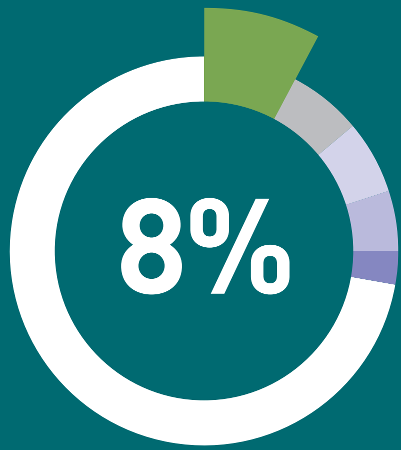
Across the country there are variances in the mix of fleet we have on rent. In Western Canada we see more customer demand for aerial work platforms ('AWP') especially through our work servicing the film and TV industry. In the resource-rich areas of Canada there is more demand for extraction equipment and this is reflected in the fleet mix available. We see great opportunities for expanding our specialty and AWP businesses, especially in Ontario. As we expand in other provinces we expect to generate more business from Canada's resources industry.

Our initial goal is to achieve market share of 5% and for Canada to make up between 15-20% of the North American business.

18%

PRO FORMA RENTAL ONLY REVENUE GROWTH IN CANADA

06 UK MARKET SHARE



A-Plant	8%	VP	5%
HSS	6%	GAP	3%
Speedy	6%	Others	72%

Source: Management estimate based on IHS Markit market estimates.

The UK
Economic resilience

The UK market is more challenging and although we expect it to continue to grow, this will be at a more moderate pace for the foreseeable future. A contributory factor has been the continuing uncertainty around Brexit. Structural growth opportunities are more difficult to come by because of an already high level of rental penetration. Nonetheless, A-Plant continues to grow, making bolt-on acquisitions and taking market share. A-Plant also performs better and is more resilient than many of its peers. Table 05 shows the outlook for UK construction. Given the good overall construction market, we will continue to invest responsibly in the UK market as we seek to increase market share and enhance returns.

Market share

We continue to be the largest equipment rental company in the UK. There are a greater number of major players in the UK market and, as the largest, we only have an 8% market share.

Chart 06 shows our key competitors and their share of the market. We believe we continue to be well-positioned in the market with our strong customer service, broad-based fleet and strong balance sheet. We continue to broaden our customer base and have focused our investment on specialty sectors within the market. This has proven successful in growing our market share.

05 UK CONSTRUCTION INDUSTRY FORECASTS

£m constant 2016 prices	2017 actual	2018 forecast	2019 forecast	2020 projection	2021 projection	% of total
Residential	55,880	57,759 +3.4%	56,968 -1.4%	57,746 +1.4%	58,324 +1.0%	**35%**
Private commercial	48,651	47,895 -1.6%	46,158 -3.6%	45,255 -2.0%	44,876 -0.8%	**27%**
Public and infrastructure	57,965	57,926 -0.1%	59,739 +3.1%	62,115 +4.0%	64,662 +4.1%	**39%**
Total	162,496	163,580 +0.7%	162,865 -0.4%	165,116 +1.4%	167,862 +1.7%	**100%**

Source: Construction Products Association (Spring 2019).

CREATING SUSTAINABLE VALUE

We create value through the short-term rental of equipment that is used for a wide variety of applications to a diverse customer base. Our rental fleet ranges from small hand-held tools to the largest construction equipment and is available through a network of stores in the US, Canada and the UK.

WHAT WE DO

We have a platform which enables our customers to rent what they want, when they want and where they want with ease.

Purchase

We buy a broad range of equipment from leading manufacturers.

Rent

We rent it on a short-term basis to a broad range of customers.

Sell

We sell the old equipment in the second-hand market.

HOW WE DO IT

MANAGING THE CYCLE

Planning ahead

Careful balance sheet management

Differentiating the fleet

- Broad fleet mix
- Highly responsive (no job too small)
- Scale to meet size and range of requirement

→ Page 18

Ensuring operational excellence

- Optimal fleet age
- Nationwide networks in US and UK and a growing one in Canada
- Long-term partnerships with leading equipment manufacturers
- Focused, service-driven approach
- Strong customer relationships
- Industry-leading application of technology

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Enabling our customers to rent what they want, when they want and where they want with ease

AVAILABILITY

Range of products and services

- General tools
- Air compressors and accessories
- Compaction and earth moving
- Climate control services
- Power and HVAC
- Pump solutions
- Remediation and restoration

Adapting our fleet and cost position	Taking advantage of opportunities

Investing in our people

- Highly skilled team
- Devolved structure
- Maintaining significant staff continuity
- Strong focus on recruitment, training and incentivisation

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Maximising our return on investment

- Effective management and monitoring of fleet investment
- Optimisation of utilisation rates and returns
- Flexibility in local pricing structures
- Focus on higher-return equipment
- Appropriate incentive plans consistent with improved returns

→ Page 19

RELIABILITY

Network

- Logistics
- Bricks and mortar
- Customers
- Our people
- Clusters

EASE

Technology to simplify

- CommandCenter
- Accelerate
- MSP
- VDOS

VALUE CREATION

Rental solutions

The provision of cost-effective rental solutions to a diverse customer base.

→ Page 18

Long-term relationships

Developing long-term relationships with customers and suppliers.

→ Page 18

Enhancing communities

Enhancing the communities in which we operate, through employment, opportunity and community involvement.

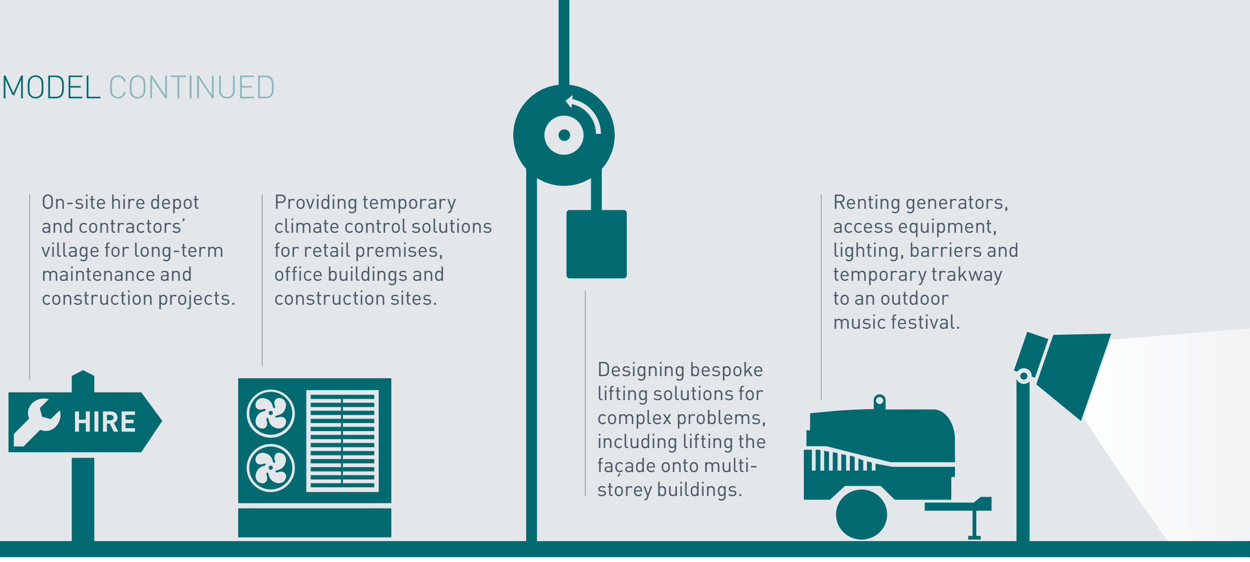
→ Page 54

Sustainable returns

Generating sustainable returns for shareholders throughout the cycle.

→ Page 18

WHAT WE DO IS SIMPLE. HOW WE DO IT IS NOT.



At its most basic, our model is simple – we purchase an asset, we rent it to customers through our platform and generate a revenue stream each year we own it (on average, seven years) and then we sell it in the second-hand market and receive a proportion of the original purchase price in disposal proceeds. Assuming we purchase an asset for $100, generate revenue of $55 each year (equivalent to 55% dollar utilisation) and receive 35% of the original purchase price as disposal proceeds, we generate a return of $420 on an initial outlay of $100 over an average seven-year useful life. We incur costs in providing this service, principally employee, maintenance, property and transportation costs and fleet depreciation. However, this simple overview encompasses a significant number of moving parts, activities and expertise that powers the platform to ensure Availability, Reliability and Ease. Our ability to excel in these areas enables us to generate strong margins and deliver long-term, sustainable shareholder value, whilst managing the risks inherent in our business (refer to pages 32 to 35).

Managing the cycle

We describe ourselves as being a late cycle business in that our biggest end market, non-residential construction, is usually one of the last parts of the economy to be affected by a change in economic conditions. This means that we have a good degree of visibility on when we are likely to be affected, as the signs will have been visible in other parts of the economy for some time. We are therefore able to plan accordingly and react in a timely manner when necessary. Key to the execution of our model is the planning we undertake to capitalise on the opportunities presented by the cycle. The opportunities are for both organic growth, through winning market share from less well-positioned competitors, and positioning ourselves to be able to fund acquisitive growth if suitable opportunities arise. See content on our strategy on page 22.

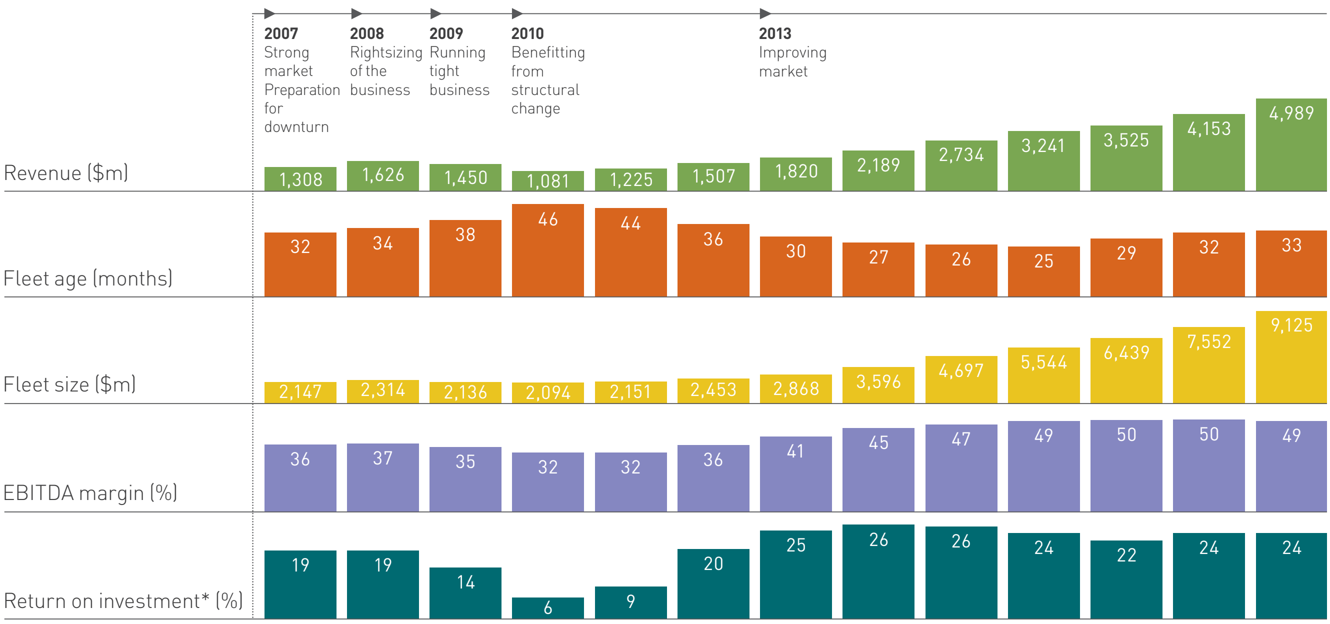
Differentiating our fleet and service

The differentiation in our fleet and service means that we provide equipment to many different sectors. Construction continues to be our largest market but now represents around 45% in the US as we have deliberately reduced our reliance in this area. We continue to develop our specialty areas such as Power & HVAC, Pump Solutions, Climate Control, Scaffolding, Oil & Gas, Flooring Solutions and Industrial Services which represented 23% of our US business. Residential construction is a small proportion of our business (5%) as it is not a heavy user of equipment. In the UK specialty represents 59% of our business.

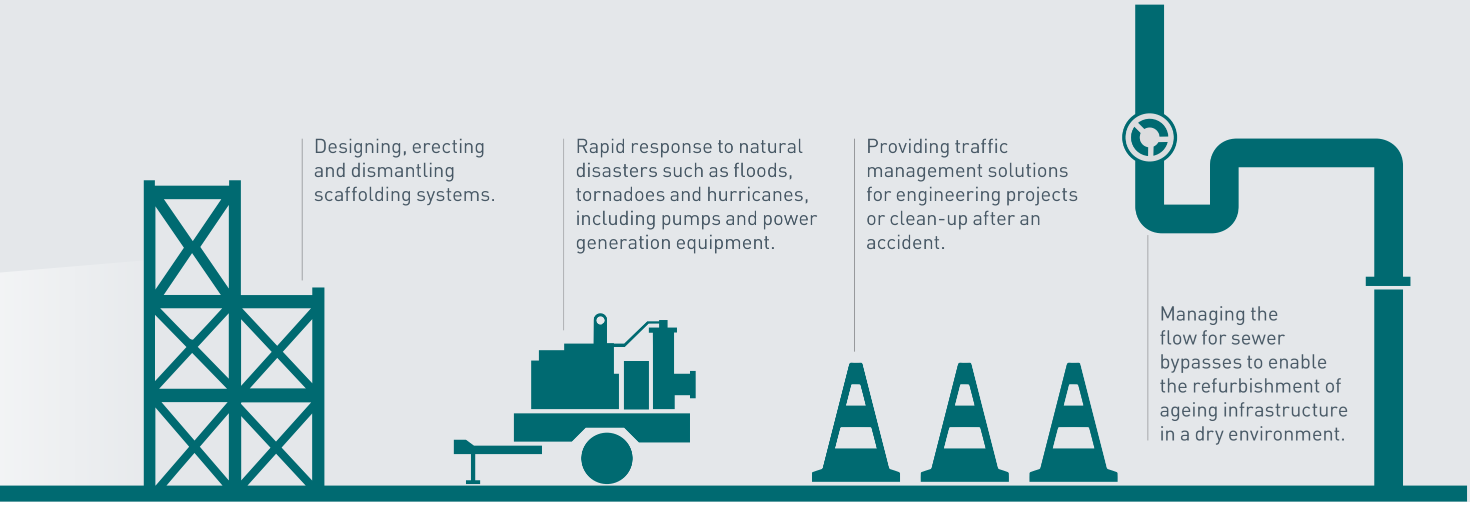
Our customers range in size and scale from multinational businesses, through strong local contractors to individual do-it-yourselfers. Our diversified customer base includes construction, industrial and homeowner customers, service, repair and facility management businesses, as well as government entities and specialist contractors. Our core market is the small to mid-sized local contractor. The nature of the business is such that it consists of a high number of low-value transactions. In the year to April 2019, Sunbelt US dealt with over 620,000 customers, who generated average revenue of $7,400.

The individual components of our fleet are similar to our peers. However, it is the breadth and depth of our fleet that

07 MANAGING THE CYCLE – SUNBELT US



* Excluding goodwill and intangible assets.



differentiates us from them and provides the potential for higher returns. The size, age and mix of our rental fleet is driven by the needs of our customers, market conditions and overall demand. The equipment we provide to each customer is diverse and we are often involved in supplying various types of equipment over an extended period at each distinct stage of a project's development. Our equipment is also used in a wide range of other applications including industrial, events, repair and maintenance and facilities management.

How we operate

Our operating model is key to the way we deliver operational excellence:

- In the US we achieve scale through a 'clustered market' approach of grouping large and small general tool and specialty rental locations in each of our developed markets. This approach allows us to provide a comprehensive product offering and convenient service to our customers wherever their job sites may be within these markets. When combined with our purchasing power, this creates a virtuous circle of scale. You can find out more on our cluster strategy on page 26.
- In Canada, we have first focused on expanding our presence in the Western and Eastern provinces, also achieving scale through a clustered market approach similar to the US. The businesses we acquired have strong positions in construction equipment, aerial work platforms and general tools. We are expanding the range of products available to customers in all areas, including building up our specialty service offering.
- In the UK, our strategy is focused on having sufficient stores to allow us to offer a full range of general tool and specialty equipment on a nationwide basis. We have migrated our network towards fewer, larger locations which are able to address all the needs of our customers in their respective markets. This difference in approach from the US reflects the nature of the customer base (more national accounts) and the smaller geography of the UK.
- Across our rental fleet, we seek generally to carry equipment from one or two suppliers in each product range and to limit the number of model types of each product. We believe that having a standardised fleet results in lower costs. This is because we obtain greater discounts by purchasing in bulk and reduce maintenance costs through more focused and, therefore, reduced training requirements for our staff. We are also able to share spare parts between stores which helps minimise the risk of over-stocking. Furthermore, we can easily transfer fleet between locations which helps us achieve strong levels of physical utilisation, one of our key performance indicators ('KPIs').
- We purchase equipment from well-known manufacturers with strong reputations for product quality and reliability and maintain close relationships with them to ensure certainty of supply and good after-purchase service and support. We work with suppliers to provide early visibility of our equipment needs which enables them to plan their production schedules and ensures we receive the fleet when we need it. However, we believe we have sufficient alternative sources of supply for the equipment we purchase in each product category.
- We also aim to offer a full service solution for our customers in all scenarios. Our specialty product range includes equipment types such as pumps, power generation, heating, cooling, scaffolding, traffic management, temporary flooring, trench shoring and lifting services, which involve providing service expertise as well as equipment.
- We invest heavily in technology, including the mobile applications required to deliver efficient service as well as high returns. Customers can track the equipment they have on rent, place new orders, request pickup or service or extend their contract while on the go. Our sales reps have access to the same information, along with details of the location of our fleet and all other information required to serve the customer. Technology enables our business and provides power to the platform and a significant advantage over our competitors.
- Our large and experienced sales force is encouraged to build and reinforce customer relationships and to concentrate on generating strong, whole-life returns from our rental fleet. Our sales force works closely with our customers to ensure we meet their needs. Through the application of technology, it is equipped with real-time access to fleet availability and pricing information enabling it to respond rapidly to the needs of a customer while optimising returns.
- We guarantee our service standards and promise our customers we will make it happen. We believe that our focus on customer service and the guarantees we offer help distinguish our businesses from competitors and assist us in delivering superior financial returns. Our responsiveness to customer needs is critical in a business where around 70% of orders are placed for delivery within 24 hours. We have worked with a lot of our customers for many years. Our customer retention is high due to the scale and quality of our fleet, our speed of response and our customer service.
- Our local management teams are experienced and incentivised to produce strong financial returns and high quality standards. We believe that the autonomy given to management teams to take decisions locally ensures that, despite our size, we retain the feel of a small, local business for our employees.

Investing in our people

Our people enable us to provide the exceptional customer service that keeps our customers coming back. Our exceptional staff and focus on service give us a huge competitive advantage in what we do. On page 48 we discuss the importance of our staff and corporate culture in more detail. We aim to recruit good people and then invest in them throughout their careers.