Ashtead group

Availability, Reliability, Ease

First quarter results

11 September 2018

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The presentation contains forward looking statements which are necessarily subject to risks and uncertainties because they relate to future events. Our business and operations are subject to a variety of risks and uncertainties, many of which are beyond our control and, consequently, actual results may differ materially from those projected by any forward looking statements.

Some of the factors which may adversely impact some of these forward looking statements are discussed in the Principal Risks and Uncertainties section on pages 38-41 of the Group's Annual Report and Accounts for the year ended 30 April 2018 and in the unaudited results for the first quarter ended 31 July 2018 under "Current trading and outlook" and "Principal risks and uncertainties". Both these reports may be viewed on the Group's website at www.ashtead-group.com

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

HIGHLIGHTS

- An encouraging start to the year with strong growth in revenue and profitability
- End markets continue to be supportive
- Benefits of trading, tax changes and share buybacks reflected in 46% growth in EPS
- Good progress in our strategic objectives through key acquisitions and greenfields
- Share buyback increased to £125m per quarter and extended through 2019/20
- Leverage maintained within our 1.5 to 2.0 times net debt to EBITDA range
- Outlook remains positive and trading is strong. With the benefit of weaker sterling, we expect full year results ahead of our expectations

Michael Pratt
Finance director

Q1 GROUP REVENUE AND PROFIT

(£m)	2018	2017	Change[1]
Revenue	**1,047**	**880**	**22%**
- of which rental	961	829	19%
Operating costs	(543)	(449)	24%
EBITDA	**504**	**431**	**20%**
Depreciation	(188)	(165)	17%
Operating profit	**316**	**266**	**22%**
Net interest	(30)	(28)	13%
Profit before amortisation, exceptional items and tax	**286**	**238**	**23%**
Earnings per share (p)	**44.8p**	**31.5p**	**46%**
Margins			
- *EBITDA*	*48%*	*49%*	
- *Operating profit*	*30%*	*30%*	

[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 US REVENUE AND PROFIT

($m)	2018	2017	Change
Revenue	**1,168**	**968**	**21%**
- of which rental	1,084	919	18%
Operating costs	(577)	(472)	22%
EBITDA	**591**	**496**	**19%**
Depreciation	(205)	(179)	14%
Operating profit	**386**	**317**	**22%**
Margins			
- *EBITDA*	*51%*	*51%*	
- *Operating profit*	*33%*	*33%*	

Q1 SUNBELT CANADA REVENUE AND PROFIT

(C$m)	2018	2017	Change
Revenue	**77**	**20**	**291%**
- of which rental	62	18	249%
Operating costs	(49)	(11)	373%
EBITDA	**28**	**9**	**202%**
Depreciation	(14)	(5)	166%
Operating profit	**14**	**4**	**248%**
Margins			
- *EBITDA*	*37%*	*48%*	
- *Operating profit*	*19%*	*21%*	

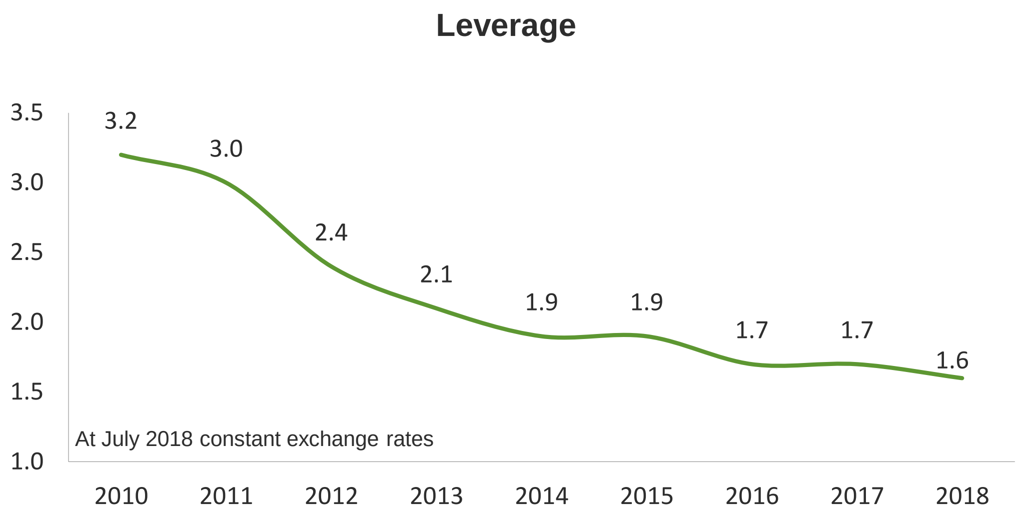
Q1 A-PLANT REVENUE AND PROFIT

(£m)	2018	2017	Change
Revenue	**126**	**119**	**6%**
- of which rental	110	107	3%
Operating costs	(79)	(74)	5%
EBITDA	**47**	**45**	**6%**
Depreciation	(25)	(23)	14%
Operating profit	**22**	**22**	**-**
Margins			
- *EBITDA*	*38%*	*38%*	
- *Operating profit*	*18%*	*19%*	

NET DEBT AND LEVERAGE

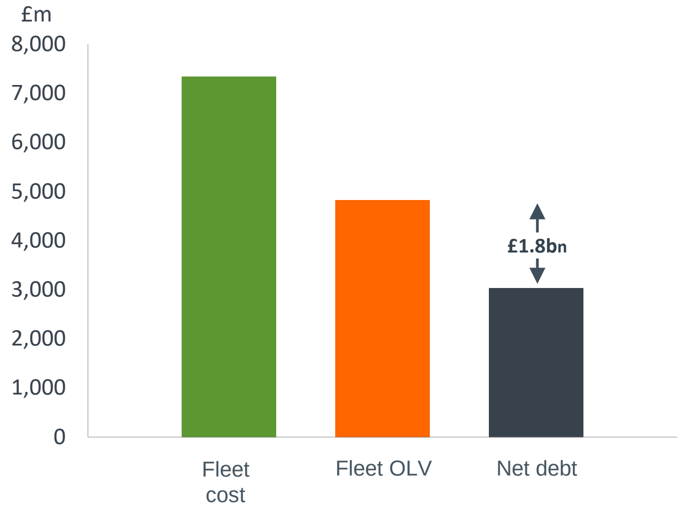
(£m)	July 2018	July 2017
Net debt at 30 April	**2,712**	**2,528**
Translation impact	121	(40)
Opening debt at closing exchange rates	**2,833**	**2,488**
Change from cash flows	172	79
Debt acquired	27	-
Non-cash movements	1	2
Net debt at period end	**3,033**	**2,569**
Comprising:		
First lien senior secured bank debt	1,309	1,511
Second lien secured notes	1,729	1,060
Finance lease obligations	5	5
Cash in hand	(10)	(7)
	3,033	**2,569**
Net debt to EBITDA leverage[1] (x)	**1.6**	**1.7**

[1] At July 2018 constant exchange rates

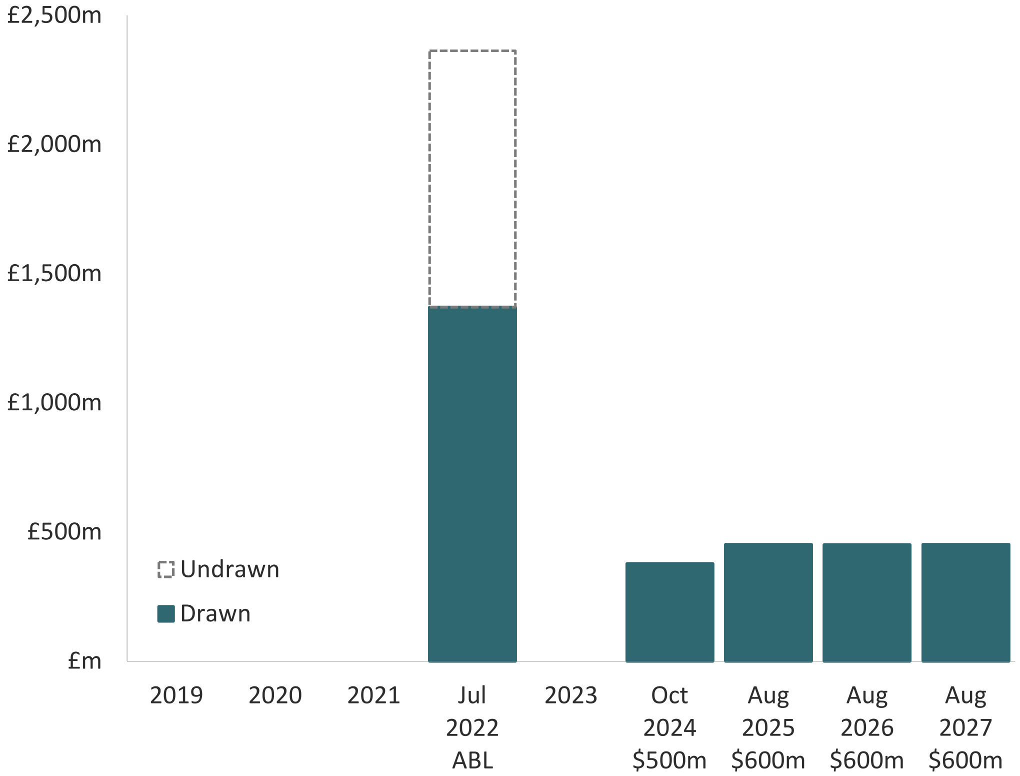


Interest

Floating rate:	43%
Fixed rate:	57%



ROBUST AND FLEXIBLE DEBT STRUCTURE



- In July issued $600m 5.25% notes due 2026
- Debt facilities committed for average of 6 years
- No amortisation
- No financial monitoring covenants whilst availability exceeds $310m (July 2018: $1,468m)
- Improved ratings:
  - Moody's – upgraded to Baa3
  - Fitch – initiated at BBB-
  - S&P – outlook upgraded to positive

Geoff Drabble
Chief executive

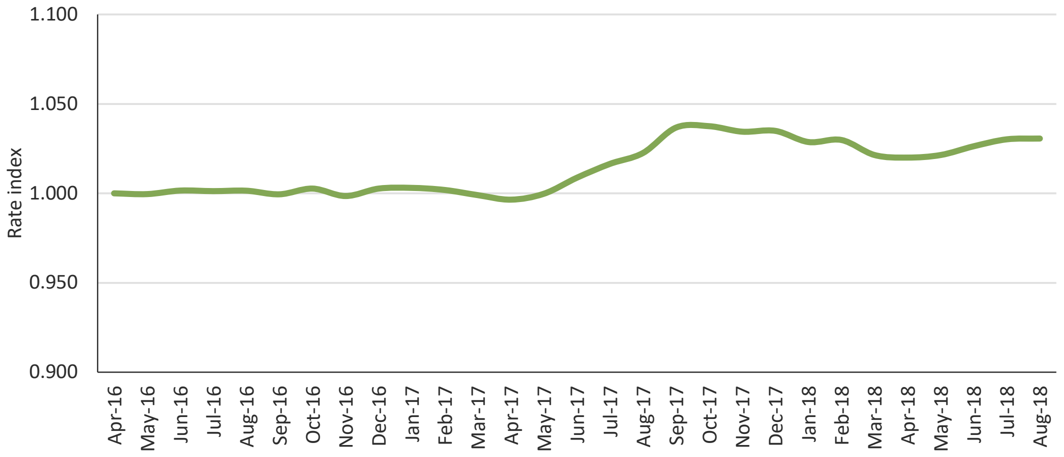
BALANCED GROWTH ANTICIPATED IN LINE WITH 2021 PLAN

	2018/19 plan	Q1 actual
Organic growth	8 – 11%	17%
Bolt-ons	3 – 4%	2%
Rental revenue growth	11 – 15%	19%

US rental only revenue presented on a billing day basis

ENCOURAGING TRENDS ON RATE, PHYSICAL UTILISATION AND MARGINS

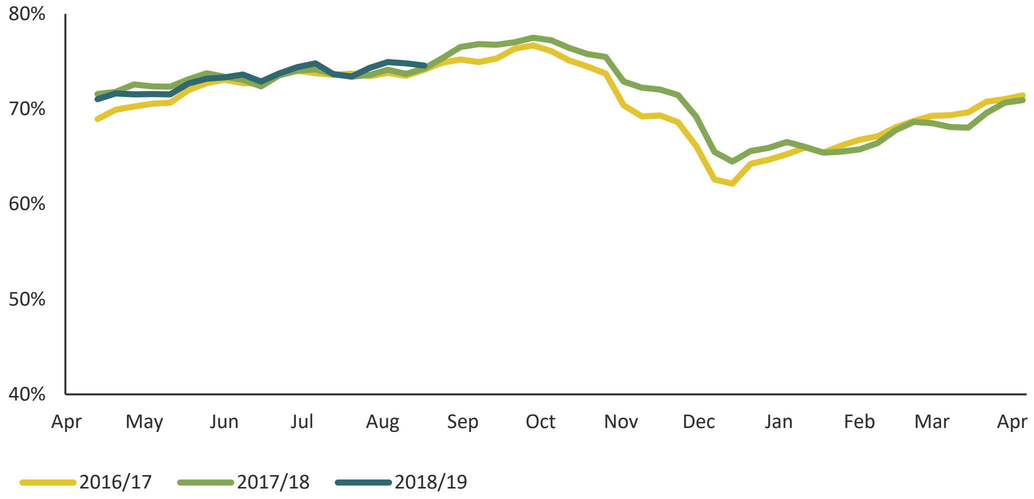
Improving rate trend



Mix still a factor year on year

	Q1 2018/19	Q1 2017/18
Day	**9%**	**10%**
Week	**19%**	**20%**
Month	**72%**	**70%**

Strong physical utilisation



Yield benefitting from rate improvement

	Q1 2018/19	Q1 2017/18
Fleet on rent	+16%	+19%
Yield	+2%	-3%
EBITDA	51%	51%
EBITA	33%	33%
RoI	24%	22%

FURTHER M&A CONSISTENT WITH 2021 STRATEGY

1. Mabey – Specialty development

Ground protection

- Strong management team
- Increases scale 3 fold
- Platform for nationwide growth
- Growing market with significant cross-selling opportunity

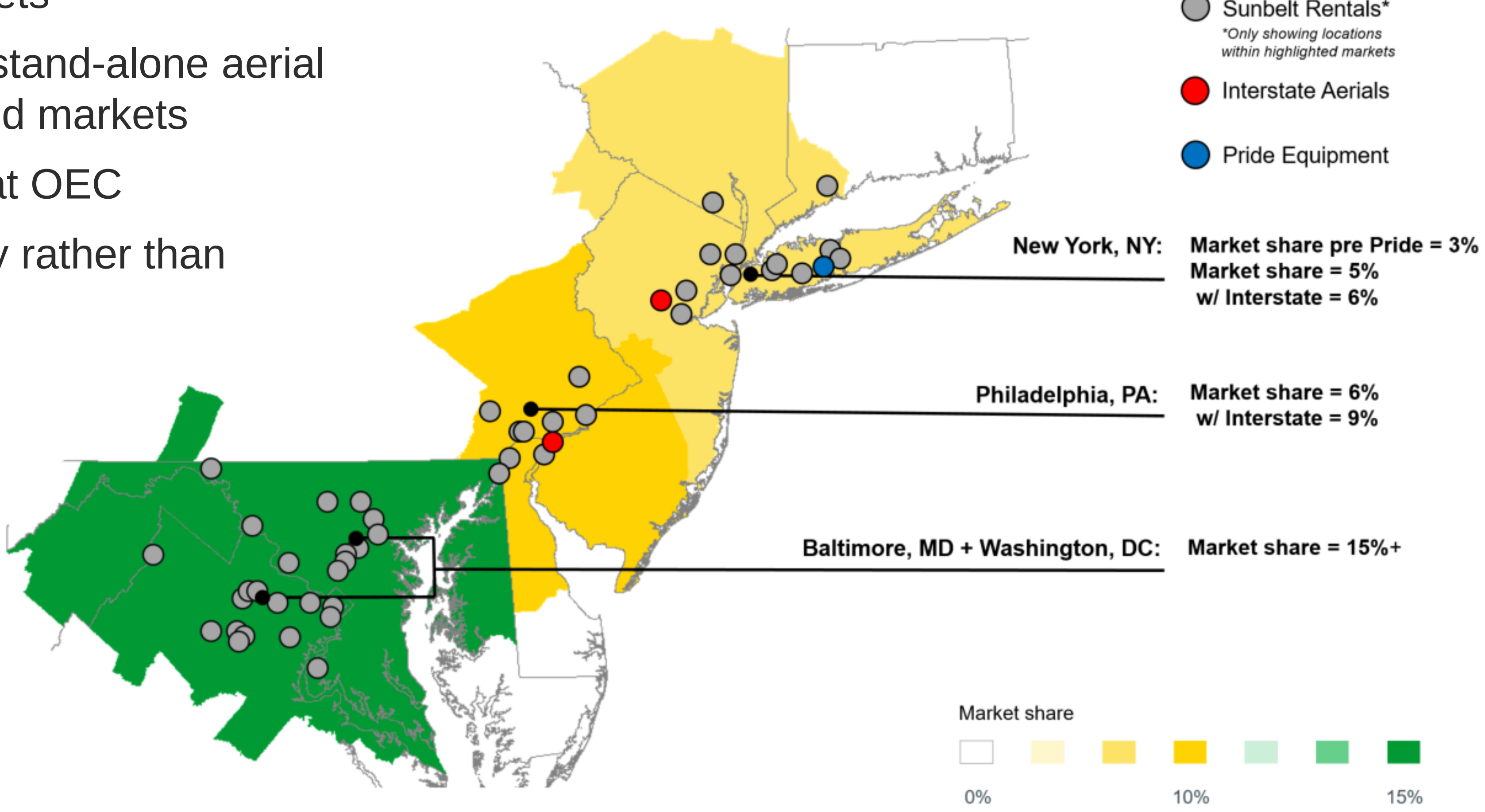
Trench shoring

- 8 locations
- In-house engineering expertise
- Growth through greenfields and bolt-ons
- Estimated $1bn+ rental market

FURTHER M&A CONSISTENT WITH 2021 STRATEGY

2. Interstate – geographical fill-in

- Accelerates cluster development in the New York and Philadelphia markets
- Consistent with strategy of stand-alone aerial businesses in large clustered markets
- Acquired c. $140m of fleet at OEC
- Benefit of acquiring capacity rather than adding fleet to market
- 750 unique customers
- Cross-selling opportunity

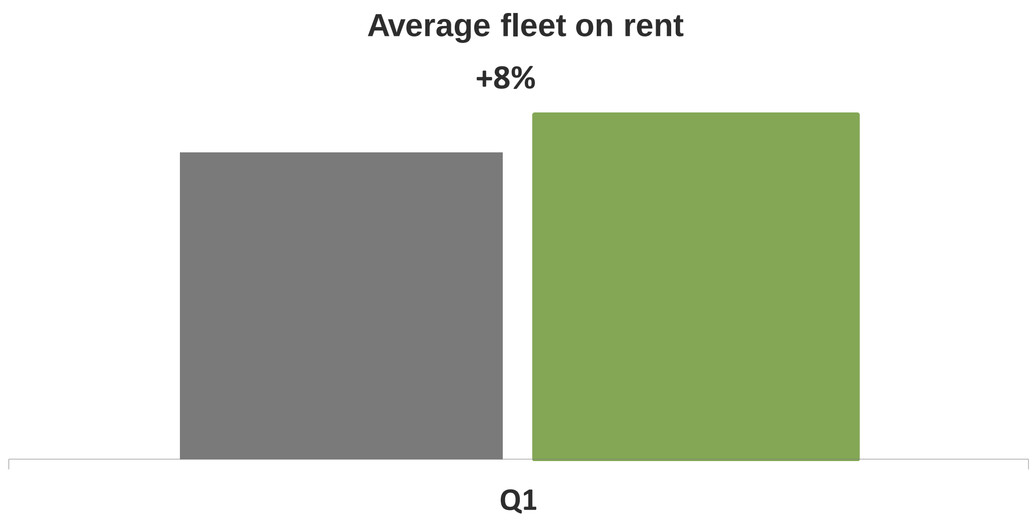


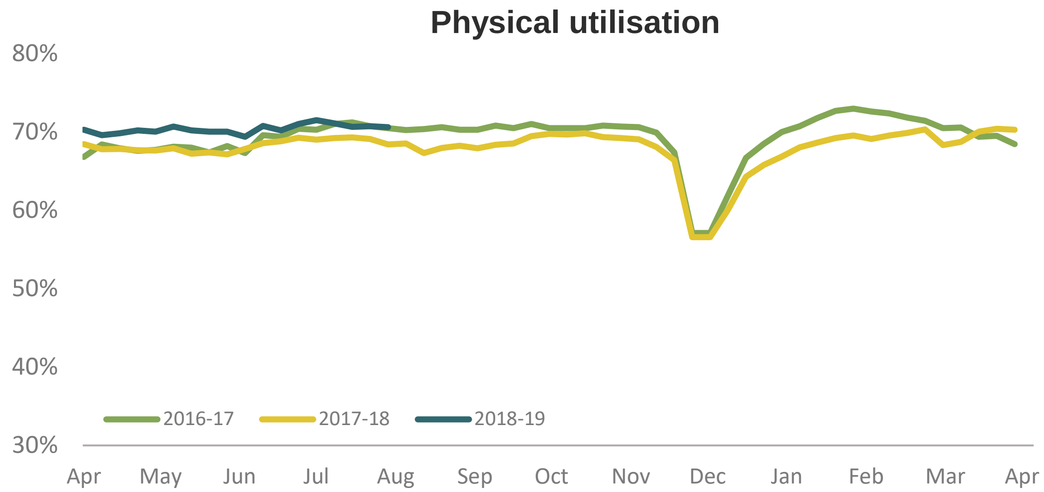
SUNBELT CANADA

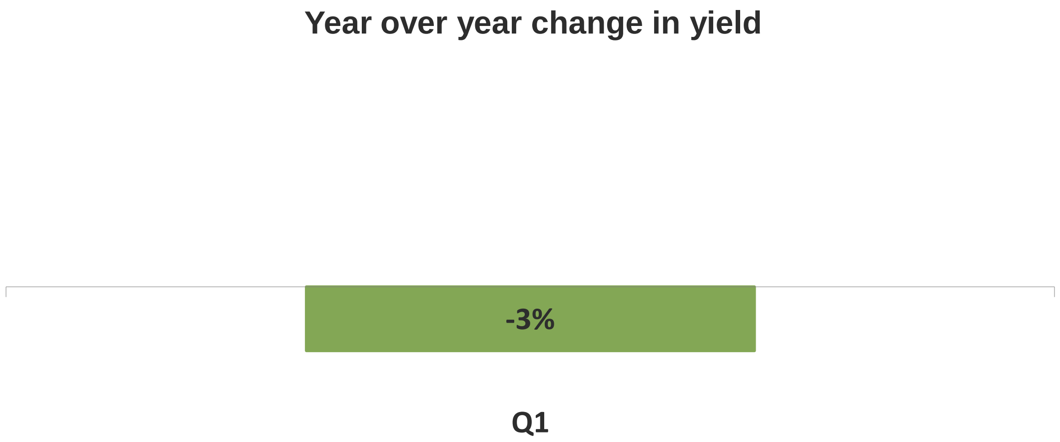
C$m	Q1 2018/19	Q1 2017/18	% growth
Rental revenue	62	18	249%
EBITDA	28	9	202%
EBITDA margin (excluding gains)	39%	49%	
EBITA	14	4	248%
EBITA margin (excluding gains)	20%	20%	
$ utilisation	59%	42%	

- Rental revenue growth in western Canada of 28%
- Rental revenue growth in eastern Canada of 23%
- Acquisition of Voisin’s and Richlock in Q1
- One-offs have disproportionate effect on reported metrics of a still small business
- Acquired fleet sold consistently at zero gains
- CRS has high $ utilisation and large consumable sales which distorts some metrics (EBITDA margin)

A-PLANT REVENUE DRIVERS







Margins

	Q1-2018	Q1-2017
EBITDA	38%	38%
EBITA	18%	19%

CAPITAL ALLOCATION

1. Organic growth
   - £465m invested in business
   - 20 greenfields opened
   - In line with original plan

2. Bolt-on acquisitions
   - £145m spent on bolt-ons
   - Interstate (£161m) completed in August
   - Good pipeline

3. Returns to shareholders
   - Progressive dividend policy maintained
   - Completed £300m of original buyback programme
   - £675m to be spent under the December 2017 programme
   - Minimum of £500m to be spent on buybacks in 2019/20

SUMMARY

- An encouraging start to the year
- Markets supportive of our medium-term plans
- A number of strategic acquisitions and greenfields consistent with our 2021 plans
- Financing action underpins our long-term platform for further responsible growth
- Share buyback increased and extended
- Outlook remains positive and with the benefit of weaker sterling, we expect full year results ahead of our expectations

Appendices

DIVISIONAL PERFORMANCE – Q1

	Revenue			EBITDA			Profit		
	2018	2017	Change[1]	2018	2017	Change[1]	2018	2017	Change[1]
Sunbelt US ($m)	1,168	968	21%	591	496	19%	386	317	22%
Sunbelt Canada (C$m)	77	20	291%	28	9	202%	14	4	248%
Sunbelt US (£m)	877	750	17%	444	384	15%	290	245	18%
A-Plant	126	119	6%	48	45	6%	22	22	-%
Sunbelt Canada	44	11	285%	16	5	197%	8	3	243%
Group central costs	-	-	-	(4)	(3)	12%	(4)	(3)	12%
	1,047	880	19%	504	431	17%	316	267	19%
Net financing costs							(30)	(28)	10%
Profit before amortisation, exceptional items and tax							286	239	20%
Amortisation and exceptional items							(11)	(10)	16%
Profit before taxation							275	229	20%
Taxation							(65)	(79)	(18)%
Profit after taxation							210	150	40%
Margins									
- *Sunbelt US*				*51%*	*51%*		*33%*	*33%*	
- *A-Plant*				*38%*	*38%*		*18%*	*19%*	
- *Sunbelt Canada*				*37%*	*48%*		*19%*	*21%*	
- *Group*				*48%*	*49%*		*30%*	*30%*	

[1] As reported

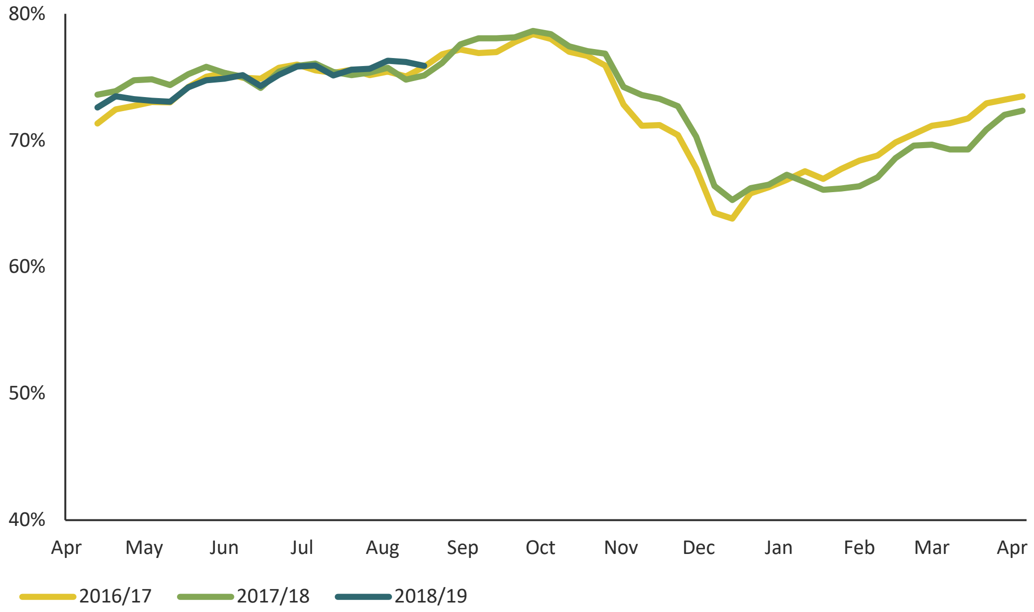
DIVISIONAL PERFORMANCE – LTM

	Revenue			EBITDA			Profit		
	2018	2017	Change[1]	2018	2017	Change[1]	2018	2017	Change[1]
Sunbelt US ($m)	4,353	3,652	19%	2,157	1,818	19%	1,363	1,130	21%
Sunbelt Canada (C$m)	281	81	248%	87	34	160%	39	12	222%
Sunbelt US (£m)	3,231	2,871	13%	1,601	1,429	12%	1,011	889	14%
A-Plant	479	441	9%	170	161	6%	70	76	(8)%
Sunbelt Canada (£m)	163	48	242%	51	20	155%	22	7	216%
Group central costs	-	-	-	(16)	(15)	9%	(16)	(15)	8%
	3,873	3,360	15%	1,806	1,595	13%	1,087	957	14%
Net financing costs							(113)	(109)	3%
Profit before amortisation, exceptional items and tax							974	848	15%
Amortisation and exceptional items							(66)	(32)	107%
Profit before taxation							908	816	11%
Taxation							121	(282)	nm
Profit after taxation							1,029	534	93%
Margins									
- *Sunbelt US*				*50%*	*50%*		*31%*	*31%*	
- *A-Plant*				*36%*	*37%*		*15%*	*17%*	
- *Sunbelt Canada*				*31%*	*42%*		*14%*	*15%*	
- *Group*				*47%*	*47%*		*28%*	*28%*	

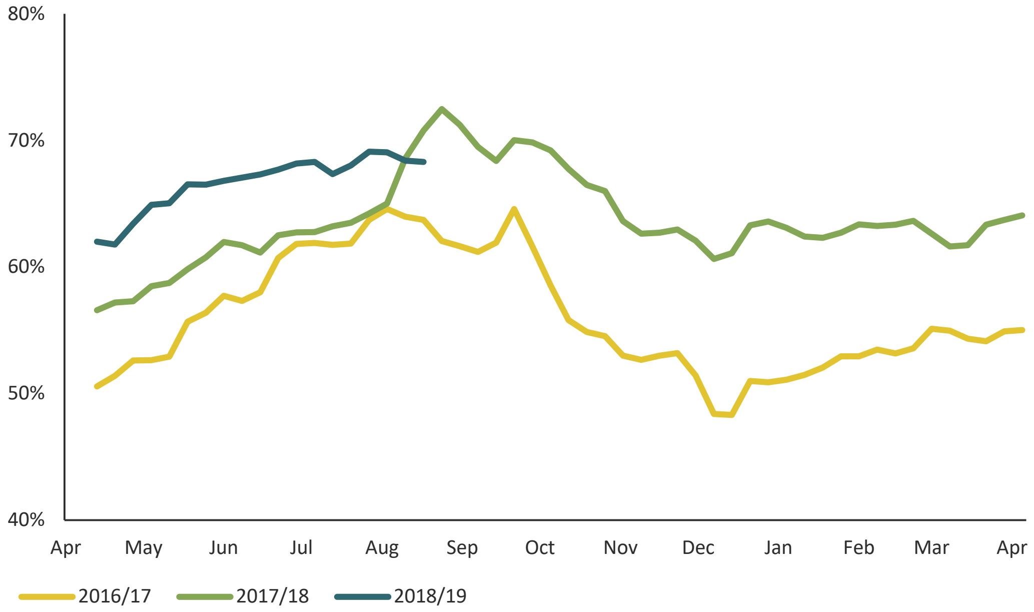
[1] As reported
nm – not meaningful

SUNBELT US
PHYSICAL UTILISATION

General Tool (78% of the business)



Specialty (22% of the business)



GROUP FLEET PLAN FOR 2018/19

			2018 Actual	2019 Outlook[1]	2019 Q1
Sunbelt US ($m)	- rental fleet	- replacement	347	300 – 400	125
		- growth	921	850 – 950	366
	- non-rental fleet		142	120	23
			1,410	1,270 – 1,470	514
Sunbelt Canada (C$m)	- rental fleet	- replacement	21	10 – 20	14
		- growth	55	100 – 110	44
	- non-rental fleet		15	10	4
			91	120 – 140	62
A-Plant (£m)	- rental fleet	- replacement	77	55 – 65	15
		- growth	60	25 – 30	14
	- non-rental fleet		27	40	8
			164	120 – 135	37
Group (£m)	Capital outlook (gross)		1,239	1,170 – 1,350	465
	Disposal proceeds		(158)	(105 – 135)	(50)
	Capex outlook (net)		1,081	1,065 – 1,215	415

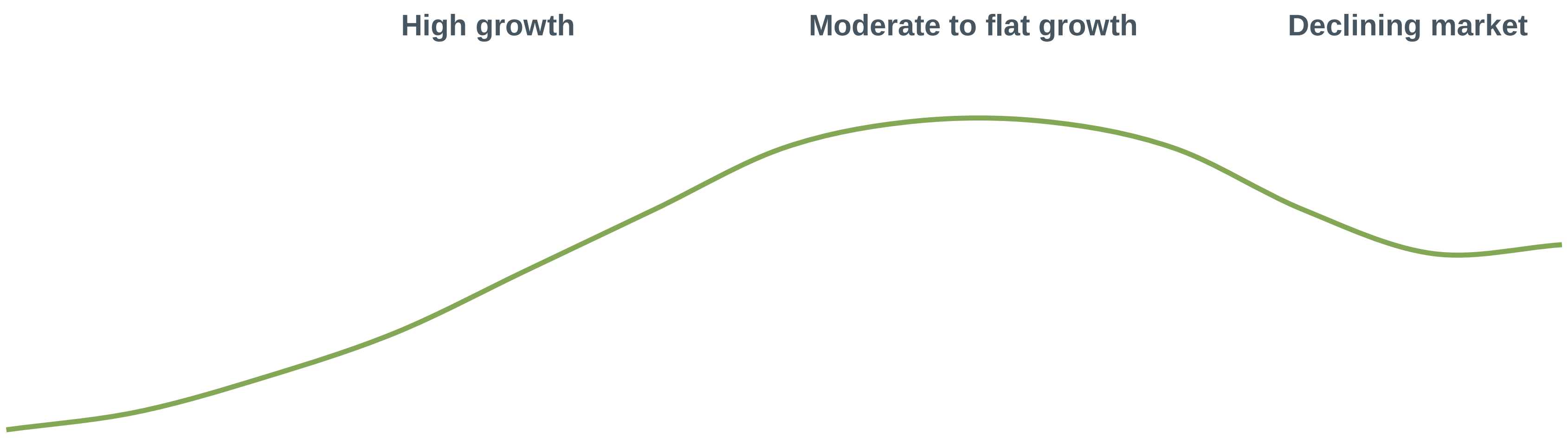
[1] Restated at £1 = $1.30 and £1 = C$1.70

CASH FLOW FUNDS ORGANIC FLEET GROWTH HEALTHY EBITDA MARGINS ENSURE SIGNIFICANT TOP LINE CASH GENERATION THROUGH THE CYCLE

(£m)	LTM Jul-18	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
EBITDA before exceptional items	**1,806**	**1,733**	**1,504**	**1,178**	**908**	**685**	**519**	**381**	**284**	**255**	**356**	**364**	**310**	**225**	**170**
EBITDA margin	47%	47%	47%	46%	45%	42%	38%	34%	30%	30%	30%	33%	35%	35%	32%
Cash inflow from operations before fleet changes and exceptionals	**1,736**	**1,681**	**1,444**	**1,071**	**841**	**646**	**501**	**365**	**280**	**266**	**374**	**356**	**319**	**215**	**165**
Cash conversion ratio	96%	97%	96%	91%	93%	94%	97%	96%	99%	104%	104%	94%	97%	96%	97%
Replacement capital expenditure	(545)	(517)	(527)	(562)	(349)	(335)	(329)	(272)	(203)	(43)	(236)	(231)	(245)	(167)	(101)
Disposal proceeds	155	161	161	180	103	102	96	90	60	31	92	93	78	50	36
Interest and tax	(181)	(208)	(151)	(85)	(95)	(56)	(48)	(57)	(71)	(54)	(64)	(83)	(69)	(41)	(31)
Cash flow before discretionary items	**1,165**	**1,117**	**927**	**604**	**500**	**357**	**220**	**126**	**66**	**200**	**166**	**135**	**83**	**57**	**69**
Growth capital expenditure	(753)	(706)	(608)	(672)	(588)	(406)	(254)	(135)	-	-	-	(120)	(63)	(63)	(10)
M&A	(355)	(359)	(421)	(68)	(242)	(103)	(34)	(22)	(35)	(1)	89	(6)	(327)	(44)	1
Exceptional costs	(25)	(25)	-	-	-	(2)	(16)	(3)	(12)	(8)	(9)	(10)	(69)	(20)	(6)
Cash flow available to equity holders	**32**	**27**	**(102)**	**(136)**	**(330)**	**(154)**	**(84)**	**(35)**	**19**	**191**	**246**	**(1)**	**(376)**	**(70)**	**54**
Dividends paid	(141)	(141)	(116)	(82)	(61)	(41)	(20)	(15)	(15)	(13)	(13)	(10)	(7)	(2)	-
Share issues/returns	(265)	(168)	(55)	(12)	(21)	(23)	(10)	(4)	-	-	(16)	(24)	144	69	-
	(374)	**(282)**	**(273)**	**(230)**	**(412)**	**(218)**	**(114)**	**(53)**	**4**	**178**	**217**	**(35)**	**(239)**	**(3)**	**54**

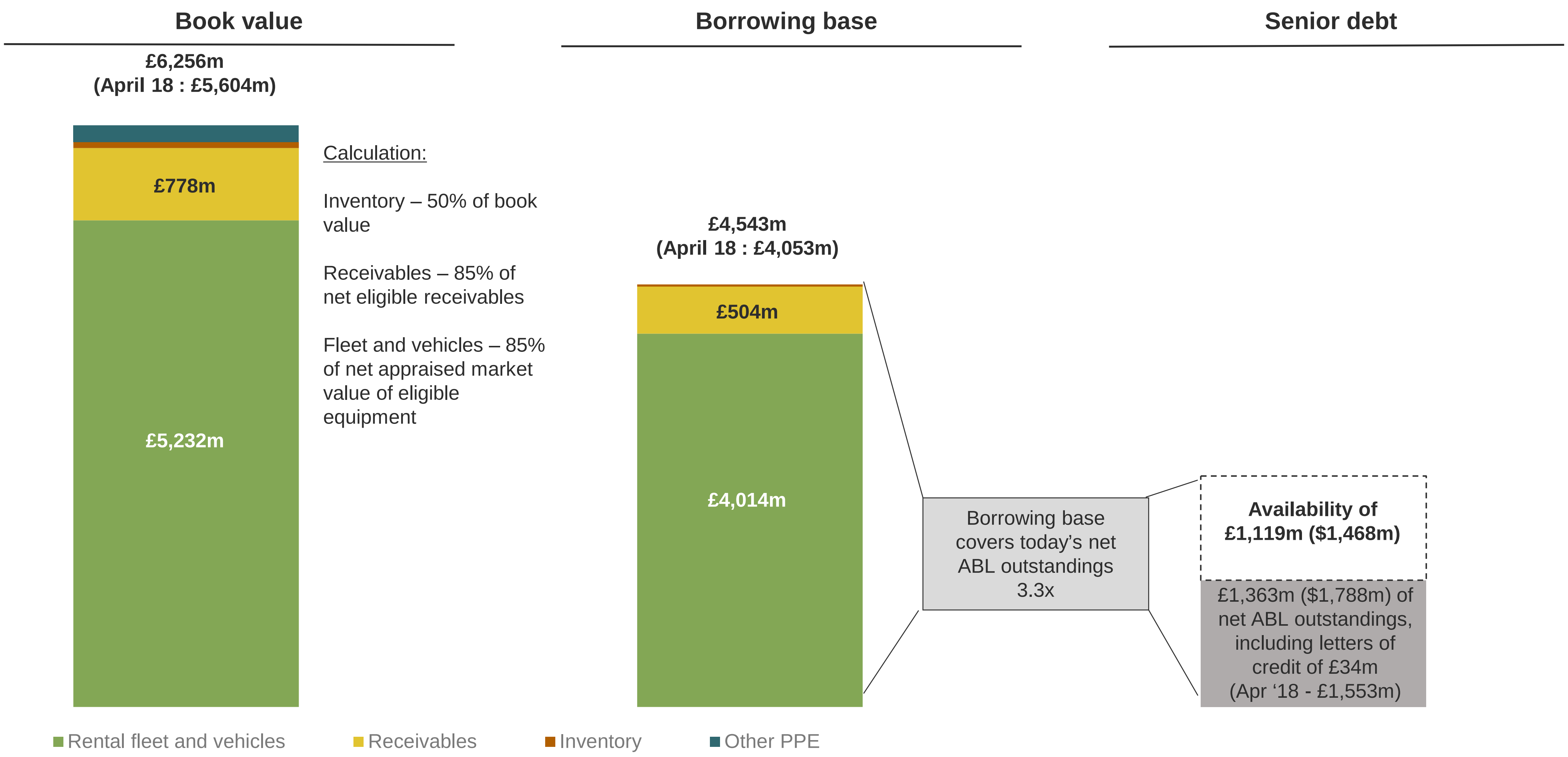
CYCLICAL CASH GENERATION

CASH POSITIVE AS GROWTH MODERATES – HIGHLY GENERATIVE DURING DOWNTURN



	2011	2012	2013	2014	2015	2016	2017	2018	Moderate growth	Cyclical downturn
Cash flow from operations	280	365	501	646	841	1,071	1,444	1,681	Growing	Decreasing but remains positive
Capital expenditure	225	476	580	741	1,063	1,240	1,086	1,239	Moderating	Significantly reduced
Sunbelt average fleet growth	-	+9%	+16%	+21%	+29%	+24%	+18%	+17%	Low (<15%)	Flat to declining
Free cash flow	54	(13)	(50)	(51)	(88)	(68)	319	386	Positive	Highly positive
Leverage (absent significant M&A)	2.9x	2.3x	1.9x	1.8x	1.8x	1.7x	1.7x	1.6x	1.5x – 2.0x	Initial increase, subsequent decline
Dividend	3.0p	3.5p	7.5p	11.5p	15.25p	22.5p	27.5p	33.0p	Increasing	Maintained

$1,468M OF AVAILABILITY AT 31 JULY 2018



- Borrowing base reflects July 2017 asset values

DEBT AND COVENANTS

Debt

Facility	Interest rate	Maturity
$3.1bn first lien revolver	LIBOR + 125-175 bps	July 2022
$500m second lien notes	5.625%	October 2024
$600m second lien notes	4.125%	August 2025
$600m second lien notes	5.250%	August 2026
$600m second lien notes	4.375%	August 2027
Capital leases	~7%	Various

Ratings

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

Availability

- Covenants are not measured if availability is greater than $310 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 2018