Growth and diversification

First quarter results | 31 July 2016

Issued: 7 September 2016

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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 30-32 of the Group's Annual Report and Accounts for the year ended 30 April 2016 and in the unaudited results for the first quarter ended 31 July 2016 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

- Once again, a strong quarter demonstrating the strength of both our model and execution
- Continued margin improvement
- Invested £328m in capital expenditure and £64m spent on bolt-ons
- £17m spent in the quarter and £21m to date on share buyback programme
- Leverage well within stated range of 1.5 to 2.0 times net debt to EBITDA
- Both divisions are performing well, our end markets are strong and with the benefit of weaker sterling, we expect full year results to be ahead of 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)	2016	2015	Change[1]
Revenue	**707**	**619**	**4%**
- of which rental	661	540	12%
Operating costs	(367)	(336)	-
EBITDA	**340**	**283**	**9%**
Depreciation	(133)	(103)	19%
Operating profit	**207**	**180**	**4%**
Net interest	(23)	(19)	6%
Profit before amortisation and tax	**184**	**161**	**4%**
Earnings per share (p)	**24.2p**	**21.0**	**4%**
Margins			
- EBITDA	*48%*	*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

Lower replacement capex reduces revenue and gains from sale of used equipment

	Q1		
(£m)	2016	2015	Change[1]
Revenue	**707**	**619**	**4%**
Sale of used equipment	(17)	(56)	(72%)
Revenue excluding sale of used equipment	**690**	**563**	**12%**
Underlying profit before taxation as reported	**184**	**161**	**4%**
Gains on sale of used equipment	(2)	(13)	(89%)
Underlying profit before gains on sale and taxation	**182**	**148**	**12%**

1 At constant exchange rates

- 2015/16 disposals inflated by corrections to Oil & Gas fleet
- 2016/17 disposals reflect lower replacement cycle
- Proceeds and margins on assets sold similar to prior year
- Reported margins affected by fixed reserves being charged against lower volumes

Q1 Sunbelt revenue and profit

	Q1		
($m)	2016	2015	Change
Revenue	**853**	**821**	**4%**
- of which rental	800	718	11%
Operating costs	(424)	(431)	(1%)
EBITDA	**429**	**390**	**10%**
Depreciation	(160)	(132)	21%
Operating profit	**269**	**258**	**4%**
Gains on sale of used equipment	(1)	(15)	(96%)
Operating profit excluding gains on sale of used equipment	**268**	**243**	**10%**
Margins			
- EBITDA	*50%*	*48%*	
- Operating profit	*32%*	*31%*	

Q1 A-Plant revenue and profit

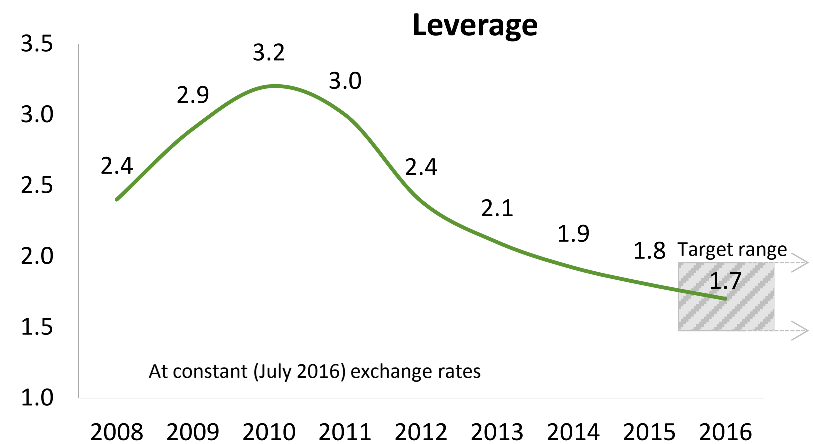
(£m)	Q1 2016	Q1 2015	Q1 Change
Revenue	**96**	**90**	**7%**
- of which rental	88	77	14%
Operating costs	(60)	(56)	8%
EBITDA	**36**	**34**	**6%**
Depreciation	(18)	(17)	9%
Operating profit	**18**	**17**	**3%**
Gains on sale of used equipment	(1)	(4)	(71%)
Operating profit excluding gains on sale of used equipment	**17**	**13**	**23%**
Margins			
- EBITDA	*38%*	*38%*	
- Operating profit	*18%*	*19%*	

Net debt and leverage

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

(£m)	July 2016	July 2015
Net debt at 30 April	**2,002**	**1,687**
Translation impact	197	(26)
Opening debt at closing exchange rates	**2,199**	**1,661**
Change from cash flows	140	142
Debt acquired	8	-
Non-cash movements	1	1
Net debt at period end	**2,348**	**1,804**
Comprising:		
First lien senior secured bank debt	1,300	905
Second lien secured notes	1,054	896
Finance lease obligations	5	5
Cash in hand	(11)	(2)
Total net debt	**2,348**	**1,804**
Net debt to EBITDA leverage* (x)	**1.7**	**1.8**

*At 31 July 2016 constant exchange rates



Interest

Floating rate: 55%

Fixed rate: 45%

Geoff Drabble

Chief executive

Sunbelt – US revenue drivers

Q1

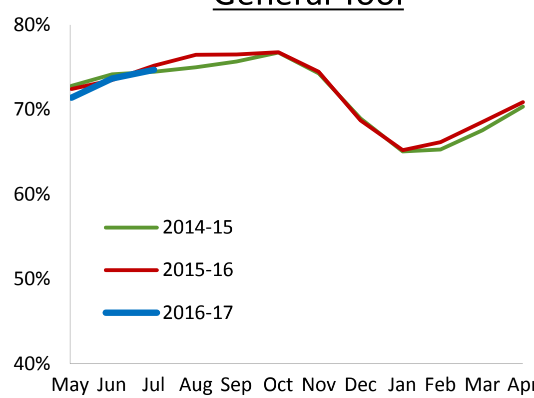
	General Tool	Specialty*	Total
% of business	80%	20%	100%
Rental revenue growth	+17%	+3%	+14%
Fleet on rent	+18%	-	+16%
Yield	-1%	+3%	-1%
Year-on-year physical utilisation	-1%	+3%	-

Presented on a billing day basis
Excludes Canada
** Including Oil & Gas*

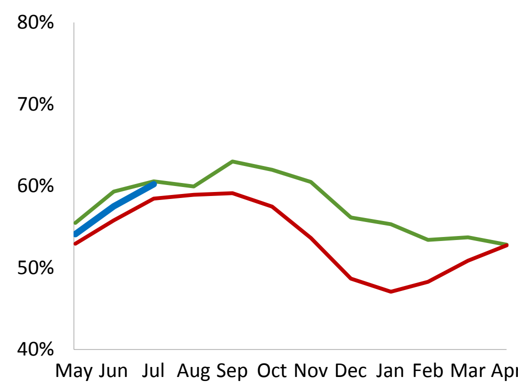
- Specialty revenue growth excluding Oil & Gas +11%

Physical utilisation

General Tool



Specialty (inc. Oil & Gas)



Strong margin progression

Q1

	Same-stores*	Greenfields*	Bolt-ons*	Oil & Gas	Total
Proportion of revenue	93%	4%	2%	1%	100%
Fleet on rent - % change	+11%	+706%	+12,281%	-33%	+16%
Net yield	-1%	+9%	-69%	-20%	-1%
Physical utilisation - actual	73%	65%	67%	64%	72%
Dollar utilisation – LTM	56%	41%	65%	45%	55%
Drop through	71%	58%	56%	40%	67%

Presented on a billing day basis
Excludes Canada
* *Excluding Oil & Gas*

Sunbelt capital expenditure

Q1 growth capex towards upper end of expectations – will review full year in December

($m)	2015/16	2016/17
Q1		
Rental fleet – growth	222	292
- replacement	187	47
Non-rental fleet	34	29
	443	368
Full year		
Rental fleet – growth	871	600-900
- replacement	572	175-250
Non-rental fleet	133	100
	1,576	875-1,250

Good progress on new store openings

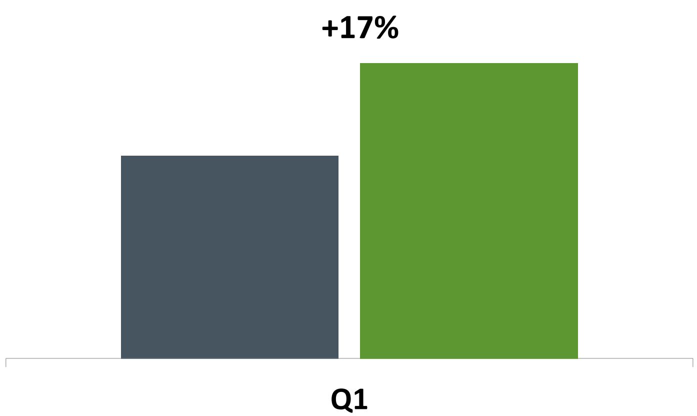
	2015/16					2016/17
	Q1	Q2	Q3	Q4	Total	Q1
General Tool	11	12	11	6	40	11
Specialty	9	11	6	2	28	13
	20	23	17	8	68	24
Greenfields	19	19	13	7	58	13
Bolt-ons	1	4	4	1	10	11
	20	23	17	8	68	24

- Full-year target remains circa 60
- Detailed plan to get to circa 900 by 2021 to be discussed at our October capital markets event

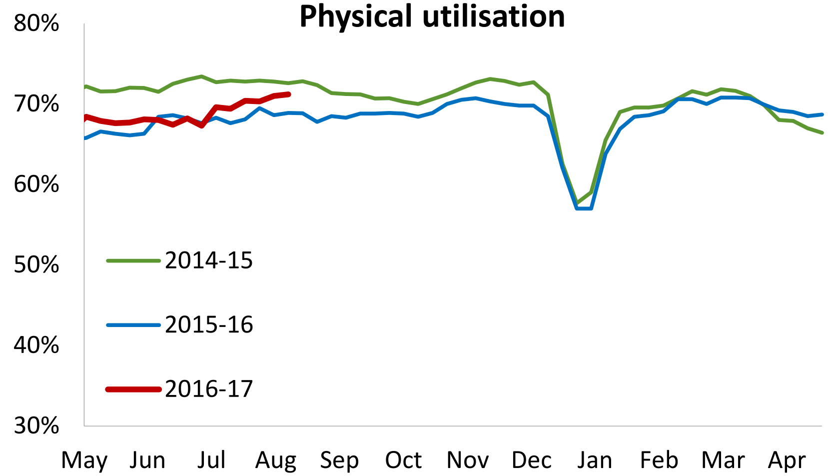
A-Plant revenue drivers

Growth continues backed by fleet investment

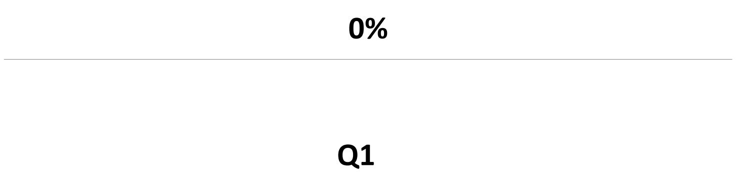
Average fleet on rent



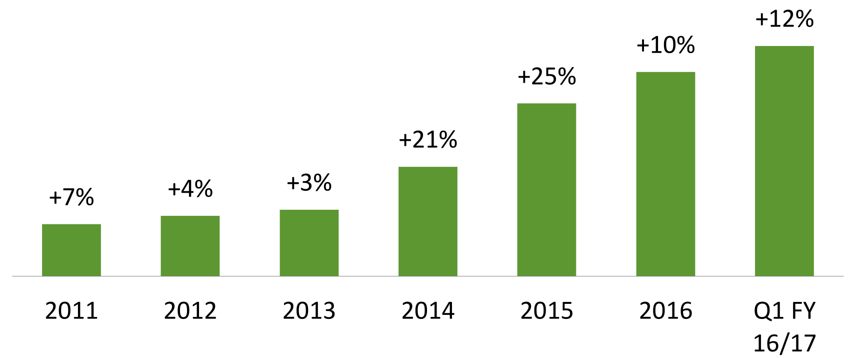
Physical utilisation



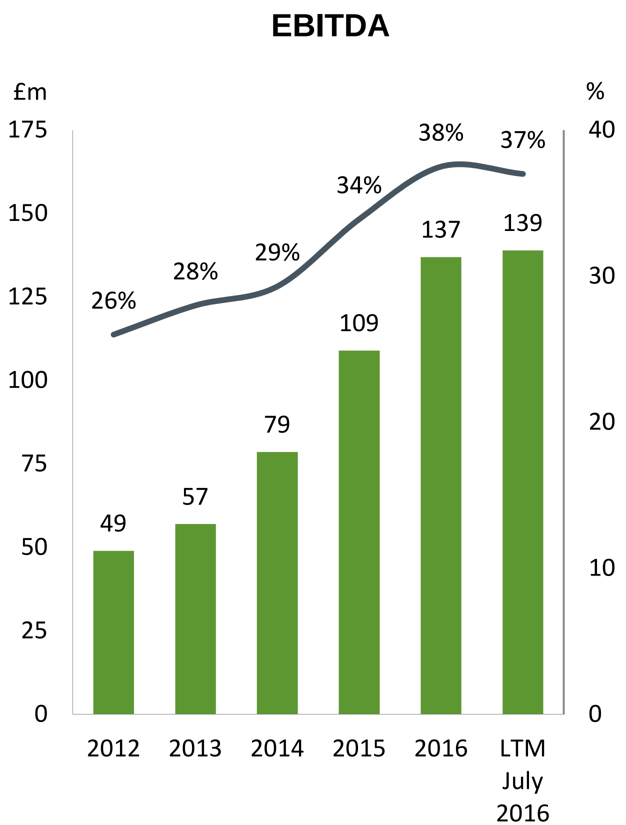
Year over year change in yield

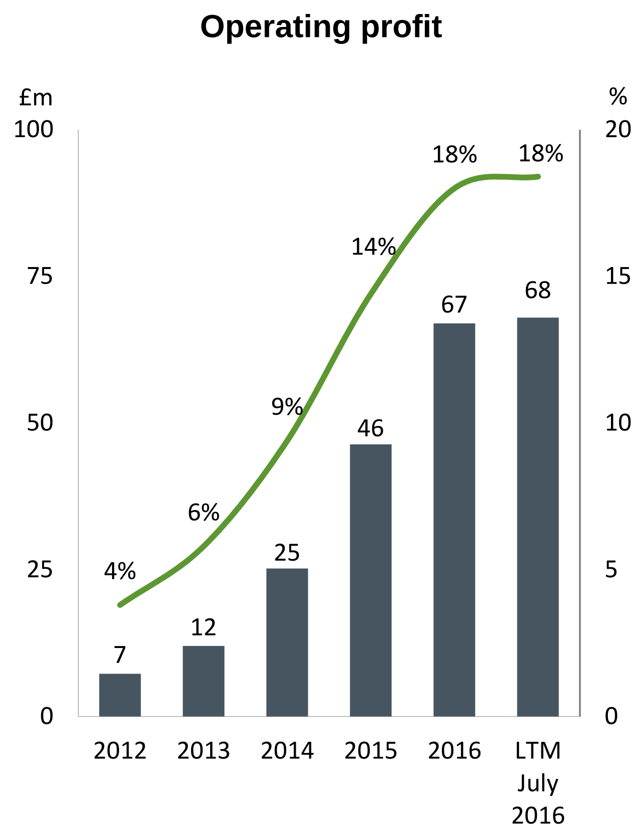


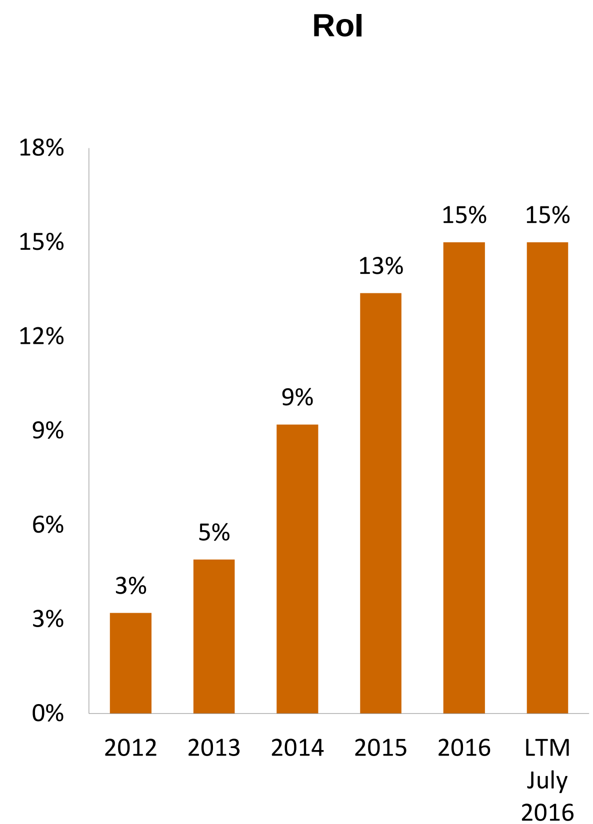
Fleet size and growth



A-Plant continues to gain market share profitably







Summary

- Strong growth with ongoing structural opportunity and good end markets
- Further margin improvements as we improve technology, leverage our scale and maturing stores
- Good progress on new store openings – 24 added in the quarter and on track to add 60 in the year as we target circa 900 stores by 2021
- We continue to grow responsibly, generating strong returns and maintaining leverage in the range of 1.5 to 2.0 times net debt to EBITDA
- Both divisions are performing well, our end markets are strong and with the benefit of weaker sterling, we expect full year results to be ahead of our expectations and the Board continues to look forward to the medium term with confidence

Appendices

Divisional performance – Q1

	Revenue			EBITDA			Profit		
	2016	2015	Change[1]	2016	2015	Change[1]	2016	2015	Change[1]
Sunbelt ($m)	853	821	4%	429	390	10%	269	258	4%
Sunbelt (£m)	611	529	16%	307	252	22%	192	166	16%
A-Plant	96	90	7%	36	34	6%	18	17	3%
Group central costs	-	-		(3)	(3)	12%	(3)	(3)	13%
	707	**619**	**14%**	**340**	**283**	**20%**	**207**	**180**	**15%**
Net financing costs							(23)	(19)	18%
Profit before amortisation and tax							**184**	**161**	**14%**
Amortisation							(6)	(6)	7%
Profit before taxation							**178**	**155**	**15%**
Taxation							(61)	(53)	13%
Profit after taxation							**117**	**102**	**15%**
Margins									
- Sunbelt				*50%*	*48%*		*32%*	*31%*	
- A-Plant				*38%*	*38%*		*18%*	*19%*	
- Group				*48%*	*46%*		*29%*	*29%*	

1 As reported

Divisional performance – LTM

	Revenue			EBITDA			Profit		
	2016	2015	Change[1]	2016	2015	Change[1]	2016	2015	Change[1]
Sunbelt ($m)	3,309	2,925	13%	1,622	1,373	18%	1,024	884	16%
Sunbelt (£m)	2,263	1,868	21%	1,110	877	27%	701	565	24%
A-Plant	371	332	12%	139	115	21%	68	50	36%
Group central costs	-	-		(14)	(11)	25%	(14)	(11)	25%
	2,634	**2,200**	**20%**	**1,235**	**981**	**26%**	**755**	**604**	**25%**
Net financing costs							(87)	(74)	17%
Profit before amortisation and tax							**668**	**530**	**26%**
Exceptional costs and amortisation							(29)	(18)	58%
Profit before taxation							**639**	**512**	**25%**
Taxation							(216)	(182)	19%
Profit after taxation							**423**	**330**	**28%**
Margins									
- Sunbelt				*49%*	*47%*		*31%*	*30%*	
- A-Plant				*37%*	*35%*		*18%*	*15%*	
- Group				*47%*	*45%*		*29%*	*27%*	

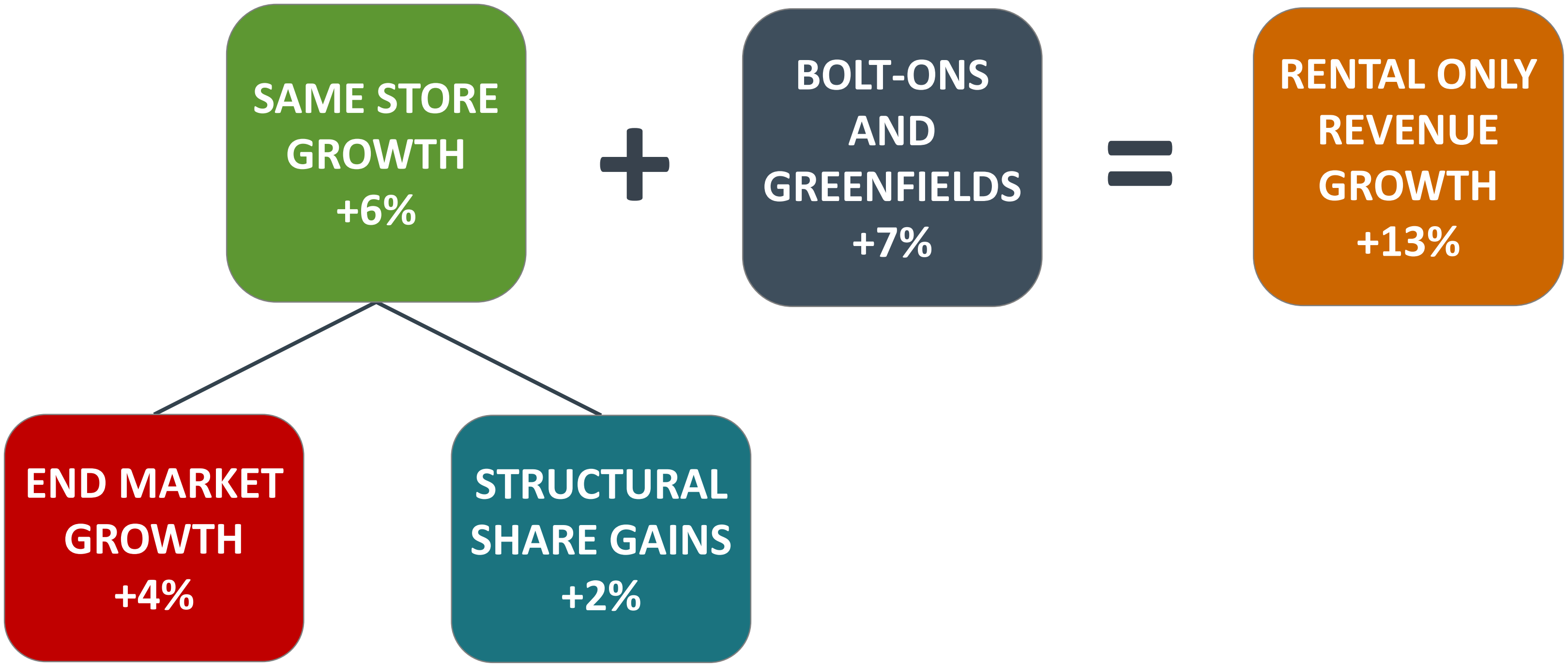
1 As reported

Cash flow funds organic fleet growth

(£m)	LTM July 16	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EBITDA before exceptional items	**1,235**	**1,178**	**908**	**685**	**519**	**381**	**284**	**255**	**359**	**380**	**310**	**225**	**170**	**147**
EBITDA margin	47%	46%	45%	42%	38%	34%	30%	30%	33%	38%	35%	35%	32%	29%
Cash inflow from operations before fleet changes and exceptionals	**1,160**	**1,071**	**841**	**646**	**501**	**365**	**280**	**266**	**374**	**356**	**319**	**215**	**165**	**140**
Cash conversion ratio	94%	91%	93%	94%	97%	96%	99%	104%	104%	94%	97%	96%	97%	95%
Replacement capital expenditure	(572)	(562)	(349)	(335)	(329)	(272)	(203)	(43)	(236)	(231)	(245)	(167)	(101)	(83)
Disposal proceeds	180	180	103	102	96	90	60	31	92	93	78	50	36	32
Interest and tax	(84)	(85)	(95)	(56)	(48)	(57)	(71)	(54)	(64)	(83)	(69)	(41)	(31)	(33)
Cash flow before discretionary items	**684**	**604**	**500**	**357**	**220**	**126**	**66**	**200**	**166**	**135**	**83**	**57**	**69**	**56**
Growth capital expenditure	(661)	(672)	(588)	(406)	(254)	(135)	-	-	-	(120)	(63)	(63)	(10)	-
M&A	(134)	(68)	(242)	(103)	(34)	(22)	(35)	(1)	89	(6)	(327)	(44)	1	15
Exceptional costs	-	-	-	(2)	(16)	(3)	(12)	(8)	(9)	(10)	(69)	(20)	(6)	(17)
Cash flow available to equity holders	**(111)**	**(136)**	**(330)**	**(154)**	**(84)**	**(35)**	**19**	**191**	**246**	**(1)**	**(376)**	**(70)**	**54**	**54**
Dividends paid	(82)	(82)	(61)	(41)	(20)	(15)	(15)	(13)	(13)	(10)	(7)	(2)	-	-
Share issues/returns	(35)	(12)	(21)	(23)	(10)	(4)	-	-	(16)	(24)	144	69	-	-
	(228)	**(230)**	**(412)**	**(218)**	**(114)**	**(53)**	**4**	**178**	**217**	**(35)**	**(239)**	**(3)**	**54**	**54**

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

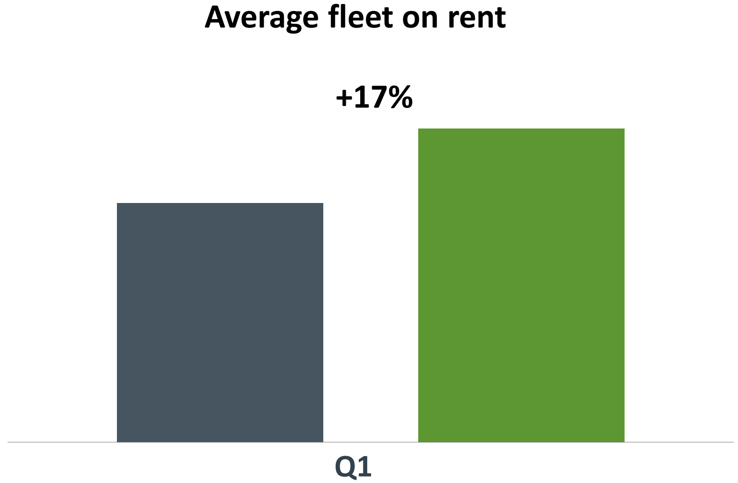
Capitalising on structural and cyclical factors to drive revenue growth

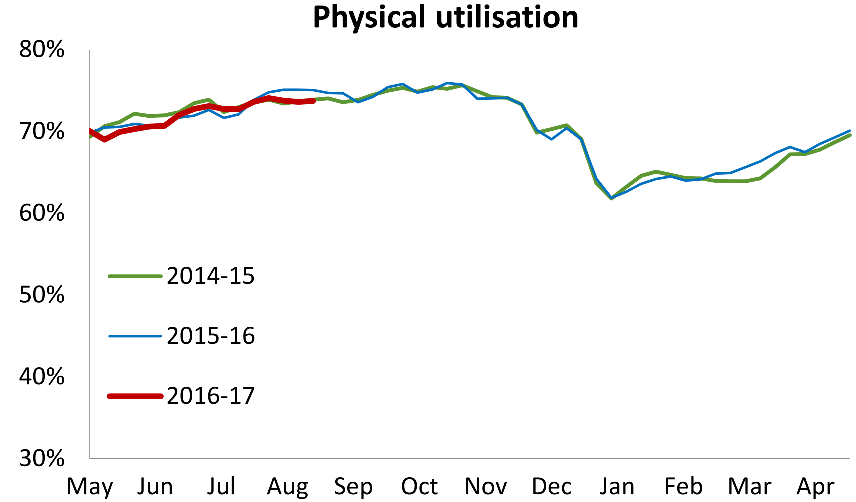


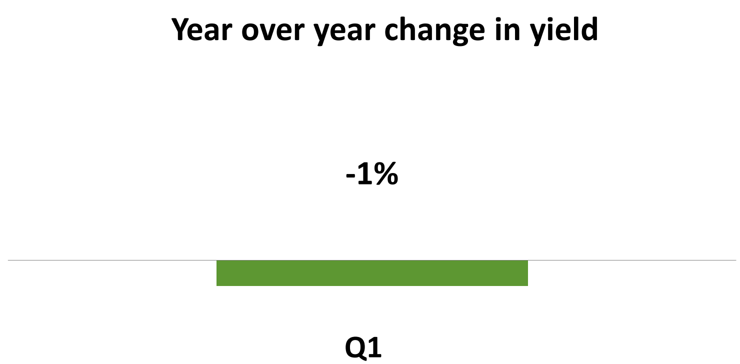
- Impacted by billing days
- On a like-for-like basis, same-store growth is 10%

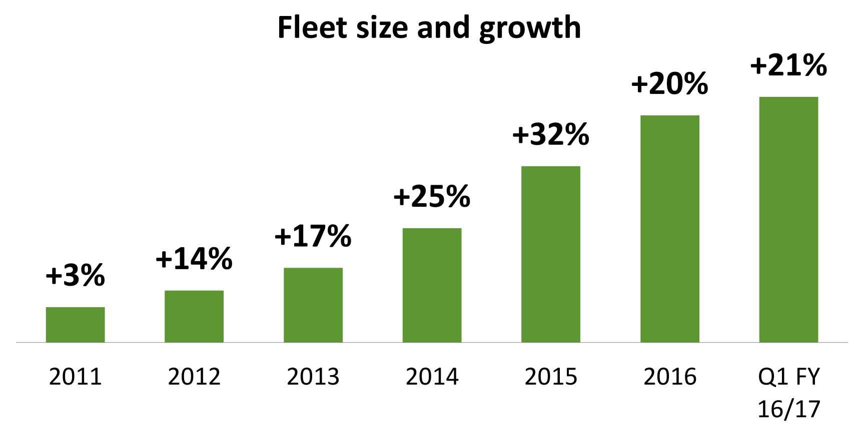
Sunbelt revenue drivers – rental only

Continuation of strong performance



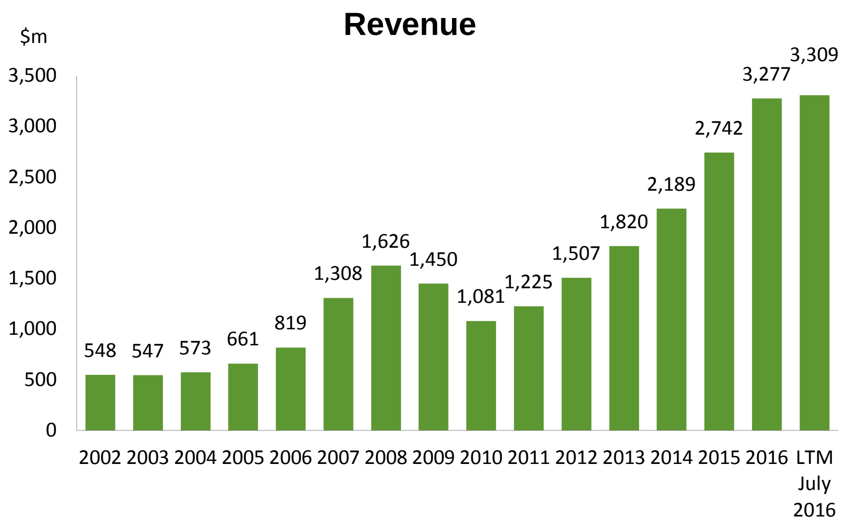


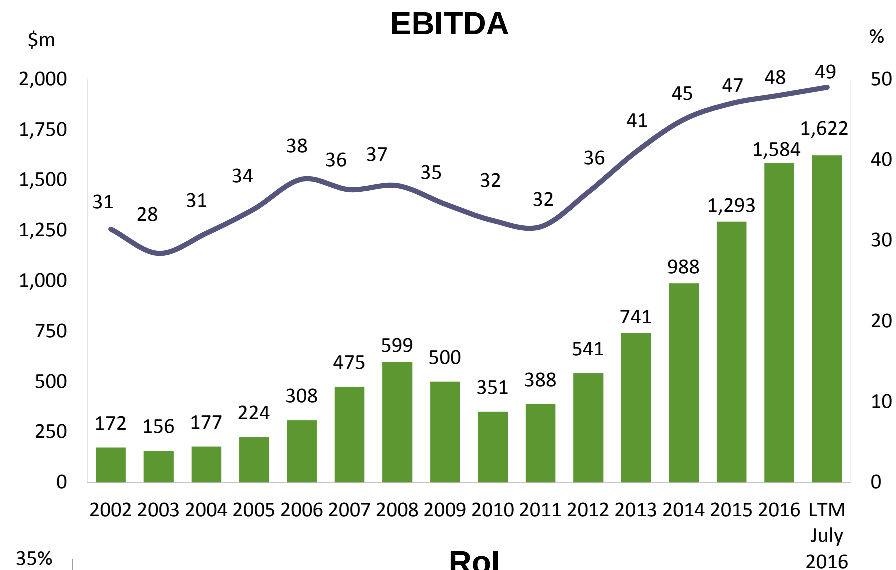


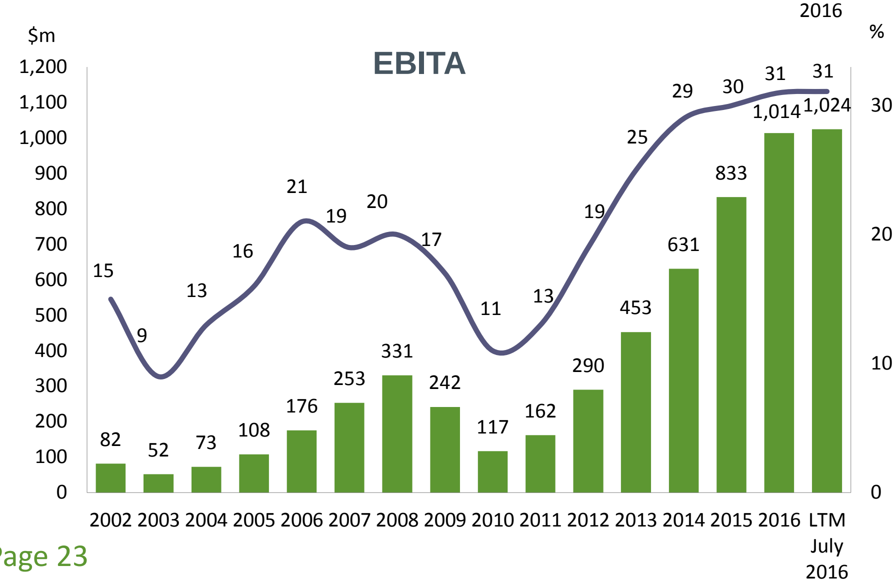


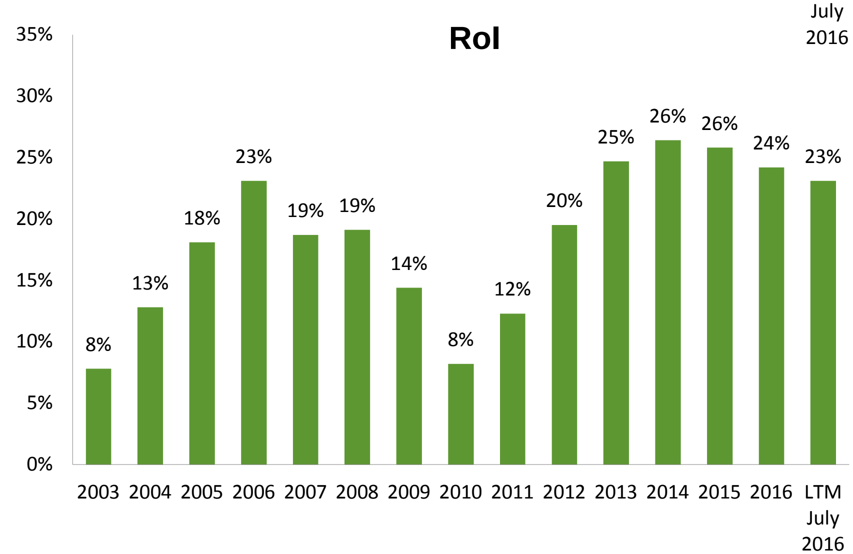
Sunbelt margins continue to improve

Progression in mature stores continues to drive margins. Further improvements in RoI as fleet profile normalises and newer stores develop









The US market

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

Rental revenue forecasts	2016	2017	2018
Industry rental revenue	+5%	+5%	+5%

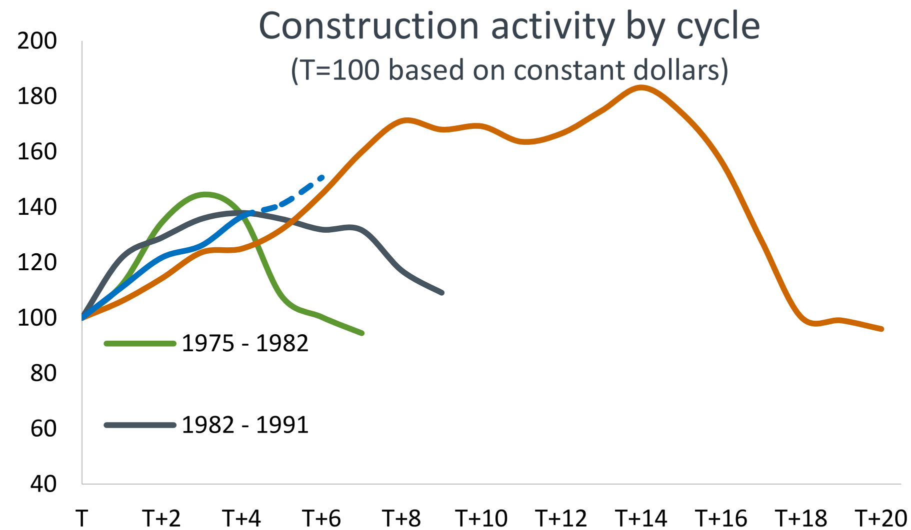
Source: IHS Global Insight (July 2016)

Total building starts (Millions of square feet)	2016	2017	2018
Total building	+11%	+11%	+3%
Commercial and Industrial	+5%	+6%	+4%
Institutional	+7%	+11%	+13%
Residential	+13%	+13%	+1%

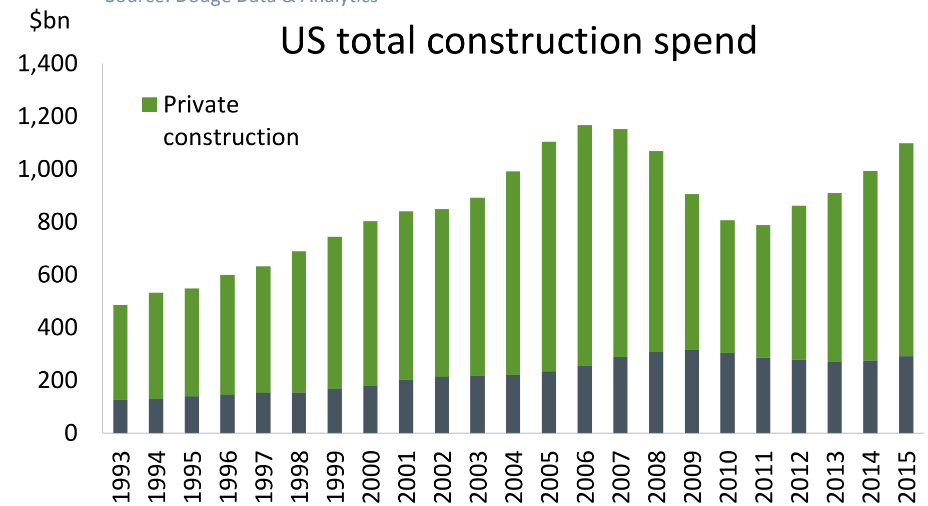
Source: Dodge Data & Analytics (June 2016)

Put in place construction	2016	2017	2018
Total construction	+4%	+6%	+5%

Source: Maximus Advisors (August 2016)



Source: Dodge Data & Analytics



Source: US Bureau of Statistics

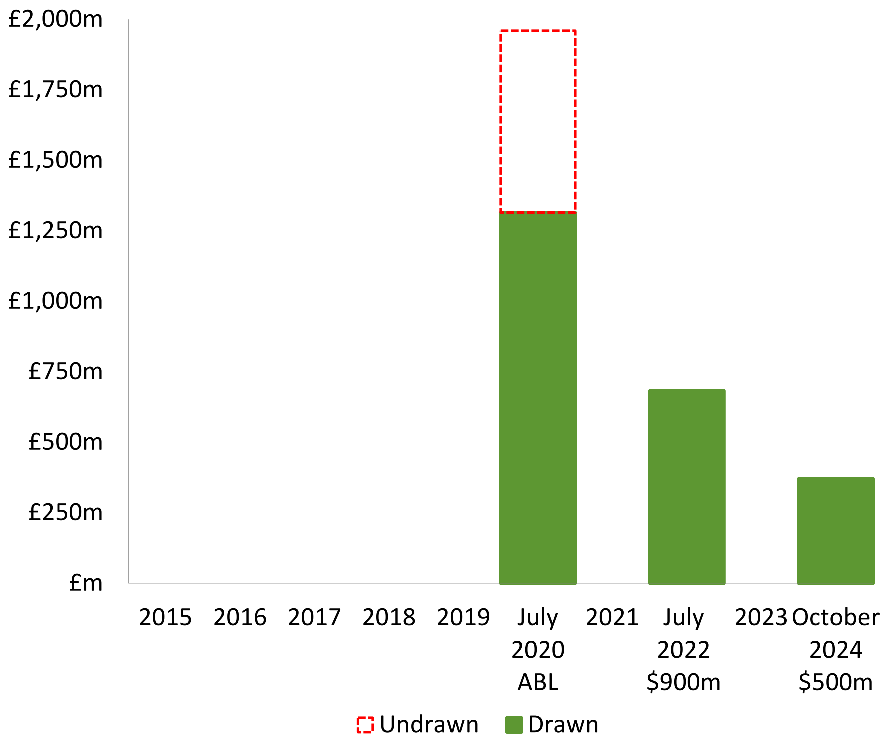
Strong fleet growth planned for the Group in 2016/17

No need to change plans at this stage but restated to £1 = $1.32

		2014	2015	2016	2017 outlook	Anticipated volume growth (%)
Sunbelt ($m)						
rental fleet	- replacement	308	395	572	175 - 250	
	- growth	655	873	871	600 - 900	Double digit growth
non-rental fleet		119	100	133	100	
		1,082	1,368	1,576	875 - 1,250	
A-Plant (£m)						
rental fleet	- replacement	49	46	95	40 - 60	
	- growth	37	108	47	40 - 60	Mid to high single digit growth
non-rental fleet		13	19	22	20	
		99	173	164	100 - 140	
Group (£m)						
Capex outlook * (gross)		741	1,063	1,240	765 - 1,090	
Disposal proceeds		(99)	(121)	(200)	(65 - 85)	
Capex outlook * (net)		642	942	1,040	700 – 1,005	

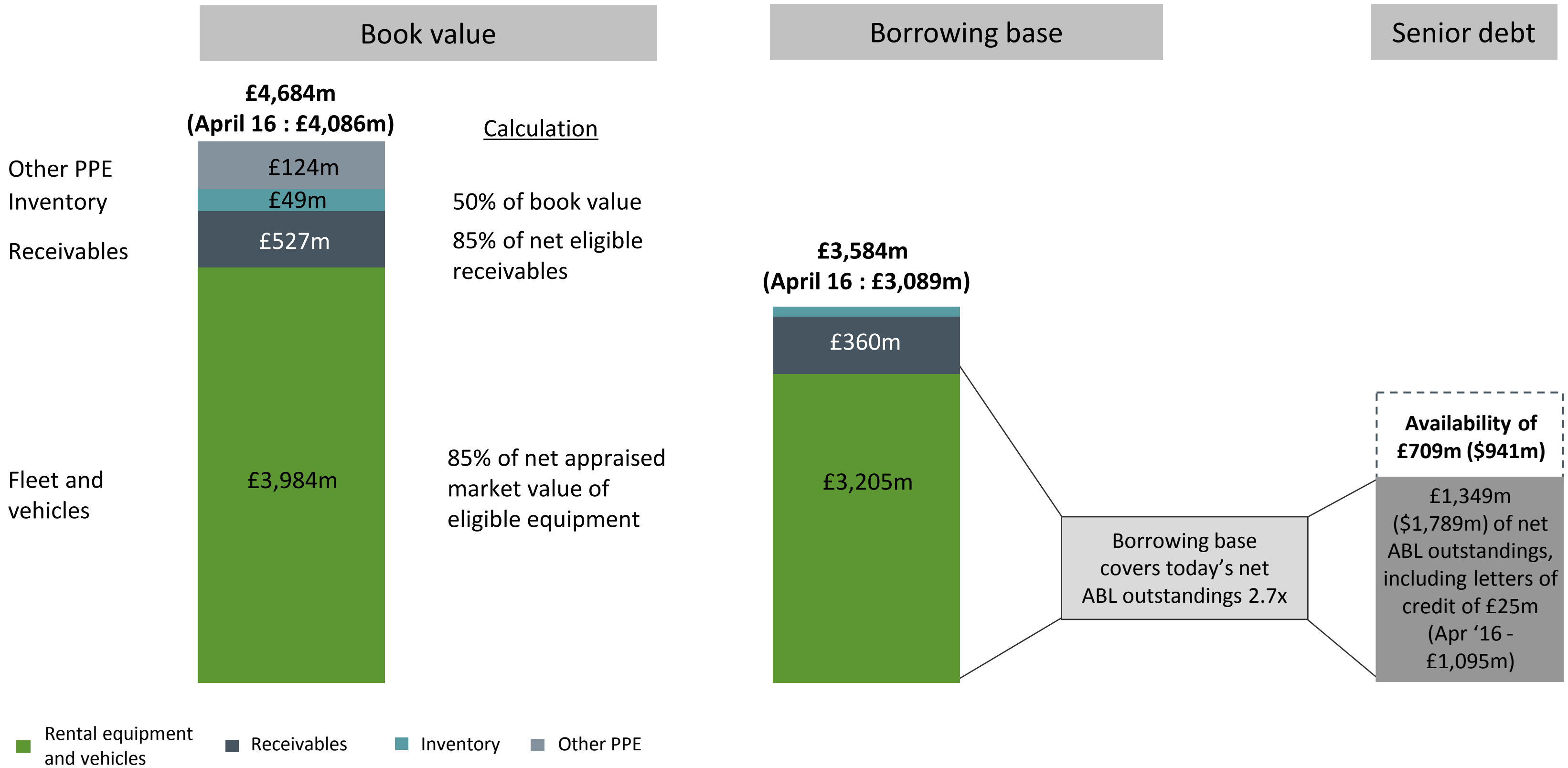
** Outlook at £1:$1.32*

Robust and flexible debt structure



- Debt facilities committed for average of 5 years
- No amortisation
- No financial monitoring covenants whilst availability exceeds $260m (July 2016: $941m)

$941m of availability at 31 July 2016



- Borrowing base reflects July 2015 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
- Greater than 1.0x at July 2016