Responsible investment in growth

First quarter results | 31 July 2015

Issued: 2 September 2015

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Some of the factors which may adversely impact some of these forward looking statements are discussed in the Principal Risks and Uncertainties section on pages 24-25 of the Group's Annual Report and Accounts for the year ended 30 April 2015 and in the unaudited results for the first quarter ended 31 July 2015 under "Current trading and outlook" and "Principal risks and uncertainties". Both these reports may be viewed on the Group's website at **www.ashtead-group.com**

This presentation contains supplemental non-GAAP financial and operating information which the Group believes provides valuable insight into the performance of the business. Whilst this information is considered as important, it should be viewed as supplemental to the Group's financial results prepared in accordance with International Financial Reporting Standards and not as a substitute for them.

Overview

- Another very strong quarter
- Focused model delivering sustained market share gains
- After spring weather delays, seasonal uptick has been very encouraging leading to record utilisation levels in July at Sunbelt on a fleet 26% larger
- The strong trends continued in August and therefore our outlook for the balance of the year is good
- Longer term strategy remains unchanged. Focus on organic growth supplemented by greenfields and bolt-ons
- We continue to see further structural and cyclical opportunity but will continue to grow responsibly
- We expect full year results to be in line with our expectations and the Board continues to look forward to the medium term with confidence

Suzanne Wood

Finance director

Q1 Group revenue and profit

	Q1		
(£m)	2015	2014	Change[1]
Revenue	**619**	**458**	**26%**
- of which rental	540	418	20%
Operating costs	(336)	(248)	26%
EBITDA	**283**	**210**	**25%**
Depreciation	(103)	(77)	25%
Operating profit	**180**	**133**	**25%**
Net interest	(19)	(13)	36%
Profit before amortisation and tax	**161**	**120**	**23%**
Earnings per share (p)	**21.0**	**15.3**	**27%**
Margins			
- EBITDA	*46%*	*46%*	
- Operating profit	*29%*	*29%*	

1 At constant exchange rates
2 The results in the table above are the Group's underlying results and are stated before intangible amortisation

Q1 Sunbelt revenue and profit

($m)	Q1 2015	Q1 2014	Q1 Change
Revenue	**821**	**638**	**29%**
- of which rental	718	586	23%
Operating costs	(431)	(327)	32%
EBITDA	**390**	**311**	**26%**
Depreciation	(132)	(104)	27%
Operating profit	**258**	**207**	**25%**
Margins			
- EBITDA	*48%*	*49%*	
- Operating profit	*31%*	*32%*	

Q1 A-Plant revenue and profit

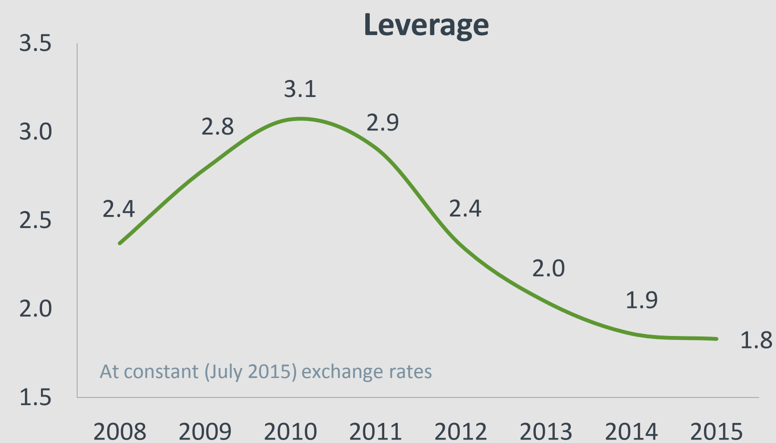
	Q1		
(£m)	2015	2014	Change
Revenue	**90**	**81**	**11%**
- of which rental	77	72	7%
Operating costs	(56)	(52)	6%
EBITDA	**34**	**29**	**20%**
Depreciation	(17)	(15)	16%
Operating profit	**17**	**14**	**24%**
Margins			
- EBITDA	*38%*	*35%*	
- Operating profit	*19%*	*17%*	

Net debt and leverage

Net debt to EBITDA continues to reduce as we invest in the fleet

(£m)	July 2015	July 2014
Net debt at 30 April	**1,687**	**1,149**
Translation impact	(26)	1
Opening debt at closing exchange rates	**1,661**	**1,150**
Change from cash flows	142	149
Non-cash movements	1	1
Net debt at period end	**1,804**	**1,300**
Comprising:		
First lien senior secured bank debt	905	762
Second lien secured notes	896	537
Finance lease obligations	5	5
Cash in hand	(2)	(4)
Total net debt	**1,804**	**1,300**
Net debt to EBITDA leverage* (x)	**1.8**	**1.9**

*At constant exchange rates

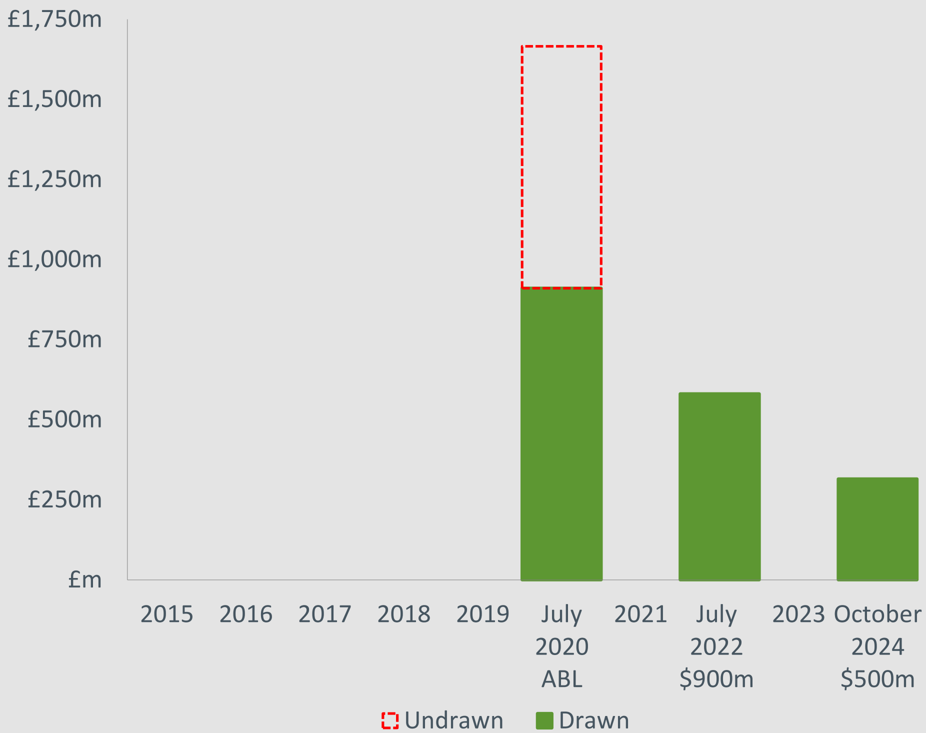


Interest

Floating rate: 50%

Fixed rate: 50%

Robust and flexible debt structure

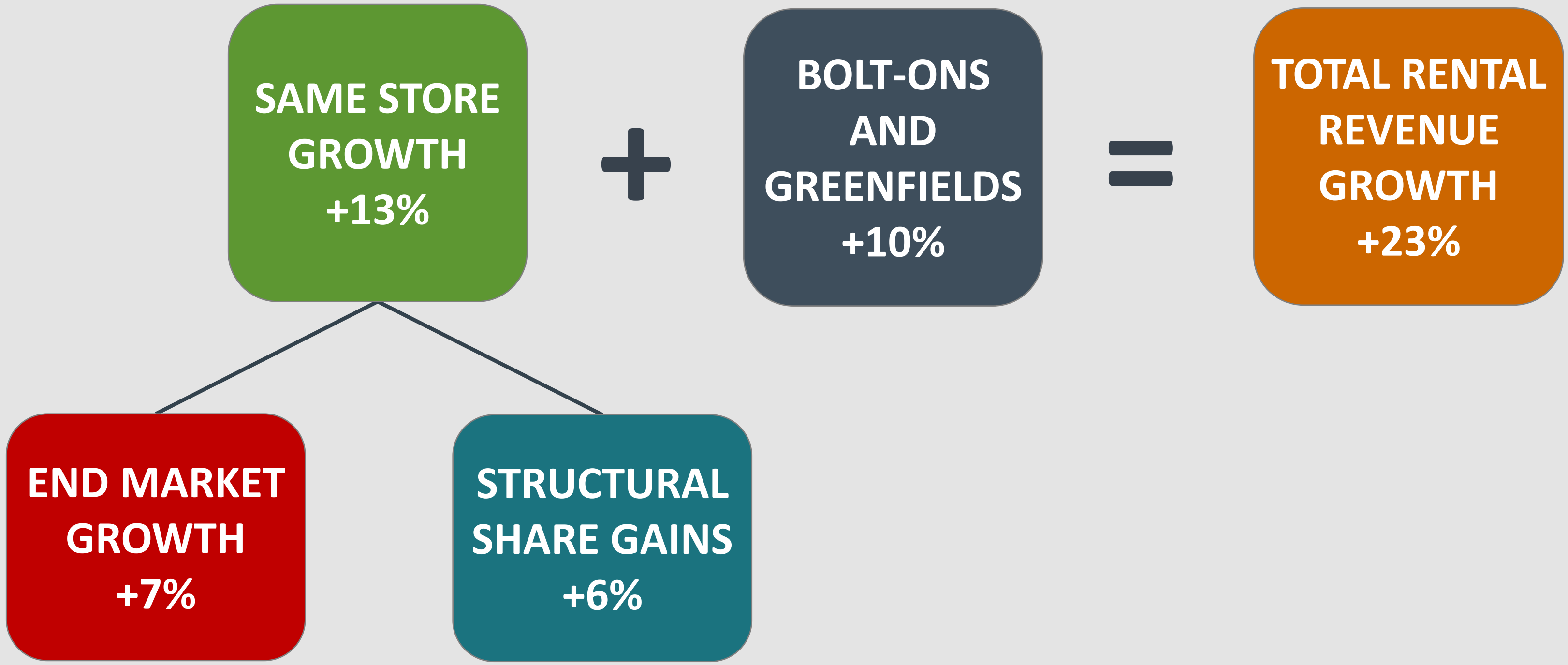


- ABL facility increased to $2.6bn and extended to 2020
- Pricing grid reduced to LIBOR +125 – 175bps
- Debt facilities committed for average of 6 years
- No amortisation
- No financial monitoring covenants whilst availability exceeds $260m (July 2015 : $1,258m)

Geoff Drabble

Chief executive

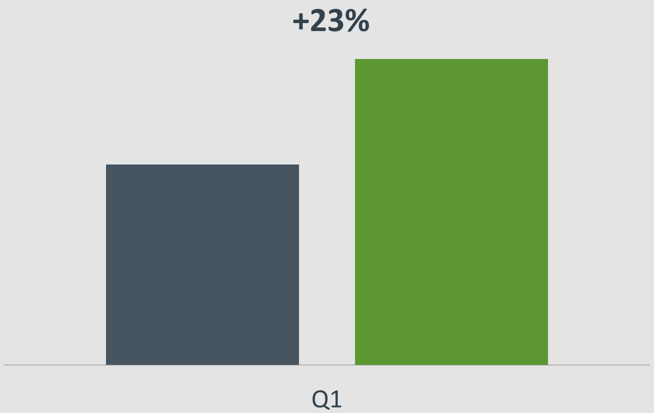
Capitalising on structural and cyclical factors to drive revenue growth



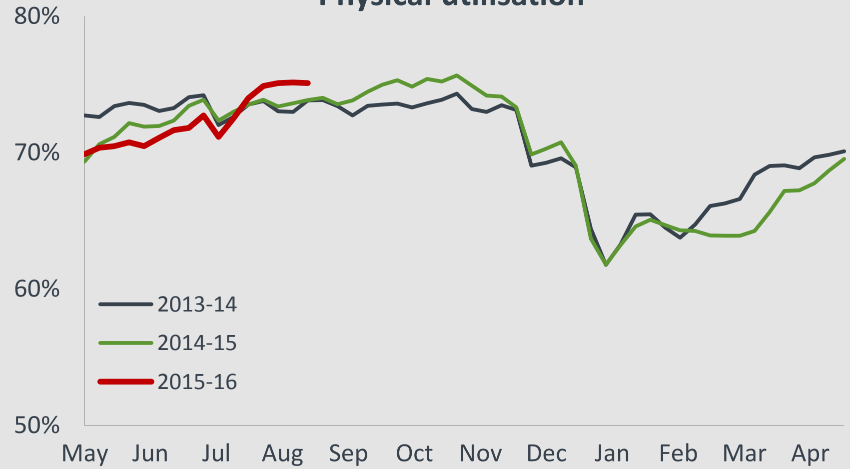
Sunbelt revenue drivers – rental only

Continuation of strong performance

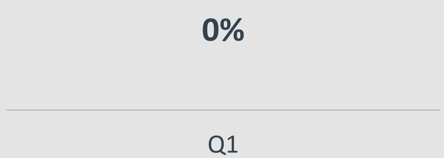
Average fleet on rent



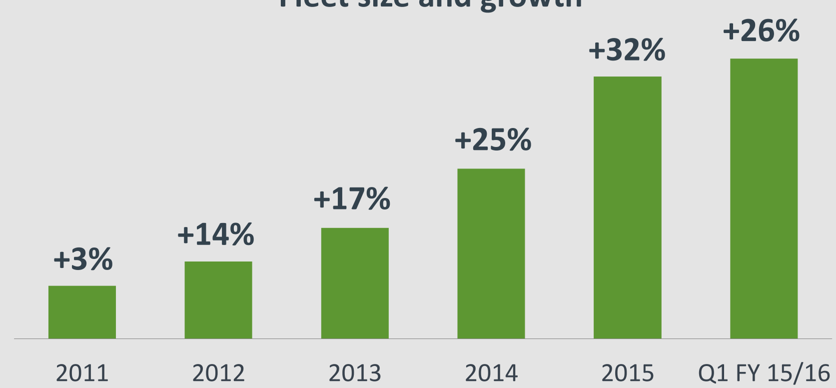
Physical utilisation



Year over year change in yield



Fleet size and growth



Our model – a differentiator

- Our model is different
  - Diversified business
  - More transactional in nature
- Our results are at odds with larger listed peers but not the broader rental market
  - Rental market growth 7%
- We have doubled our market share in 5 years
- Since URI acquired RSC in April 2012
  - Sunbelt CAGR 23%
  - URI CAGR 11%
  - HERC CAGR 10%

The market

The majority of our markets are very strong with good long-term prospects

Rental revenue forecasts	2015	2016	2017
Industry rental revenue	+7%	+8%	+7%

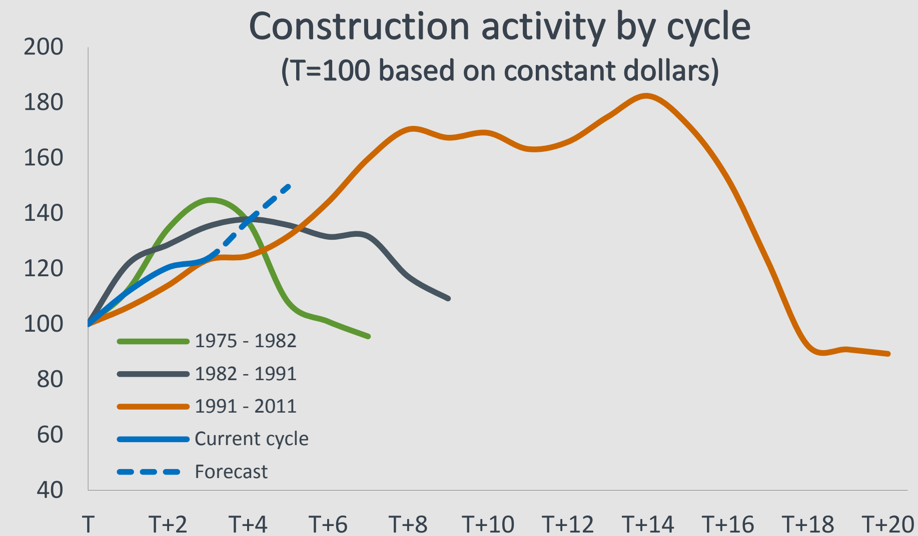
Source: IHS Global Insight (July 2015)

Total building starts (Millions of square feet)	2015	2016	2017
Total building	+13%	+16%	+11%
Commercial and Industrial	+10%	+11%	+7%
Institutional	+9%	+11%	+13%
Residential	+15%	+18%	+13%

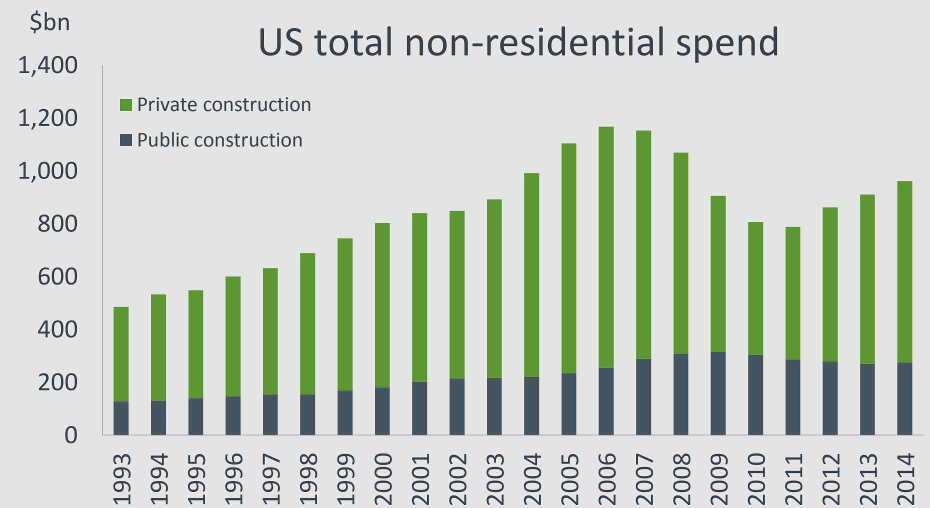
Source: Dodge Data & Analytics (June 2015)

Put in place construction	2015	2016	2017
Total construction	+7%	+3%	+5%

Source: Maximus Advisors (August 2015)



Source: Dodge Data & Analytics



Source: US Bureau of Statistics

What about oil and gas – is there an over supply?

Impact has been over played

	FY 2015 Growth	Q1 2016 Growth	% of business Q1 2016
General business	+25%	+25%	97%
Oil and gas	+84%	-13%	3%

- We had a balanced approach to our growth
- The fleet that is "off rent" is small relative to the overall fleet – from peak only $50m

Impact of oil and gas fleet limited in range and quantum

60ft manlift

80ft manlift

10,000lb telehandler

4,000W light tower

100KW generator

120KW generator

- 70% of our fleet on rent was and is just 6 products
- Total industry is very similar

Minimal impact on General Tool fleet

- Physical utilisation 77%* (2015: 74%)
- Fleet size +23%*
- Rates flat*

*For the six products listed above

Good progress across the business

Driven by same-store growth

	Same-stores*	Greenfields*	Bolt-ons*	Oil & Gas	Total
Proportion of revenue	89%	4%	4%	3%	100%
Fleet on rent – % change	+13%	+1,084%	+365%	+25%	+23%
Net yield	+1%	+32%	+12%	-30%	0%
Physical utilisation – Actual	74%	66%	63%	54%	72%
Physical utilisation – % change	+1%	+33%	+2%	-25%	0%
Fall through	58%	51%	50%	-193%	52%

** Excluding Oil & Gas*

Increased greenfield activity as model is proven

	FY13 greenfields (17)			FY14 greenfields (24)		FY15 greenfields (31)
	FY13	FY14	FY15	FY14	FY15	FY15
Rental revenue	12	37	48	20	60	22
EBITDA	42%	54%	54%	36%	52%	28%
Return on investment	6%	16%	20%	10%	20%	-1%
Fleet at cost	73	102	126	97	145	168
Utilisation	61%	69%	70%	56%	68%	56%

Notes
[1] Based on store level performance and excludes central costs
[2] Includes oil and gas

- Increased activity as progression was proven
- 19 greenfields in Q1 of FY16
- Further margin improvement to come as programme matures
- Responsible growth

Acquisitions show similar improvement trends

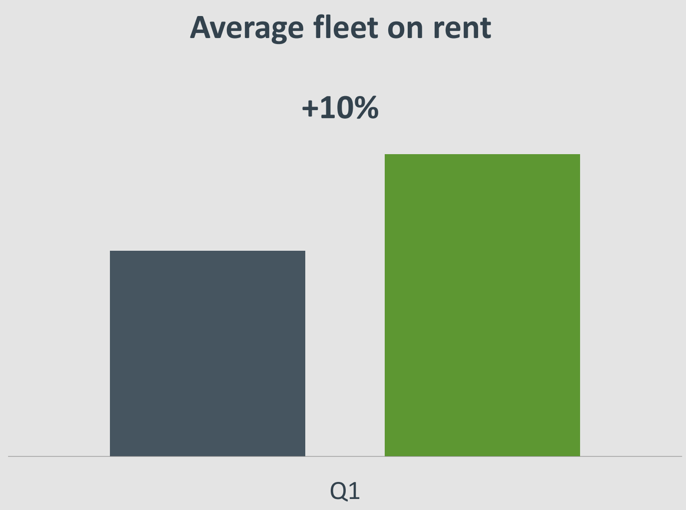
	FY13 acquisitions			FY14 acquisitions		FY15 acquisitions
	FY13	FY14	FY15	FY14	FY15	FY15
Rental revenue	10	38	45	16	46	63
EBITDA	41%	48%	51%	48%	50%	38%
Return on investment (incl. goodwill)	22%	22%	21%	13%	19%	10%
Fleet at cost	55	68	83	85	104	299
Utilisation	58%	66%	71%	50%	56%	61%

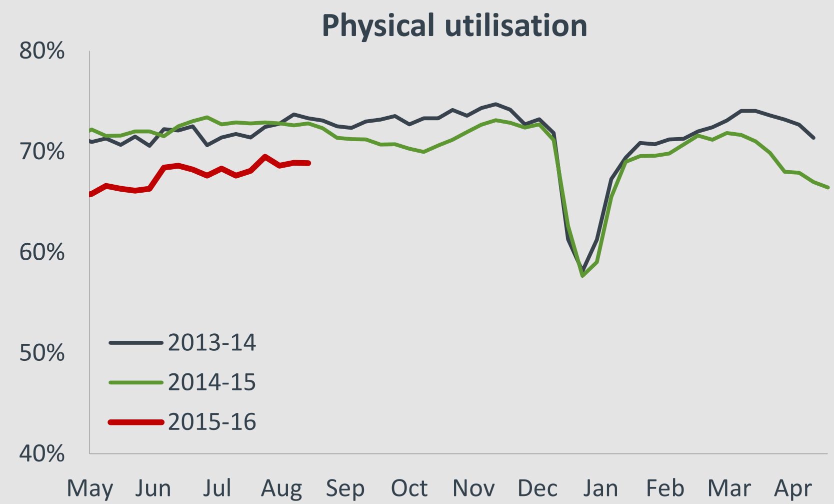
Notes
[1] Based on store level performance and excludes central costs
[2] Includes oil and gas

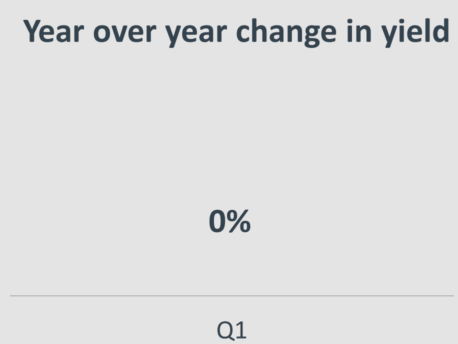
- Help to diversify exposure
- No "big bets" on a single sector
- Responsible growth

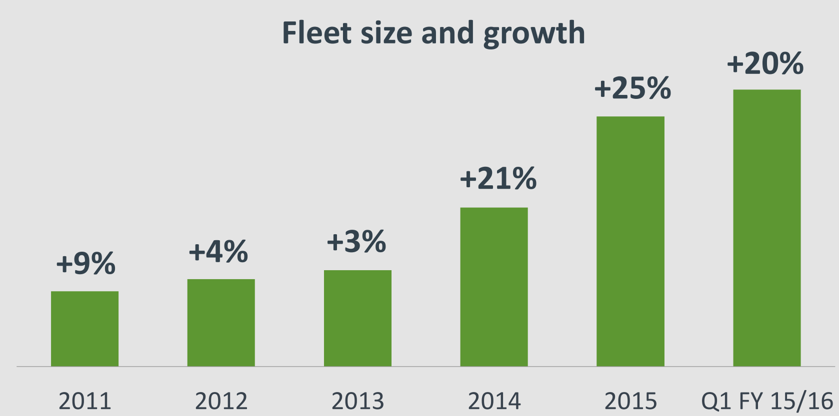
A-Plant revenue drivers – rental only

Growth continues backed by fleet investment



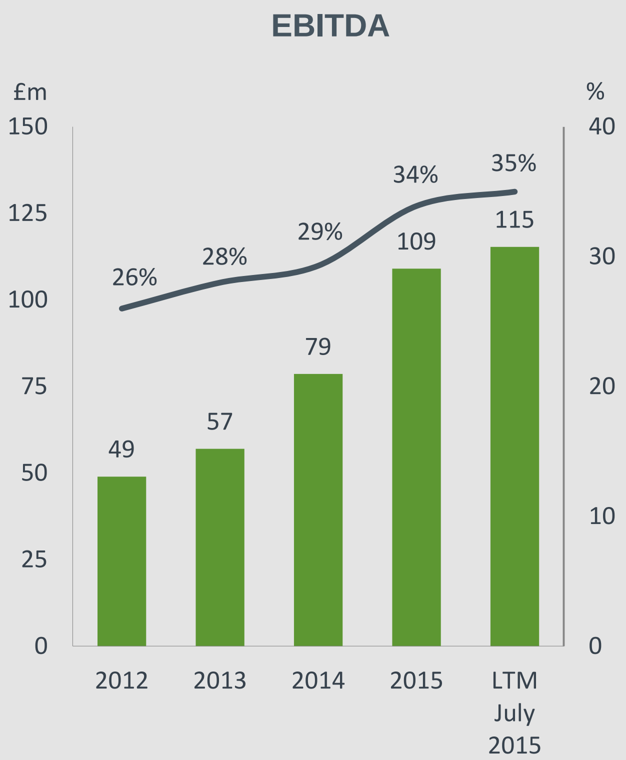


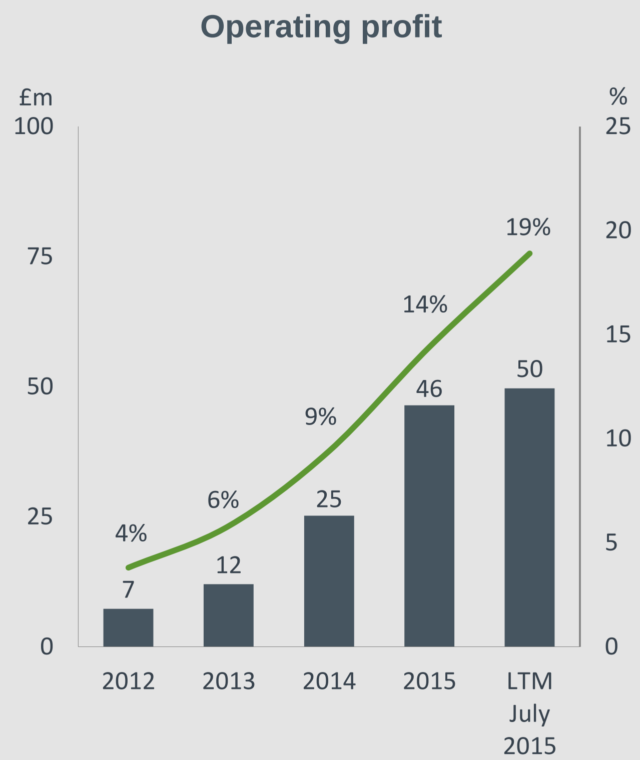


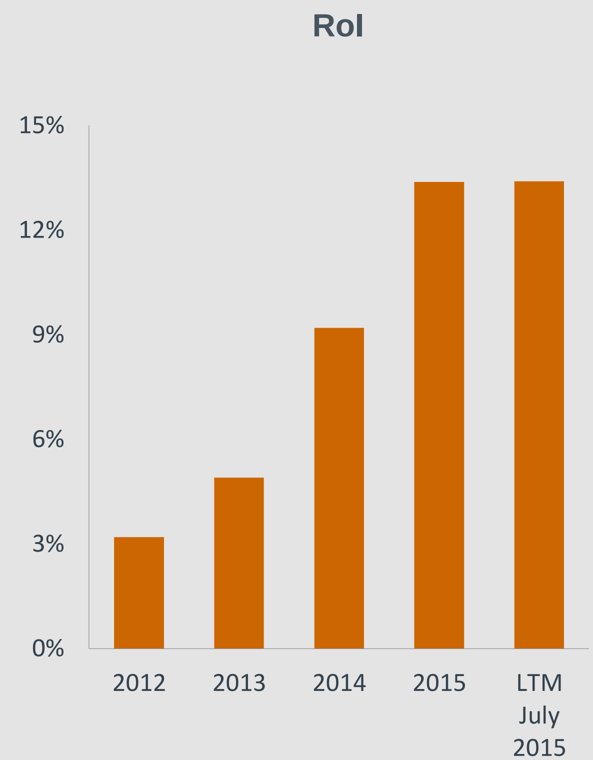


A-Plant continues to gain market share profitably

Margins and returns continue to improve







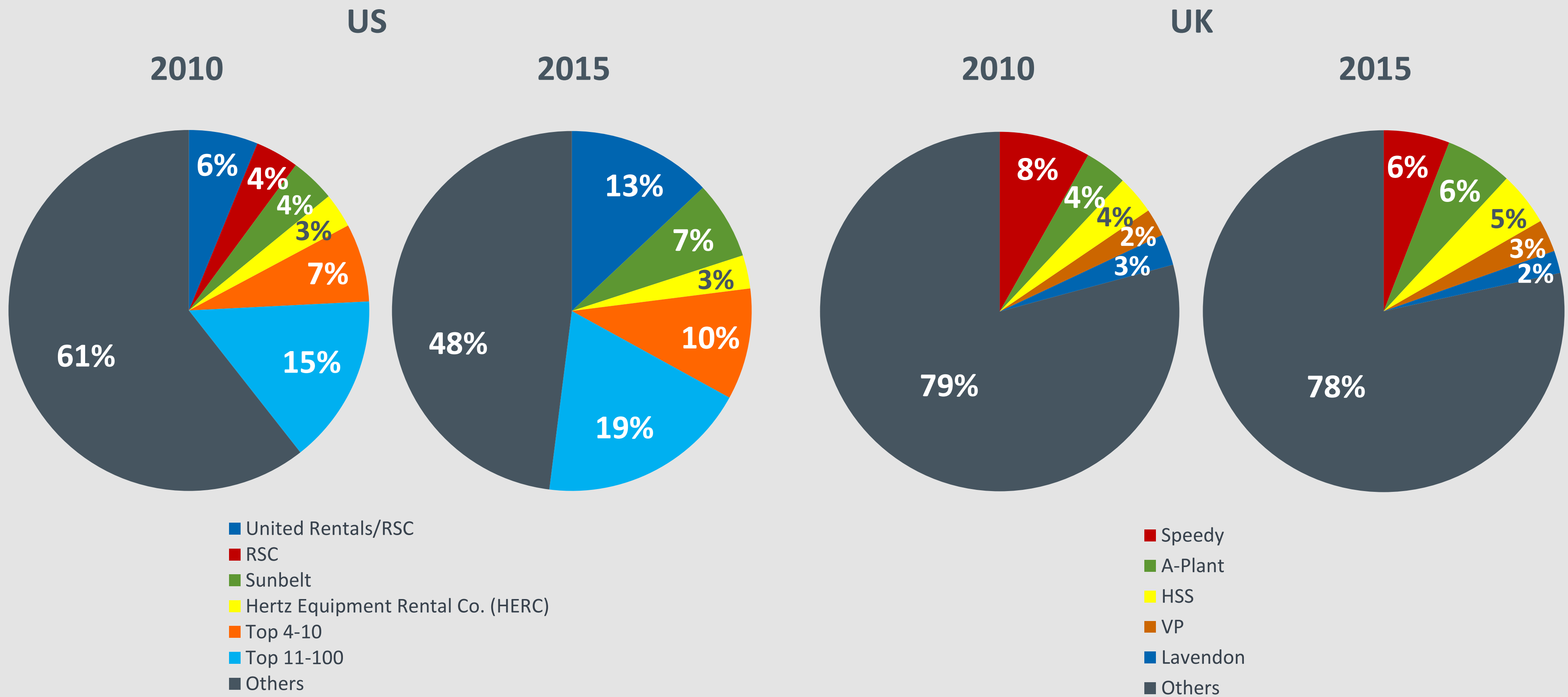
Summary

- Momentum continues in the business
- Multi-year growth anticipated from strong end markets
- Impact of oil and gas overstated
- Remain committed to organic growth and small bolt-ons as we continue to execute our strategy and take further market share
- On track to achieve mid to high teens fleet growth in the US and open 50 new locations
- We continue to grow responsibly, generating strong returns and maintaining leverage within our stated objectives

Appendices

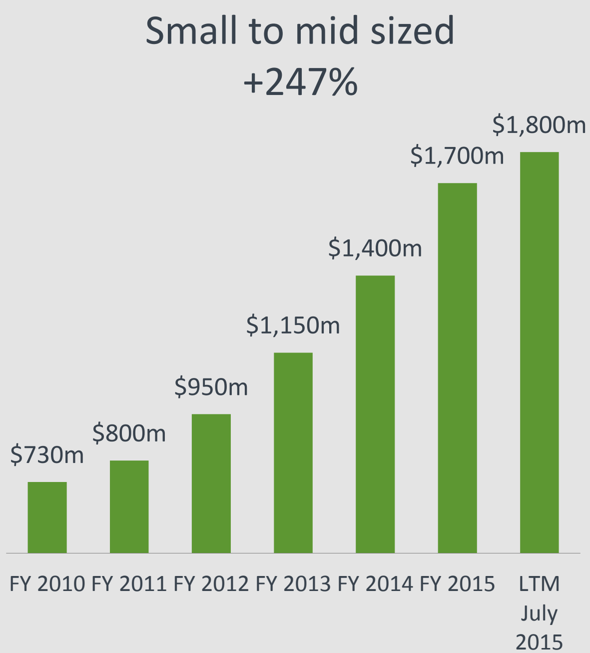
Gaining market share in both US and UK

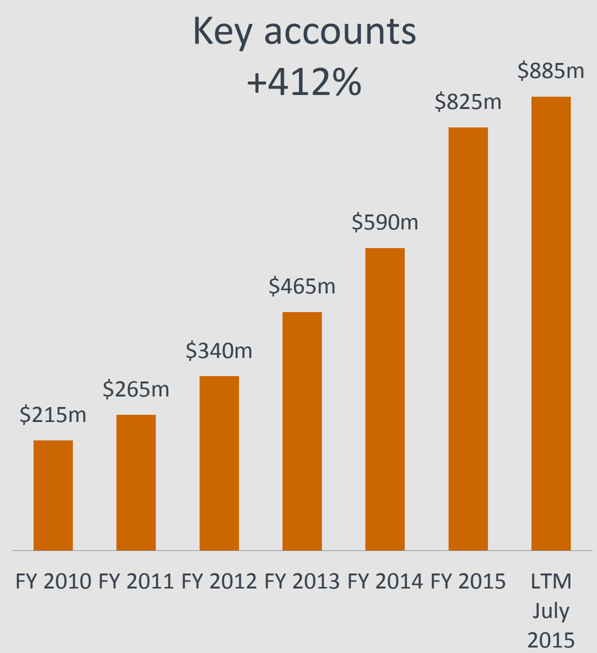
In both markets there are winners and losers but generally the big are getting bigger

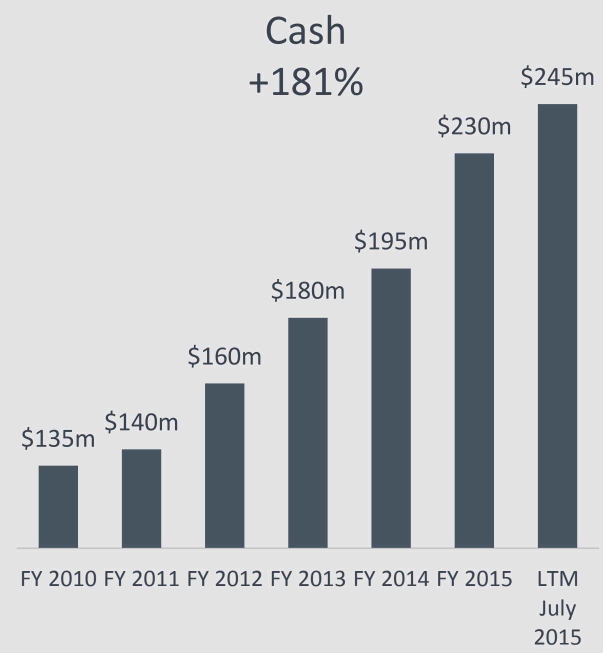


Source: Management estimates based on IHS Global Insight market estimates

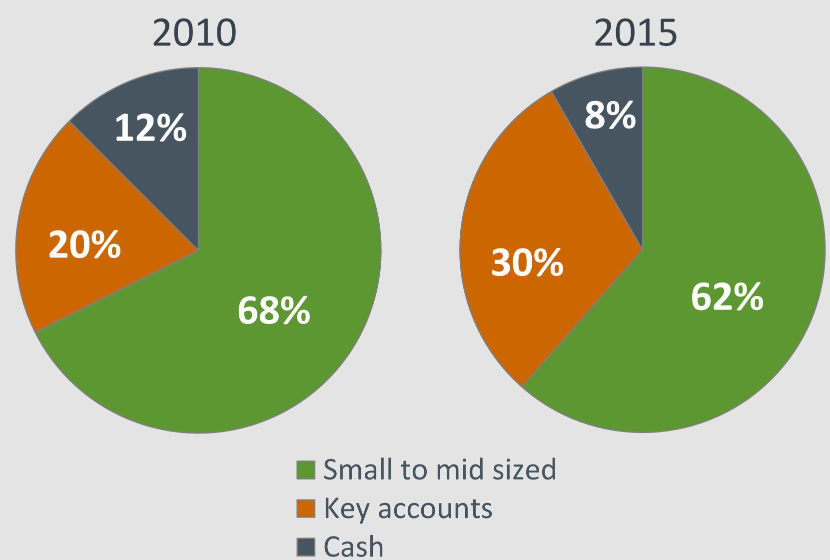
Where is our share coming from?







- We have clearly gained significant market share in all areas
- Over time our key account momentum has improved due to;
  - breadth of product offering
  - geographic coverage
- Our core remains small to mid sized contractors but we now have a far better balance



Divisional performance – Q1

	Revenue			EBITDA			Profit		
	2015	2014	Change[1]	2015	2014	Change[1]	2015	2014	Change[1]
Sunbelt ($m)	821	638	+29%	390	311	+26%	258	207	+25%
Sunbelt (£m)	529	377	+40%	252	183	+37%	166	121	+36%
A-Plant	90	81	+11%	34	29	+20%	17	14	+24%
Group central costs	-	-		(3)	(2)	+31%	(3)	(2)	+31%
	619	**458**	**+35%**	**283**	**210**	**+35%**	**180**	**133**	**+35%**
Net financing costs							(19)	(13)	+48%
Profit before amortisation and tax							**161**	**120**	**+34%**
Amortisation							(6)	(3)	+88%
Profit before taxation							**155**	**117**	**+32%**
Taxation							(53)	(42)	+25%
Profit after taxation							**102**	**75**	**+36%**
Margins									
- Sunbelt				*48%*	*49%*		*31%*	*32%*	
- A-Plant				*38%*	*35%*		*19%*	*17%*	
- Group				*46%*	*46%*		*29%*	*29%*	

1. As reported

Divisional performance – LTM

	Revenue			EBITDA			Profit		
	2015	2014	Change[1]	2015	2014	Change[1]	2015	2014	Change[1]
Sunbelt ($m)	2,925	2,301	+27%	1,373	1,056	+30%	884	677	+30%
Sunbelt (£m)	1,868	1,399	+33%	877	641	+37%	565	411	+37%
A-Plant	332	283	+17%	115	87	+33%	50	31	+59%
Group central costs	-	-		(11)	(10)	+11%	(11)	(10)	+10%
	2,200	**1,682**	**+31%**	**981**	**718**	**+37%**	**604**	**432**	**+40%**
Net financing costs							(74)	(49)	+50%
Profit before amortisation and tax							**530**	**383**	**+38%**
Amortisation							(18)	(6)	+190%
Profit before taxation							**512**	**377**	**+36%**
Taxation							(182)	(132)	+38%
Profit after taxation							**330**	**245**	**+35%**
Margins									
- Sunbelt				*47%*	*46%*		*30%*	*29%*	
- A-Plant				*35%*	*31%*		*15%*	*11%*	
- Group				*45%*	*43%*		*27%*	*26%*	

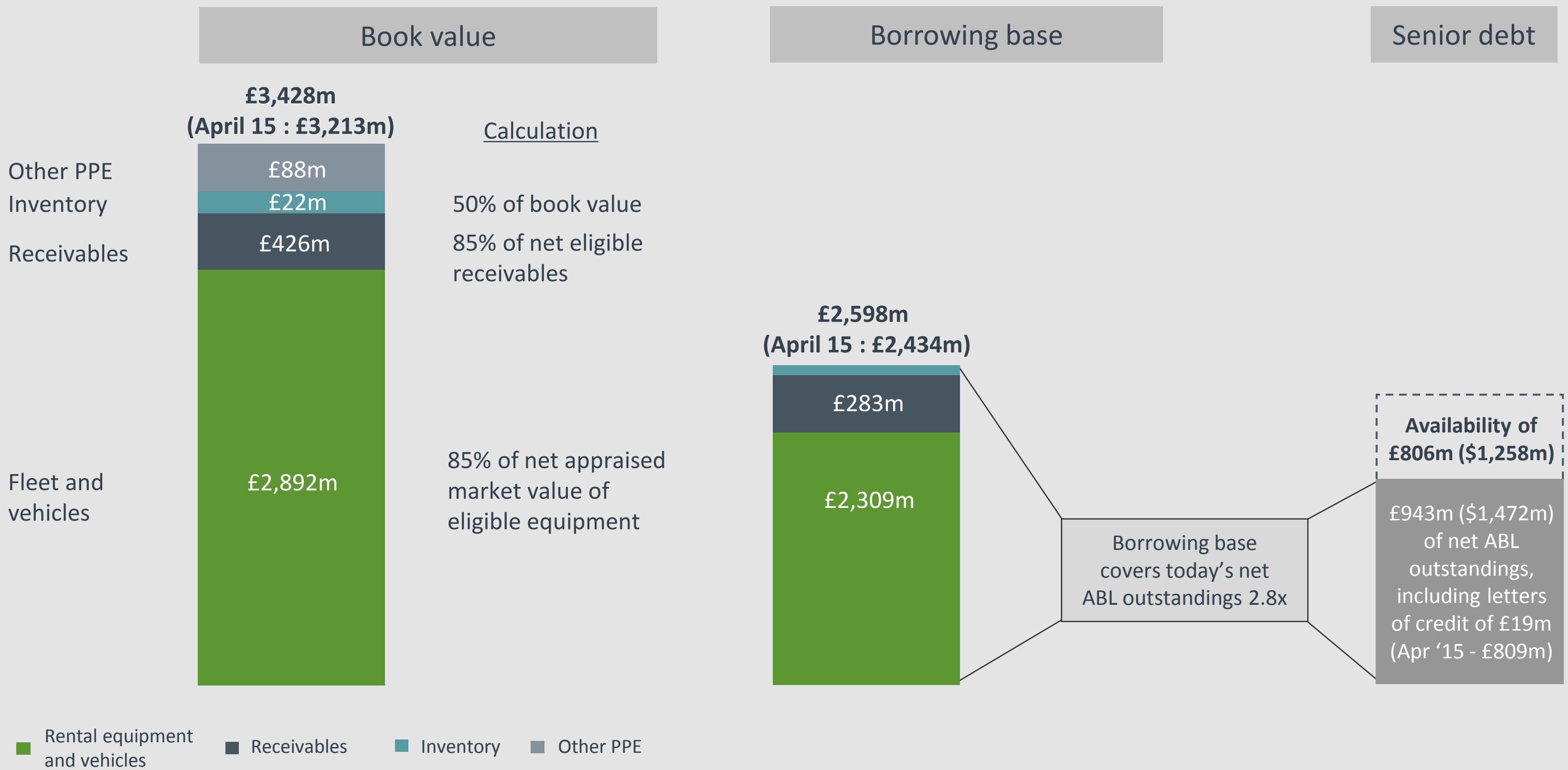
1. As reported

Cash flow funds organic fleet growth

(£m)	LTM July 15	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EBITDA before exceptional items	**981**	**908**	**685**	**519**	**381**	**284**	**255**	**359**	**380**	**310**	**225**	**170**	**147**	**150**
EBITDA margin	45%	45%	42%	38%	34%	30%	30%	33%	38%	35%	35%	32%	29%	28%
Cash inflow from operations before fleet changes and exceptionals	**913**	**841**	**646**	**501**	**365**	**280**	**266**	**374**	**356**	**319**	**215**	**165**	**140**	**157**
Cash conversion ratio	93%	93%	94%	97%	96%	99%	104%	104%	94%	97%	96%	97%	95%	105%
Replacement capital expenditure	(402)	(349)	(335)	(329)	(272)	(203)	(43)	(236)	(231)	(245)	(167)	(101)	(83)	(89)
Disposal proceeds	126	103	102	96	90	60	31	92	93	78	50	36	32	29
Interest and tax	(100)	(95)	(56)	(48)	(57)	(71)	(54)	(64)	(83)	(69)	(41)	(31)	(33)	(40)
Cash flow before discretionary items	**537**	**500**	**357**	**220**	**126**	**66**	**200**	**166**	**135**	**83**	**57**	**69**	**56**	**57**
Growth capital expenditure	(652)	(588)	(406)	(254)	(135)	-	-	-	(120)	(63)	(63)	(10)	-	(18)
M&A	(208)	(242)	(103)	(34)	(22)	(35)	(1)	89	(6)	(327)	(44)	1	15	(1)
Exceptional costs	-	-	(2)	(16)	(3)	(12)	(8)	(9)	(10)	(69)	(20)	(6)	(17)	(8)
Cash flow available to equity holders	**(323)**	**(330)**	**(154)**	**(84)**	**(35)**	**19**	**191**	**246**	**(1)**	**(376)**	**(70)**	**54**	**54**	**30**
Dividends paid	(61)	(61)	(41)	(20)	(15)	(15)	(13)	(13)	(10)	(7)	(2)	-	-	(9)
Share issues/returns	(20)	(21)	(23)	(10)	(4)	-	-	(16)	(24)	144	69	-	-	-
	(404)	**(412)**	**(218)**	**(114)**	**(53)**	**4**	**178**	**217**	**(35)**	**(239)**	**(3)**	**54**	**54**	**21**

- Healthy EBITDA margins ensure significant top line cash generation throughout the cycle

$1,258m of availability at 31 July 2015



- Borrowing base reflects July 2014 asset values

Debt and covenants

Debt

Facility	Interest rate	Maturity
$2.6bn first lien revolver	LIBOR +125-175 bps	July 2020
$900m second lien notes	6.5%	July 2022
$500m second lien notes	5.625%	October 2024
Capital leases	~7%	Various

Ratings

	S&P	Moody's
Corporate family	BB	Ba2
Second lien	BB	Ba3

Availability

- Covenants are not measured if availability is greater than $260 million

Fixed charge coverage covenant

- EBITDA less net cash capex to interest paid, tax paid, dividends paid and debt amortisation must equal or exceed 1.0x
- Less than 1.0x at July 2015

Ashtead group