Responsible investment in growth

Third quarter results | 31 January 2015

Issued: 3 March 2015

Ashtead group

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Some of the factors which may adversely impact some of these forward looking statements are discussed in the Principal Risks and Uncertainties section on pages 20-21 of the Group's Annual Report and Accounts for the year ended 30 April 2014 and in the unaudited results for the third quarter ended 31 January 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**

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Overview

- Q3 rental revenue growth[1] of 25%
- Record nine month pre-tax profit of £379m (2014: £293m)
- Group EBITDA margin rises to 45% (2014: 43%)
- Group RoI of 19% (2014: 18%)
- £783m invested in capital expenditure and £162m on bolt on acquisitions
- Net debt to EBITDA leverage[1] of 2.0 times (2014: 2.0 times)
- We now anticipate a full year result ahead of our previous expectations

[1] At constant exchange rates

Suzanne Wood

Finance director

Q3 Group revenue and profit

	Q3		
(£m)	2015	2014	Change[1]
Revenue	**513**	**400**	**+23%**
- of which rental	463	354	+25%
Operating costs	(288)	(238)	+17%
EBITDA	**225**	**162**	**+32%**
Depreciation	(92)	(70)	+28%
Operating profit	**133**	**92**	**+36%**
Net interest	(19)	(12)	+51%
Profit before amortisation and tax	**114**	**80**	**+33%**
Earnings per share (p)	**14.5**	**10.1**	**+36%**
Margins			
- EBITDA	*44%*	*41%*	
- Operating profit	*26%*	*23%*	

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

Nine months Group revenue and profit

	Nine months		
(£m)	2015	2014	Change[1]
Revenue	**1,500**	**1,250**	**+23%**
- of which rental	1,359	1,120	+24%
Operating costs	(819)	(719)	+17%
EBITDA	**681**	**531**	**+31%**
Depreciation	(254)	(204)	+26%
Operating profit	**427**	**327**	**+34%**
Net interest	(48)	(34)	+46%
Profit before amortisation and tax	**379**	**293**	**+33%**
Earnings per share (p)	**48.4**	**36.8**	**+35%**
Margins			
- EBITDA	*45%*	*43%*	
- Operating profit	*28%*	*26%*	

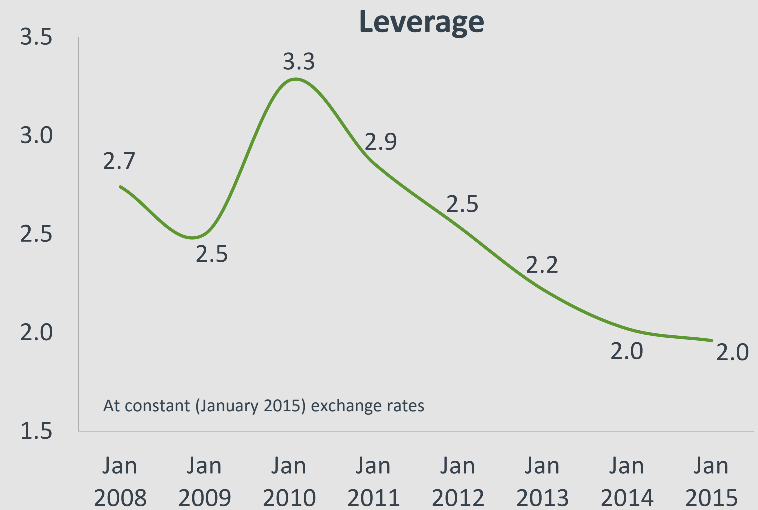
1 At constant exchange rates
2 The results in the table above are the Group's underlying results and are stated before amortisation of intangibles

Net debt and leverage

Net debt to EBITDA continues to reduce despite the fleet investment

(£m)	Jan 2015	Jan 2014
Net debt at 30 April	**1,149**	**1,014**
Translation impact	169	(63)
Opening debt at closing exchange rates	**1,318**	**951**
Change from cash flows	448	310
Debt acquired	-	2
Non-cash movements	3	3
Net debt at period end	**1,769**	**1,266**
Comprising:		
First lien senior secured bank debt	837	712
Second lien secured notes	931	552
Finance lease obligations	5	5
Cash in hand	(4)	(3)
Total net debt	**1,769**	**1,266**
Net debt to EBITDA leverage* (x)	**2.0**	**2.0**

*At constant exchange rates



Interest

Floating rate: 47%

Fixed rate: 53%

Geoff Drabble

Chief executive

Capitalising on structural and cyclical factors to drive revenue growth

Nine months ended 31 January 2015

SAME STORE GROWTH +17% + BOLT-ONS AND GREENFIELDS +9% = TOTAL RENTAL ONLY REVENUE GROWTH +26%

END MARKET GROWTH +7%

STRUCTURAL SHARE GAINS +10%

Quarter ended 31 January 2015

SAME STORE GROWTH +19% + BOLT-ONS AND GREENFIELDS +10% = TOTAL RENTAL ONLY REVENUE GROWTH +29%

END MARKET GROWTH +7%

STRUCTURAL SHARE GAINS +12%

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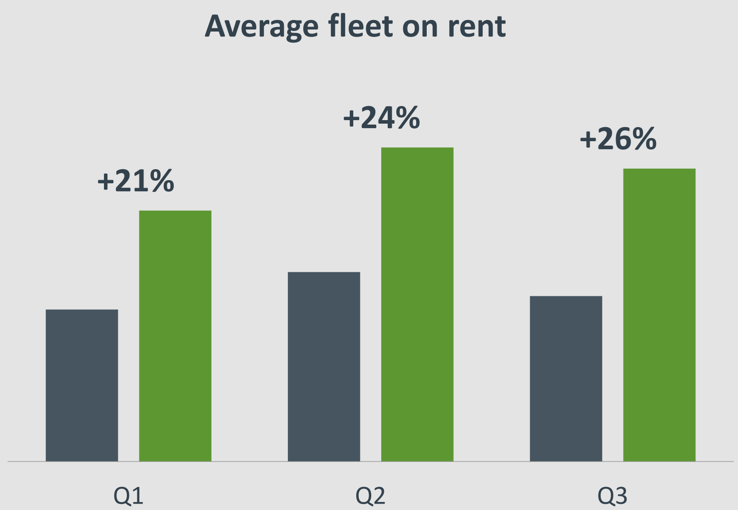
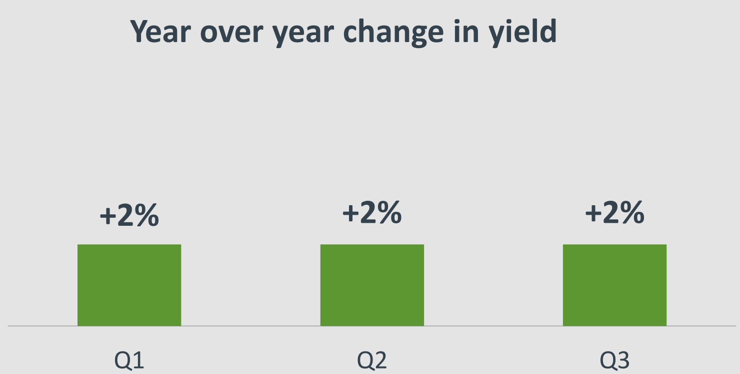
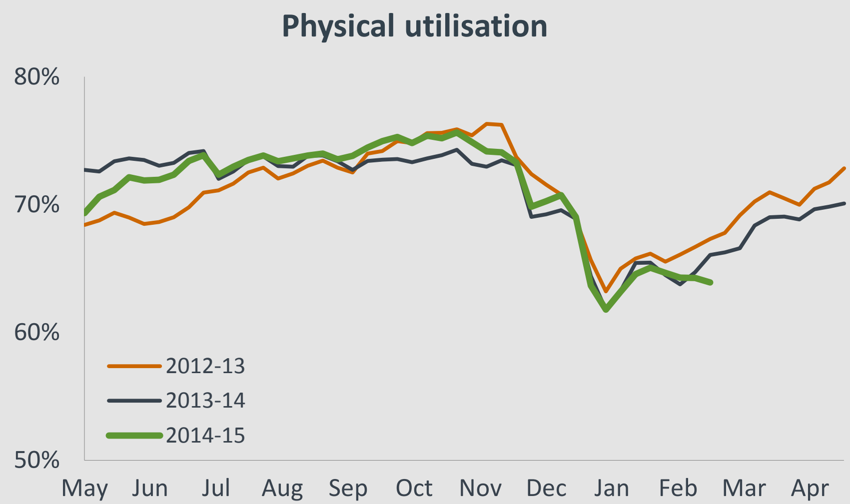
Sunbelt revenue drivers – rental only

Continuation of strong performance

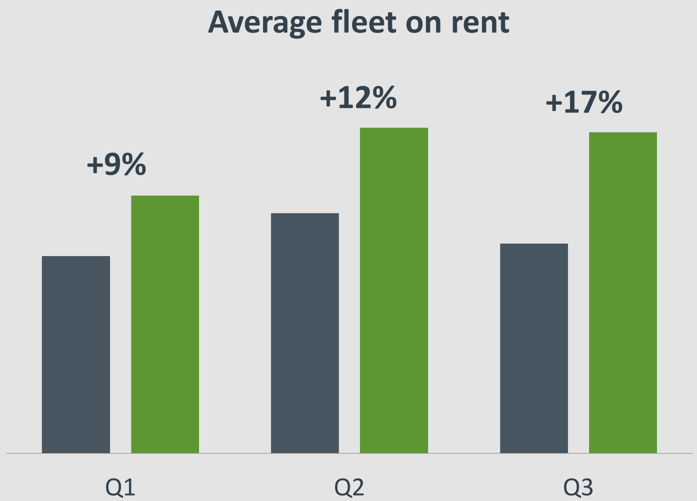


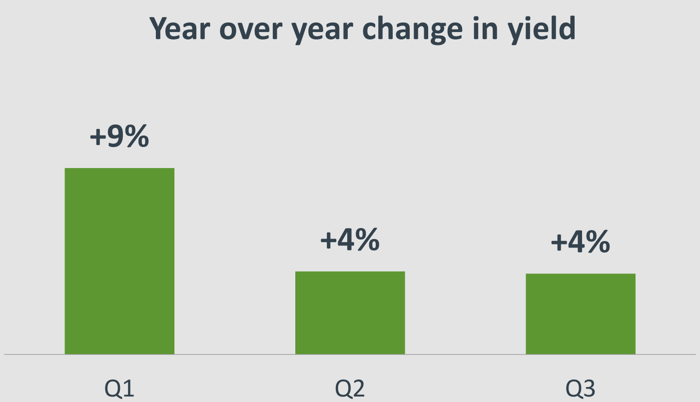


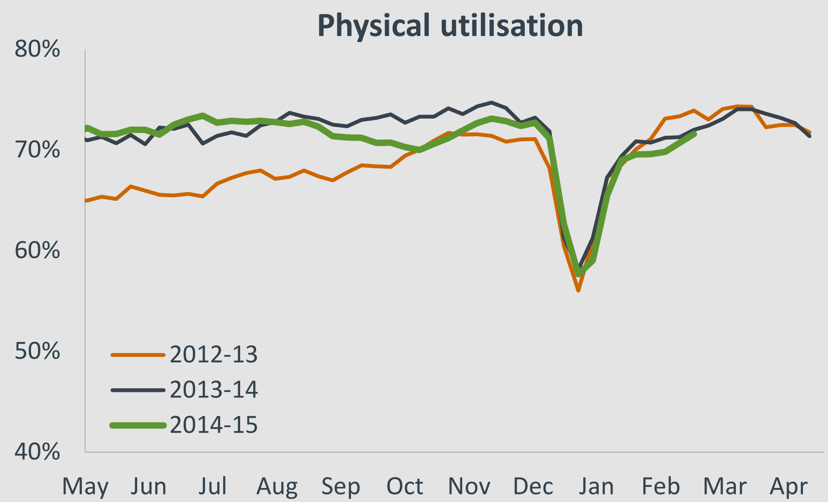


A-Plant revenue drivers

Growth continues backed by fleet investment







Capital expenditure update

	2014	Q3 2015 forecast	2016 outlook	Anticipated volume growth (%)
Sunbelt ($m)				
- rental fleet	963	1,225	1,225 – 1,325	mid – high teens
- non-rental fleet	119	80	100	
	1,082	1,305	1,325 – 1,425	
A-Plant (£m)				
- rental fleet	86	135	135 – 155	low – mid teens
- non-rental fleet	13	15	15	
	99	150	150 – 170	
Group capital expenditure forecast (£1 : $1.55)		£992m	£1 – 1.1bn	

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Summary

- Strategy focused on organic growth and bolt on acquisitions remains unchanged
- We are building a broader base for longer term growth both in terms of the geography and the markets we serve
- Investment has created a platform allowing us to capitalize on;
  - Recovering markets
  - Structural growth
- Confidence in outlook supported by strong fleet investment
- Continue to deliver “responsible growth”
- We now anticipate a full year result ahead of our previous expectations

Appendices

Divisional performance – Q3

	Revenue			EBITDA			Profit		
	2015	2014	Change[1]	2015	2014	Change[1]	2015	2014	Change[1]
Sunbelt ($m)	680	551	+23%	317	240	+32%	198	149	+32%
Sunbelt (£m)	436	337	+30%	204	146	+39%	128	90	+40%
A-Plant	77	63	+21%	24	18	+34%	8	4	+101%
Group central costs	-	-	-	(3)	(2)	+15%	(3)	(2)	+15%
	513	**400**	**+28%**	**225**	**162**	**+39%**	**133**	**92**	**+44%**
Net financing costs							(19)	(12)	+56%
Profit before amortisation and tax							**114**	**80**	**+42%**
Amortisation							(4)	(2)	+63%
Profit before taxation							**110**	**78**	**+41%**
Taxation							(40)	(29)	+36%
Profit after taxation							**70**	**49**	**+44%**
Margins									
- Sunbelt				*47%*	*44%*		*29%*	*27%*	
- A-Plant				*31%*	*28%*		*10%*	*6%*	
- Group				*44%*	*41%*		*26%*	*23%*	

[1] As reported

Divisional performance – LTM

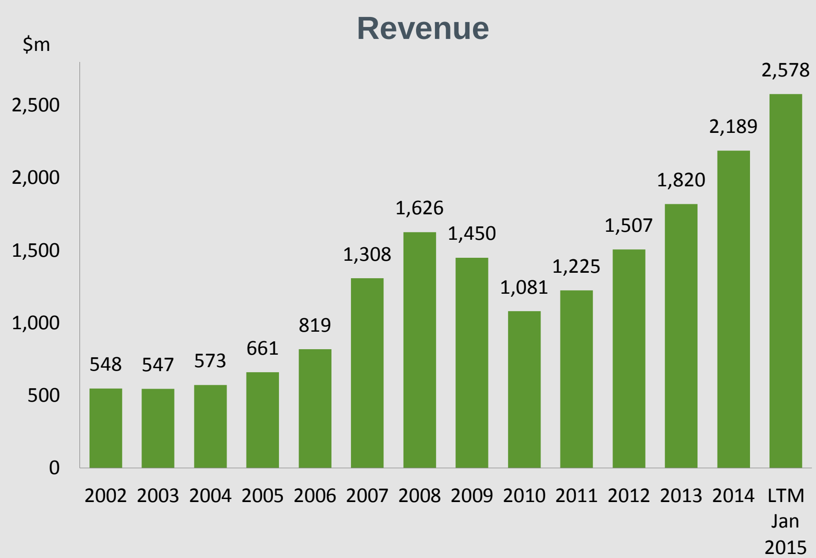
	Revenue			EBITDA			Profit		
	2015	2014	Change[1]	2015	2014	Change[1]	2015	2014	Change[1]
Sunbelt ($m)	2,578	2,110	+22%	1,216	925	+31%	784	589	+33%
Sunbelt (£m)	1,576	1,343	+17%	743	589	+26%	479	375	+28%
A-Plant	309	254	+22%	102	75	+36%	42	24	+70%
Group central costs	-	-		(11)	(10)	+8%	(11)	(10)	+7%
	1,885	**1,597**	**+18%**	**834**	**654**	**+28%**	**510**	**389**	**+31%**
Net financing costs							(61)	(45)	+37%
Profit before exceptionals, amortisation and tax							**449**	**344**	**+30%**
Exceptionals and amortisation							(9)	(8)	-
Profit before taxation							**440**	**336**	**+31%**
Taxation							(152)	(123)	+24%
Profit after taxation							**288**	**213**	**+35%**
Margins									
- Sunbelt				*47%*	*44%*		*30%*	*28%*	
- A-Plant				*33%*	*29%*		*13%*	*10%*	
- Group				*44%*	*41%*		*27%*	*24%*	

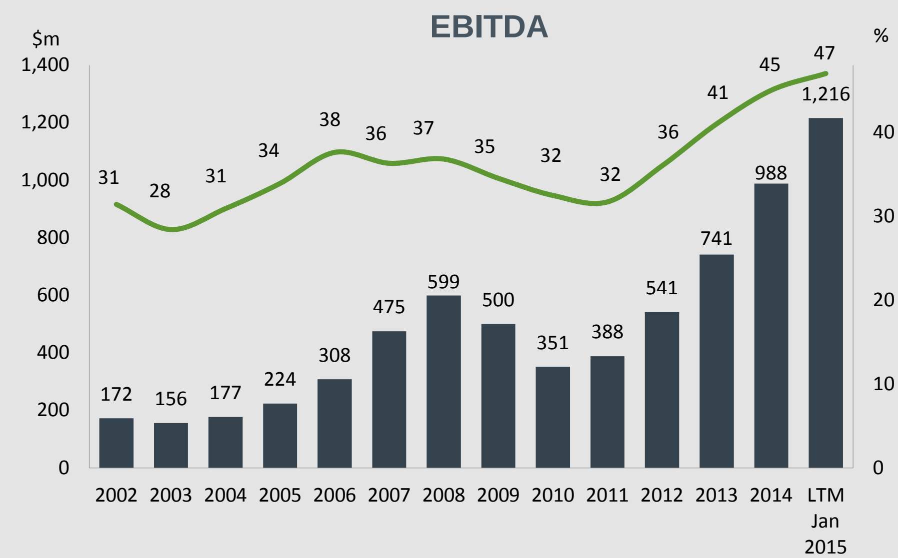
[1] As reported

Margins continue to improve

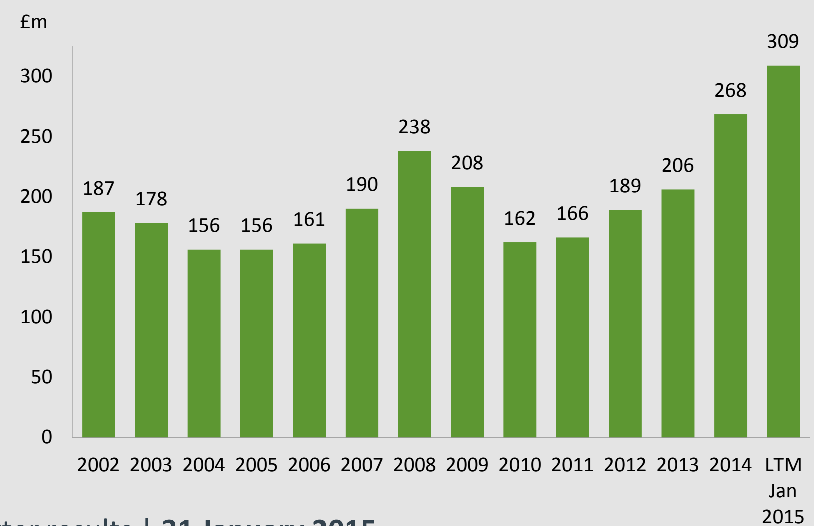
US margins have exceeded the previous peak with substantial opportunity for future earnings growth and margin expansion

Sunbelt



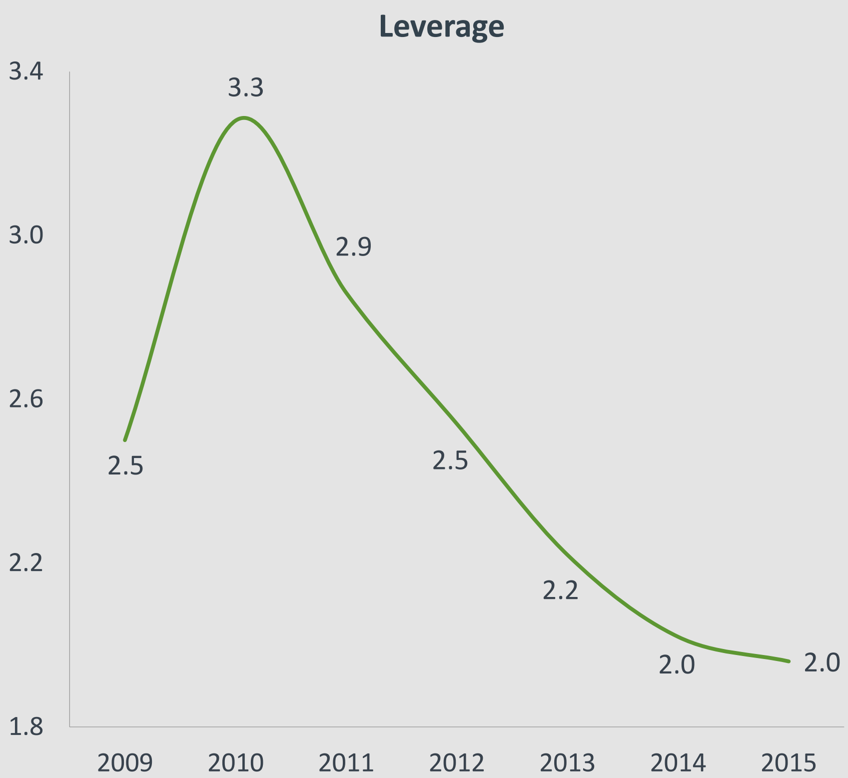


A-Plant

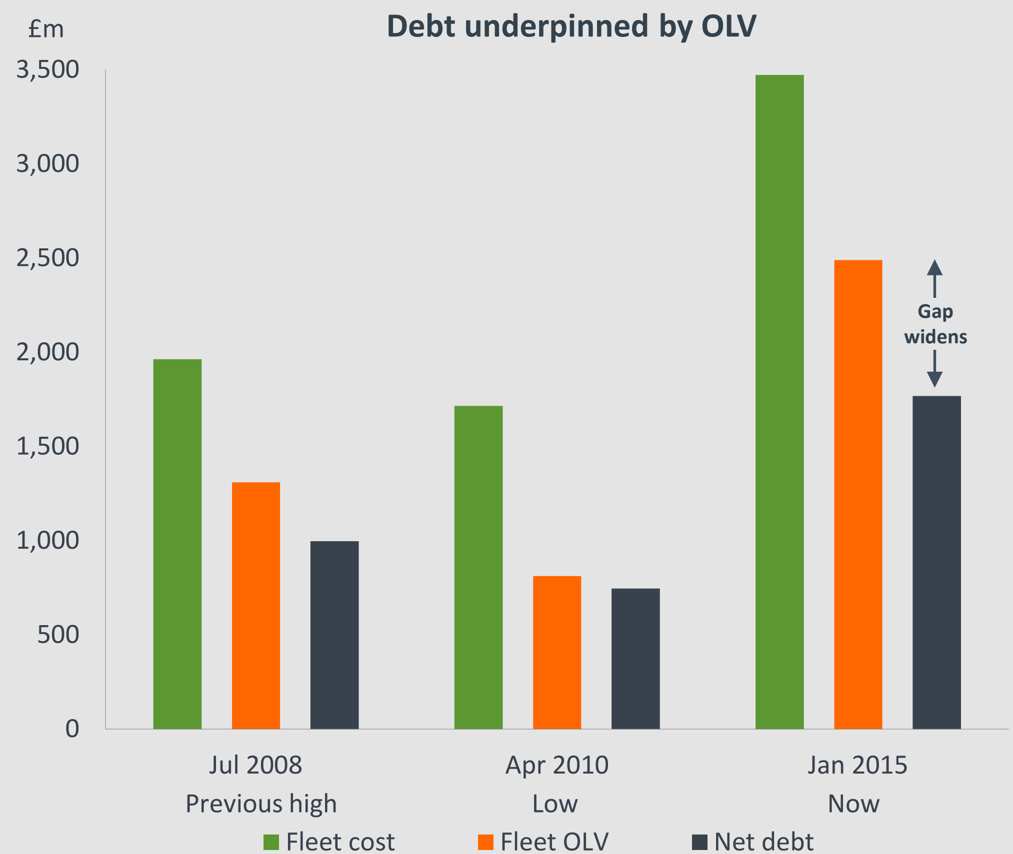


Financial strength

Growth potential is underpinned by the financial strength of the business



Note: At constant (January 2015) exchange rates



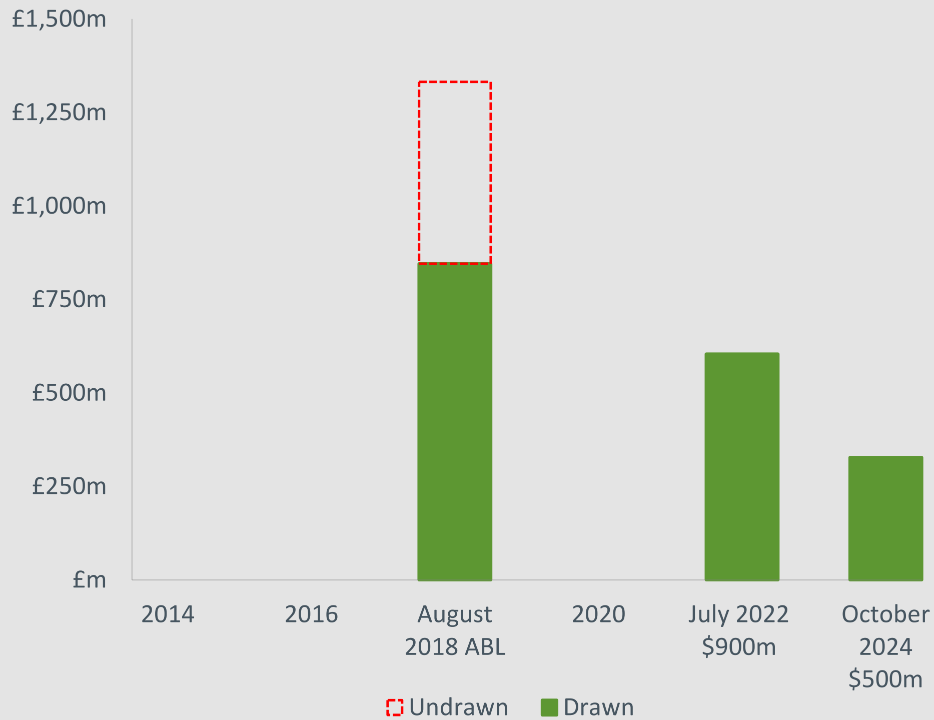
Note: At constant exchange rates

Cash flow

(£m)	LTM Jan 15	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EBITDA before exceptional items	**834**	**685**	**519**	**381**	**284**	**255**	**359**	**380**	**310**	**225**	**170**	**147**	**150**
EBITDA margin	44%	42%	38%	34%	30%	30%	33%	38%	35%	35%	32%	29%	28%
Cash inflow from operations before fleet changes and exceptionals	**775**	**646**	**501**	**365**	**280**	**266**	**374**	**356**	**319**	**215**	**165**	**140**	**157**
Cash conversion ratio	93%	94%	97%	96%	99%	104%	104%	94%	97%	96%	97%	95%	105%
Replacement capital expenditure	(299)	(335)	(329)	(272)	(203)	(43)	(236)	(231)	(245)	(167)	(101)	(83)	(89)
Disposal proceeds	108	102	96	90	60	31	92	93	78	50	36	32	29
Interest and tax	(91)	(56)	(48)	(57)	(71)	(54)	(64)	(83)	(69)	(41)	(31)	(33)	(40)
Cash flow before discretionary items	**493**	**357**	**220**	**126**	**66**	**200**	**166**	**135**	**83**	**57**	**69**	**56**	**57**
Growth capital expenditure	(583)	(406)	(254)	(135)	-	-	-	(120)	(63)	(63)	(10)	-	(18)
M&A	(186)	(103)	(34)	(22)	(35)	(1)	89	(6)	(327)	(44)	1	15	(1)
Exceptional costs	(1)	(2)	(16)	(3)	(12)	(8)	(9)	(10)	(69)	(20)	(6)	(17)	(8)
Cash flow available to equity holders	**(277)**	**(154)**	**(84)**	**(35)**	**19**	**191**	**246**	**(1)**	**(376)**	**(70)**	**54**	**54**	**30**
Dividends paid	(58)	(41)	(20)	(15)	(15)	(13)	(13)	(10)	(7)	(2)	-	-	(9)
Share issues/returns	(20)	(23)	(10)	(4)	-	-	(16)	(24)	144	69	-	-	-
	(355)	**(218)**	**(114)**	**(53)**	**4**	**178**	**217**	**(35)**	**(239)**	**(3)**	**54**	**54**	**21**

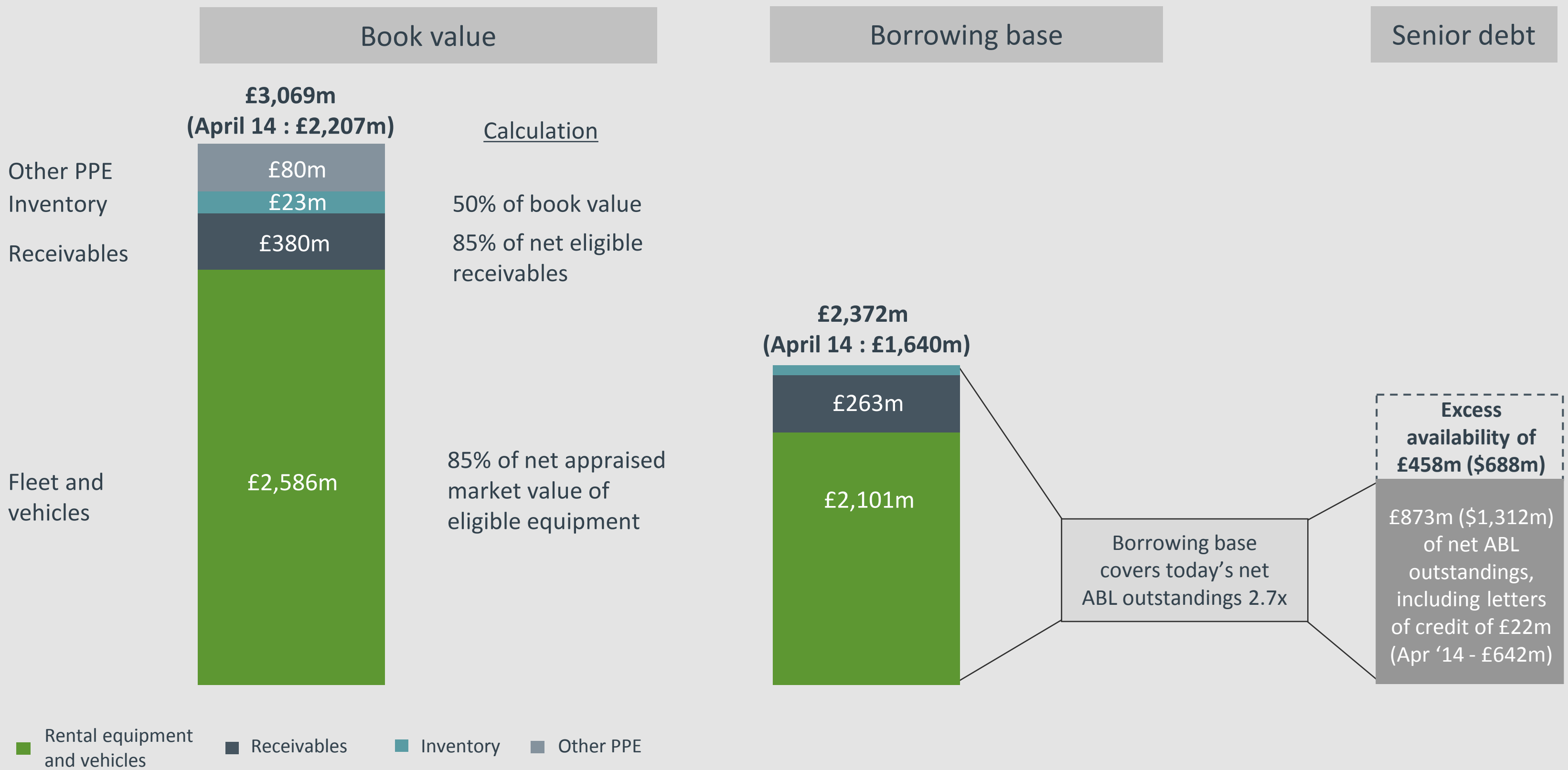
- Healthy EBITDA margins ensure significant top line cash generation throughout the cycle
- It is only periods of high growth capex and M&A as we scale up the business that are increasing debt

Robust debt structure with substantial capacity to fund further growth



- 6 year average remaining commitment
- No amortisation
- No financial monitoring covenants
  - whilst availability exceeds $200m (January 2015 : $688m)

$688m of availability at 31 January 2015



- Borrowing base reflects July 2014 asset values

Debt and covenants

Debt

Facility	Interest rate	Maturity
$2bn first lien revolver	LIBOR +175-225bp	August 2018
$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 above $200m

Leverage covenant

- Gross funded debt to EBITDA cannot exceed 4.0x
- EBITDA is measured before one time items and at constant exchange rates
- 2.0x at January 2015

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 January 2015