Powering the platform

First quarter results

8 September 2020

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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 36-39 of the Group's Annual Report and Accounts for the year ended 30 April 2020 and in the unaudited results for the first quarter ended 31 July 2020 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.

HIGHLIGHTS

- Continue to deliver for all our stakeholders: our people; our customers; our investors; and our communities
- Strong performance in challenging markets demonstrating strength of model, diverse end markets and structural tailwinds
- Record first quarter free cash flow of £447m (2019: £161m)
- Reduced debt and lowered leverage[1] to 1.8 times net debt to EBITDA, the middle of our target range
- Resumed greenfield programme following COVID-19 driven pause with three openings
- Look to the medium term with confidence and this year as one of strong cash generation and strengthening our market position

[1] Excluding the impact of IFRS 16

2020/21 OUTLOOK

		Guidance[1]
Rental revenue[1]	• US	-5% to -9%
	• Canada	Broadly flat
	• UK	Broadly flat
	• Group	-5% to -9%
Capital expenditure (gross)[2]		£485m – £540m
Free cash flow[2]		Greater than £1 billion

[1] Represents year over year rental revenue growth, assuming no further significant COVID-19 shutdown
[2] Stated at £1 = $1.30 and £1 = C$1.75

Michael Pratt
Financial review

Alternative Care Facility – Houston, TX

GROUP

(£m)	First quarter 2020	2019	Change[1]
Revenue	**1,203**	**1,278**	**-7%**
- of which rental	1,081	1,165	-8%
Operating costs	(655)	(651)	-%
EBITDA	**548**	**627**	**-14%**
Depreciation	(283)	(254)	10%
Operating profit	**265**	**373**	**-30%**
Net interest	(57)	(54)	4%
Profit before amortisation and tax	**208**	**319**	**-35%**
Earnings per share	**34.7p**	**51.4p**	**-33%**
Margins			
- *EBITDA*	*46%*	*49%*	
- *Operating profit*	*22%*	*29%*	

The results in the table above are the Group's underlying results and are stated before intangible amortisation

[1] At constant exchange rates

US

($m)	First quarter 2020	2019	Change
Revenue	**1,284**	**1,381**	**-7%**
- of which rental	1,174	1,279	-8%
Operating costs	(663)	(665)	-%
EBITDA	**621**	**716**	**-13%**
Depreciation	(297)	(269)	10%
Operating profit	**324**	**447**	**-27%**
Margins			
- *EBITDA*	*48%*	*52%*	
- *Operating profit*	*25%*	*32%*	
Return on investment	*19%*	*24%*	

The results in the table above are the US's underlying results and are stated before intangible amortisation

CANADA

(C$m)	First quarter				
	2020			2019	Change[1]
	As reported	WFW	Exc. WFW		
Revenue	**90**	**6**	**84**	**95**	**-12%**
- of which rental	74	6	68	76	-11%
Operating costs	(60)	(10)	(50)	(57)	-13%
EBITDA	**30**	**(4)**	**34**	**38**	**-10%**
Depreciation	(30)	(7)	(23)	(22)	6%
Operating profit	**-**	**(11)**	**11**	**16**	**-32%**
Margins					
- *EBITDA*	*33%*	*nm*	*40%*	*40%*	
- *Operating profit*	*-%*	*nm*	*13%*	*17%*	
Return on investment	*6%*	*nm*	*9%*	*11%*	

The results in the table above are Canada's underlying results and are stated before intangible amortisation
[1] Excluding the impact of the William F White acquisition
nm – not meaningful

UK

(£m)	First quarter 2020	2019	Change
Revenue	**123**	**131**	**-6%**
- of which rental	99	109	-10%
Operating costs	(87)	(87)	-1%
EBITDA	**36**	**44**	**-17%**
Depreciation	(28)	(29)	-1%
Operating profit	**8**	**15**	**-46%**
Margins			
- *EBITDA*	*29%*	*33%*	
- *Operating profit*	*7%*	*12%*	
Return on investment	*5%*	*6%*	

The results in the table above are the UK's underlying results and are stated before intangible amortisation

CASH FLOW

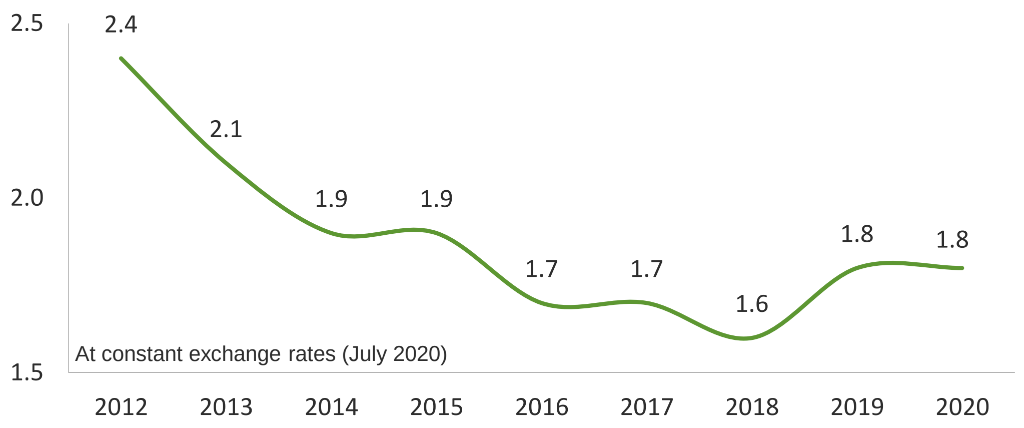
(£m)	First quarter 2020	First quarter 2019	LTM July 2020
EBITDA before exceptional items	548	627	2,297
Cash conversion ratio[1]	*99%*	*86%*	*106%*
Cash inflow from operations[2]	**543**	**542**	**2,432**
Replacement and non-rental capital expenditure	(125)	(185)	(799)
Rental equipment and other disposal proceeds received	84	52	290
Interest and tax paid	(55)	(43)	(322)
Cash inflow before discretionary expenditure	**447**	**366**	**1,601**
Growth capital expenditure	-	(205)	(511)
Exceptional costs	-	-	(12)
Free cash flow	**447**	**161**	**1,078**
Business acquisitions	(12)	(205)	(261)
Dividends paid	-	-	(187)
Purchase of own shares by the Company / ESOT	(13)	(142)	(336)
Decrease in net debt	**422**	**(186)**	**294**

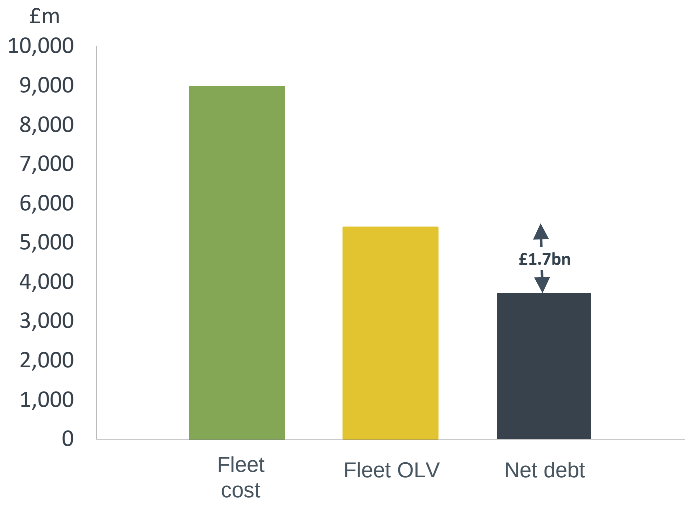
[1] Cash inflow from operations as a percentage of EBITDA
[2] Before fleet changes and exceptional items

NET DEBT AND LEVERAGE

(£m)	2020	2019
Net debt at 30 April	**5,363**	**3,745**
Impact of transition to IFRS 16	-	883
Opening debt including IFRS 16	**5,363**	**4,628**
Translation impact	(156)	291
Opening debt at closing exchange rates	**5,207**	**4,919**
Change from cash flows	(422)	186
New lease liabilities	35	53
Deferred debt raising cost amortisation	2	1
Net debt at period end	**4,822**	**5,161**
Comprising:		
First lien senior secured bank debt	1,472	2,341
Senior notes	2,260	1,855
Lease obligations	1,100	982
Cash in hand	(10)	(17)
	4,822	**5,161**
Net debt to EBITDA leverage[1] (excl. IFRS 16) (x)	**1.8**	**1.8**
Net debt to EBITDA leverage[1] (incl. IFRS 16) (x)	2.2	2.2

Leverage (excluding impact of IFRS 16)





[1] At July 2020 exchange rates

Brendan Horgan
Operational review

US: CURRENT TRADING

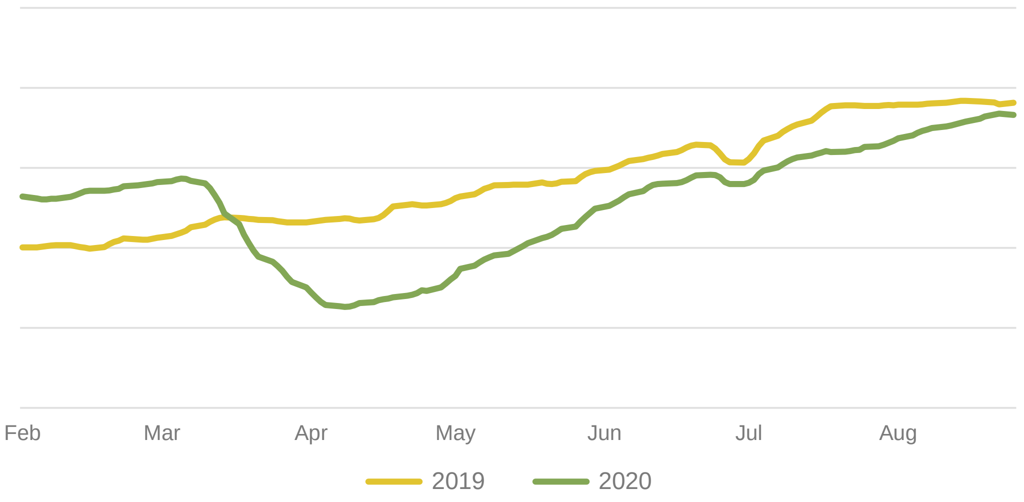
Rental revenue

	Feb	March	April	Q1	August
General tool	+6%	+1%	-15%	-9%	-7%
Specialty	+10%	+10%	+9%	+6%	+18%
Oil and gas	-14%	-19%	-39%	-62%	-56%
Total	**+6%**	**+2%**	**-12%**	**-8%**	**-3%**

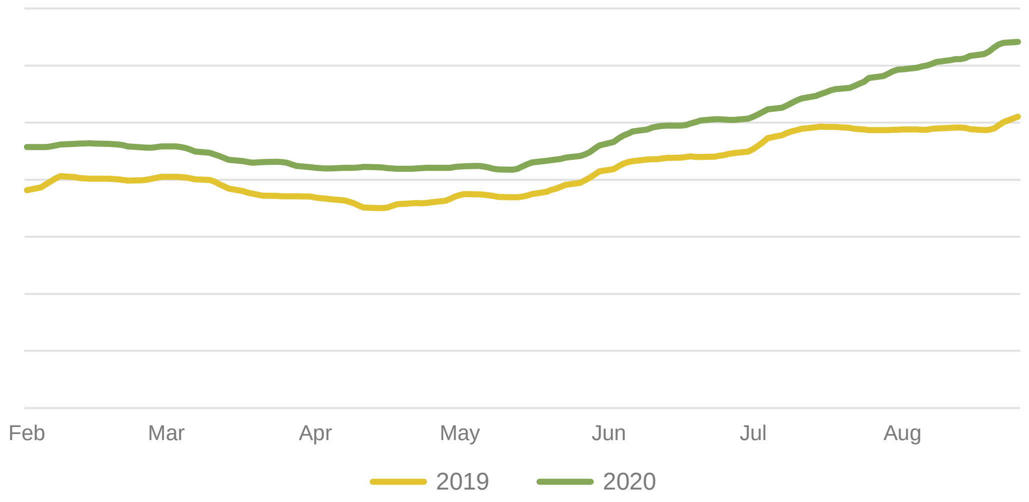
Rental only revenue presented on a billing day basis

- Momentum improved through August
- General tool and specialty businesses continue to outperform the market
- Demonstrates increased diversity of our end markets and power of cross selling between general tool and specialty
- General tool fleet on rent back above pre COVID-19 levels; southern states with higher COVID occurrence lagging others
- Rates have remained constant through this period
- Oil and gas contributed c. 1% to revenue in the quarter

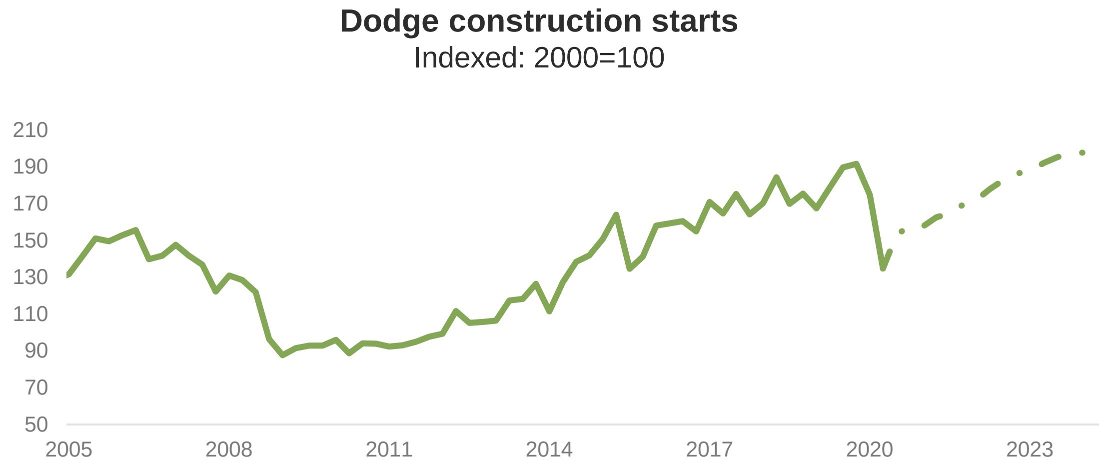
Sunbelt US: fleet on rent



Specialty: fleet on rent



US CONSTRUCTION MARKET OUTLOOK



Source: Dodge Data & Analytics (August 2020)

Construction put in place

	2016	2017	2018	2019	2020	2021	2022	2023
Market ($bn)	1,211	1,266	1,307	1,307	1,215	1,209	1,303	1,399
Market growth	+7%	+4%	+3%	- %	-7%	- %	+8%	+7%

Source: Dodge Data & Analytics (June 2020)

Rental market forecast

	2016	2017	2018	2019	2020	2021	2022	2023
Market growth	+4%	+4%	+8%	+6%	-14%	+1%	+12%	+7%

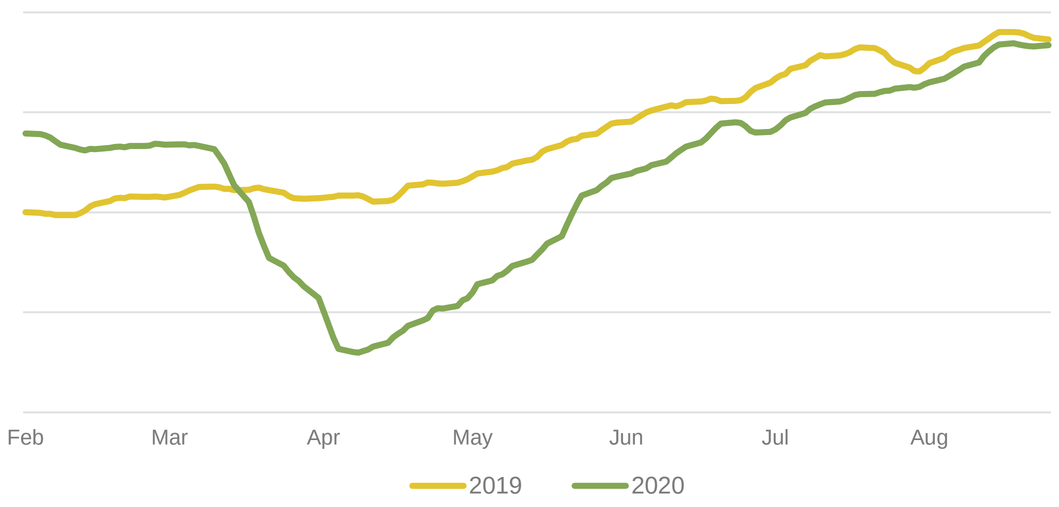
Source: IHS Markit (August 2020)

- Construction forecasts showing signs of solidifying after initial COVID-19 driven adjustments
- 2020 put in place forecast remains -7%; returning to previous cycle peak in 2022
- Recent starts showing promise and forecasts have improved in single family and warehouse
- We anticipate outperformance to forecast rental industry decline demonstrating market share gains throughout this period
- Volatility driver of rental penetration as customers increasingly favour OPEX vs. CAPEX

CANADA

- Our strategy to bring the Power of Sunbelt to Canada through the specialty business created opportunity during COVID-19:
  - Climate Control
  - Power / HVAC
  - Flooring Solutions
- We anticipate outperformance to forecast rental industry decline demonstrating market share gains throughout this period
- Film and TV production stopped while demand for content increased during COVID-19
- Runway for growth remains healthy throughout Canada

Fleet on rent



Canadian building permit values

	2019	2020	2021	2022	2023
Market (C$bn)	102,864	89,710	94,861	100,429	105,029
Market growth	+3%	-13%	+6%	+6%	+5%

Source: Dodge Data & Analytics (July 2020)

Canadian rental market forecasts

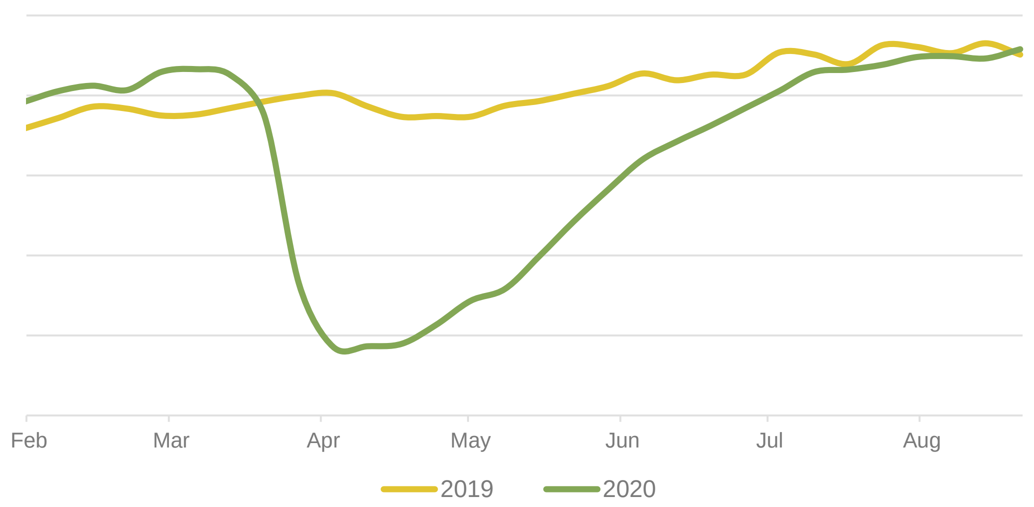
	2019	2020	2021	2022	2023
Rental market (C$bn)	7.4	6.3	6.7	7.3	7.7
Industry rental revenue	+2%	-15%	+6%	+9%	+6%

Source: IHS Markit (August 2020)

UK: CURRENT TRADING

- Strong revenue recovery with August volumes back to prior year levels
- Significant outperformance to market driven by:
  - COVID-19 response efforts
  - Share gains in construction rental space
  - Project Unify deliverables
  - Despite live events business near zero
- Important long-term customer renewals completed
- HS2 and UK government infrastructure activity increasing
- Business poised to improve market position following Project Unify and the decision to remain open and retain our team members through the crisis
- Strong free cash flow

Fleet on rent



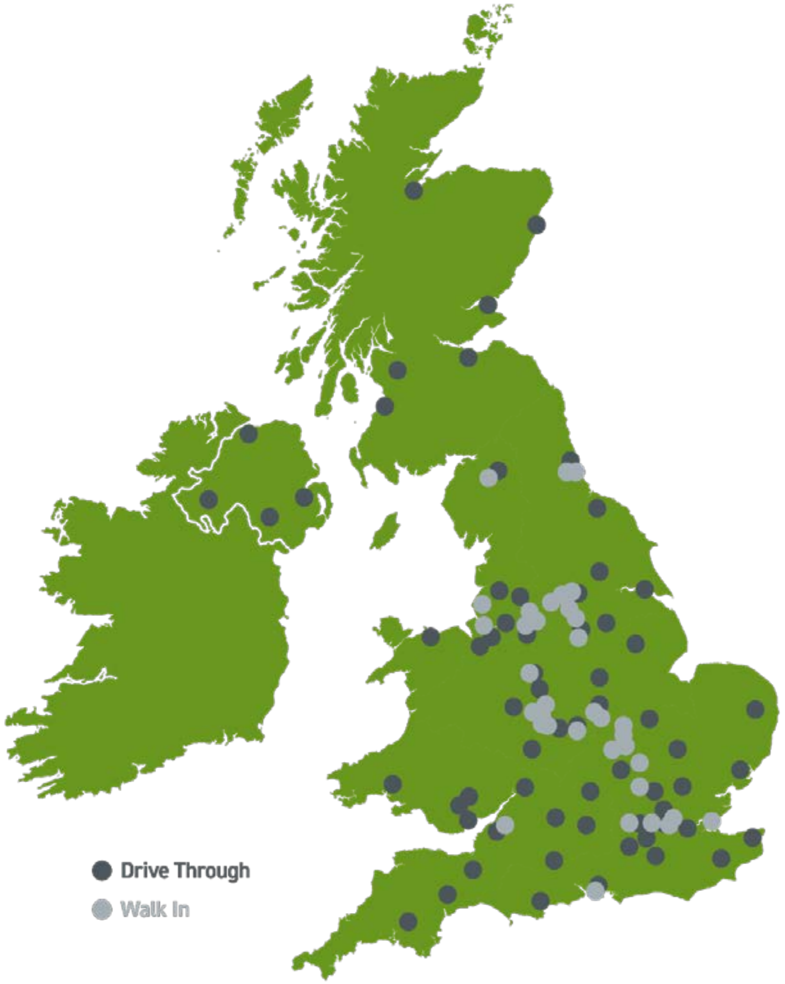
UK industry forecast

	2018	2019	2020	2021
Construction industry	nil%	+2%	-25%	+26%

Source: Construction Products Association (Spring 2020)

SUPPORTING THE COVID-19 RESPONSE IN THE UK

UK COVID-19 testing centres



- Supporting DoH testing centres across the UK
  - 76 regional drive through sites
  - 48 local walk in sites
  - >100,000 assets deployed
- The essence of Project Unify epitomised through delivery across many of our business lines
- Capabilities demonstrated in supporting the DoH have created new opportunities in facility maintenance previously not part of our revenue base
- Fulfilment and sense of pride throughout Sunbelt UK team through such a material participation in response efforts in the community

CAPITAL ALLOCATION

1. Organic growth
   - Fleet investment supporting COVID-19 response
   - Greenfield openings resumed in the quarter
   - 25-30 greenfields planned for 2020/21

2. Bolt-on acquisitions
   - Bolt-on opportunities continue to be assessed based on strategic business rationale, timing, capital allocation priorities and leverage

3. Returns to shareholders
   - Progressive dividend policy maintained; final dividend of 33.5p to be paid on 11 September
   - Ongoing review of share buyback programme: resumption will be based on market visibility, capital allocation priorities and leverage

SUMMARY

- A strong performance in a challenging environment
- Strength of the model and breadth of markets demonstrated with growth in specialty and resiliency in general tool businesses
- Sunbelt UK's Project Unify progressing as planned, setting course for an improved business
- Well-placed to optimise opportunity in more difficult markets
- Long runway for growth taking advantage of structural change and continuing development of our diverse end markets
- Strong free cash flow deployed in accordance with our capital allocation priorities
- The Board continues to look to the medium term with confidence and this year as one of strong cash generation and strengthening our market position

Appendices

Sunbelt UK teammates

DIVISIONAL PERFORMANCE – Q1

	Revenue			EBITDA			Profit		
	2020	2019	Change[1]	2020	2019	Change[1]	2020	2019	Change[1]
Sunbelt US ($m)	1,284	1,381	-7%	621	716	-13%	324	447	-27%
Sunbelt Canada (C$m)	90	95	-5%	30	38	-21%	-	16	-100%
Sunbelt US (£m)	1,027	1,091	-6%	497	566	-12%	259	353	-27%
Sunbelt UK	123	131	-6%	36	44	-17%	8	15	-46%
Sunbelt Canada (£m)	53	56	-6%	17	22	-22%	-	10	-100%
Group central costs	-	-		(2)	(5)	-47%	(2)	(5)	-45%
	1,203	1,278	-6%	548	627	-26%	265	373	-29%
Net financing costs							(57)	(54)	5%
Profit before amortisation and tax							208	319	-35%
Amortisation							(16)	(14)	11%
Profit before taxation							192	305	-37%
Taxation							(49)	(77)	-36%
Profit after taxation							143	228	-37%
Margins									
- *Sunbelt US*				*48%*	*52%*		*25%*	*32%*	
- *Sunbelt UK*				*29%*	*33%*		*7%*	*12%*	
- *Sunbelt Canada*				*33%*	*40%*		*-%*	*17%*	
- *Group*				*46%*	*49%*		*22%*	*29%*	

[1] As reported

DIVISIONAL PERFORMANCE – LTM

	Revenue			EBITDA			Profit		
	2020	2019	Change[1]	2020	2019	Change[1]	2020	2019	Change[1]
Sunbelt US ($m)	5,393	5,202	4%	2,626	2,579	2%	1,437	1,606	-10%
Sunbelt Canada (C$m)	416	362	15%	149	133	12%	38	57	-32%
Sunbelt US (£m)	4,273	4,037	6%	2,080	2,003	4%	1,138	1,247	-9%
Sunbelt UK	461	481	-4%	141	165	-14%	29	56	-47%
Sunbelt Canada (£m)	245	212	16%	88	78	12%	23	33	-32%
Group central costs	-	-	-	(12)	(16)	-21%	(13)	(16)	-17%
	4,979	4,730	5%	2,297	2,230	3%	1,177	1,320	-11%
Net financing costs							(227)	(176)	29%
Profit before amortisation, exceptional items and tax							950	1,144	-17%
Amortisation and exceptional items							(80)	(54)	48%
Profit before taxation							870	1,090	-20%
Taxation							(215)	(275)	-22%
Profit after taxation							655	815	-20%
Margins									
- *Sunbelt US*				*49%*	*50%*		*27%*	*31%*	
- *Sunbelt UK*				*31%*	*34%*		*6%*	*12%*	
- *Sunbelt Canada*				*36%*	*37%*		*9%*	*16%*	
- *Group*				*46%*	*47%*		*24%*	*28%*	

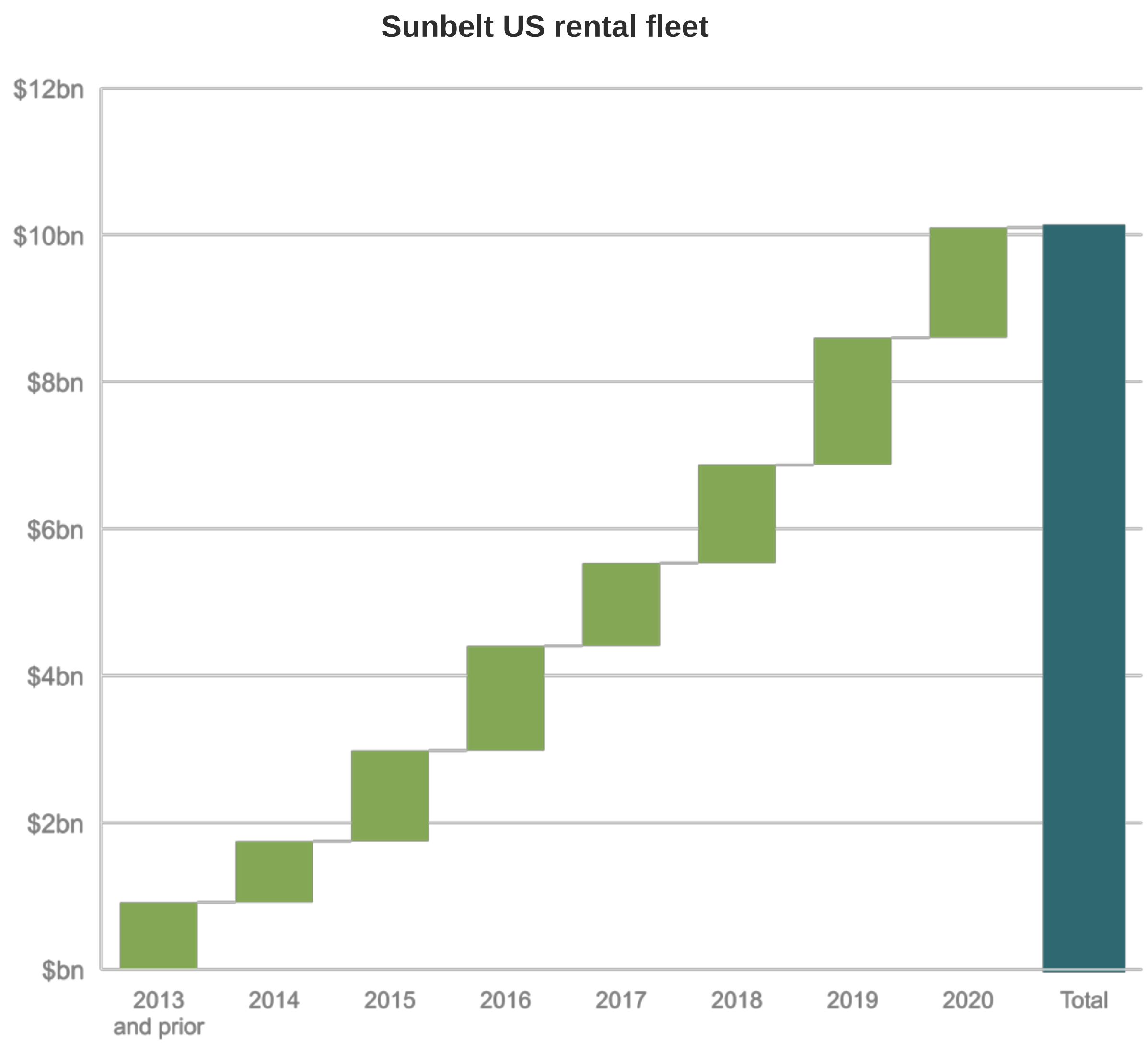
[1] As reported

GROUP FLEET PLAN FOR 2020/21

		2019	2020	2021 Plan[1]	2021 Q1 Actual
US ($m)	- rental fleet	1,607	1,452	425 – 475	74
	- non-rental fleet	168	234	95	19
		1,775	1,686	520 – 570	93
Canada (C$m)	- rental fleet	156	116	30 – 35	6
	- non-rental fleet	20	12	15	2
		176	128	45 – 50	8
UK (£m)	- rental fleet	95	57	40 – 50	16
	- non-rental fleet	30	17	20	2
		125	74	60 – 70	18
Group (£m)	Capital plan (gross)	1,587	1,483	485 – 540	98
	Disposal proceeds	(202)	(281)	(210)	(74)
	Capital plan (net)	1,385	1,202	275 – 330	24

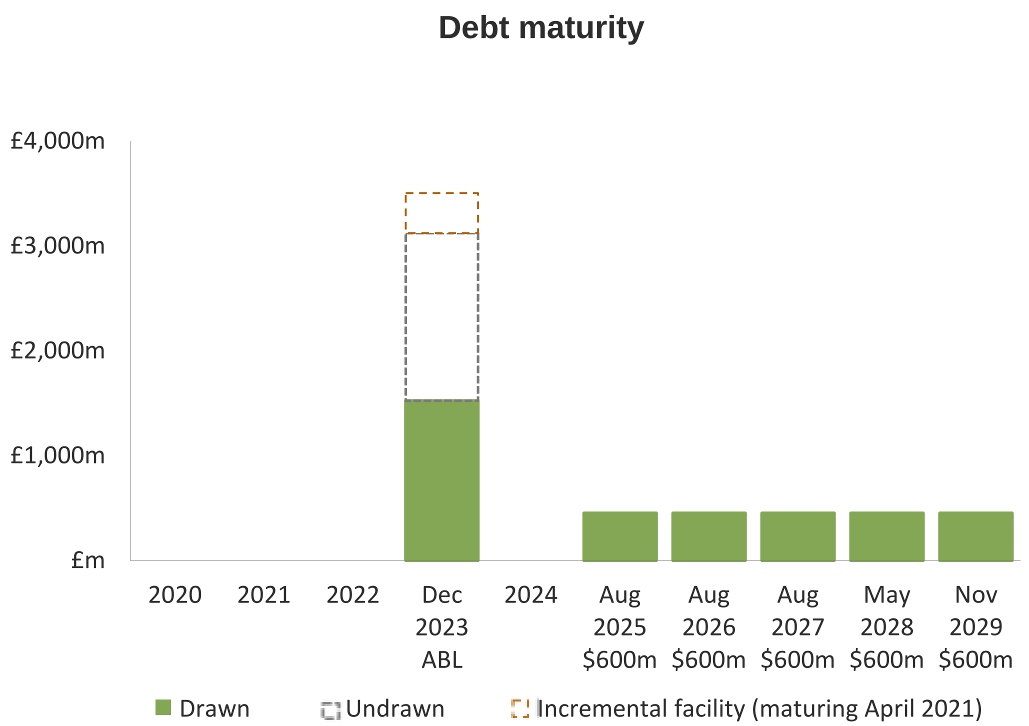
[1] Stated at £1 = $1.30 and £1 = C$1.75

US FLEET PROFILE



- Smooth fleet profile
- Benefits of prolonged cycle and our growth strategy
- Strong position providing optionality through the cycle
- Flexibility to turn replacement into growth
- Strengthens partnership with suppliers through predictability

ROBUST AND FLEXIBLE DEBT STRUCTURE

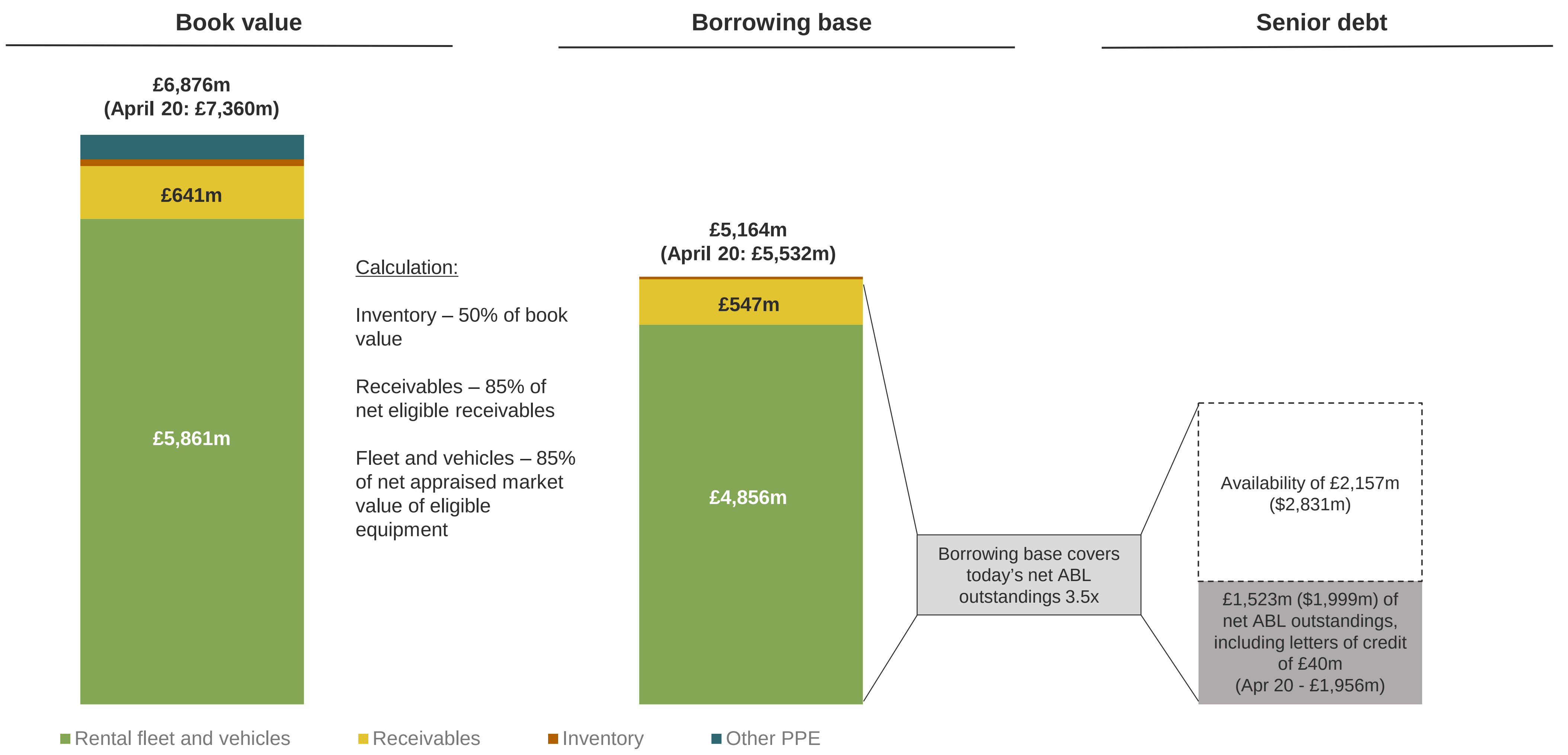


- Facilities committed for average of 6 years at a weighted average cost of less than 4%
- Fixed / floating external borrowings ratio: 61% / 39%
- No financial monitoring covenants whilst availability exceeds $460m (July 2020: $2,831m)
- Investment grade credit ratings

CASH FLOW FUNDS ALL FLEET INVESTMENT

(£m)	LTM Jul-20	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
EBITDA before exceptional items	**2,297**	**2,376**	**2,107**	**1,733**	**1,504**	**1,178**	**908**	**685**	**519**	**381**	**284**	**255**	**356**	**364**	**310**	**225**	**170**
EBITDA margin	46%	47%	47%	47%	47%	46%	45%	42%	38%	34%	30%	30%	30%	33%	35%	35%	32%
Cash inflow from operations before fleet changes and exceptionals	**2,432**	**2,430**	**2,043**	**1,681**	**1,444**	**1,071**	**841**	**646**	**501**	**365**	**280**	**266**	**374**	**356**	**319**	**215**	**165**
Cash conversion ratio	106%	102%	97%	97%	96%	91%	93%	94%	97%	96%	99%	104%	104%	94%	97%	96%	97%
Replacement capital expenditure	(799)	(858)	(642)	(517)	(527)	(562)	(349)	(335)	(329)	(272)	(203)	(43)	(236)	(231)	(245)	(167)	(101)
Disposal proceeds	290	259	192	161	161	180	103	102	96	90	60	31	92	93	78	50	36
Interest and tax	(322)	(311)	(194)	(208)	(151)	(85)	(95)	(56)	(48)	(57)	(71)	(54)	(64)	(83)	(69)	(41)	(31)
Cash flow before discretionary items	**1,601**	**1,520**	**1,399**	**1,117**	**927**	**604**	**500**	**357**	**220**	**126**	**66**	**200**	**166**	**135**	**83**	**57**	**69**
Growth capital expenditure	(511)	(716)	(1,031)	(706)	(608)	(672)	(588)	(406)	(254)	(135)	-	-	-	(120)	(63)	(63)	(10)
Exceptional costs	(12)	(12)	-	(25)	-	-	-	(2)	(16)	(3)	(12)	(8)	(9)	(10)	(69)	(20)	(6)
Free cash flow	**1,078**	**792**	**368**	**386**	**319**	**(68)**	**(88)**	**(51)**	**(50)**	**(12)**	**54**	**192**	**157**	**5**	**(49)**	**(26)**	**53**
Business acquisitions	(261)	(453)	(591)	(359)	(421)	(68)	(242)	(103)	(34)	(22)	(35)	(1)	89	(6)	(327)	(44)	1
Cash flow available to equity holders	**817**	**339**	**(223)**	**27**	**(102)**	**(136)**	**(330)**	**(154)**	**(84)**	**(34)**	**19**	**191**	**246**	**(1)**	**(376)**	**(70)**	**54**
Dividends paid	(187)	(187)	(164)	(141)	(116)	(82)	(61)	(41)	(20)	(15)	(15)	(13)	(13)	(10)	(7)	(2)	-
Share issues/returns	(336)	(466)	(475)	(168)	(55)	(12)	(21)	(23)	(10)	(4)	-	-	(16)	(24)	144	69	-
	294	**(314)**	**(862)**	**(282)**	**(273)**	**(230)**	**(412)**	**(218)**	**(114)**	**(53)**	**4**	**178**	**217**	**(35)**	**(239)**	**(3)**	**54**

$2,831M OF AVAILABILITY AT 31 JULY 2020



- Borrowing base reflects July 2019 asset values

DEBT AND COVENANTS

Debt

Facility	Interest rate	Maturity
$4.6bn first lien revolver*	LIBOR + 125-175 bps	December 2023
$600m senior notes	4.125%	August 2025
$600m senior notes	5.250%	August 2026
$600m senior notes	4.375%	August 2027
$600m senior notes	4.000%	May 2028
$600m senior notes	4.250%	November 2029

Ratings

	S&P	Moody's	Fitch
Corporate family	BBB-	Baa3	BBB-
Second lien	BBB-	Baa3	BBB-

Availability

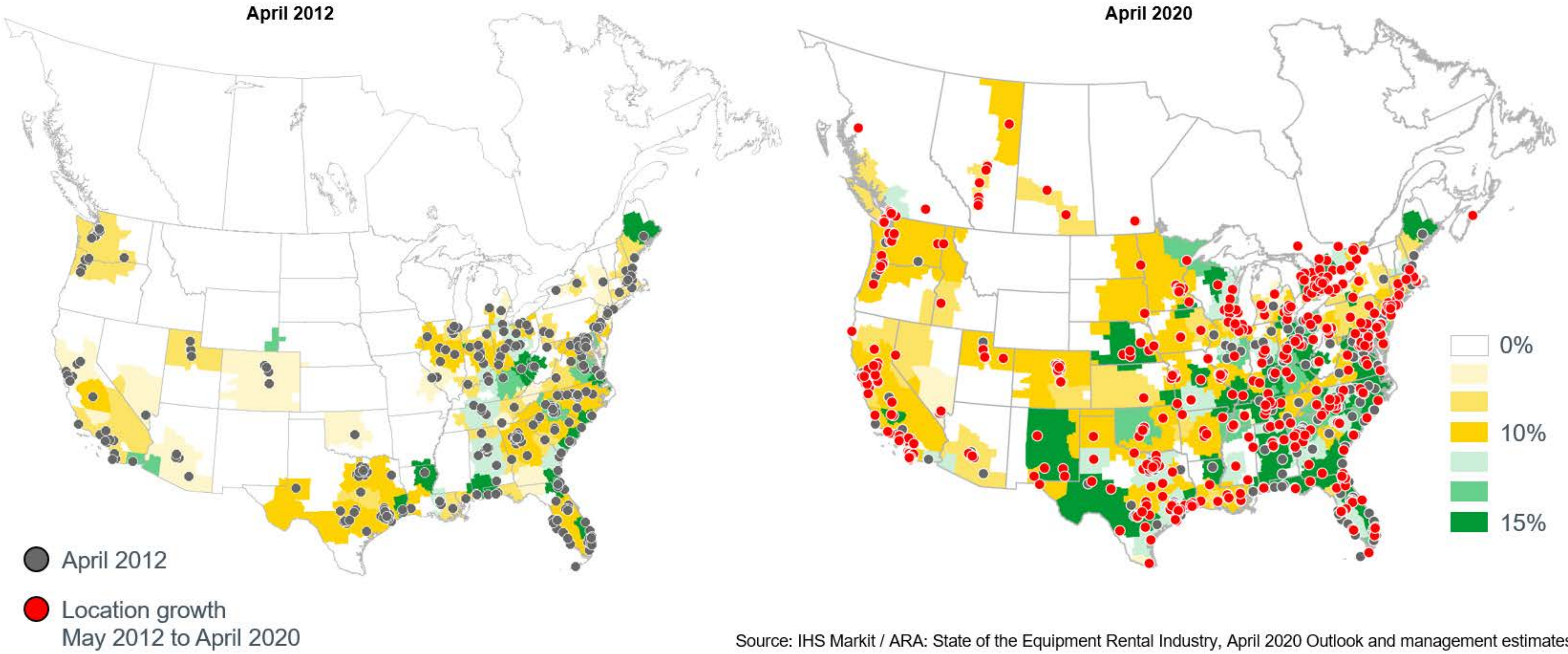
- Covenants are not measured if availability is greater than $460 million

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
- Greater than 1.0x at July 2020

* Pro-rata draws under incremental $500m at LIBOR +225bps

INCREASED FOOTPRINT AND MARKET SHARE



Source: IHS Markit / ARA: State of the Equipment Rental Industry, April 2020 Outlook and management estimates

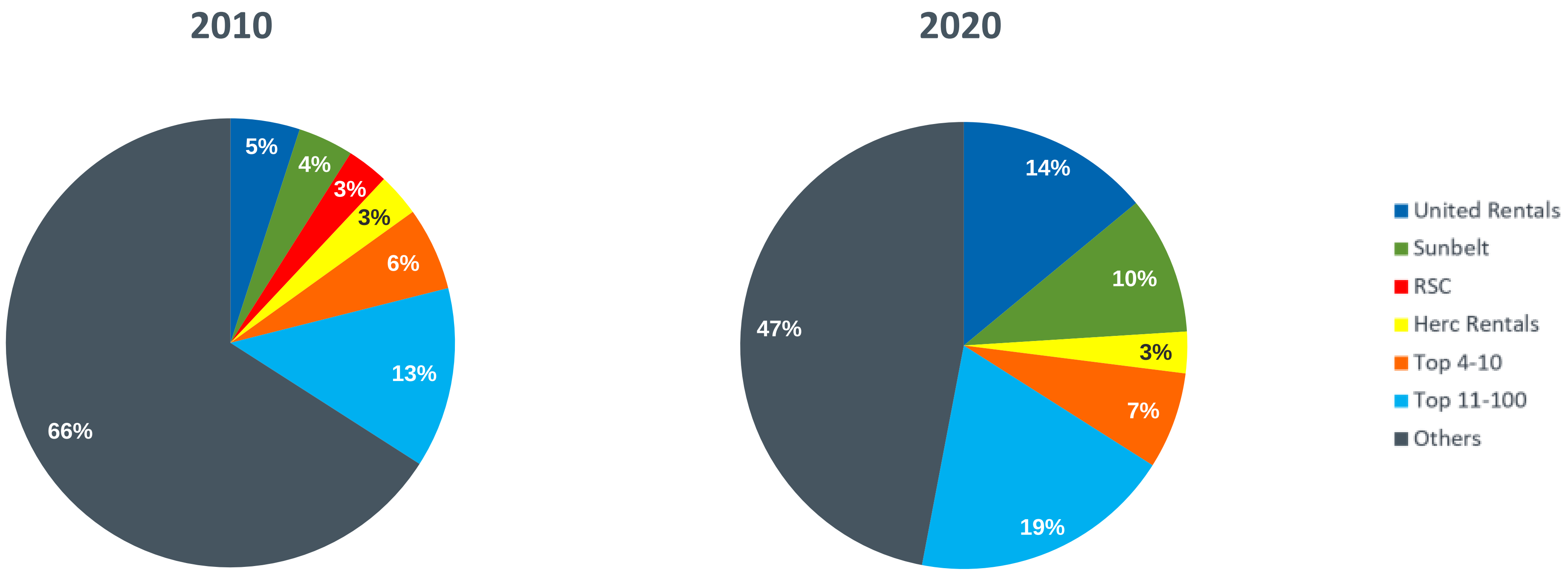
CONTINUING OPPORTUNITY TO BUILD OUT FURTHER CLUSTERS

	USA				Canada		
Rental markets	**Top 25**	**26-50**	**51-100**	**100-210**	**Top 10**	**11-25**	**26-76**
Rental market %	59%	18%	15%	8%	65%	21%	14%
Cluster definition	>15	>10	>4	>1	>10	>4	>1
Clusters	11 markets	7 markets	10 markets	14 markets	2 markets	0	2 markets

Ample expansion opportunities remain

- Only 28 of the top 100 US markets clustered
- Only 2 of the top 25 Canadian markets clustered

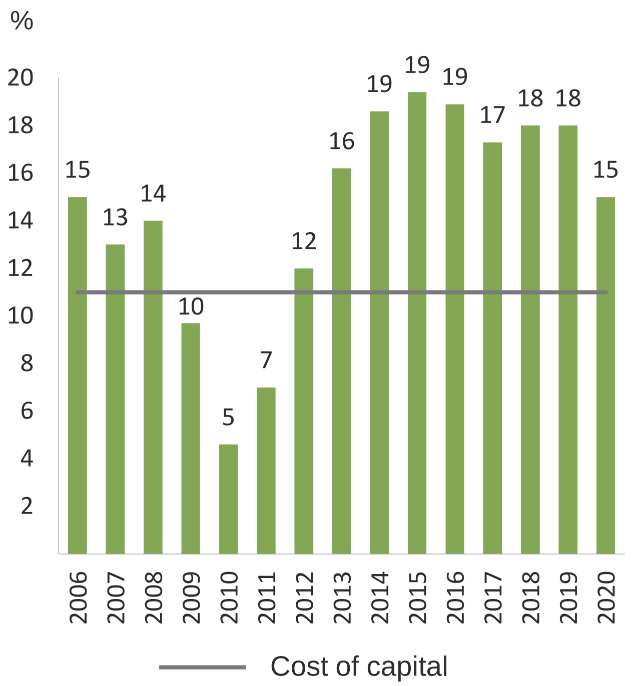
US MARKET SHARE



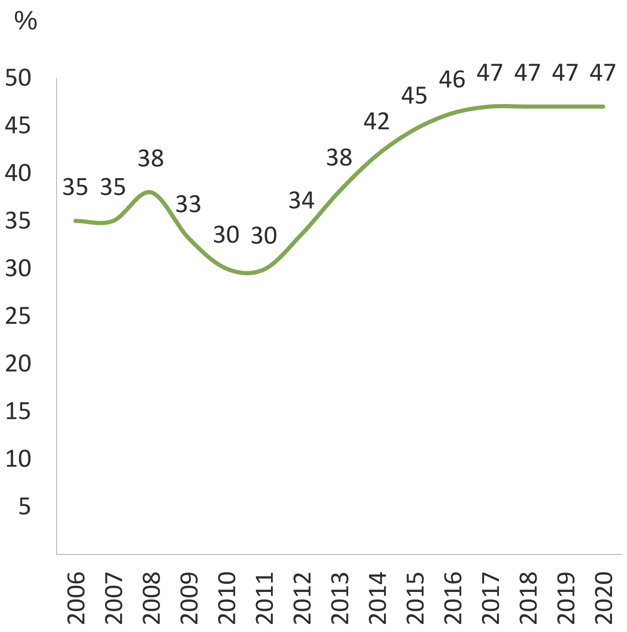
- Expect the large to get larger with the top 100 sharing 60-70% of the market

IMPORTANT TO NOT LOSE SIGHT OF THROUGH THE CYCLE KEY METRICS

Group RoI



Group EBITDA margin



Group underlying EPS