Looking to the medium term

Full year results | 30 April 2013

Issued: 20 June 2013

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Some of the factors which may adversely impact some of these forward looking statements are discussed in the Group's audited results for the year ended 30 April 2013 under "Principal risks and uncertainties".

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Overview

- Momentum sustained in Q4 with Sunbelt rental revenue up 23%
- Record Group pre-tax profit for the year of £247m (2012: £131m)
- Group EBITDA margins of 38% (2012: 34%)
- £580m of capital invested in the business
- Net debt to EBITDA leverage reduced to 2.0 times (2012: 2.2 times)
- Group RoI of 16% (2012: 12%)
- Proposed final dividend of 6.0p making 7.5p for the year (2012: 3.5p)

Suzanne Wood

Finance director

Q4 Group revenue and profit

(£m)	Q4 2013	Q4 2012	Q4 Change[1]
Revenue	**348**	**288**	**17%**
- of which rental	307	246	21%
Operating costs	(225)	(199)	10%
EBITDA	**123**	**89**	**34%**
Depreciation	(60)	(51)	15%
Operating profit	**63**	**38**	**58%**
Net interest	(11)	(12)	-19%
Profit before tax and amortisation	**52**	**26**	**95%**
Earnings per share (p)	**7.0**	**4.0**	**71%**
Margins			
- EBITDA	*35%*	*31%*	
- Operating profit	*18%*	*13%*	

[1] At constant exchange rates

[2] The results in the table above are the Group's underlying results and are stated before exceptionals, intangible amortisation and fair value remeasurements

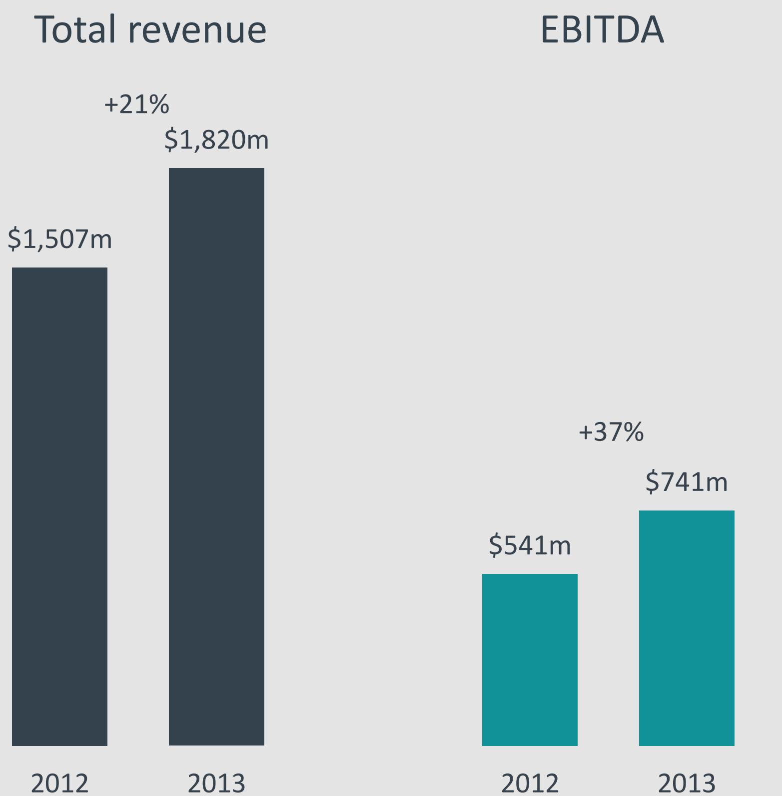
Ashtead group

Full year Group revenue and profit

(£m)	FY 2013	FY 2012	Change[1]
Revenue	**1,362**	**1,135**	**19%**
- of which rental	1,206	1,006	19%
Operating costs	(843)	(754)	11%
EBITDA	**519**	**381**	**35%**
Depreciation	(229)	(200)	14%
Operating profit	**290**	**181**	**58%**
Net interest	(43)	(50)	-15%
Profit before tax and amortisation	**247**	**131**	**87%**
Earnings per share (p)	**31.6**	**17.3**	**80%**
Margins			
- EBITDA	*38%*	*34%*	
- Operating profit	*21%*	*16%*	

[1] At constant exchange rates
[2] The results in the table above are the Group's underlying results and are stated before exceptionals, intangible amortisation and fair value remeasurements

Full year divisional results – Sunbelt



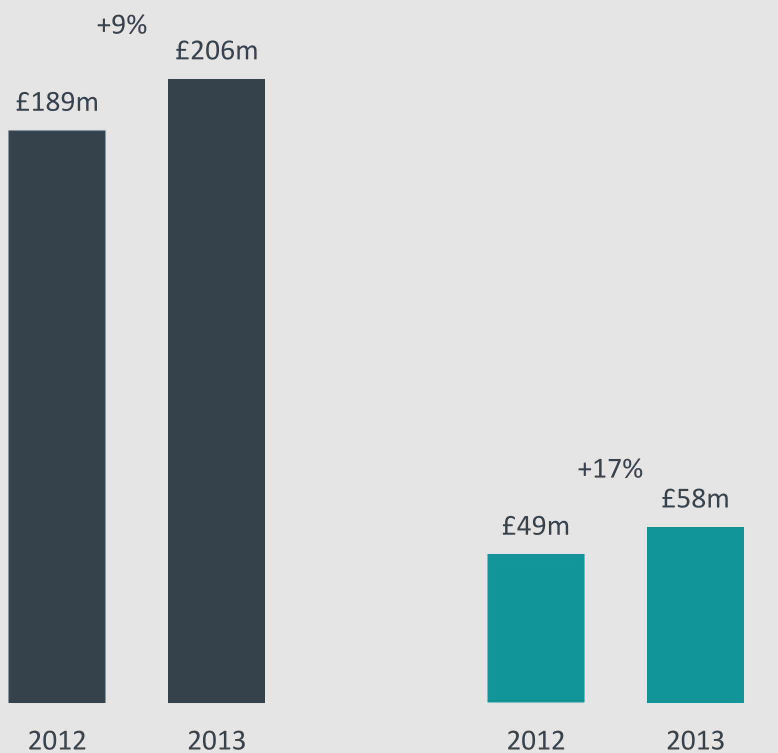
Margins: 36% 41%

	Revenue bridge	
	Change	($m)
2012 rental revenue		1,335
Change – Volume	+13%	180
– Yield	+7%	96
2013 rental revenue		1,611
Sales revenue		209
2013 total revenue		**1,820**

	EBITDA bridge	
	Change	($m)
2012 EBITDA		541
Rental revenue increase	+21%	276
Operating cost increase	+11%	(91)
Increase in profit on sale of fixed assets		15
2013 EBITDA		**741**

Full year results – A-Plant

Total revenue / EBITDA



Margins: 26% 28%

	Revenue bridge	
	Change	(£m)
2012 rental revenue		168
Change – Volume	+11%	18
– Yield	-2%	(3)
2013 rental revenue		183
Sales revenue		23
2013 total revenue		**206**

	EBITDA bridge	
	Change	(£m)
2012 EBITDA		49
Rental revenue increase	+9%	15
Operating cost increase	+7%	(8)
Increase in profit on sale of fixed assets		2
2013 EBITDA		**58**

Cash flow

Significant reinvestment in our rental fleet

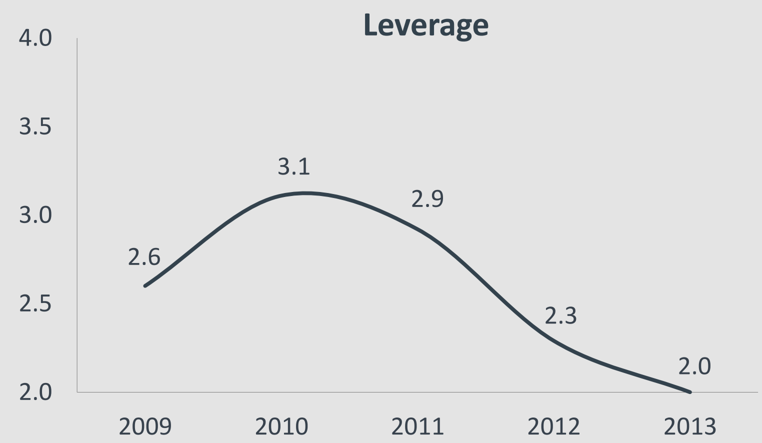
(£m)	2013	2012	Change
EBITDA before exceptional items	519	381	+36%
Cash conversion ratio[1]	97%	96%	
Cash inflow from operations[2]	**501**	**365**	**+37%**
Payments for capital expenditure	(583)	(408)	
Rental equipment and other disposal proceeds received	96	90	
	(487)	(318)	
Interest and tax paid	(48)	(57)	
Exceptional costs paid	(16)	(3)	
Free cash flow	**(50)**	**(13)**	
Business acquisitions	(34)	(22)	
Dividends paid	(20)	(15)	
Purchase of own shares by the ESOT	(10)	(3)	
Increase in net debt	**(114)**	**(53)**	

[1] Cash inflow from operations as a percentage of EBITDA
[2] Before fleet changes and exceptionals

Net debt and leverage

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

(£m)	April 2013	April 2012
Net debt at 30 April	**854**	**776**
Translation impact	39	21
Opening debt at closing exchange rates	**893**	**797**
Change from cash flows	114	53
Non-cash movements	7	4
Net debt at period end	**1,014**	**854**
Comprising:		
First lien senior secured bank debt	716	540
Second lien secured notes	315	334
Finance lease obligations	3	3
Cash in hand	(20)	(23)
Total net debt	**1,014**	**854**
Net debt to EBITDA leverage (x)	**2.0**	**2.2**

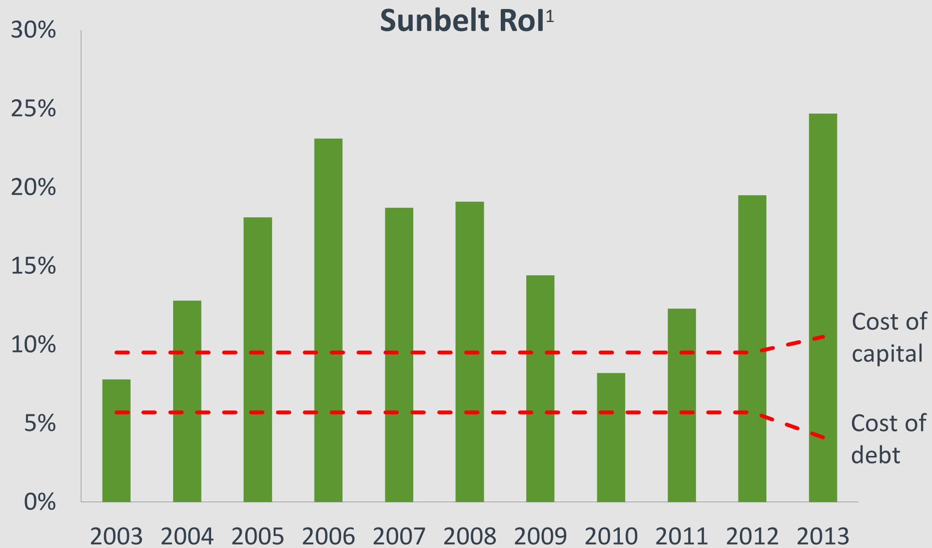


Interest

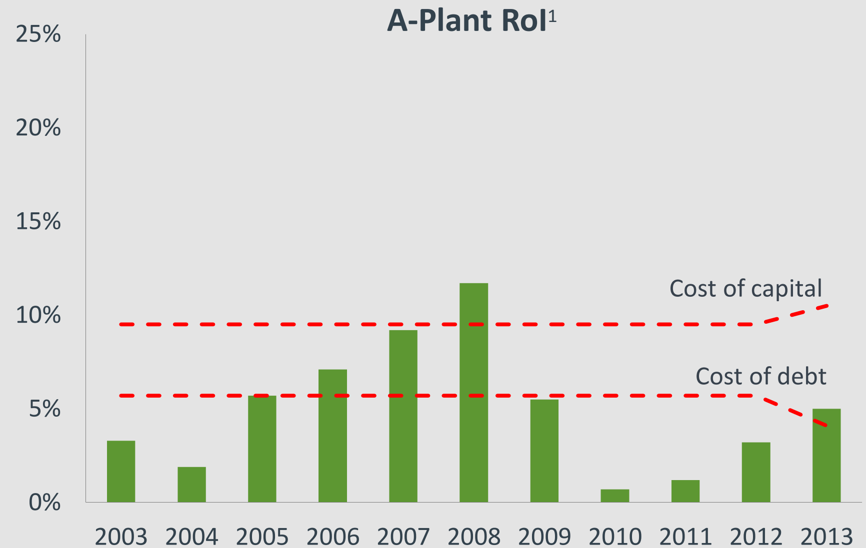
Floating rate: 69%

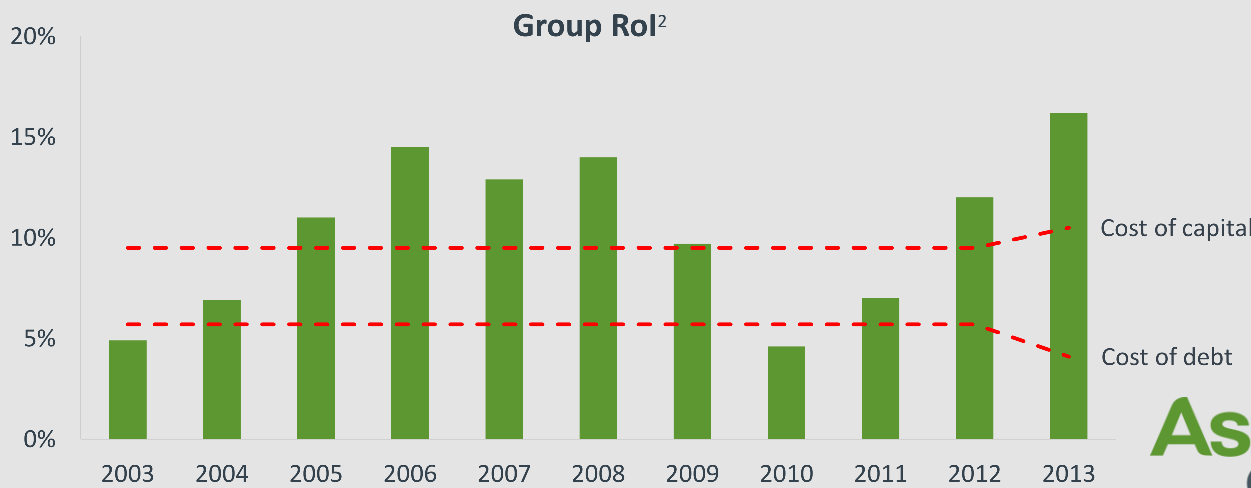
Fixed rate: 31%

Strong RoI pre cyclical recovery



[1] Excluding goodwill





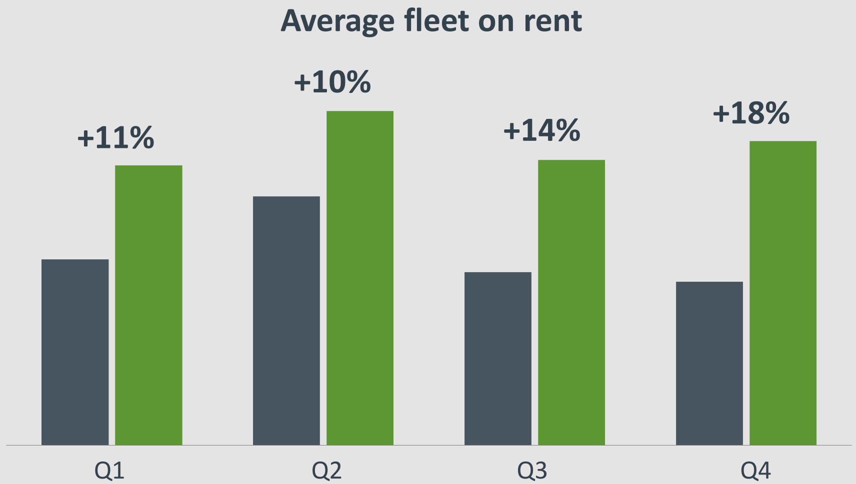
[2] Including goodwill

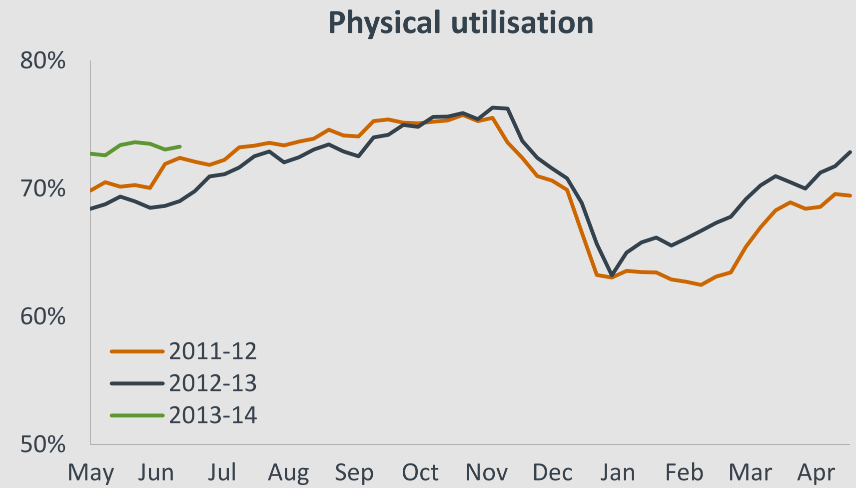
Geoff Drabble

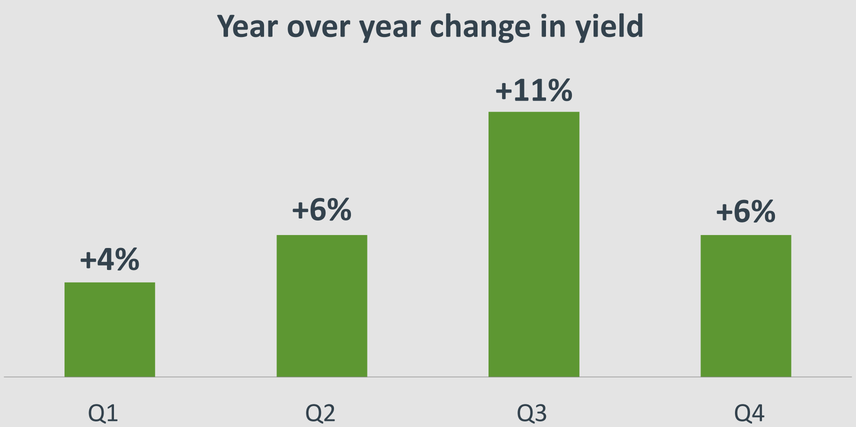
Chief executive

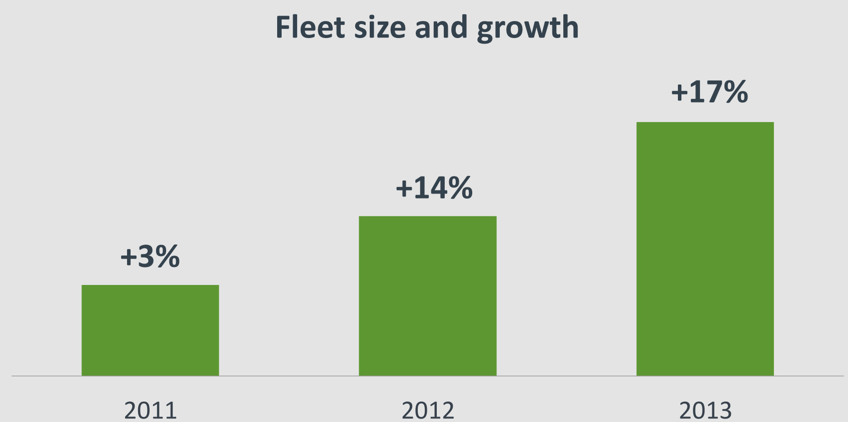
Sunbelt revenue drivers

Continuation of strong performance in both volume and yield









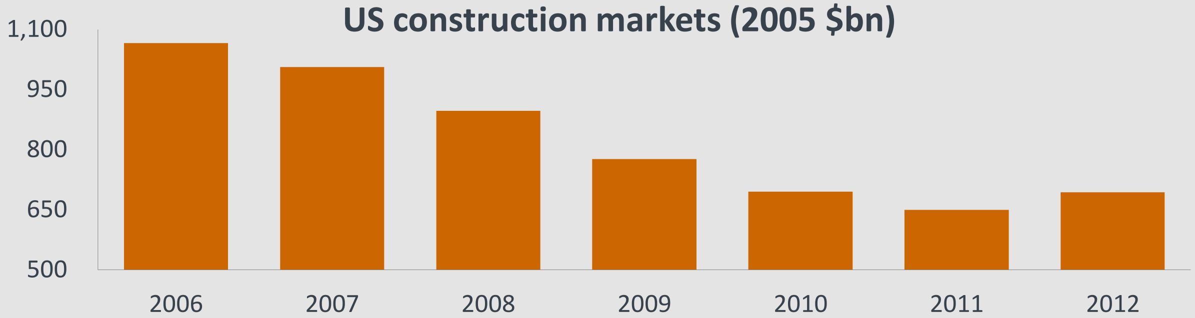
Key growth drivers over the longer term

Good long term potential for growth

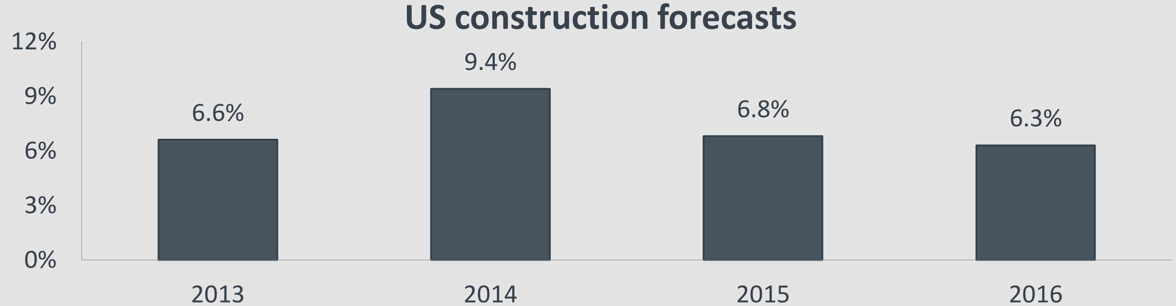
	Current position	Potential
Cyclical recovery	Construction at historically low levels	+50%
Market share gains	Market share grown to 6% Strong growth momentum and best balance sheet in industry provides much more potential	+100%
Shift to rental	Rental penetration has risen to 50% Longer term potential 60%+	+20%

Cyclical recovery

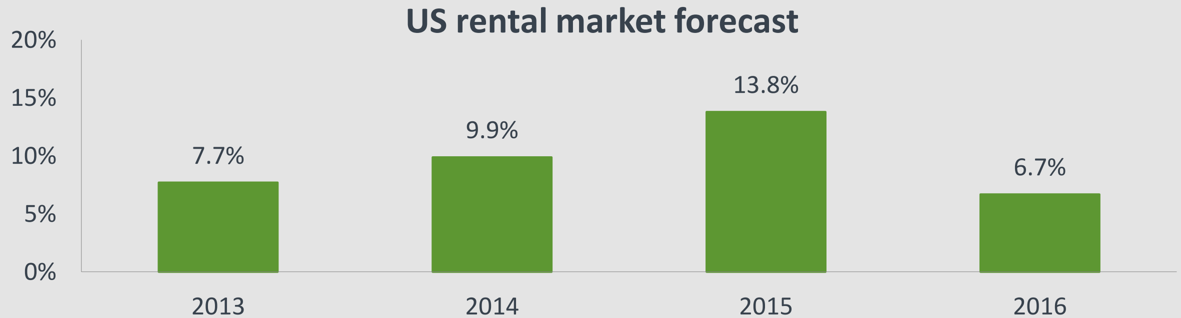
Still at very early stages of recovery



Source: Maximus Advisors



Source: Maximus Advisors



Source: IHS Global Insight

Will we get back to previous peaks of construction?

	2006 $bn	Base	2012 actual % of base	2017 forecast % of base
Total construction	1,167	100	73	102
Total building:	962	100	60	91
- Residential	623	100	45	79
- Non-residential	339	100	88	111
Infrastructure	205	100	132	154

Source: Maximus Advisors

Building square footage

(Millions of square feet)	2006	Base	2012 actual % of base	2017 forecast % of base
Total building	5,281	100	42	77
- Residential	3,646	100	40	77
- Non-residential	1,635	100	46	76

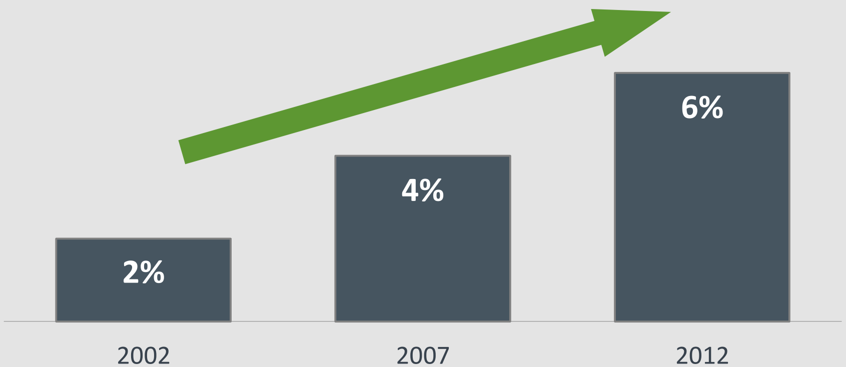
Source: McGraw Hill

Ashtead group

Market share gains

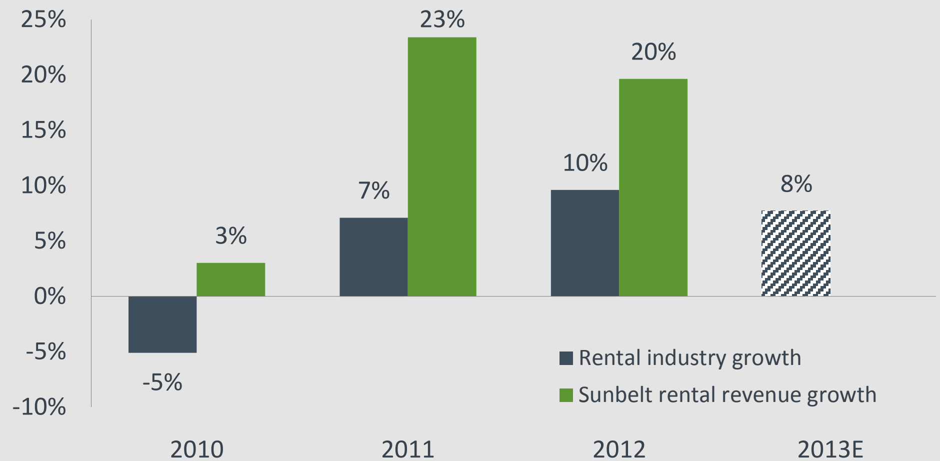
Well placed to take advantage of favourable market conditions

US market share



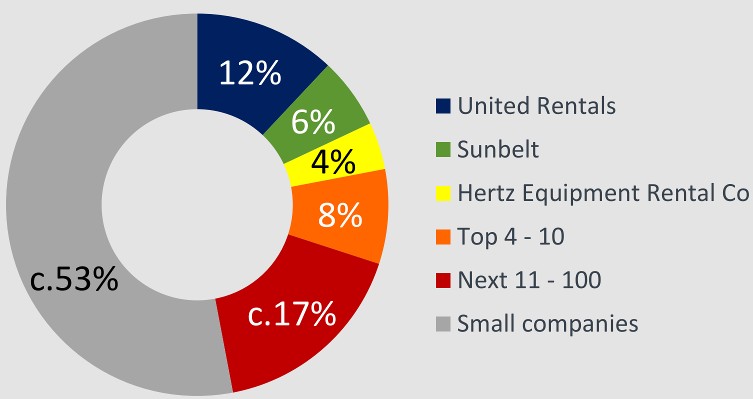
Source: Management estimates

Revenue growth vs. market



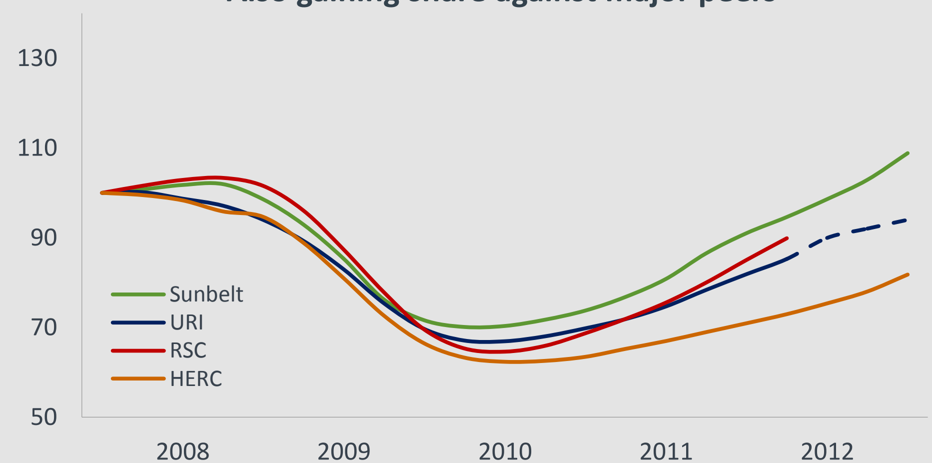
Source; IHS Global Insight / Management information

Benefitting from a fragmented market



Source: RER / IHS Global Insight

Also gaining share against major peers

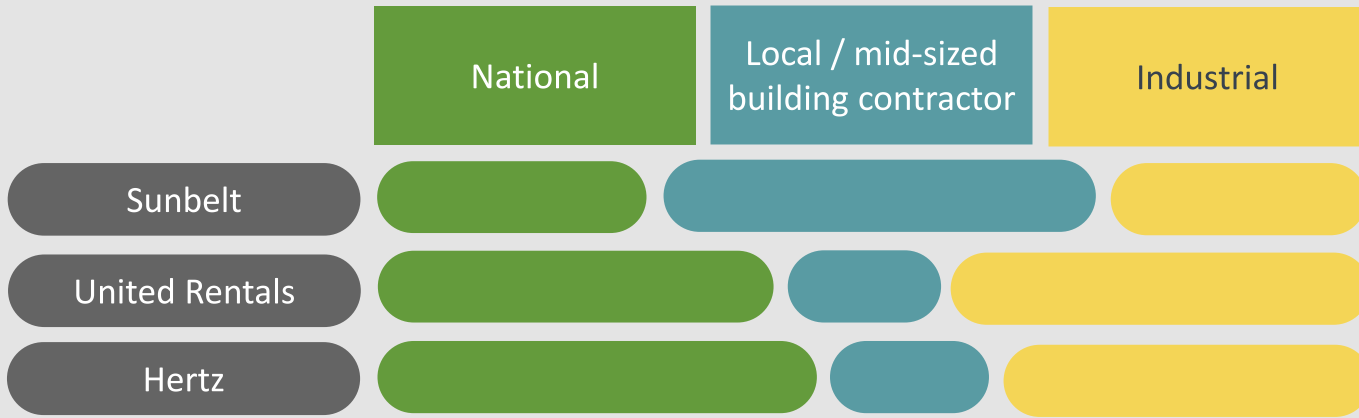


Note: Rental revenue index based on LTM rental revenue

Market share gains

A more detailed look at current trends

Customer mix



Major success in our targeted market

	Accounts opened in year	Revenue in the year
Totally new	24,609	$80m

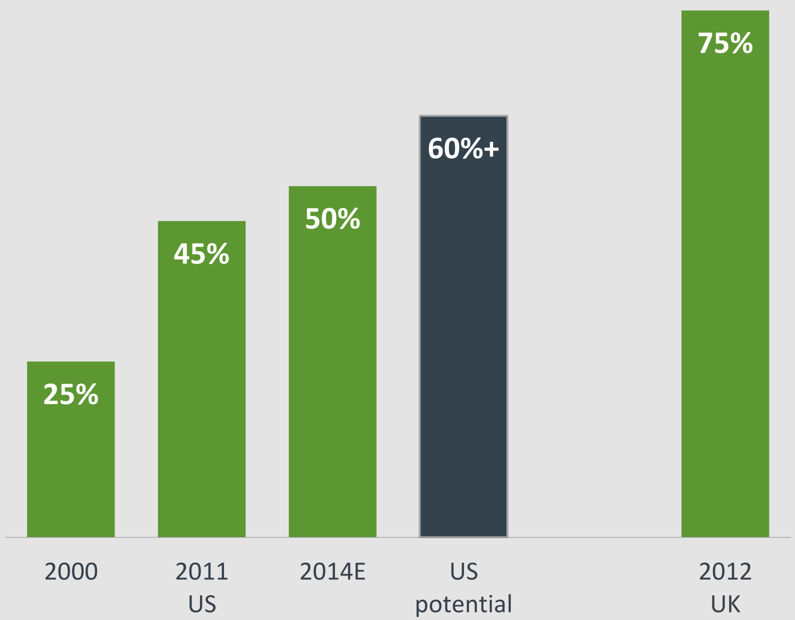
Greenfield / small bolt-on opportunity

No of new locations in 2012/13	23
True greenfields	17
Bolt-ons	6
Further greenfield / bolt-ons in 2013/14	30 - 40
Overall target remains an additional	100

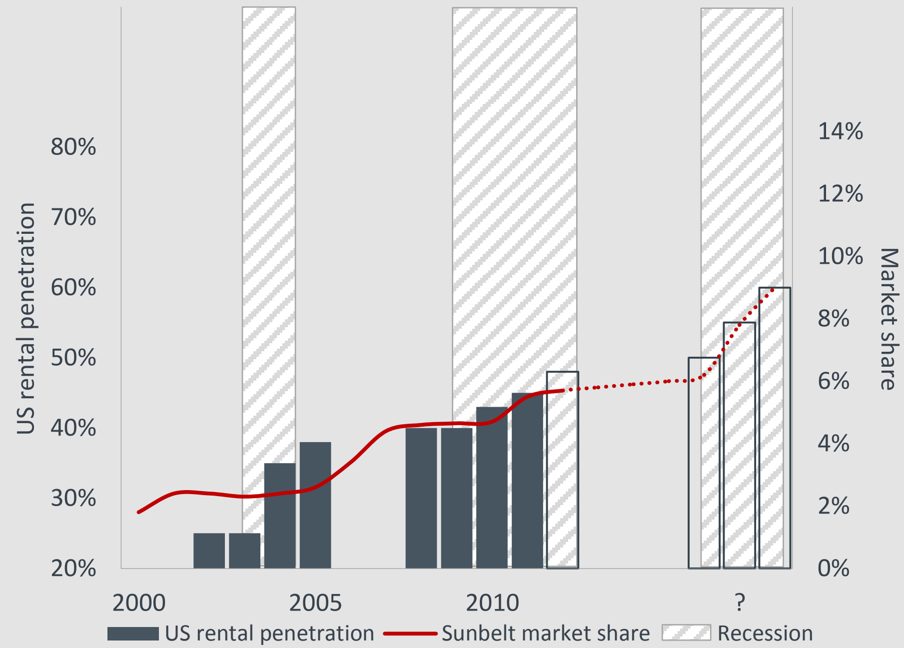
Shift to rental

Further opportunity exists but pace slows during recovery

Rental penetration

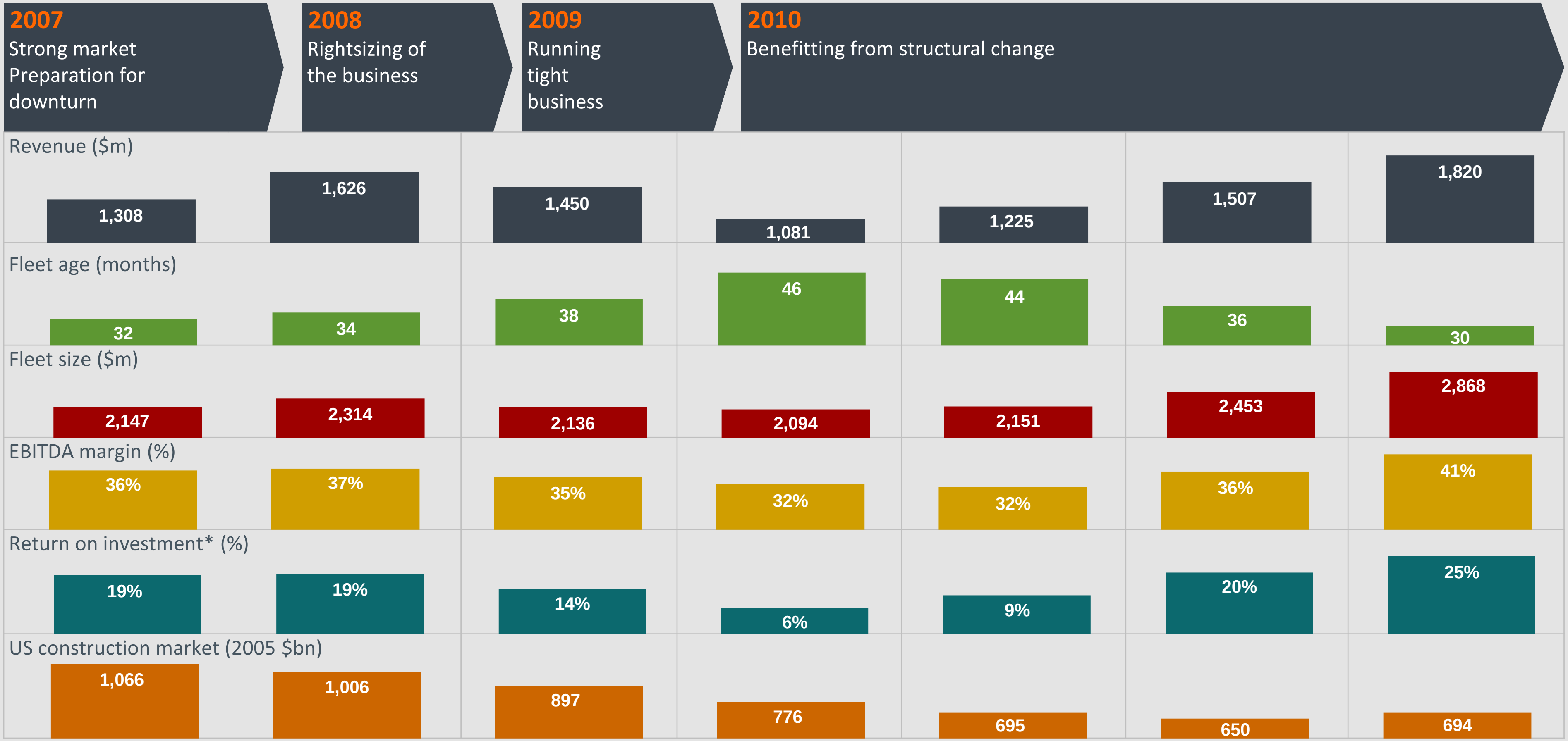


Development of US rental penetration



Source: Kaplan Associates / Management estimates

Performance through the cycle



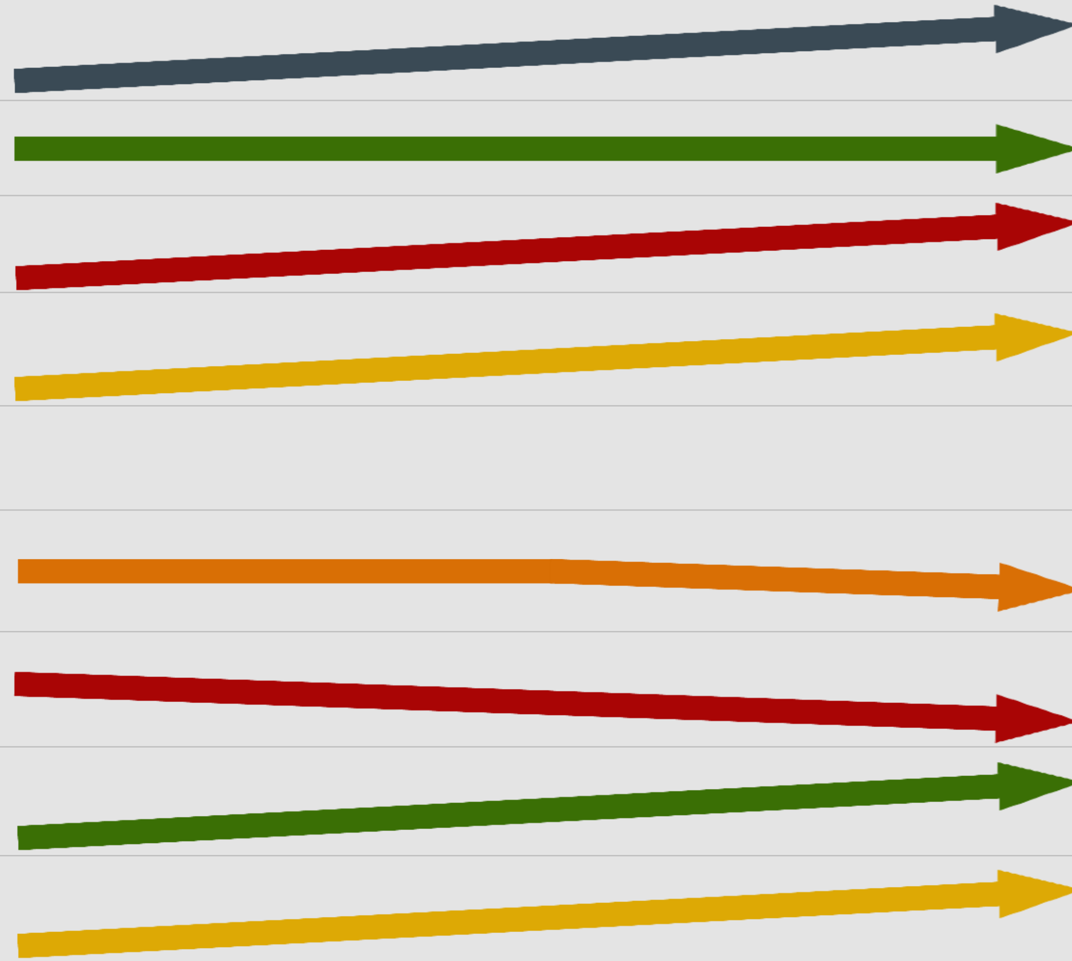
* Excluding goodwill

Performance through the cycle

	2012/13
Sunbelt	
Revenue ($m)	1,820
Fleet age (months)	30
Fleet size ($m)	2,868
EBITDA margin (%)	41%

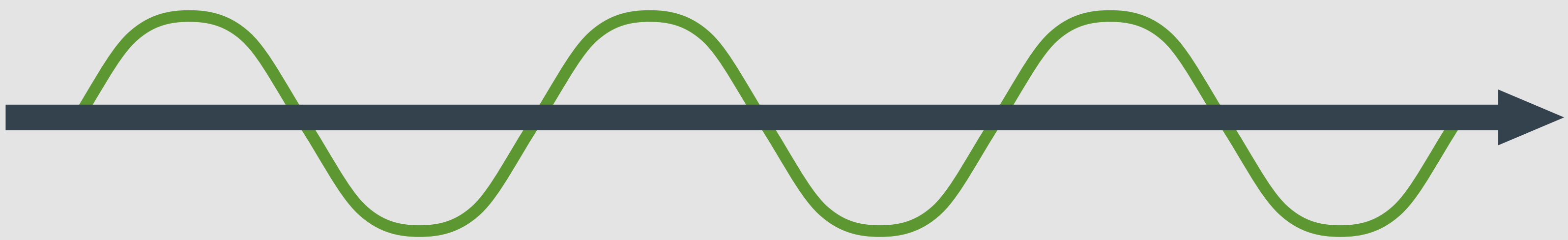
	2012/13
Group	
Debt (£m)	1,028
Leverage	2.0x
Return on investment (%)	16%
Dividend per share (p)	8

2013/14 onwards



Market ready for cyclical and secular growth

Traditional view of cyclical business

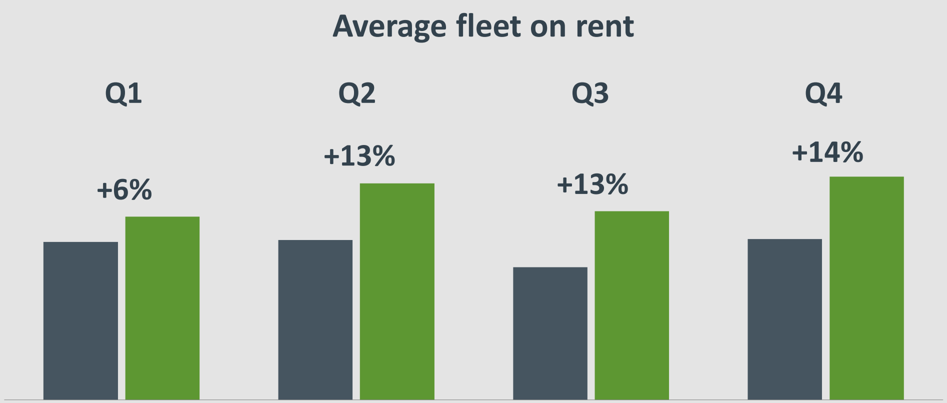


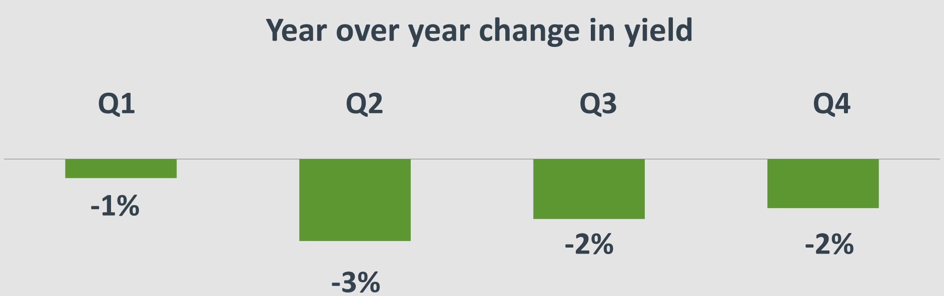
Our view of our business reflecting structural changes

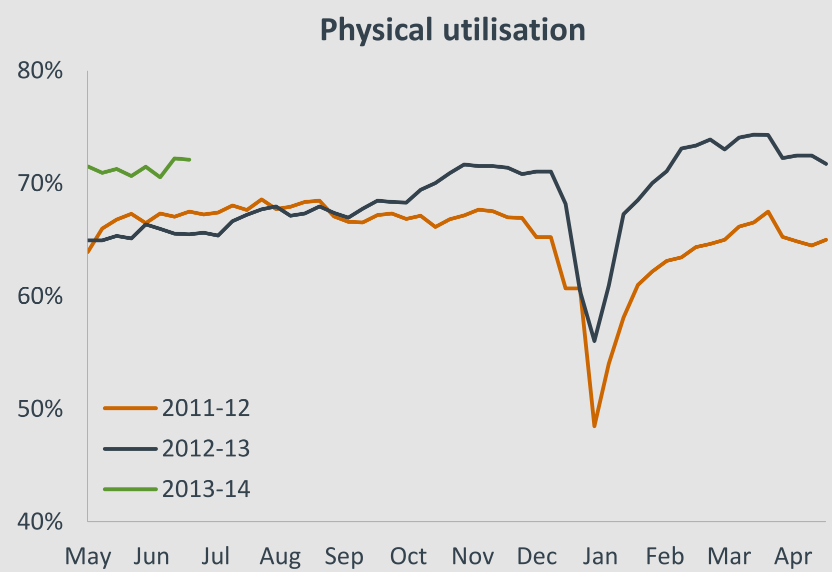
Ashtead group

A-Plant revenue drivers

Continue to gain share although pricing remains difficult







A-Plant financial summary

Progress being made

	2013	2012	% change
Revenue (£m)	206	189	+9%
EBITDA (£m)	58	50	+17%
EBITA (£m)	12	7	+69%
RoI	5.0%	3.2%	

- Market positions and group financial strength supports further progress

Summary

- With this momentum we now anticipate 2013/14 profits ahead of our earlier expectations
- We are well-placed to see further growth over the medium term from either continued structural change or end market recovery
- With a broad range of metrics already at record levels at this stage in the cycle, together with a strong balance sheet to support medium term growth opportunities, the Board looks forward with confidence

Appendices

Divisional performance – Q4

	Revenue			EBITDA			Profit		
	2013	2012	Change[1]	2013	2012	Change[1]	2013	2012	Change[1]
Sunbelt ($m)	452	377	+20%	170	124	+37%	95	61	+55%
Sunbelt (£m)	295	237	+24%	111	78	+42%	63	38	+62%
A-Plant	53	51	+4%	14	13	+11%	3	2	+71%
Group central costs	-	-		(3)	(2)	+23%	(3)	(2)	+22%
	348	**288**	**+21%**	**122**	**89**	**+38%**	**63**	**38**	**+65%**
Net financing costs							(11)	(12)	-16%
Profit before tax, amortisation and remeasurements							**52**	**26**	**+104%**
Amortisation and remeasurements							(2)	6	
Profit before taxation							**50**	**32**	**+57%**
Taxation							(16)	(8)	+93%
Profit after taxation							**34**	**24**	**+45%**
Margins									
- Sunbelt				*38%*	*33%*		*21%*	*16%*	
- A-Plant				*27%*	*25%*		*6%*	*4%*	
- Group				*35%*	*31%*		*18%*	*13%*	

[1] As reported

Divisional performance – twelve months

	Revenue			EBITDA			Profit		
	2013	2012	Change[1]	2013	2012	Change[1]	2013	2012	Change[1]
Sunbelt ($m)	1,820	1,507	+21%	741	541	+37%	452	290	+56%
Sunbelt (£m)	1,156	946	+22%	470	339	+39%	287	182	+58%
A-Plant	206	189	+9%	58	50	+17%	12	7	+69%
Group central costs	-	-		(9)	(8)	+18%	(9)	(8)	+17%
	1,362	**1,135**	**+20%**	**519**	**381**	**+36%**	**290**	**181**	**+60%**
Net financing costs							(43)	(51)	-14%
Profit before tax, exceptionals, amortisation and remeasurements							**247**	**131**	**+89%**
Exceptionals, amortisation and remeasurements							(31)	(4)	
Profit before taxation							**216**	**135**	**+60%**
Taxation							(77)	(47)	+66%
Profit after taxation							**139**	**89**	**+57%**
Margins									
- Sunbelt				*41%*	*36%*		*25%*	*19%*	
- A-Plant				*28%*	*26%*		*6%*	*4%*	
- Group				*38%*	*34%*		*21%*	*16%*	

[1] As reported

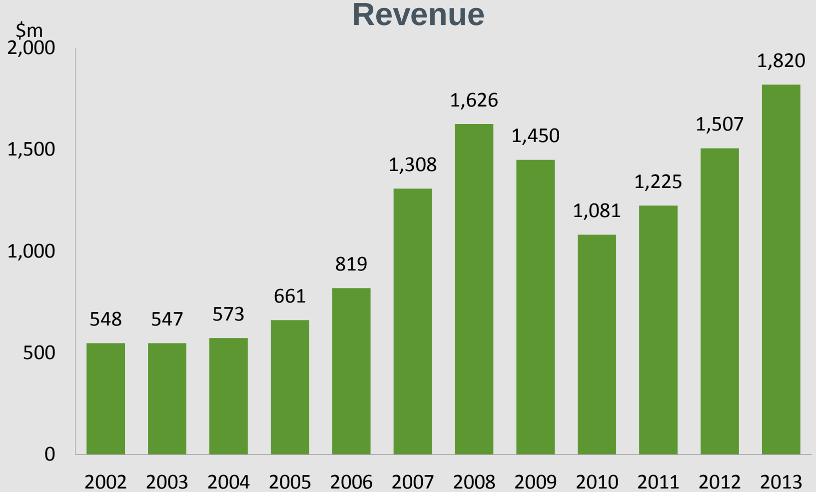
Margins continue to improve

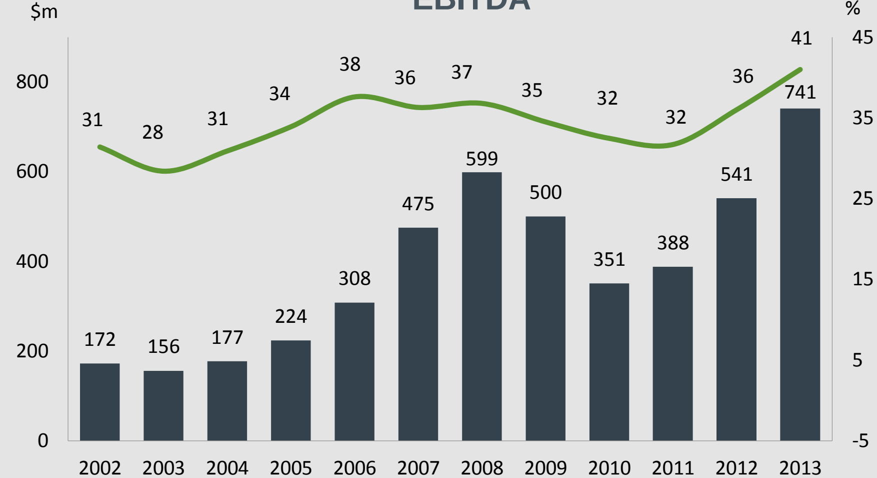
US margins have exceeded the previous peak with substantial opportunity for future earnings growth and margin expansion

Revenue

EBITDA

Sunbelt

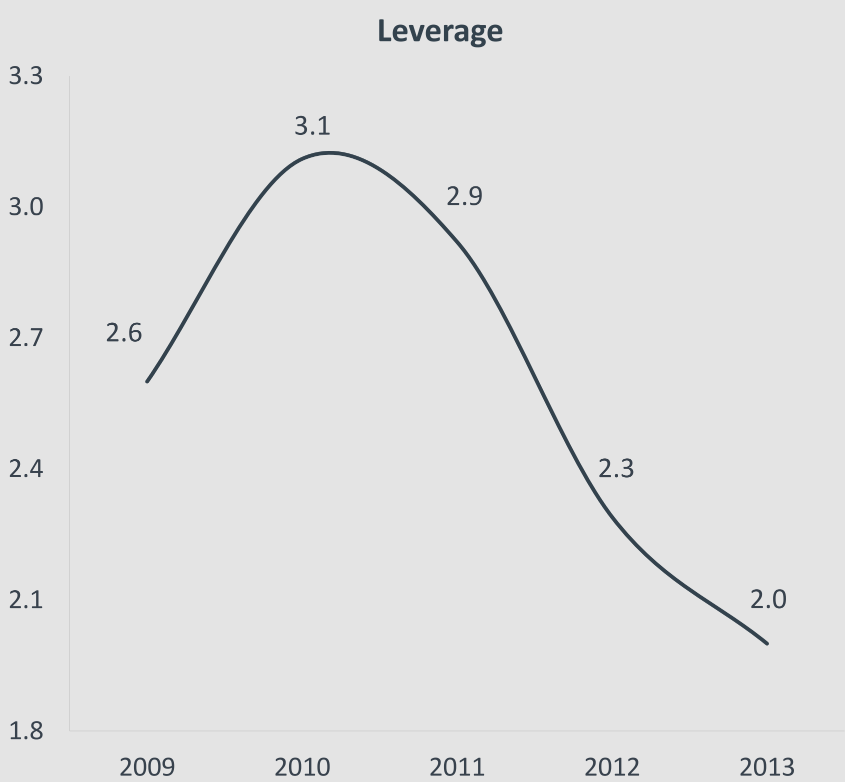


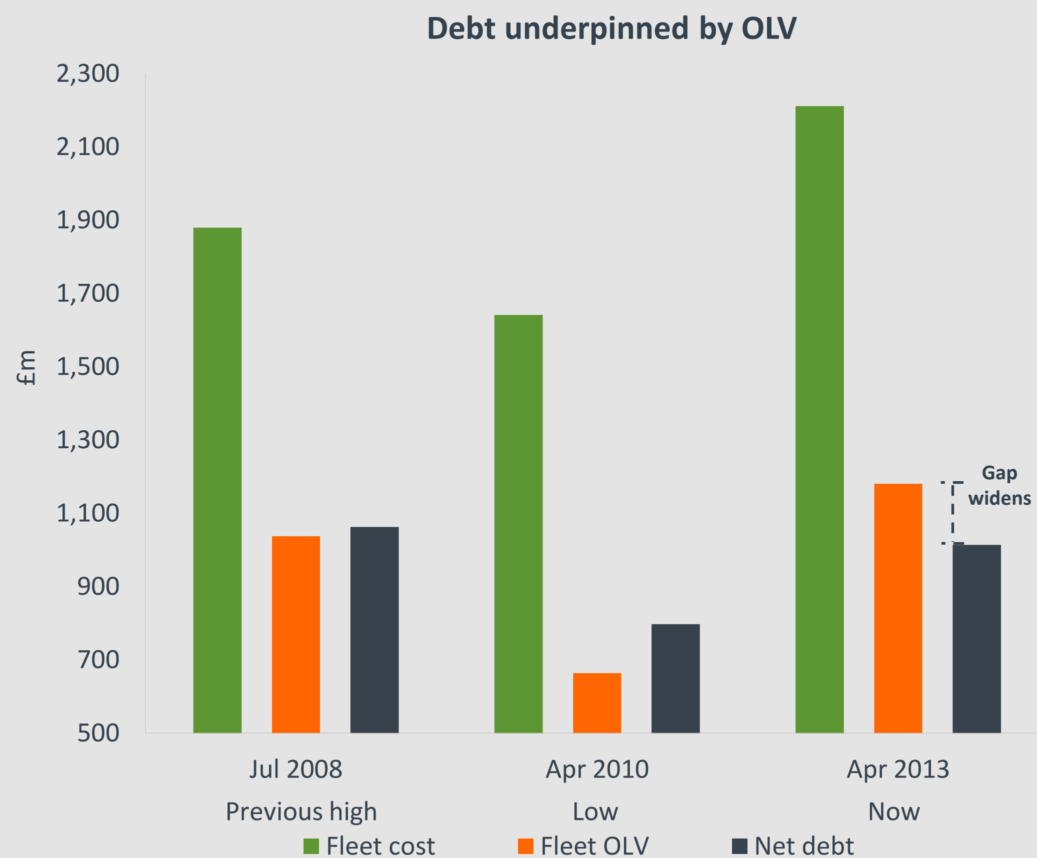


A-Plant

Financial strength

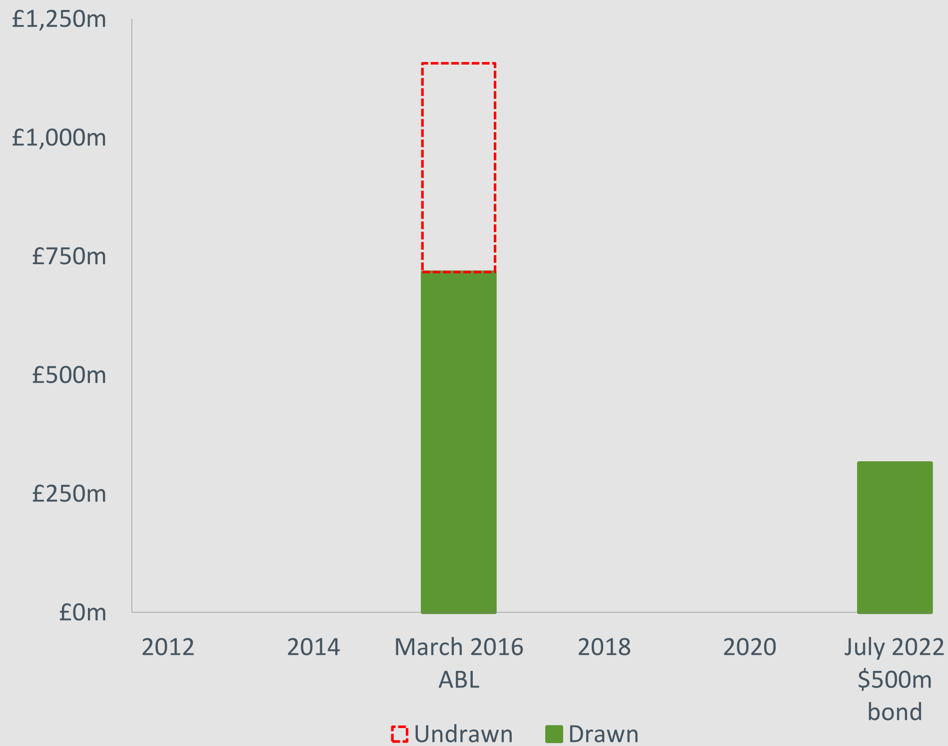
Growth potential is underpinned by the financial strength of the business





Note: At constant exchange rates

Robust debt structure with substantial capacity to fund further growth



- 4.9 year average remaining commitment
- No amortisation
- No financial monitoring covenants
  - whilst availability exceeds $216m (Apr 2013 : $667m)

Cash flow funds organic fleet growth

(£m)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EBITDA before exceptional items	**519**	**381**	**284**	**255**	**359**	**380**	**310**	**225**	**170**	**147**	**150**
EBITDA margin	38%	34%	30%	30%	33%	38%	35%	35%	32%	29%	28%
Cash inflow from operations before fleet changes and exceptionals	**501**	**365**	**280**	**266**	**374**	**356**	**319**	**215**	**165**	**140**	**157**
Cash conversion ratio	97%	96%	99%	104%	104%	94%	97%	96%	97%	95%	105%
Maintenance capital expenditure	(329)	(273)	(203)	(43)	(236)	(231)	(245)	(167)	(101)	(83)	(89)
Disposal proceeds	96	90	60	31	92	93	78	50	36	32	29
Interest and tax	(48)	(57)	(71)	(54)	(64)	(83)	(69)	(41)	(31)	(33)	(40)
Growth capital expenditure	(254)	(135)	-	-	-	(120)	(63)	(63)	(10)	-	(18)
Dividends paid	(20)	(15)	(15)	(13)	(13)	(10)	(7)	(2)	-	-	(9)
Cash available to fund debt pay down or M&A	**(54)**	**(25)**	**51**	**187**	**153**	**5**	**13**	**(8)**	**59**	**56**	**30**

- Healthy EBITDA margins ensure significant top line cash generation throughout the cycle
- Cash from operations funds organic growth investment, tax, interest and dividends
- Historically, debt has only increased at times of large scale M&A

Ashtead group

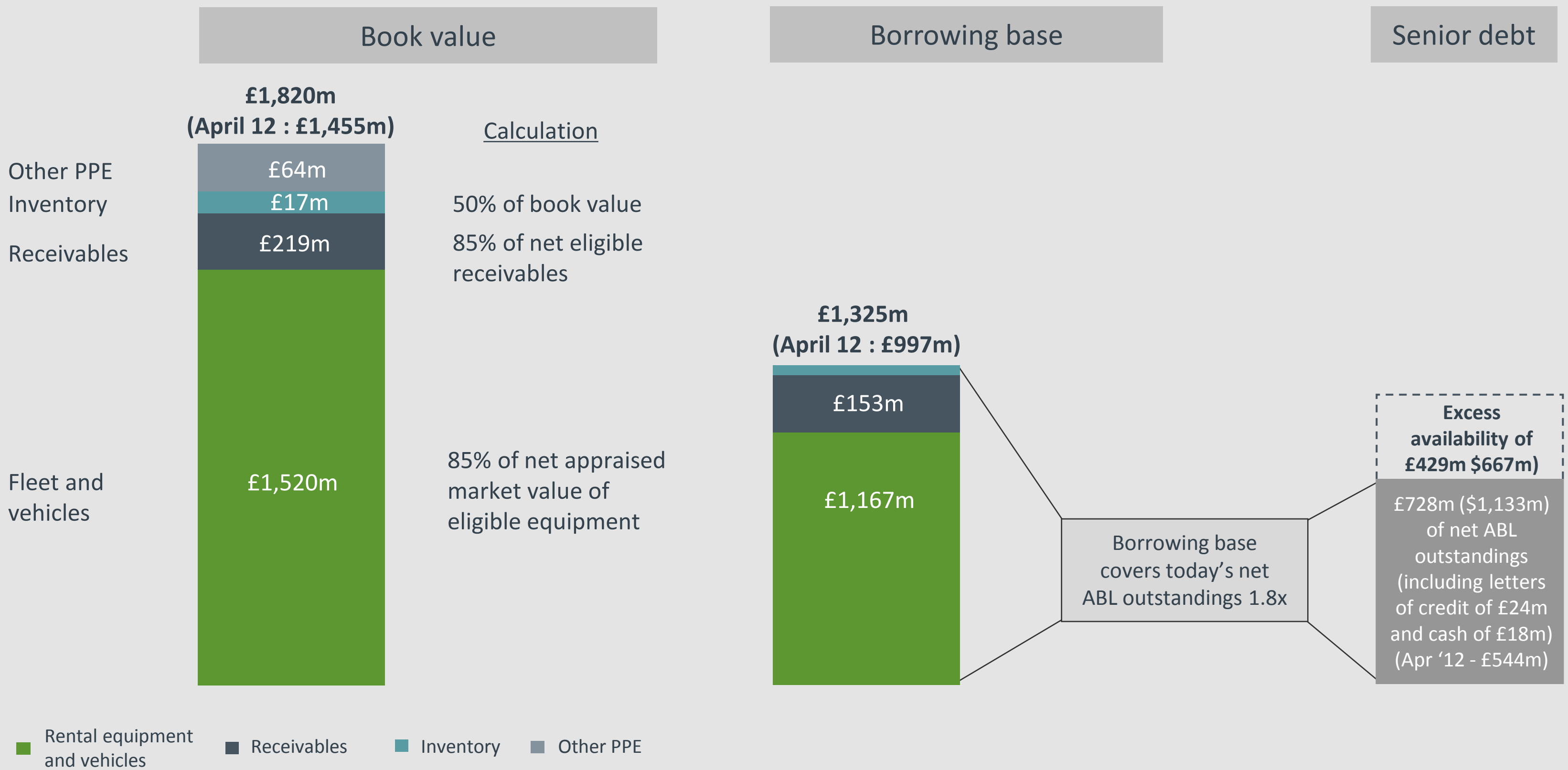
Benefit of fleet de-ageing about to be reflected in cash flow

We do not only generate cash in the downturn

Cash flows (£m)	2010	2011	2012	2013	Going forward
EBITDA	255	284	381	519	?
Maintenance capex	43	203	272	329	260
Growth capital	-	-	135	254	?
Gross capex	43	203	408	583	?
Fleet age (no of months)	+8	-2	-7	-5	Flat
Fleet at cost	-2%	+3%	+14%	+14%	?

- Typically circa 95% cash conversion of EBITDA
- Disposal proceeds broadly match interest and dividends
- 10-15% growth in fleet possible with organic cash generation

$667m of availability at 30 April 2013 (April 12: $516m)



- Borrowing base reflects January 2013 asset values

Debt and covenants

Debt

Facility	Interest rate	Maturity
$1.8bn first lien revolver	LIBOR +200-250bp	March 2016
$500m second lien notes	6.5%	July 2022
Capital leases	~7%	Various

Ratings

	S&P	Moody's
Corporate family	BB	Ba3
Second lien	BB-	B2

Availability

- Covenants are not measured if availability is above $216m

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 April 2013

Fixed charge coverage covenant

- EBITDA less net cash capex to interest paid, tax paid, dividends paid and debt amortisation must equal or exceed 1.1x
- Less than 1.1x at April 2013