

5 March 2024

Unaudited results for the nine months and third quarter ended 31 January 2024

	Third quarter			Nine months		
	<u>2024</u> \$m	<u>2023</u> \$m	<u>Growth</u> ² %	<u>2024</u> \$m	<u>2023</u> \$m	<u>Growth</u> ² %
<u>Performance</u> ¹						
Revenue	2,658	2,427	9%	8,231	7,224	14%
Rental revenue	2,356	2,189	7%	7,317	6,572	11%
EBITDA	1,168	1,092	7%	3,752	3,338	12%
Operating profit	591	609	-3%	2,093	1,947	7%
Adjusted ³ profit before taxation	473	535	-11%	1,785	1,778	- %
Profit before taxation	442	505	-12%	1,692	1,690	- %
Adjusted ³ earnings per share	81.4¢	91.9¢	-11%	307.2¢	304.2¢	1%
Earnings per share	76.1¢	86.9¢	-12%	291.4¢	289.3¢	1%

Nine month highlights

- Group revenue up 14%²; US revenue up 15% with rental revenue up 12%
- Adjusted³ earnings per share of 307.2¢ (2023: 304.2¢)
- 106 locations added in North America
- \$3.5bn of capital invested in the business (2023: \$2.6bn)
- \$906m spent on 26 bolt-on acquisitions (2023: \$970m)
- Net debt to EBITDA leverage² of 1.9 times (2023: 1.6 times)

¹ Throughout this announcement we refer to a number of alternative performance measures which provide additional useful information. The directors have adopted these to provide additional information on the underlying trends, performance and position of the Group. The alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies' alternative performance measures but are defined and reconciled in the Glossary of Terms on page 34.

² Calculated at constant exchange rates applying current period exchange rates.

³ Adjusted results are stated before amortisation.

Ashtead’s chief executive, Brendan Horgan, commented:

“The Group’s operating performance continues to be strong with revenue up 14% and rental revenue growth of 11%, both at constant currency. This performance is only possible through the dedication of our team members who deliver for all our stakeholders every day, while ensuring our leading value of safety remains at the forefront of all we do.

We are executing well against all actionable components of our strategic growth plan, in end markets which remain robust. In the period, we invested \$3.5bn in capital across existing locations and greenfields and \$906m on 26 bolt-on acquisitions, adding a combined 106 locations in North America. This investment is enabling us to take advantage of the substantial structural growth opportunities that we see for the business as we deliver our strategic priorities to grow our General Tool and Specialty businesses and advance our clusters. We are achieving all this while maintaining a strong and flexible balance sheet.

As outlined previously, our third quarter rental revenue growth in North America was affected by the lower level of emergency response activity related to natural disasters and the longer than anticipated actors’ and writers’ strikes. Taking into account Q3 performance, we now expect Group rental revenue growth for the full year to be at the low end of our 11 – 13% range and full year results broadly in line with expectations.

Our end markets in North America remain robust with healthy demand, supported in the US by the increasing number of mega projects and recent legislative acts. We are in a position of strength, with the operational flexibility and financial capacity to capitalise on the opportunities arising from these market conditions and ongoing structural changes. Looking to 2024/25, our initial plan for gross capital expenditure is \$3.0 – 3.3bn (2023/24: c. \$4.2bn), of which US rental capital expenditure is \$2.0 – 2.3bn (2023/24: c. \$3.1bn). This, in conjunction with scope for increased absorption of this year’s investment in rental fleet, is expected to drive mid to high single digit US rental revenue growth with significant free cash flow generation.

We look forward to launching our next strategic growth plan, Sunbelt 4.0, during our capital markets event in late April, which will detail our runway for further success. The Board looks to the future with confidence.”

Contacts:

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Brendan Horgan and Michael Pratt will hold a conference call for equity analysts to discuss the results and outlook at 10am on Tuesday, 5 March 2024. The call will be webcast live via the Company’s website at www.ashtead-group.com and a replay will be available via the website shortly after the call concludes. A copy of this announcement and the slide presentation used for the call are available for download on the Company’s website. The usual conference call for bondholders will begin at 3pm (10am EST).

Analysts and bondholders have already been invited to participate in the analyst and bondholder calls but any eligible person not having received details should contact the Company’s PR advisers, H/Advisors Maitland (Audrey Da Costa) at +44 (0)20 7379 5151.

Forward-looking statements

This announcement contains forward-looking statements. These have been made by the directors in good faith using information available up to the date on which they approved this report. The directors can give no assurance that these expectations will prove to be correct. Due to the inherent uncertainties, including both business and economic risk factors underlying such forward-looking statements, actual results may differ materially from those expressed or implied by these forward-looking statements. Except as required by law or regulation, the directors undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Nine months' trading results

	<u>Revenue</u>		<u>EBITDA</u>		<u>Profit¹</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Canada in C\$m	<u>675.6</u>	<u>608.9</u>	<u>271.9</u>	<u>254.5</u>	<u>105.7</u>	<u>131.5</u>
UK in £m	<u>523.7</u>	<u>521.7</u>	<u>146.3</u>	<u>150.0</u>	<u>41.3</u>	<u>55.3</u>
US	7,072.1	6,139.3	3,391.7	2,986.8	2,081.2	1,890.3
Canada in \$m	501.3	460.9	201.8	192.7	78.4	99.5
UK in \$m	657.8	623.4	183.7	179.2	51.9	66.1
Group central costs	<u>-</u>	<u>-</u>	<u>(25.7)</u>	<u>(20.4)</u>	<u>(26.4)</u>	<u>(21.1)</u>
	<u>8,231.2</u>	<u>7,223.6</u>	<u>3,751.5</u>	<u>3,338.3</u>	2,185.1	2,034.8
Financing costs					<u>(400.3)</u>	<u>(257.2)</u>
Adjusted profit before tax					1,784.8	1,777.6
Amortisation					<u>(92.3)</u>	<u>(87.4)</u>
Profit before taxation					1,692.5	1,690.2
Taxation charge					<u>(418.8)</u>	<u>(418.6)</u>
Profit attributable to equity holders of the Company					<u>1,273.7</u>	<u>1,271.6</u>
<u>Margins</u>						
US			48.0%	48.7%	29.4%	30.8%
Canada			40.2%	41.8%	15.7%	21.6%
UK			27.9%	28.7%	7.9%	10.6%
Group			45.6%	46.2%	26.5%	28.2%

¹ Segment result presented is adjusted operating profit.

Group revenue increased 14% to \$8,231m (2023: \$7,224m) in the nine months. This revenue growth resulted in EBITDA increasing 12% to \$3,752m (2023: \$3,338m), adjusted operating profit increased 7% to \$2,185m (2023: \$2,035m) and adjusted profit before tax was \$1,785m (2023: \$1,778m). A higher depreciation charge relative to revenue growth reflects lower utilisation of a larger fleet, resulting in the lower rate of operating profit growth while increased financing costs due to increased average debt levels and the higher interest rate environment resulted in adjusted profit before tax similar to last year.

In the US, rental only revenue of \$4,993m (2023: \$4,441m) was 12% higher than the prior year, representing continued market outperformance and demonstrating the benefits of our strategy of growing our Specialty businesses and broadening our end markets. Organic growth (same-store and greenfields) was 9%, while bolt-ons since 1 May 2022 contributed 3% of rental only revenue growth. In the nine months, our General Tool business grew 12%, while our Specialty businesses grew 13%. Year-over-year growth in our Specialty businesses was affected in October and the third quarter due to strong hurricane, wildfire and winter storm related revenue last year, that has not repeated this year. Rental only revenue growth has been driven by both volume and rate improvement. Rental revenue increased 12% to \$6,337m (2023: \$5,669m). US total revenue, including new and used equipment, merchandise and consumable sales, increased 15% to \$7,072m (2023: \$6,139m). This reflects a higher level of used equipment sales, as we took advantage of improved fleet deliveries and strong second-hand markets to catch up on, and bring forward some disposals scheduled for later this year and early 2024/25.

Canada's rental only revenue increased 10% to C\$457m (2023: C\$417m). Markets relating to the major part of the Canadian business are growing in a similar manner to the US with strong volume growth and rate improvement. However, the Writers Guild of America and Screen Actors Guild strikes, which were settled in December, had a significant impact on the performance of the Specialty Film & TV business and some impact on the rest of the Canadian business, which rents into that space. Parts of the US and UK businesses have been affected similarly. Following the settlement, the resumption of activity in January and February has been slower than we

expected. Rental revenue increased 9% to C\$573m (2023: C\$524m), while total revenue was C\$676m (2023: C\$609m).

The UK business generated rental only revenue of £350m, up 9% on the prior year (2023: £321m). Bolt-ons since 1 May 2022 contributed 2% of this growth. Rental only revenue growth has been driven by both rate and volume improvement. Rental revenue increased 4% to £441m (2023: £424m), while total revenue was flat at £524m (2023: £522m), reflecting the high level of ancillary and sales revenue associated with the work for the Department of Health in the first quarter of last year.

We have invested in the infrastructure of the business during Sunbelt 3.0, to support the growth of the business now and into the future. This has been combined with inflationary pressures across most cost lines, particularly in relation to labour. These factors, combined with lower third quarter rental revenue growth of 8% resulted in US rental revenue drop through to EBITDA of 44% in the quarter and 51% for the nine-month period. This contributed to an EBITDA margin of 48.0% (2023: 48.7%) and a 10% increase in segment profit to \$2,081m (2023: \$1,890m) at a margin of 29.4% (2023: 30.8%).

Our Canadian business continues to develop and enhance its performance as it invests to expand its network and broaden its markets. Despite the drag from the strike affected Film & TV business, Canada generated an EBITDA margin of 40.2% (2023: 41.8%) and a segment profit of C\$106m (2023: C\$131m) at a margin of 15.7% (2023: 21.6%).

In the UK the focus remains on delivering operational efficiency and long-term, sustainable returns in the business. While we continue to improve rental rates, which remains an area of focus, this has been insufficient to offset the inflation impact on the cost base. These factors, together with the loss of revenue from the work for the Department of Health, contributed to the UK generating an EBITDA margin of 27.9% (2023: 28.7%) and a segment profit of £41m (2023: £55m) at a margin of 7.9% (2023: 10.6%).

Overall, Group adjusted operating profit increased to \$2,185m (2023: \$2,035m), up 7% at constant exchange rates. After increased financing costs of \$400m (2023: \$257m), reflecting higher average debt levels and the higher interest rate environment, Group adjusted profit before tax was \$1,785m (2023: \$1,778m). After a tax charge of 25% (2023: 25%) of the adjusted pre-tax profit, adjusted earnings per share were 307.2¢ (2023: 304.2¢).

Statutory profit before tax was \$1,692m (2023: \$1,690m). This is after amortisation of \$92m (2023: \$87m). Included within the total tax charge is a tax credit of \$23m (2023: \$22m) which relates to the amortisation of intangibles. As a result, basic earnings per share were 291.4¢ (2023: 289.3¢).

Capital expenditure and acquisitions

Capital expenditure for the nine months was \$3,509m gross and \$2,848m net of disposal proceeds (2023: \$2,618m gross and \$2,194m net). As a result, the Group's rental fleet at 31 January 2024 at cost was \$18bn and our average fleet age is 31 months (2023: 37 months).

For the full year, we expect capital expenditure to be in line with our previous guidance at c. \$4.2bn. For 2024/25, our initial plans are for gross capital expenditure to be in the range of \$3.0-3.3bn, which is consistent with the middle point of mid to high single digit rental revenue growth in the US next year.

We invested \$906m (2023: \$970m) including acquired borrowings in 26 bolt-on acquisitions during the nine months as we continue to both expand our footprint and diversify our end markets. Further details are provided in Note 16.

Return on Investment

The Group return on investment was 17% (2023: 19%). In the US, return on investment (excluding goodwill and intangible assets) for the 12 months to 31 January 2024 was 25% (2023: 27%), while in Canada it was 12% (2023: 19%). The reduction in US return on investment reflects principally the impact of a lower utilisation of a larger fleet. Canada's lower return on investment reflects predominantly the drag from the recent performance of our Film & TV business. In the UK, return on investment (excluding goodwill and intangible assets) was 6% (2023: 10%). The decrease reflects the lower profit margin together with the impact of the demobilisation of the Department of Health testing sites in the prior year. Return on investment excludes the impact of IFRS 16.

Cash flow and net debt

The Group had a free cash outflow of \$463m (2023: inflow of \$295m) during the period, which reflects increased capital expenditure payments of \$3,752m (2023: \$2,509m). As expected, this combined with continued investment in bolt-ons and returns to shareholders increased debt during the period. We spent \$60m (£48m) on share buybacks (2023: \$243m (£204m)).

In July 2023, the Group issued \$750m 5.950% senior notes maturing in October 2033 and in January 2024, the Group issued \$850m 5.800% senior notes maturing in April 2034. The net proceeds were used to reduce the amount outstanding under the ABL facility. This ensures the Group's debt package continues to be well structured and flexible, enabling us to optimise the opportunity presented by end market conditions. The Group's debt facilities are now committed for an average of six years at a weighted average cost of 5%.

Net debt at 31 January 2024 was \$11,166m (2023: \$8,819m). Excluding the effect of IFRS 16, net debt at 31 January 2024 was \$8,563m (2023: \$6,536m), while the ratio of net debt to EBITDA was 1.9 times (2023: 1.6 times) on a constant currency basis. The Group's target range for net debt to EBITDA is 1.5 to 2.0 times, excluding the impact of IFRS 16 (1.9 to 2.4 times post IFRS 16). Including the effect of IFRS 16, the ratio of net debt to EBITDA was 2.3 times (2023: 2.1 times) on a constant currency basis.

At 31 January 2024, availability under the senior secured debt facility was \$2,208m with an additional \$6,781m of suppressed availability – substantially above the \$450m level at which the Group's entire debt package is covenant free.

Capital allocation

The Group remains disciplined in its approach to allocation of capital with the overriding objective being to enhance shareholder value.

Our capital allocation framework remains unchanged and prioritises:

- organic fleet growth;
 - same-stores;
 - greenfields;
- bolt-on acquisitions; and
- a progressive dividend with consideration to both profitability and cash generation that is sustainable through the cycle.

Additionally, we consider further returns to shareholders. In this regard, we assess continuously our medium-term plans which take account of investment in the business, growth prospects, cash generation, net debt and leverage. Therefore, the amount allocated to buybacks is simply driven by that which is available after organic growth, bolt-on M&A and dividends, whilst allowing us to operate within our 1.5 to 2.0 times target range for net debt to EBITDA pre IFRS 16.

Current trading and outlook

As outlined previously, our third quarter rental revenue growth in North America was affected by the lower level of emergency response activity related to natural disasters and the longer than anticipated actors' and writers' strikes. Taking into account Q3 performance, we now expect Group rental revenue growth for the full year to be at the low end of our 11 – 13% range and full year results broadly in line with expectations.

Our end markets in North America remain robust with healthy demand, supported in the US by the increasing number of mega projects and recent legislative acts. We are in a position of strength, with the operational flexibility and financial capacity to capitalise on the opportunities arising from these market conditions and ongoing structural changes. Looking to 2024/25, our initial plan for gross capital expenditure is \$3.0 – 3.3bn (2023/24: c. \$4.2bn), of which US rental capital expenditure is \$2.0 – 2.3bn (2023/24: c. \$3.1bn). This, in conjunction with scope for increased absorption of this year's investment in rental fleet, is expected to drive mid to high single digit US rental revenue growth with significant free cash flow generation.

We look forward to launching our next strategic growth plan, Sunbelt 4.0, during our capital markets event in late April, which will detail our runway for further success. The Board looks to the future with confidence.

	<u>Previous guidance</u>	<u>Current guidance</u>
Rental revenue ¹		
- US	11 to 13%	11 to 13%
- Canada ²	14 to 16%	11 to 13%
- UK	6 to 9%	6 to 9%
- Group	11 to 13%	11 to 13%
Capital expenditure (gross) ³	\$3.9 - 4.3bn	c. \$4.2bn
Free cash flow ³	c. \$150m	c. \$150m

¹ Represents change in year-over-year rental revenue at constant exchange rates

² Reflects impact of Writers Guild of America and Screen Actors Guild strikes

³ Stated at C\$1=\$0.75 and £1=\$1.25

CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 JANUARY 2024

	2024			2023		
	Before <u>amortisation</u> \$m	<u>Amortisation</u> \$m	<u>Total</u> \$m	Before <u>amortisation</u> \$m	<u>Amortisation</u> \$m	<u>Total</u> \$m
<u>Third quarter - unaudited</u>						
Revenue						
Rental revenue	2,356.3	-	2,356.3	2,189.0	-	2,189.0
Sale of new equipment, merchandise and consumables	81.8	-	81.8	81.3	-	81.3
Sale of used rental equipment	<u>219.7</u>	<u>-</u>	<u>219.7</u>	<u>157.1</u>	<u>-</u>	<u>157.1</u>
	<u>2,657.8</u>	<u>-</u>	<u>2,657.8</u>	<u>2,427.4</u>	<u>-</u>	<u>2,427.4</u>
Operating costs						
Staff costs	(629.2)	-	(629.2)	(567.4)	-	(567.4)
Other operating costs	(693.5)	-	(693.5)	(655.6)	-	(655.6)
Used rental equipment sold	<u>(166.9)</u>	<u>-</u>	<u>(166.9)</u>	<u>(112.1)</u>	<u>-</u>	<u>(112.1)</u>
	<u>(1,489.6)</u>	<u>-</u>	<u>(1,489.6)</u>	<u>(1,335.1)</u>	<u>-</u>	<u>(1,335.1)</u>
EBITDA*						
	1,168.2	-	1,168.2	1,092.3	-	1,092.3
Depreciation	(546.6)	-	(546.6)	(454.2)	-	(454.2)
Amortisation of intangibles	<u>-</u>	<u>(31.0)</u>	<u>(31.0)</u>	<u>-</u>	<u>(29.6)</u>	<u>(29.6)</u>
Operating profit	621.6	(31.0)	590.6	638.1	(29.6)	608.5
Interest income	0.6	-	0.6	0.2	-	0.2
Interest expense	<u>(149.2)</u>	<u>-</u>	<u>(149.2)</u>	<u>(103.6)</u>	<u>-</u>	<u>(103.6)</u>
Profit on ordinary activities before taxation	473.0	(31.0)	442.0	534.7	(29.6)	505.1
Taxation	<u>(117.4)</u>	<u>7.7</u>	<u>(109.7)</u>	<u>(132.1)</u>	<u>7.4</u>	<u>(124.7)</u>
Profit attributable to equity holders of the Company	<u>355.6</u>	<u>(23.3)</u>	<u>332.3</u>	<u>402.6</u>	<u>(22.2)</u>	<u>380.4</u>
Basic earnings per share	<u>81.4¢</u>	<u>(5.3¢)</u>	<u>76.1¢</u>	<u>91.9¢</u>	<u>(5.0¢)</u>	<u>86.9¢</u>
Diluted earnings per share	<u>80.9¢</u>	<u>(5.3¢)</u>	<u>75.6¢</u>	<u>91.3¢</u>	<u>(5.0¢)</u>	<u>86.3¢</u>

* EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders.

All revenue and profit is generated from continuing operations.

CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS ENDED 31 JANUARY 2024

	<u>2024</u>			<u>2023</u>		
	Before <u>amortisation</u>	<u>Amortisation</u>	<u>Total</u>	Before <u>amortisation</u>	<u>Amortisation</u>	<u>Total</u>
	\$m	\$m	\$m	\$m	\$m	\$m
<u>Nine months - unaudited</u>						
Revenue						
Rental revenue	7,316.7	-	7,316.7	6,572.1	-	6,572.1
Sale of new equipment, merchandise and consumables	278.6	-	278.6	253.8	-	253.8
Sale of used rental equipment	<u>635.9</u>	<u>-</u>	<u>635.9</u>	<u>397.7</u>	<u>-</u>	<u>397.7</u>
	<u>8,231.2</u>	<u>-</u>	<u>8,231.2</u>	<u>7,223.6</u>	<u>-</u>	<u>7,223.6</u>
Operating costs						
Staff costs	(1,882.5)	-	(1,882.5)	(1,646.1)	-	(1,646.1)
Other operating costs	(2,126.8)	-	(2,126.8)	(1,950.0)	-	(1,950.0)
Used rental equipment sold	<u>(470.4)</u>	<u>-</u>	<u>(470.4)</u>	<u>(289.2)</u>	<u>-</u>	<u>(289.2)</u>
	<u>(4,479.7)</u>	<u>-</u>	<u>(4,479.7)</u>	<u>(3,885.3)</u>	<u>-</u>	<u>(3,885.3)</u>
EBITDA*	3,751.5	-	3,751.5	3,338.3	-	3,338.3
Depreciation	(1,566.4)	-	(1,566.4)	(1,303.5)	-	(1,303.5)
Amortisation of intangibles	<u>-</u>	<u>(92.3)</u>	<u>(92.3)</u>	<u>-</u>	<u>(87.4)</u>	<u>(87.4)</u>
Operating profit	2,185.1	(92.3)	2,092.8	2,034.8	(87.4)	1,947.4
Interest income	1.6	-	1.6	1.8	-	1.8
Interest expense	<u>(401.9)</u>	<u>-</u>	<u>(401.9)</u>	<u>(259.0)</u>	<u>-</u>	<u>(259.0)</u>
Profit on ordinary activities before taxation	1,784.8	(92.3)	1,692.5	1,777.6	(87.4)	1,690.2
Taxation	<u>(441.9)</u>	<u>23.1</u>	<u>(418.8)</u>	<u>(440.6)</u>	<u>22.0</u>	<u>(418.6)</u>
Profit attributable to equity holders of the Company	<u>1,342.9</u>	<u>(69.2)</u>	<u>1,273.7</u>	<u>1,337.0</u>	<u>(65.4)</u>	<u>1,271.6</u>
Basic earnings per share	<u>307.2¢</u>	<u>(15.8¢)</u>	<u>291.4¢</u>	<u>304.2¢</u>	<u>(14.9¢)</u>	<u>289.3¢</u>
Diluted earnings per share	<u>305.5¢</u>	<u>(15.7¢)</u>	<u>289.8¢</u>	<u>302.2¢</u>	<u>(14.8¢)</u>	<u>287.4¢</u>

* EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders.

All revenue and profit is generated from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 31 JANUARY 2024

	<u>Unaudited</u>			
	Three months to 31 January		Nine months to 31 January	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$m	\$m	\$m	\$m
Profit attributable to equity holders of the Company for the period	332.3	380.4	1,273.7	1,271.6
Items that will not be reclassified to profit or loss:				
Movements on equity instruments held at fair value	<u>-</u>	<u>(36.8)</u>	<u>-</u>	<u>(36.8)</u>
	<u>-</u>	<u>(36.8)</u>	<u>-</u>	<u>(36.8)</u>
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	63.0	60.0	22.8	(29.9)
Loss on cash flow hedge	<u>0.1</u>	<u>(2.6)</u>	<u>0.2</u>	<u>(3.2)</u>
	<u>63.1</u>	<u>57.4</u>	<u>23.0</u>	<u>(33.1)</u>
Total other comprehensive income for the period	<u>63.1</u>	<u>20.6</u>	<u>23.0</u>	<u>(69.9)</u>
Total comprehensive income for the period	<u>395.4</u>	<u>401.0</u>	<u>1,296.7</u>	<u>1,201.7</u>

CONSOLIDATED BALANCE SHEET AT 31 JANUARY 2024

	<u>Unaudited</u> 31 January		<u>Audited</u> 30 April
	<u>2024</u>	<u>2023</u>	<u>2023</u>
	\$m	\$m	\$m
Current assets			
Inventories	192.5	223.9	181.3
Trade and other receivables	2,007.2	1,749.5	1,659.2
Current tax asset	38.0	12.0	14.6
Cash and cash equivalents	<u>22.4</u>	<u>36.6</u>	<u>29.9</u>
	<u>2,260.1</u>	<u>2,022.0</u>	<u>1,885.0</u>
Non-current assets			
Property, plant and equipment			
- rental equipment	11,356.9	9,051.7	9,649.1
- other assets	<u>1,721.2</u>	<u>1,308.0</u>	<u>1,392.0</u>
	13,078.1	10,359.7	11,041.1
Right-of-use assets	2,402.7	2,128.8	2,206.0
Goodwill	3,263.4	2,791.1	2,865.5
Other intangible assets	538.9	542.4	523.4
Other non-current assets	171.4	140.7	145.2
Current tax asset	45.3	43.8	44.7
Net defined benefit pension plan asset	<u>19.3</u>	<u>20.3</u>	<u>18.4</u>
	<u>19,519.1</u>	<u>16,026.8</u>	<u>16,844.3</u>
Total assets	<u>21,779.2</u>	<u>18,048.8</u>	<u>18,729.3</u>
Current liabilities			
Trade and other payables	1,305.4	1,333.0	1,533.6
Current tax liability	12.8	26.9	12.4
Lease liabilities	268.4	223.0	233.2
Provisions	<u>76.9</u>	<u>74.9</u>	<u>78.6</u>
	<u>1,663.5</u>	<u>1,657.8</u>	<u>1,857.8</u>
Non-current liabilities			
Lease liabilities	2,373.9	2,077.3	2,161.1
Long-term borrowings	8,545.8	6,555.0	6,595.1
Provisions	80.3	75.2	75.9
Deferred tax liabilities	2,176.4	1,918.7	1,995.3
Other non-current liabilities	<u>48.1</u>	<u>35.5</u>	<u>36.1</u>
	<u>13,224.5</u>	<u>10,661.7</u>	<u>10,863.5</u>
Total liabilities	<u>14,888.0</u>	<u>12,319.5</u>	<u>12,721.3</u>
Equity			
Share capital	81.8	81.8	81.8
Share premium account	6.5	6.5	6.5
Capital redemption reserve	20.0	20.0	20.0
Own shares held by the Company	(801.2)	(719.7)	(740.9)
Own shares held by the ESOT	(43.5)	(38.8)	(38.8)
Cumulative foreign exchange translation differences	(223.1)	(256.6)	(245.9)
Retained reserves	<u>7,850.7</u>	<u>6,636.1</u>	<u>6,925.3</u>
Equity attributable to equity holders of the Company	<u>6,891.2</u>	<u>5,729.3</u>	<u>6,008.0</u>
Total liabilities and equity	<u>21,779.2</u>	<u>18,048.8</u>	<u>18,729.3</u>

The current tax asset balance shown in non-current assets has been reclassified from other non-current assets in comparative periods.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 JANUARY 2024**

	Share capital \$m	Share premium account \$m	Capital redemption reserve \$m	Own shares held by the Company \$m	Own shares held by the ESOT \$m	Cumulative foreign exchange translation differences \$m	Retained reserves \$m	Total \$m
<u>Unaudited</u>								
At 1 May 2022	81.8	6.5	20.0	(480.1)	(44.9)	(226.7)	5,677.1	5,033.7
Profit for the period	-	-	-	-	-	-	1,271.6	1,271.6
Other comprehensive income:								
Movements on financial asset investments	-	-	-	-	-	-	(36.8)	(36.8)
Foreign currency translation differences	-	-	-	-	-	(29.9)	-	(29.9)
Loss on cash flow hedge	-	-	-	-	-	-	(3.2)	(3.2)
Total comprehensive income for the period	-	-	-	-	-	(29.9)	1,231.6	1,201.7
Dividends paid	-	-	-	-	-	-	(291.8)	(291.8)
Own shares purchased by the ESOT	-	-	-	-	(12.5)	-	-	(12.5)
Own shares purchased by the Company	-	-	-	(239.6)	-	-	-	(239.6)
Share-based payments	-	-	-	-	18.6	-	14.7	33.3
Tax on share-based payments	-	-	-	-	-	-	4.5	4.5
At 31 January 2023	<u>81.8</u>	<u>6.5</u>	<u>20.0</u>	<u>(719.7)</u>	<u>(38.8)</u>	<u>(256.6)</u>	<u>6,636.1</u>	<u>5,729.3</u>
Profit for the period	-	-	-	-	-	-	346.1	346.1
Other comprehensive income:								
Foreign currency translation differences	-	-	-	-	-	10.7	-	10.7
Loss on cash flow hedge	-	-	-	-	-	-	0.1	0.1
Remeasurement of the defined benefit pension plan	-	-	-	-	-	-	(2.9)	(2.9)
Tax on defined benefit pension scheme	-	-	-	-	-	-	0.7	0.7
Total comprehensive income for the period	-	-	-	-	-	10.7	344.0	354.7
Dividends paid	-	-	-	-	-	-	(64.8)	(64.8)
Own shares purchased by the Company	-	-	-	(21.2)	-	-	-	(21.2)
Share-based payments	-	-	-	-	-	-	11.5	11.5
Tax on share-based payments	-	-	-	-	-	-	(1.5)	(1.5)
At 30 April 2023	<u>81.8</u>	<u>6.5</u>	<u>20.0</u>	<u>(740.9)</u>	<u>(38.8)</u>	<u>(245.9)</u>	<u>6,925.3</u>	<u>6,008.0</u>
Profit for the period	-	-	-	-	-	-	1,273.7	1,273.7
Other comprehensive income:								
Foreign currency translation differences	-	-	-	-	-	22.8	-	22.8
Loss on cash flow hedge	-	-	-	-	-	-	0.2	0.2
Total comprehensive income for the period	-	-	-	-	-	22.8	1,273.9	1,296.7
Dividends paid	-	-	-	-	-	-	(368.3)	(368.3)
Own shares purchased by the ESOT	-	-	-	-	(29.9)	-	-	(29.9)
Own shares purchased by the Company	-	-	-	(60.3)	-	-	-	(60.3)
Share-based payments	-	-	-	-	25.2	-	12.3	37.5
Tax on share-based payments	-	-	-	-	-	-	7.5	7.5
At 31 January 2024	<u>81.8</u>	<u>6.5</u>	<u>20.0</u>	<u>(801.2)</u>	<u>(43.5)</u>	<u>(223.1)</u>	<u>7,850.7</u>	<u>6,891.2</u>

CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 31 JANUARY 2024

	Unaudited	
	2024	2023
	\$m	\$m
Cash flows from operating activities		
Cash generated from operations before changes in rental equipment	3,321.5	2,897.0
Payments for rental property, plant and equipment	(3,231.8)	(2,129.1)
Proceeds from disposal of rental property, plant and equipment	<u>522.9</u>	<u>335.1</u>
Cash generated from operations	612.6	1,103.0
Financing costs paid	(369.0)	(233.1)
Tax paid	<u>(233.2)</u>	<u>(221.2)</u>
Net cash generated from operating activities	<u>10.4</u>	<u>648.7</u>
Cash flows from investing activities		
Acquisition of businesses	(862.9)	(932.7)
Financial asset investments	(5.0)	(42.4)
Payments for non-rental property, plant and equipment	(520.2)	(379.6)
Proceeds from disposal of non-rental property, plant and equipment	<u>47.3</u>	<u>25.7</u>
Net cash used in investing activities	<u>(1,340.8)</u>	<u>(1,329.0)</u>
Cash flows from financing activities		
Drawdown of loans	3,480.4	3,200.1
Redemption of loans	(1,603.5)	(1,868.3)
Repayment of principal under lease liabilities	(96.3)	(81.3)
Dividends paid	(367.7)	(292.9)
Purchase of own shares by the ESOT	(29.9)	(12.5)
Purchase of own shares by the Company	<u>(60.3)</u>	<u>(243.0)</u>
Net cash generated from financing activities	<u>1,322.7</u>	<u>702.1</u>
(Decrease)/increase in cash and cash equivalents	(7.7)	21.8
Opening cash and cash equivalents	29.9	15.3
Effect of exchange rate differences	<u>0.2</u>	<u>(0.5)</u>
Closing cash and cash equivalents	<u>22.4</u>	<u>36.6</u>
 <u>Reconciliation of net cash flows to net debt</u>		
Decrease/(increase) in cash and cash equivalents in the period	7.7	(21.8)
Increase in debt through cash flow	<u>1,780.6</u>	<u>1,250.5</u>
Change in net debt from cash flows	1,788.3	1,228.7
Exchange differences	21.0	(28.7)
Debt acquired	154.5	180.5
Deferred costs of debt raising	3.9	2.8
New lease liabilities	<u>238.5</u>	<u>275.4</u>
Increase in net debt in the year	2,206.2	1,658.7
Net debt at 1 May	<u>8,959.5</u>	<u>7,160.0</u>
Net debt at 31 January	<u>11,165.7</u>	<u>8,818.7</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Ashtead Group plc ('the Company') is a company incorporated and domiciled in England and Wales and listed on the London Stock Exchange. The condensed consolidated interim financial statements as at, and for the nine months ended 31 January 2024, comprise the Company and its subsidiaries ('the Group') and are presented in US dollars.

The condensed consolidated interim financial statements for the nine months ended 31 January 2024 were approved by the directors on 4 March 2024.

The condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The statutory accounts for the year ended 30 April 2023 were approved by the directors on 12 June 2023 and have been mailed to shareholders and filed with the Registrar of Companies. The auditor's report on those accounts was unqualified, did not include a reference to any matter by way of emphasis and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

2. Basis of preparation

The condensed consolidated interim financial statements for the nine months ended 31 January 2024 have been prepared in accordance with relevant UK-adopted International Accounting Standards ('IFRS'), including IAS 34, Interim Financial Reporting, the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and the accounting policies set out in the Group's Annual Report & Accounts for the year ended 30 April 2023.

In preparing the financial statements, the exchange rates used in respect of the pound sterling (£) and Canadian dollar (C\$) are:

	<u>Pound sterling</u>		<u>Canadian dollar</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Average for the three months ended 31 January	1.26	1.20	0.74	0.74
Average for the nine months ended 31 January	1.26	1.19	0.74	0.76
At 30 April	-	1.26	-	0.74
At 31 January	1.27	1.23	0.75	0.75

The directors have adopted various alternative performance measures to provide additional useful information on the underlying trends, performance and position of the Group. The alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies' alternative performance measures but are defined within the Glossary of Terms on page 34.

The condensed consolidated interim financial statements have been prepared on the going concern basis. The Group's internal budgets and forecasts of future performance, available financing facilities and facility headroom (see Note 13), provide a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future and consequently the going concern basis continues to be appropriate in preparing the financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. Segmental analysis

Three months to 31 January 2024

	US \$m	Canada \$m	UK \$m	Corporate items \$m	Group \$m
Revenue					
Rental revenue	2,038.3	141.6	176.4	-	2,356.3
Sale of new equipment, merchandise and consumables	53.1	11.3	17.4	-	81.8
Sale of used rental equipment	<u>188.6</u>	<u>16.9</u>	<u>14.2</u>	-	<u>219.7</u>
	<u>2,280.0</u>	<u>169.8</u>	<u>208.0</u>	-	<u>2,657.8</u>
Segment profit	<u>600.1</u>	<u>18.7</u>	<u>10.9</u>	(8.1)	621.6
Amortisation					(31.0)
Net financing costs					(148.6)
Profit before taxation					442.0
Taxation					(109.7)
Profit attributable to equity shareholders					<u>332.3</u>

Three months to 31 January 2023

	US \$m	Canada \$m	UK \$m	Corporate items \$m	Group \$m
Revenue					
Rental revenue	1,894.9	135.9	158.2	-	2,189.0
Sale of new equipment, merchandise and consumables	42.1	19.4	19.8	-	81.3
Sale of used rental equipment	<u>133.3</u>	<u>8.5</u>	<u>15.3</u>	-	<u>157.1</u>
	<u>2,070.3</u>	<u>163.8</u>	<u>193.3</u>	-	<u>2,427.4</u>
Segment profit	<u>607.6</u>	<u>29.4</u>	<u>9.2</u>	(8.1)	638.1
Amortisation					(29.6)
Net financing costs					(103.4)
Profit before taxation					505.1
Taxation					(124.7)
Profit attributable to equity shareholders					<u>380.4</u>

Nine months to 31 January 2024

	US \$m	Canada \$m	UK \$m	Corporate items \$m	Group \$m
Revenue					
Rental revenue	6,337.5	425.2	554.0	-	7,316.7
Sale of new equipment, merchandise and consumables	185.1	37.1	56.4	-	278.6
Sale of used rental equipment	<u>549.5</u>	<u>39.0</u>	<u>47.4</u>	-	<u>635.9</u>
	<u>7,072.1</u>	<u>501.3</u>	<u>657.8</u>	-	<u>8,231.2</u>
Segment profit	<u>2,081.2</u>	<u>78.4</u>	<u>51.9</u>	(26.4)	2,185.1
Amortisation					(92.3)
Net financing costs					(400.3)
Profit before taxation					1,692.5
Taxation					(418.8)
Profit attributable to equity shareholders					<u>1,273.7</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. Segmental analysis (continued)

Nine months to 31 January 2023

	US \$m	Canada \$m	UK \$m	Corporate items \$m	Group \$m
Revenue					
Rental revenue	5,668.9	396.8	506.4	-	6,572.1
Sale of new equipment, merchandise and consumables	135.9	46.0	71.9	-	253.8
Sale of used rental equipment	<u>334.5</u>	<u>18.1</u>	<u>45.1</u>	-	<u>397.7</u>
	<u>6,139.3</u>	<u>460.9</u>	<u>623.4</u>	<u>-</u>	<u>7,223.6</u>
Segment profit	<u>1,890.3</u>	<u>99.5</u>	<u>66.1</u>	<u>(21.1)</u>	2,034.8
Amortisation					(87.4)
Net financing costs					<u>(257.2)</u>
Profit before taxation					1,690.2
Taxation					<u>(418.6)</u>
Profit attributable to equity shareholders					<u>1,271.6</u>

	US \$m	Canada \$m	UK \$m	Corporate items \$m	Group \$m
At 31 January 2024					
Segment assets	<u>18,150.4</u>	<u>1,954.1</u>	<u>1,562.0</u>	<u>7.0</u>	21,673.5
Cash					22.4
Taxation assets					<u>83.3</u>
Total assets					<u>21,779.2</u>
At 30 April 2023					
Segment assets	<u>15,637.5</u>	<u>1,567.3</u>	<u>1,427.8</u>	<u>7.5</u>	18,640.1
Cash					29.9
Taxation assets					<u>59.3</u>
Total assets					<u>18,729.3</u>

Taxation assets in the comparative period have been represented to include non-current taxation assets. Previously this amount was shown in corporate items.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. Operating costs and other income

	2024			2023		
	Before amortisation \$m	Amortisation \$m	Total \$m	Before amortisation \$m	Amortisation \$m	Total \$m
Three months to 31 January						
<i>Staff costs:</i>						
Salaries	572.0	-	572.0	517.0	-	517.0
Social security costs	44.8	-	44.8	40.3	-	40.3
Other pension costs	12.4	-	12.4	10.1	-	10.1
	<u>629.2</u>	<u>-</u>	<u>629.2</u>	<u>567.4</u>	<u>-</u>	<u>567.4</u>
<i>Other operating costs:</i>						
Vehicle costs	154.0	-	154.0	149.3	-	149.3
Spares, consumables & external repairs	132.9	-	132.9	117.4	-	117.4
Facility costs	28.8	-	28.8	29.8	-	29.8
Other external charges	377.8	-	377.8	359.1	-	359.1
	<u>693.5</u>	<u>-</u>	<u>693.5</u>	<u>655.6</u>	<u>-</u>	<u>655.6</u>
<i>Used rental equipment sold</i>	166.9	-	166.9	112.1	-	112.1
<i>Depreciation and amortisation:</i>						
Depreciation of tangible assets	491.9	-	491.9	409.8	-	409.8
Depreciation of right-of-use assets	54.7	-	54.7	44.4	-	44.4
Amortisation of intangibles	-	31.0	31.0	-	29.6	29.6
	<u>546.6</u>	<u>31.0</u>	<u>577.6</u>	<u>454.2</u>	<u>29.6</u>	<u>483.8</u>
	<u>2,036.2</u>	<u>31.0</u>	<u>2,067.2</u>	<u>1,789.3</u>	<u>29.6</u>	<u>1,818.9</u>

	2024			2023		
	Before amortisation \$m	Amortisation \$m	Total \$m	Before amortisation \$m	Amortisation \$m	Total \$m
Nine months to 31 January						
<i>Staff costs:</i>						
Salaries	1,719.2	-	1,719.2	1,502.4	-	1,502.4
Social security costs	127.8	-	127.8	114.2	-	114.2
Other pension costs	35.5	-	35.5	29.5	-	29.5
	<u>1,882.5</u>	<u>-</u>	<u>1,882.5</u>	<u>1,646.1</u>	<u>-</u>	<u>1,646.1</u>
<i>Other operating costs:</i>						
Vehicle costs	498.6	-	498.6	475.1	-	475.1
Spares, consumables & external repairs	414.8	-	414.8	363.7	-	363.7
Facility costs	85.4	-	85.4	79.9	-	79.9
Other external charges	1,128.0	-	1,128.0	1,031.3	-	1,031.3
	<u>2,126.8</u>	<u>-</u>	<u>2,126.8</u>	<u>1,950.0</u>	<u>-</u>	<u>1,950.0</u>
<i>Used rental equipment sold</i>	470.4	-	470.4	289.2	-	289.2
<i>Depreciation and amortisation:</i>						
Depreciation of tangible assets	1,414.7	-	1,414.7	1,177.6	-	1,177.6
Depreciation of right-of-use assets	151.7	-	151.7	125.9	-	125.9
Amortisation of intangibles	-	92.3	92.3	-	87.4	87.4
	<u>1,566.4</u>	<u>92.3</u>	<u>1,658.7</u>	<u>1,303.5</u>	<u>87.4</u>	<u>1,390.9</u>
	<u>6,046.1</u>	<u>92.3</u>	<u>6,138.4</u>	<u>5,188.8</u>	<u>87.4</u>	<u>5,276.2</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. Amortisation

Amortisation relates to the write-off of intangible assets over their estimated useful economic life. The Group believes this item should be disclosed separately within the consolidated income statement to assist in the understanding of the financial performance of the Group. Adjusted profit and earnings per share are stated before amortisation of intangibles.

	Three months to 31 January		Nine months to 31 January	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$m	\$m	\$m	\$m
Amortisation of intangibles	31.0	29.6	92.3	87.4
Taxation	(7.7)	(7.4)	(23.1)	(22.0)
	<u>23.3</u>	<u>22.2</u>	<u>69.2</u>	<u>65.4</u>

6. Net financing costs

	Three months to 31 January		Nine months to 31 January	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$m	\$m	\$m	\$m
<i>Interest income:</i>				
Net income on the defined benefit plan asset	0.3	-	0.7	0.2
Other interest	<u>0.3</u>	<u>0.2</u>	<u>0.9</u>	<u>1.6</u>
	<u>0.6</u>	<u>0.2</u>	<u>1.6</u>	<u>1.8</u>
<i>Interest expense:</i>				
Bank interest payable	55.1	39.0	137.1	83.2
Interest payable on senior notes	58.0	36.1	162.5	96.4
Interest payable on lease liabilities	33.2	26.4	94.3	73.2
Non-cash unwind of discount on provisions	0.6	0.3	1.6	0.9
Amortisation of deferred debt raising costs	<u>2.3</u>	<u>1.8</u>	<u>6.4</u>	<u>5.3</u>
	<u>149.2</u>	<u>103.6</u>	<u>401.9</u>	<u>259.0</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7. Taxation

The tax charge for the period has been determined by applying the expected effective tax rates in each jurisdiction for the year as a whole, based on the tax rates in force as at 31 January 2024 of 25% in the US (2023: 25%), 25% in Canada (2023: 26%) and 25% in the UK (2023: 19%). This results in a blended effective rate for the Group as a whole of 25% (2023: 25%) for the period.

The tax charge of \$442m (2023: \$441m) on the adjusted profit before taxation of \$1,785m (2023: \$1,778m) can be explained as follows:

	Nine months to 31 January	
	<u>2024</u>	<u>2023</u>
	\$m	\$m
Current tax		
- current tax on income for the period	260.9	235.5
- adjustments to prior year	<u>2.9</u>	<u>(2.6)</u>
	<u>263.8</u>	<u>232.9</u>
Deferred tax		
- origination and reversal of temporary differences	194.9	209.8
- adjustments to prior year	<u>(16.8)</u>	<u>(2.1)</u>
	<u>178.1</u>	<u>207.7</u>
Tax on adjusted profit	<u>441.9</u>	<u>440.6</u>
Comprising:		
- US	432.9	403.4
- Canada	8.4	17.3
- UK	<u>0.6</u>	<u>19.9</u>
	<u>441.9</u>	<u>440.6</u>

In addition, the tax credit of \$23m (2023: \$22m) on amortisation of \$92m (2023: \$87m) consists of a current tax credit of \$10m (2023: \$9m) relating to the US, \$0.2m (2023: \$0.6m) relating to Canada and \$nil (2023: \$0.2m) relating to the UK and a deferred tax credit of \$7m (2023: \$8m) relating to the US, \$5m (2023: \$4m) relating to Canada and \$1m (2023: \$0.8m) relating to the UK.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. Accordingly, the first accounting period to which these rules will apply to the Group will be the year ending 30 April 2025 and hence, the Group is applying the exception under the IAS 12 amendment to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes for the year ending 30 April 2024. We do not expect that the 15% global minimum tax rate will affect materially the amount of tax the Group pays, as corporation tax rates in the principal jurisdictions in which the Group operates exceed 15%.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

8. Earnings per share

Basic and diluted earnings per share for the three and nine months ended 31 January 2024 have been calculated based on the profit for the relevant period and the weighted average number of ordinary shares in issue during that period (excluding shares held by the Company and the ESOT over which dividends have been waived). Diluted earnings per share is computed using the result for the relevant period and the diluted number of shares (ignoring any potential issue of ordinary shares which would be anti-dilutive). These are calculated as follows:

	Three months to 31 January		Nine months to 31 January	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit for the financial period (\$m)	<u>332.3</u>	<u>380.4</u>	<u>1,273.7</u>	<u>1,271.6</u>
Weighted average number of shares (m) - basic	<u>436.8</u>	<u>438.1</u>	<u>437.1</u>	<u>439.5</u>
- diluted	<u>439.1</u>	<u>441.0</u>	<u>439.5</u>	<u>442.5</u>
Basic earnings per share	<u>76.1¢</u>	<u>86.9¢</u>	<u>291.4¢</u>	<u>289.3¢</u>
Diluted earnings per share	<u>75.6¢</u>	<u>86.3¢</u>	<u>289.8¢</u>	<u>287.4¢</u>

Adjusted earnings per share (defined in any period as the earnings before exceptional items and amortisation for that period divided by the weighted average number of shares in issue in that period) may be reconciled to the basic earnings per share as follows:

	Three months to 31 January		Nine months to 31 January	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Basic earnings per share	76.1¢	86.9¢	291.4¢	289.3¢
Amortisation of intangibles	7.1¢	6.7¢	21.1¢	19.9¢
Tax on amortisation	(1.8¢)	(1.7¢)	(5.3¢)	(5.0¢)
Adjusted earnings per share	<u>81.4¢</u>	<u>91.9¢</u>	<u>307.2¢</u>	<u>304.2¢</u>

9. Dividends

During the period, a final dividend in respect of the year ended 30 April 2023 of 85.0¢ (2023: 67.5¢) per share was paid to shareholders resulting in a cash outflow of \$368m (2023: \$293m). The interim dividend in respect of the year ending 30 April 2024 of 15.75¢ (2023: 15.0¢) per share announced on 5 December 2023 was paid on 8 February 2024 to shareholders and cost \$68m (2023: \$65m).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10. Property, plant and equipment

<u>Net book value</u>	<u>2024</u>		<u>2023</u>	
	Rental equipment \$m	Total \$m	Rental equipment \$m	Total \$m
At 1 May	9,649.1	11,041.1	7,814.3	8,892.6
Exchange differences	21.1	24.7	(31.6)	(36.9)
Reclassifications	0.3	-	(0.8)	-
Additions	2,989.8	3,508.6	2,241.2	2,617.7
Acquisitions	383.6	407.7	324.5	353.9
Disposals	(472.5)	(489.3)	(275.7)	(290.0)
Depreciation	(1,214.5)	(1,414.7)	(1,020.2)	(1,177.6)
At 31 January	<u>11,356.9</u>	<u>13,078.1</u>	<u>9,051.7</u>	<u>10,359.7</u>

11. Right-of-use assets

<u>Net book value</u>	<u>2024</u>			<u>2023</u>		
	Property leases \$m	Other leases \$m	Total \$m	Property leases \$m	Other leases \$m	Total \$m
At 1 May	2,184.8	21.2	2,206.0	1,849.1	15.7	1,864.8
Exchange differences	5.6	0.4	6.0	(11.2)	(0.3)	(11.5)
Additions	229.1	16.3	245.4	229.4	6.5	235.9
Acquisitions	99.2	-	99.2	124.8	-	124.8
Remeasurement	45.2	-	45.2	45.0	-	45.0
Disposals	(46.6)	(0.8)	(47.4)	(3.6)	(0.7)	(4.3)
Depreciation	(146.9)	(4.8)	(151.7)	(123.3)	(2.6)	(125.9)
At 31 January	<u>2,370.4</u>	<u>32.3</u>	<u>2,402.7</u>	<u>2,110.2</u>	<u>18.6</u>	<u>2,128.8</u>

12. Lease liabilities

	31 January <u>2024</u> \$m	30 April <u>2023</u> \$m
Current	268.4	233.2
Non-current	<u>2,373.9</u>	<u>2,161.1</u>
	<u>2,642.3</u>	<u>2,394.3</u>

13. Borrowings

	31 January <u>2024</u> \$m	30 April <u>2023</u> \$m
Non-current		
First priority senior secured bank debt	2,400.4	2,038.4
1.500% senior notes, due August 2026	547.5	546.8
4.375% senior notes, due August 2027	596.4	595.6
4.000% senior notes, due May 2028	595.8	595.1
4.250% senior notes, due November 2029	595.1	594.6
2.450% senior notes, due August 2031	744.4	743.9
5.500% senior notes, due August 2032	738.6	737.8
5.550% senior notes, due May 2033	743.3	742.9
5.950% senior notes, due October 2033	744.0	-
5.800% senior notes, due April 2034	<u>840.3</u>	<u>-</u>
	<u>8,545.8</u>	<u>6,595.1</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

13. Borrowings (continued)

The senior secured bank debt is secured by way of fixed and floating charges over substantially all the Group's property, plant and equipment, inventory and trade receivables and is committed until August 2026. The senior notes are guaranteed by Ashtead Group plc and all its principal subsidiary undertakings.

Our debt facilities are committed for the long term, with an average maturity of six years and a weighted average interest cost (including non-cash amortisation of deferred debt raising costs) of 5%.

There is one financial performance covenant under the first priority senior credit facility. That is the fixed charge ratio (comprising EBITDA before exceptional items less net capital expenditure paid in cash over the sum of scheduled debt repayments plus cash interest, cash tax payments and dividends paid in the last twelve months) which, must be equal to, or greater than, 1.0. This covenant does not apply when availability exceeds \$450m. At 31 January 2024, availability under the senior secured bank facility was \$2,208m (\$2,573m at 30 April 2023), with an additional \$6,781m of suppressed availability, meaning that the covenant did not apply at 31 January 2024 and is unlikely to apply in forthcoming quarters.

Fair value of financial instruments

Financial assets and liabilities are measured in accordance with the fair value hierarchy and assessed as Level 1, 2 or 3 based on the following criteria:

- Level 1: fair value measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

Fair value of derivative financial instruments

At 31 January 2024, the Group had no derivative financial instruments. The embedded prepayment options included within the senior notes are either closely related to the host debt contract or immaterial and hence, are not accounted for separately. These loan notes are carried at amortised cost.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

13. Borrowings (continued)

Fair value of non-derivative financial assets and liabilities

The table below provides a comparison, by category of the carrying amounts and the fair values of the Group's non-derivative financial assets and liabilities.

		At 31 January 2024		At 30 April 2023	
		Book	Fair	Book	Fair
		<u>value</u>	<u>value</u>	<u>value</u>	<u>value</u>
		\$m	\$m	\$m	\$m
Long-term borrowings					
- first priority senior secured bank debt	Level 1	2,400.4	2,400.4	2,038.4	2,038.4
- 1.500% senior notes	Level 1	549.3	500.5	549.0	486.1
- 4.375% senior notes	Level 1	600.0	578.3	600.0	573.0
- 4.000% senior notes	Level 1	600.0	565.5	600.0	560.3
- 4.250% senior notes	Level 1	600.0	559.5	600.0	556.5
- 2.450% senior notes	Level 1	748.5	607.5	748.4	595.3
- 5.500% senior notes	Level 1	743.4	742.5	743.0	741.6
- 5.550% senior notes	Level 1	748.4	741.6	748.3	744.4
- 5.950% senior notes	Level 1	749.4	762.2	-	-
- 5.800% senior notes	Level 1	<u>846.7</u>	<u>855.3</u>	<u>-</u>	<u>-</u>
Total long-term borrowings		8,586.1	8,313.3	6,627.1	6,295.6
Deferred costs of raising finance		(40.3)	<u>-</u>	(32.0)	<u>-</u>
		<u>8,545.8</u>	<u>8,313.3</u>	<u>6,595.1</u>	<u>6,295.6</u>
Other financial instruments ¹					
Contingent consideration provision	Level 3	41.0	41.0	46.7	46.7
Financial asset investments	Level 3	46.8	46.8	41.3	41.3
Cash and cash equivalents	Level 1	<u>22.4</u>	<u>22.4</u>	<u>29.9</u>	<u>29.9</u>

¹ The Group's trade and other receivables and trade and other payables are not shown in the table above. The carrying amounts of these financial assets and liabilities approximate their fair values.

Contingent consideration provisions are a Level 3 financial liability. Future anticipated payments to vendors in respect of contingent consideration are initially recorded at fair value which is the present value of the expected cash outflows of the obligations. The obligations are dependent upon the future financial performance of the businesses acquired. The fair value is estimated based on internal financial projections prepared in relation to the acquisition with the contingent consideration discounted to present value using a discount rate in line with the Group's cost of debt. The movement since 30 April can be attributed to \$21m of payments in the period (see Note 15), \$1m of provision releases and \$nil of exchange differences offset by \$15m of additions through business acquisitions (see Note 16) and \$1m of discount unwind.

Financial asset investments are measured at fair value and are Level 3 financial assets. \$22m of these assets are held at fair value through profit and loss and \$25m of these assets are measured at fair value through other comprehensive income. Their fair values are estimated based on the latest transaction price and any subsequent investment-specific adjustments. The movement since 30 April 2023 reflects additions of \$5m and interest of \$1m.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

14. Share capital

Ordinary shares of 10p each:

	31 January 2024 Number	30 April 2023 Number	31 January 2023 \$m	30 April 2023 \$m
Issued and fully paid	<u>451,354,833</u>	<u>451,354,833</u>	<u>81.8</u>	<u>81.8</u>

During the period, the Company purchased 0.9m ordinary shares at a total cost of \$60m (£48m) under the Group's share buyback programme, which are held in treasury. At 31 January 2024, 13.8m (April 2023: 12.9m) shares were held by the Company (\$801m; April 2023: \$741m) and a further 0.9m (April 2023: 1.0m) shares were held by the Company's Employee Share Ownership Trust (\$43m; April 2023: \$39m).

15. Notes to the cash flow statement

a) Cash flow from operating activities

	Nine months to 31 January	
	2024 \$m	2023 \$m
Operating profit	2,092.8	1,947.4
Depreciation	1,566.4	1,303.5
Amortisation	<u>92.3</u>	<u>87.4</u>
EBITDA	3,751.5	3,338.3
Profit on disposal of rental equipment	(165.5)	(108.5)
Profit on disposal of other property, plant and equipment	(14.5)	(11.4)
Increase in inventories	(6.3)	(44.7)
Increase in trade and other receivables	(227.7)	(289.5)
Decrease in trade and other payables	(53.1)	(22.0)
Exchange differences	(0.4)	1.5
Other non-cash movement	<u>37.5</u>	<u>33.3</u>
Cash generated from operations before changes in rental equipment	<u>3,321.5</u>	<u>2,897.0</u>

b) Analysis of net debt

Net debt consists of total borrowings and lease liabilities less cash and cash equivalents. Borrowings exclude accrued interest. Non-US dollar denominated balances are translated to US dollars at rates of exchange ruling at the balance sheet date.

	1 May 2023 \$m	Cash flow \$m	Non-cash movements				31 January 2024 \$m
			Exchange movement \$m	Debt acquired \$m	New lease liabilities \$m	Other movements \$m	
Long-term borrowings	6,595.1	1,876.9	14.6	55.3	-	3.9	8,545.8
Lease liabilities	<u>2,394.3</u>	<u>(96.3)</u>	<u>6.6</u>	<u>99.2</u>	<u>238.5</u>	-	<u>2,642.3</u>
Total liabilities from financing activities	8,989.4	1,780.6	21.2	154.5	238.5	3.9	11,188.1
Cash and cash equivalents	<u>(29.9)</u>	<u>7.7</u>	<u>(0.2)</u>	-	-	-	<u>(22.4)</u>
Net debt	<u>8,959.5</u>	<u>1,788.3</u>	<u>21.0</u>	<u>154.5</u>	<u>238.5</u>	<u>3.9</u>	<u>11,165.7</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15. Notes to the cash flow statement (continued)

	1 May <u>2022</u> \$m	Cash <u>flow</u> \$m	Non-cash movements				31 January <u>2023</u> \$m
			<u>Exchange movement</u> \$m	<u>Debt acquired</u> \$m	<u>New lease liabilities</u> \$m	<u>Other movements</u> \$m	
Long-term borrowings	5,180.1	1,331.8	(17.0)	57.3	-	2.8	6,555.0
Lease liabilities	<u>1,995.2</u>	(81.3)	(12.2)	<u>123.2</u>	<u>275.4</u>	-	<u>2,300.3</u>
Total liabilities from financing activities	7,175.3	1,250.5	(29.2)	180.5	275.4	2.8	8,855.3
Cash and cash equivalents	(15.3)	(21.8)	0.5	-	-	-	(36.6)
Net debt	<u>7,160.0</u>	<u>1,228.7</u>	<u>(28.7)</u>	<u>180.5</u>	<u>275.4</u>	<u>2.8</u>	<u>8,818.7</u>

Details of the Group's cash and debt are given in Notes 12 and 13 and the Review of Third Quarter, Balance Sheet and Cash Flow accompanying these condensed consolidated interim financial statements.

c) Acquisitions

	Nine months to 31 January	
	<u>2024</u> \$m	<u>2023</u> \$m
Cash consideration paid:		
- acquisitions in the period	842.1	910.8
- contingent consideration	<u>20.8</u>	<u>21.9</u>
	<u>862.9</u>	<u>932.7</u>

During the period, 26 businesses were acquired with cash paid of \$842m (2023: \$911m), after taking account of net cash acquired of \$6m (2023: \$30m). Further details are provided in Note 16.

Contingent consideration of \$21m (2023: \$22m) was paid relating to prior year acquisitions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16. Acquisitions

The Group undertakes bolt-on acquisitions to complement its organic growth strategy. During the period, the following acquisitions were completed:

- i) On 17 May 2023, Sunbelt US acquired the business and assets of Beattie Construction Services, LLC ('Beattie'). Beattie is a specialty business operating in Michigan.
- ii) On 24 May 2023, Sunbelt US acquired the business and assets of Jones & Hollands, Inc. ('Jones'). Jones is a general tool business operating in Michigan.
- iii) On 24 May 2023, Sunbelt US acquired the business and assets of West Coast Equipment, LLC ('West Coast'). West Coast is a general tool business operating in California.
- iv) On 1 June 2023, Sunbelt Canada acquired the entire share capital of Loue Froid, Inc. ('Loue Froid'). Loue Froid is a specialty business operating in Quebec, Ontario, Alberta and British Columbia.
- v) On 14 June 2023, Sunbelt US acquired the business and assets of American Covers Incorporated ('American Covers'). American Covers is a specialty business operating in Louisiana.
- vi) On 16 June 2023, Sunbelt US acquired the business and assets of AGF Machinery, LLC ('AGF'). AGF is a general tool business operating in Alabama.
- vii) On 23 June 2023, Sunbelt US acquired the business and assets of Miele Central Equipment, LLC ('CEC'). CEC is a general tool business operating in Pennsylvania.
- viii) On 28 June 2023, Sunbelt US acquired the business and assets of J & J Equipment Rentals, Inc. ('J&J'). J&J is a general tool business operating in Virginia.
- ix) On 31 July 2023, Sunbelt US acquired the entire membership interest of Runyon Equipment Rental Co., LLC ('Runyon'). Runyon is a general tool business operating in Indiana.
- x) On 9 August 2023, Sunbelt US acquired the business and assets of A-One Rental, Inc. and Holmes A-One Inc. (together 'A-One'). A-One is a general tool business operating in Wyoming.
- xi) On 25 August 2023, Sunbelt US acquired the business and assets of Caribbean Rentals & Sales Ltd and International Rental Services, Inc. (together 'CRS'). CRS is a general tool business operating in the Bahamas.
- xii) On 30 August 2023, Sunbelt US acquired the business and assets of Timp Rental Center, Inc. ('Timp'). Timp is a general tool business operating in Utah.
- xiii) On 30 August 2023, Sunbelt Canada acquired the business and assets of 688768 NB Inc., trading as Modu-Loc Maritimes Fence Rentals ('Modu-Loc Maritimes'). Modu-Loc Maritimes is a specialty business operating in Nova Scotia and New Brunswick.
- xiv) On 15 September 2023, Sunbelt US acquired the business and assets of 2-C Equipment, L.L.C. ('2C'). 2C is a general tool business operating in Texas.
- xv) On 22 September 2023, Sunbelt US acquired the business and assets of Casale Rent-All, LLC ('Casale'). Casale is a general tool business operating in New York.
- xvi) On 25 October 2023, Sunbelt Canada acquired the business and assets of Able Rental & Supply (Sudbury), Inc. ('Able'). Able is a general tool business operating in Ontario.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16. Acquisitions (continued)

- xvii) On 3 November 2023, Sunbelt US acquired the business and assets of EFFEM Corporation, trading as A to Z Equipment Rentals & Sales ('A to Z'). A to Z is a general tool business operating in Arizona.
- xviii) On 3 November 2023, Sunbelt UK acquired the entire share capital of Acorn Film & Video Ltd ('Acorn'). Acorn is a specialty business.
- xix) On 8 November 2023, Sunbelt US acquired the business and assets of Farmers Rental & Power Equipment, Inc. ('Farmers'). Farmers is a general tool business operating in North Carolina.
- xx) On 14 November 2023, Sunbelt US acquired the business and assets of Southwest Ohio Temporary Heat, LLC, trading as Temporary Heating Solutions Cincinnati ('THS'). THS is a specialty business operating in Ohio.
- xxi) On 1 December 2023, Sunbelt Canada acquired the entire share capital of Nor-Val Rentals, Ltd. ('Nor-Val'). Nor-Val is a general tool business operating in British Columbia.
- xxii) On 13 December 2023, Sunbelt US acquired the business and assets of Freedom Scaffold, LLC ('Freedom'). Freedom is a specialty business operating in Oklahoma.
- xxiii) On 10 January 2024, Sunbelt US acquired the business and assets of Falcon Shoring Company, LLC ('Falcon'). Falcon is a specialty business operating in Oregon.
- xxiv) On 17 January 2024, Sunbelt US acquired the business and assets of Root Rents, Inc. ('Root Rents'). Root Rents is a general tool business operating in Idaho.
- xxv) On 19 January 2024, Sunbelt US acquired the business and assets of ABC Equipment Rental, Inc. ('ABC'). ABC is a general tool business operating in Maryland.
- xxvi) On 31 January 2024, Sunbelt US acquired the business and assets of Bosk Equipment Rental Inc. ('Bosk'). Bosk is a general tool business operating in Michigan.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16. Acquisitions (continued)

The following table sets out the fair value of the identifiable assets and liabilities acquired by the Group. The fair values have been determined provisionally at the balance sheet date.

	Fair value to the Group \$m
Net assets acquired	
Trade and other receivables	44.6
Inventory	4.2
Property, plant and equipment	
- rental equipment	383.6
- other assets	24.1
Right-of-use assets	99.2
Creditors	(12.9)
Current tax	0.1
Deferred tax	(17.7)
Debt	(55.3)
Lease liabilities	(99.2)
Intangible assets (non-compete agreements and customer relationships)	<u>104.5</u>
	<u>475.2</u>
Consideration:	
- cash paid and due to be paid (net of cash acquired)	848.2
- contingent consideration	<u>15.5</u>
	<u>863.7</u>
Goodwill	<u>388.5</u>

The goodwill arising can be attributed to the key management personnel and workforce of the acquired businesses, the benefits through advancing our clusters and leveraging cross-selling opportunities, and to the synergies and other benefits the Group expects to derive from the acquisitions. The synergies and other benefits include elimination of duplicate costs, improving utilisation of the acquired rental fleet, using the Group's financial strength to invest in the acquired business and drive improved returns through a semi-fixed cost base and the application of the Group's proprietary software to optimise revenue opportunities. \$268m of the goodwill is expected to be deductible for income tax purposes.

Contingent consideration is the fair value of consideration that is payable based on the post-acquisition performance of certain acquired businesses.

The gross value and the fair value of trade receivables at acquisition was \$45m.

Due to the operational integration of acquired businesses post acquisition, in particular due to the merger of some stores, the movement of rental equipment between stores and investment in the rental fleet, it is not practical to report the revenue and profit of the acquired businesses post-acquisition. The revenue and operating profit of these acquisitions from 1 May 2023 to their date of acquisition was not material.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

17. Contingent liabilities

Following its state aid investigation, in April 2019 the European Commission announced its decision that the Group Financing Exemption in the UK controlled foreign company ('CFC') legislation constitutes state aid in some circumstances. In common with the UK Government and other UK-based international companies, the Group does not agree with the decision and has therefore lodged a formal appeal with the General Court of the European Union. In common with other UK taxpayers, the Group's appeal has been stayed while the appeals put forward by the UK Government and ITV plc proceed.

On 8 June 2022 the General Court of the European Union dismissed the appeals put forward by the UK Government and ITV plc. However, there remains a high degree of uncertainty in the final outcome given the UK Government and ITV plc have both appealed against the decision to the EU Court of Justice. The EU Court of Justice held a hearing on the case in January 2024 and the Advocate-General opinion is due later this year. The Group will continue to monitor proceedings closely.

Despite the UK Government appealing the European Commission's decision, His Majesty's Revenue & Customs ('HMRC') was required to make an assessment of the tax liability which would arise if the decision is not successfully appealed and collect that amount from taxpayers. HMRC issued a charging notice stating that the tax liability it believes to be due on this basis is £36m, including interest payable. The Group has appealed the charging notice and has settled the amount assessed on it, including interest, in line with HMRC requirements. On successful appeal in whole or in part, all or part of the amount paid in accordance with the charging notice would be returned to the Group. If either the decision reached by the General Court of the European Union or the charging notice issued by HMRC are not ultimately appealed successfully, we have estimated the Group's maximum potential liability to be £36m as at 31 January 2024 (\$45m at January 2024 exchange rates), including any interest payable. Based on the current status of proceedings, we have concluded that no provision is required in relation to this matter.

The £36m (\$45m at January 2024 exchange rates) paid has been recognised separately as a non-current asset on the balance sheet.

REVIEW OF THIRD QUARTER, BALANCE SHEET AND CASH FLOW

Third quarter

	<u>Revenue</u>		<u>EBITDA</u>		<u>Profit¹</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Canada in C\$m	<u>229.4</u>	<u>220.4</u>	<u>81.4</u>	<u>85.3</u>	<u>25.3</u>	<u>39.8</u>
UK in £m	<u>165.0</u>	<u>160.3</u>	<u>44.1</u>	<u>40.0</u>	<u>8.6</u>	<u>7.5</u>
US	2,280.0	2,070.3	1,060.3	988.6	600.1	607.6
Canada in \$m	169.8	163.8	60.3	63.3	18.7	29.4
UK in \$m	208.0	193.3	55.6	48.3	10.9	9.2
Group central costs	<u>-</u>	<u>-</u>	<u>(8.0)</u>	<u>(7.9)</u>	<u>(8.1)</u>	<u>(8.1)</u>
	<u>2,657.8</u>	<u>2,427.4</u>	<u>1,168.2</u>	<u>1,092.3</u>	621.6	638.1
Financing costs					<u>(148.6)</u>	<u>(103.4)</u>
Adjusted profit before tax					473.0	534.7
Amortisation					<u>(31.0)</u>	<u>(29.6)</u>
Profit before taxation					<u>442.0</u>	<u>505.1</u>
<u>Margins as reported</u>						
US			46.5%	47.8%	26.3%	29.4%
Canada			35.5%	38.7%	11.0%	18.1%
UK			26.7%	24.9%	5.2%	4.7%
Group			44.0%	45.0%	23.4%	26.3%

¹ Segment result presented is operating profit before amortisation.

Group revenue for the quarter increased 9% (9% at constant currency) to \$2,658m (2023: \$2,427m). Adjusted profit before tax for the quarter decreased to \$473m (2023: \$535m), due to principally lower drop through in the US, a higher depreciation charge relative to revenue growth and an increased interest expense of \$149m (2023: \$103m).

US rental only revenue in the quarter was 8% higher than a year ago. Both our General Tool business and our Specialty businesses grew 8% in the quarter. Year-over-year growth in our Specialty businesses was affected in the quarter due to strong hurricane, wildfire and winter storm related revenue last year that has not repeated this year.

Canada's rental only revenue increased 7% to C\$147m (2023: C\$138m), while total revenue was C\$229m (2023: C\$220m). Performance has been affected by the Writers Guild of America and the Screen Actors Guild strikes which, although settled in early December, had a significant impact on the Film & TV business and some impact on the rest of the Canadian business that rents into that space. Parts of the US and UK businesses were affected similarly. The resumption of activity in January and February has been slower than expected.

The UK generated rental only revenue in the quarter of £111m (2023: £106m), 5% higher than the prior year. Total revenue increased 3% to £165m (2023: £160m) reflecting the high level of ancillary and sales revenue associated with the services provided last year for the Queen's funeral.

Group adjusted operating profit decreased 3% to \$622m (2023: \$638m). After financing costs of \$149m (2023: \$103m), Group adjusted profit before tax was \$473m (2023: \$535m). After amortisation of \$31m (2023: \$30m), statutory profit before taxation was \$442m (2023: \$505m).

Balance sheet

Property, plant and equipment

Capital expenditure in the nine months totalled \$3,509m (2023: \$2,618m) with \$2,990m invested in the rental fleet (2023: \$2,241m). Expenditure on rental equipment was 85% of total capital expenditure with the balance relating to the delivery vehicle fleet, property improvements and IT equipment. Capital expenditure by division was:

	<u>2024</u>		<u>Total</u>	<u>2023</u>
	<u>Replacement</u>	<u>Growth</u>		<u>Total</u>
Canada in C\$m	<u>128.0</u>	<u>117.2</u>	<u>245.2</u>	<u>190.4</u>
UK in £m	<u>93.1</u>	<u>49.1</u>	<u>142.2</u>	<u>122.4</u>
US	1,445.1	1,184.1	2,629.2	1,950.8
Canada in \$m	95.0	87.0	182.0	144.1
UK in \$m	<u>116.9</u>	<u>61.7</u>	<u>178.6</u>	<u>146.3</u>
Total rental equipment	<u>1,657.0</u>	<u>1,332.8</u>	2,989.8	2,241.2
Delivery vehicles, property improvements & IT equipment			<u>518.8</u>	<u>376.5</u>
Total additions			<u>3,508.6</u>	<u>2,617.7</u>

In a strong US rental market, \$1,184m of rental equipment capital expenditure was spent on growth while \$1,445m was invested in replacement of existing fleet. The growth proportion is estimated based on the assumption that replacement capital expenditure in any period is equal to the original cost of equipment sold. In a period of inflation, this understates replacement capital expenditure and overstates growth capital expenditure.

The average age of the Group's serialised rental equipment, which constitutes the substantial majority of our fleet, at 31 January 2024 was 31 months (2023: 37 months) on a net book value basis. The US fleet had an average age of 31 months (2023: 37 months), the Canadian fleet had an average age of 32 months (2023: 35 months) and the UK fleet had an average age of 34 months (2023: 35 months).

	<u>Rental fleet at original cost</u>			<u>LTM rental revenue</u>	<u>LTM dollar utilisation</u>
	<u>31 January 2024</u>	<u>30 April 2023</u>	<u>LTM average</u>		
Canada in C\$m	<u>1,708</u>	<u>1,438</u>	<u>1,554</u>	<u>745</u>	<u>48%</u>
UK in £m	<u>1,135</u>	<u>1,081</u>	<u>1,109</u>	<u>576</u>	<u>52%</u>
US	14,998	13,407	14,000	8,171	58%
Canada in \$m	1,278	1,061	1,152	552	48%
UK in \$m	<u>1,445</u>	<u>1,358</u>	<u>1,384</u>	<u>720</u>	<u>52%</u>
	<u>17,721</u>	<u>15,826</u>	<u>16,536</u>	<u>9,443</u>	

Dollar utilisation was 58% in the US (2023: 61%), 48% for Canada (2023: 56%) and 52% for the UK (2023: 55%). The decrease in US dollar utilisation is due to principally lower physical utilisation while Canadian dollar utilisation reflects both lower physical utilisation and the drag of the Film & TV business. In the UK, the decrease reflects the lower level of ancillary revenue following the conclusion of the Department of Health work last year.

Trade receivables

Receivable days at 31 January 2024 were 53 days (2023: 53 days). The bad debt charge for the last twelve months ended 31 January 2024 as a percentage of total turnover was 0.5% (2023: 0.5%). Trade receivables at 31 January 2024 of \$1,671m (2023: \$1,481m) are stated net of allowances for bad debts and credit notes of \$119m (2023: \$118m), with the provision representing 7% (2023: 7%) of gross receivables.

Trade and other payables

Group payable days were 46 days at 31 January 2024 (2023: 46 days) with capital expenditure related payables totalling \$399m (2023: \$472m). Payment periods for purchases other than rental equipment vary between seven and 60 days and for rental equipment between 30 and 120 days.

Cash flow and net debt

	Nine months to 31 January		LTM to 31 January	Year to 30 April
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$m	\$m	\$m	\$m
EBITDA	<u>3,751.5</u>	<u>3,338.3</u>	<u>4,825.0</u>	<u>4,411.8</u>
Cash inflow from operations before changes in rental equipment	3,321.5	2,897.0	4,498.1	4,073.6
<i>Cash conversion ratio*</i>	88.5%	86.8%	93.2%	92.3%
Replacement rental capital expenditure	(1,692.1)	(949.7)	(2,123.2)	(1,380.8)
Payments for non-rental capital expenditure	(520.2)	(379.6)	(650.6)	(510.0)
Rental equipment disposal proceeds	522.9	335.1	761.4	573.6
Other property, plant and equipment disposal proceeds	47.3	25.7	63.0	41.4
Tax paid	(233.2)	(221.2)	(299.3)	(287.3)
Financing costs	(369.0)	(233.1)	(476.1)	(340.2)
Cash inflow before growth capex	1,077.2	1,474.2	1,773.3	2,170.3
Growth rental capital expenditure	(1,539.7)	(1,179.4)	(1,999.1)	(1,638.8)
Free cash flow	(462.5)	294.8	(225.8)	531.5
Business acquisitions	(862.9)	(932.7)	(1,013.4)	(1,083.2)
Financial asset investments	(5.0)	(42.4)	(5.0)	(42.4)
Total cash absorbed	(1,330.4)	(680.3)	(1,244.2)	(594.1)
Dividends	(367.7)	(292.9)	(432.6)	(357.8)
Purchase of own shares by the ESOT	(29.9)	(12.5)	(29.9)	(12.5)
Purchase of own shares by the Company	(60.3)	(243.0)	(81.7)	(264.4)
Increase in net debt due to cash flow	(1,788.3)	(1,228.7)	(1,788.4)	(1,228.8)

* Cash inflow from operations before changes in rental equipment as a percentage of EBITDA.

Cash inflow from operations before the net investment in the rental fleet was \$3,321m (2023: \$2,897m). The conversion ratio for the period was 89% (2023: 87%).

Total payments for capital expenditure (rental equipment and other PPE) in the nine months were \$3,752m (2023: \$2,509m). Disposal proceeds received totalled \$570m (2023: \$361m), giving net payments for capital expenditure of \$3,182m in the period (2023: \$2,148m). Financing costs paid totalled \$369m (2023: \$233m) while tax payments were \$233m (2023: \$221m). Financing costs paid typically differ from the charge in the income statement due to the timing of interest payments in the year and non-cash interest charges.

Accordingly, the period saw a free cash outflow of \$463m (2023: inflow of \$295m) and, after acquisition and investment related expenditure of \$868m (2023: \$975m), a cash outflow of \$1,330m (2023: \$680m), before returns to shareholders.

<u>Net debt</u>	31 January		30 April
	<u>2024</u>	<u>2023</u>	<u>2023</u>
	\$m	\$m	\$m
First priority senior secured bank debt	2,400.4	2,000.1	2,038.4
1.500% senior notes, due 2026	547.5	546.4	546.8
4.375% senior notes, due 2027	596.4	595.5	595.6
4.000% senior notes, due 2028	595.8	594.9	595.1
4.250% senior notes, due 2029	595.1	594.4	594.6
2.450% senior notes, due 2031	744.4	743.7	743.9
5.500% senior notes, due 2032	738.6	737.6	737.8
5.550% senior notes, due 2033	743.3	742.4	742.9
5.950% senior notes, due 2033	744.0	-	-
5.800% senior notes, due 2034	<u>840.3</u>	-	-
Total external borrowings	8,545.8	6,555.0	6,595.1
Lease liabilities	<u>2,642.3</u>	<u>2,300.3</u>	<u>2,394.3</u>
Total gross debt	11,188.1	8,855.3	8,989.4
Cash and cash equivalents	(22.4)	(36.6)	(29.9)
Total net debt	<u>11,165.7</u>	<u>8,818.7</u>	<u>8,959.5</u>

Net debt at 31 January 2024 was \$11,166m with the increase since 30 April 2023 reflecting the cash outflow set out above and additional lease commitments as we continue our greenfield and bolt-on expansion. The Group's EBITDA for the twelve months ended 31 January 2024 was \$4,825m. Excluding the impact of IFRS 16, the ratio of net debt to EBITDA was 1.9 times (2023: 1.6 times) on a constant currency and a reported basis as at 31 January 2024. Including the impact of IFRS 16, the ratio of net debt to EBITDA was 2.3 times (2023: 2.1 times) as at 31 January 2024.

Principal risks and uncertainties

Risks and uncertainties in achieving the Group's objectives for the remainder of the financial year, together with assumptions, estimates, judgements and critical accounting policies used in preparing financial information remain broadly unchanged from those detailed in the 2023 Annual Report and Accounts on pages 40 to 45.

The principal risks and uncertainties facing the Group are:

- economic conditions - in the longer term, there is a link between levels of economic activity and demand for our services. The most significant end market which affects our business is construction. The construction market is cyclical and typically lags the general economic cycle by between 12 and 24 months.

The economic uncertainties resulting from the impact of pandemics (such as COVID-19) is considered as part of this risk.

- competition - the already competitive market could become even more competitive and we could suffer increased competition from large national competitors or small companies or local companies resulting in reduced market share and lower revenue.

This could negatively affect rental rates and physical utilisation. Continuing industry consolidation could also have a similar effect.

- cyber security - a cyber-attack or serious uncured failure in our systems could result in us being unable to deliver service to our customers and / or the loss of data. In particular, we are heavily dependent on technology for the smooth running of our business given the large number of both units of equipment we rent and our customers. As a result, we could suffer reputational loss, revenue loss and financial penalties.

This is the most significant factor in our business continuity planning.

- health and safety - a failure to comply with laws and regulations governing health and safety and ensure the highest standards of health and safety across the Group could result in accidents which may result in injury to or fatality of an individual, claims against the Group and/or damage to our reputation.
- people and culture - retaining and attracting good people is key to delivering superior performance and customer service and maintaining and enhancing our culture.

Excessive staff turnover is likely to impact on our ability to maintain the appropriate quality of service to our customers and our culture and would ultimately impact our financial performance adversely.

At a leadership level, succession planning is required to ensure the Group can continue to inspire the right culture, leadership and behaviours and meet its strategic objectives. Furthermore, it is important that our remuneration policies reflect the Group's North American focus and enable us to retain and enhance our strong leadership team.

- environmental - the Group has made a long-term commitment to reduce its Scope 1 and 2 carbon intensity by 35% by 2030, from its level in 2018, with a near term commitment to reduce its carbon intensity by 15% by 2024, and set out a roadmap to achieve this. Failure to do so could adversely impact the Group and its stakeholders.

A significant part of our rental fleet is reliant on diesel engines. Over time, lower carbon alternatives will become available as technology advances. If we do not remain at the forefront of technological advances, and invest in the latest equipment, our rental fleet could become obsolete.

In addition, we need to comply with the numerous laws governing environmental protection matters. These laws regulate such issues as waste water, storm water, solid and hazardous wastes and materials, and air quality. Breaches potentially create hazards to our employees, damage to our reputation and expose the Group to, amongst other things, the cost of investigating and remediating contamination and also fines and penalties for non-compliance.

- laws and regulations - failure to comply with the frequently changing regulatory environment could result in reputational damage or financial penalty.

Further details, including actions taken to mitigate these risks, are provided within the 2023 Annual Report & Accounts.

Our business is subject to significant fluctuations in performance from quarter to quarter as a result of seasonal effects. Commercial construction activity tends to increase in the summer and during extended periods of mild weather and to decrease in the winter and during extended periods of inclement weather. Furthermore, due to the incidence of public holidays in the US, Canada and the UK, there are more billing days in the first half of our financial year than the second half leading to our revenue normally being higher in the first half. On a quarterly basis, the second quarter is typically our strongest quarter, followed by the first and then the third and fourth quarters.

In addition, the current trading and outlook section of the interim statement provides commentary on market and economic conditions for the remainder of the year.

Fluctuations in the value of the pound sterling and Canadian dollar with respect to the US dollar may have an impact on our financial condition and results of operations as reported in US dollars. The Group's financing is arranged such that the majority of its debt and interest expense is in US dollars. At 31 January 2024, 87% of its debt (including lease liabilities) was denominated in US dollars. Based on the current currency mix of our profits and on non-US dollar debt levels, interest and exchange rates at 31 January 2024, a 1% change in the pound sterling and Canadian dollar exchange rate would impact adjusted pre-tax profit by approximately \$0.6m.

OPERATING STATISTICS

	<u>Number of rental stores</u>			<u>Staff numbers</u>		
	31 January <u>2024</u>	31 January <u>2023</u>	30 April <u>2023</u>	31 January <u>2024</u>	31 January <u>2023</u>	30 April <u>2023</u>
US	1,181	1,056	1,094	20,250	18,225	18,981
Canada	136	113	119	2,408	2,090	2,094
UK	191	184	185	4,337	4,239	4,250
Corporate office	-	-	-	23	21	22
Group	<u>1,508</u>	<u>1,353</u>	<u>1,398</u>	<u>27,018</u>	<u>24,575</u>	<u>25,347</u>

GLOSSARY OF TERMS

The glossary of terms below sets out definitions of terms used throughout this announcement. Included are a number of alternative performance measures ('APMs') which the directors have adopted in order to provide additional useful information on the underlying trends, performance and position of the Group. The directors use these measures, which are common across the industry, for planning and reporting purposes. These measures are also used in discussions with the investment analyst community and credit rating agencies. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs and should not be considered superior to or a substitute for IFRS measures.

Term	Closest equivalent statutory measure	Definition and purpose																																				
Drop through	None	<p>Calculated as the change in rental revenue which converts into EBITDA (excluding gains from sale of new equipment, merchandise and consumables and used equipment).</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2024 \$m</th> <th style="text-align: right;">2023 \$m</th> <th style="text-align: right;">Change</th> </tr> </thead> <tbody> <tr> <td>US</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Rental revenue</td> <td style="text-align: right;">6,337</td> <td style="text-align: right;">5,669</td> <td style="text-align: right;">668</td> </tr> <tr> <td>EBITDA</td> <td style="text-align: right;">3,392</td> <td style="text-align: right;">2,987</td> <td></td> </tr> <tr> <td>Gains</td> <td style="text-align: right;">(213)</td> <td style="text-align: right;">(148)</td> <td></td> </tr> <tr> <td>EBITDA excluding gains</td> <td style="text-align: right;"><u>3,179</u></td> <td style="text-align: right;"><u>2,839</u></td> <td style="text-align: right;">340</td> </tr> <tr> <td>Drop through</td> <td></td> <td></td> <td style="text-align: right;">51%</td> </tr> </tbody> </table> <p>This measure is utilised by the Group to demonstrate the change in profitability generated by the Group as a result of the change in rental revenue in the period.</p>		2024 \$m	2023 \$m	Change	US				Rental revenue	6,337	5,669	668	EBITDA	3,392	2,987		Gains	(213)	(148)		EBITDA excluding gains	<u>3,179</u>	<u>2,839</u>	340	Drop through			51%								
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Free cash flow	Net cash generated from operating activities	<p>Net cash generated from operating activities less non-rental net property, plant and equipment expenditure. Non-rental net property, plant and equipment expenditure comprises payments for non-rental capital expenditure less disposal proceeds received in relation to non-rental asset disposals.</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2024 \$m</th> <th style="text-align: right;">2023 \$m</th> </tr> </thead> <tbody> <tr> <td>Net cash generated from operating activities</td> <td style="text-align: right;">10</td> <td style="text-align: right;">649</td> </tr> <tr> <td>Payments for non-rental property, plant and equipment</td> <td style="text-align: right;">(520)</td> <td style="text-align: right;">(380)</td> </tr> <tr> <td>Proceeds from disposal of non-rental property, plant and equipment</td> <td style="text-align: right;">47</td> <td style="text-align: right;">26</td> </tr> <tr> <td>Free cash flow</td> <td style="text-align: right;">(463)</td> <td style="text-align: right;">295</td> </tr> </tbody> </table> <p>This measure shows the cash retained by the Group prior to discretionary expenditure on acquisitions and returns to shareholders.</p>		2024 \$m	2023 \$m	Net cash generated from operating activities	10	649	Payments for non-rental property, plant and equipment	(520)	(380)	Proceeds from disposal of non-rental property, plant and equipment	47	26	Free cash flow	(463)	295																					
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Growth at constant exchange rates	None	<p>Calculated by applying the current period exchange rate to the comparative period result. The relevant foreign currency exchange rates are provided within Note 2, Basis of preparation, to the financial statements. This measure is used as a means of eliminating the effects of foreign exchange rate movements on the period-on-period changes in reported results.</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2024 \$m</th> <th style="text-align: right;">2023 \$m</th> <th style="text-align: right;">%</th> </tr> </thead> <tbody> <tr> <td>Rental revenue</td> <td></td> <td></td> <td></td> </tr> <tr> <td>As reported</td> <td style="text-align: right;">7,317</td> <td style="text-align: right;">6,572</td> <td style="text-align: right;">11%</td> </tr> <tr> <td>Retranslation effect</td> <td style="text-align: right;">-</td> <td style="text-align: right;">18</td> <td></td> </tr> <tr> <td>At constant currency</td> <td style="text-align: right;"><u>7,317</u></td> <td style="text-align: right;"><u>6,590</u></td> <td style="text-align: right;">11%</td> </tr> <tr> <td>Adjusted profit before tax</td> <td></td> <td></td> <td></td> </tr> <tr> <td>As reported</td> <td style="text-align: right;">1,785</td> <td style="text-align: right;">1,778</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Retranslation effect</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td></td> </tr> <tr> <td>At constant currency</td> <td style="text-align: right;"><u>1,785</u></td> <td style="text-align: right;"><u>1,778</u></td> <td style="text-align: right;">-</td> </tr> </tbody> </table>		2024 \$m	2023 \$m	%	Rental revenue				As reported	7,317	6,572	11%	Retranslation effect	-	18		At constant currency	<u>7,317</u>	<u>6,590</u>	11%	Adjusted profit before tax				As reported	1,785	1,778	-	Retranslation effect	-	-		At constant currency	<u>1,785</u>	<u>1,778</u>	-
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Return on Investment ('Rol')	None	<p>LTM adjusted operating profit divided by the LTM average of the sum of net tangible and intangible fixed assets, plus net working capital but excluding net debt and tax. Rol is calculated excluding the impact of IFRS 16.</p> <p>Rol is used by management to help inform capital allocation decisions within the business and has been identified as one of the Group's key performance indicators. It also forms part of the remuneration targets of the Group.</p> <p>A reconciliation of Group Rol is provided below:</p> <table border="1"> <thead> <tr> <th></th> <th>2024 \$m</th> <th>2023 \$m</th> </tr> </thead> <tbody> <tr> <td>Adjusted operating profit</td> <td>2,790</td> <td>2,513</td> </tr> <tr> <td>IFRS 16 impact</td> <td><u>(56)</u></td> <td><u>(37)</u></td> </tr> <tr> <td>Adjusted operating profit (excluding IFRS 16)</td> <td><u>2,734</u></td> <td><u>2,476</u></td> </tr> <tr> <td>Average net assets</td> <td><u>15,924</u></td> <td><u>12,957</u></td> </tr> <tr> <td>Return on investment</td> <td>17%</td> <td>19%</td> </tr> </tbody> </table> <p>Rol for the businesses is calculated in the same way, but excludes goodwill and intangible assets:</p> <table border="1"> <thead> <tr> <th></th> <th>US \$m</th> <th>Canada C\$m</th> <th>UK £m</th> </tr> </thead> <tbody> <tr> <td>Adjusted operating profit</td> <td>2,656</td> <td>142</td> <td>51</td> </tr> <tr> <td>IFRS 16 impact</td> <td><u>(48)</u></td> <td><u>(10)</u></td> <td><u>(1)</u></td> </tr> <tr> <td>Adjusted operating profit (excluding IFRS 16)</td> <td><u>2,608</u></td> <td><u>132</u></td> <td><u>50</u></td> </tr> <tr> <td>Average net assets, excluding goodwill and intangibles</td> <td>10,644</td> <td>1,101</td> <td>770</td> </tr> <tr> <td>Return on investment</td> <td>25%</td> <td>12%</td> <td>6%</td> </tr> </tbody> </table>		2024 \$m	2023 \$m	Adjusted operating profit	2,790	2,513	IFRS 16 impact	<u>(56)</u>	<u>(37)</u>	Adjusted operating profit (excluding IFRS 16)	<u>2,734</u>	<u>2,476</u>	Average net assets	<u>15,924</u>	<u>12,957</u>	Return on investment	17%	19%		US \$m	Canada C\$m	UK £m	Adjusted operating profit	2,656	142	51	IFRS 16 impact	<u>(48)</u>	<u>(10)</u>	<u>(1)</u>	Adjusted operating profit (excluding IFRS 16)	<u>2,608</u>	<u>132</u>	<u>50</u>	Average net assets, excluding goodwill and intangibles	10,644	1,101	770	Return on investment	25%	12%	6%												
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Other terms used within this announcement include:

- **Adjusted:** adjusted results are results stated before exceptional items and the amortisation of acquired intangibles. A reconciliation is shown on the income statement.
- **Availability:** represents the headroom on a given date under the terms of our \$4.5bn asset-backed senior bank facility, taking account of current borrowings.

- **Capital expenditure:** represents additions to rental equipment and other property, plant and equipment (excluding assets acquired through a business combination).
- **Cash conversion ratio:** represents cash flow from operations before changes in rental equipment as a percentage of EBITDA. Details are provided within the Review of Third Quarter, Balance Sheet and Cash Flow section.
- **Dollar utilisation:** dollar utilisation is trailing 12-month rental revenue divided by average fleet size at original (or 'first') cost measured over a 12-month period. Dollar utilisation has been identified as one of the Group's key performance indicators. Details are shown within the Review of Third Quarter, Balance Sheet and Cash Flow section.
- **EBITDA and EBITDA margin:** EBITDA is earnings before interest, tax, depreciation and amortisation. A reconciliation of EBITDA to profit before tax is shown on the income statement. EBITDA margin is calculated as EBITDA divided by revenue. Progression in EBITDA margin is an important indicator of the Group's performance and this has been identified as one of the Group's key performance indicators.
- **Exceptional items:** those items of income or expense which the directors believe should be disclosed separately by virtue of their significant size or nature and limited predictive value to enable a better understanding of the Group's financial performance. Excluding these items provides readers with helpful additional information on the performance of the business across periods and against peer companies. It is also consistent with how business performance is reported to the Board and the remuneration targets set by the Company.
- **Fleet age:** net book value weighted age of serialised rental assets. Serialised rental assets constitute the substantial majority of our fleet.
- **Fleet on rent:** quantity measured at original cost of our rental fleet on rent. Fleet on rent has been identified as one of the Group's key performance indicators.
- **Net debt:** net debt is total borrowings (bank, bonds) and lease liabilities less cash balances, as reported. This measure is used to provide an indication of the Group's overall level of indebtedness and is widely used by investors and credit rating agencies. An analysis of net debt is provided in Note 15.
- **Operating profit and operating profit margin:** Operating profit is earnings before interest and tax. A reconciliation of operating profit to profit before tax is shown on the income statement. Operating profit margin is calculated as operating profit divided by revenue. Progression in operating profit margin is an important indicator of the Group's performance.
- **Organic:** organic measures comprise all locations, excluding locations arising from a bolt-on acquisition completed after the start of the comparative financial period.
- **Rental only revenue:** rental revenue excluding loss damage waiver, environmental fees and revenue from rental equipment delivery and collection.
- **Same-store:** same-stores are those locations which were open at the start of the comparative financial period.
- **Segment profit:** operating profit before amortisation and exceptional items by segment.
- **Suppressed availability:** represents the amount on a given date that the asset base exceeds the facility size under the terms of our \$4.5bn asset-backed senior bank facility.