Looking to the medium term

First quarter results | 31 July 2013

Issued: 4 September 2013

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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 18–19 of the Group's Annual Report and Accounts for the year ended 30 April 2013 and in the unaudited results for the third quarter ended 31 July 2013 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

- Strong momentum continues in the business with rental revenue growth[1] of 26% in the quarter
- Record Q1 pre-tax profit of £99m (2012: £61m)
- Group EBITDA margins rise to 43% (2012: 40%)
- Group RoI of 17% (2012: 13%)
- Net debt to EBITDA leverage of 2.1 times (2012: 2.4 times)
- Continue to focus on organic growth with £279m (2012: £223m) of capital expenditure
- Senior debt facility increased to $2bn and extended to August 2018 at lower cost

[1] At constant exchange rates

Q1 Group revenue and profit

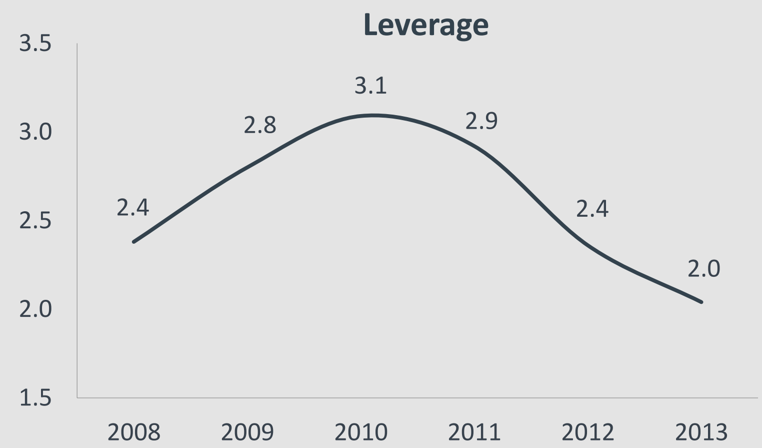
(£m)	Q1 2013	Q1 2012[1]	Q1 Change[2]
Revenue	**411**	**325**	**24%**
- of which rental	373	289	26%
Operating costs	(234)	(196)	17%
EBITDA	**177**	**129**	**34%**
Depreciation	(67)	(55)	17%
Operating profit	**110**	**74**	**46%**
Net interest	(11)	(13)	-16%
Profit before tax and amortisation	**99**	**61**	**59%**
Earnings per share (p)	**12.4**	**7.7**	**57%**
Margins			
- EBITDA	*43%*	*40%*	
- Operating profit	*27%*	*23%*	

1. Prior year figures restated for the adoption of IAS 19 'Employee Benefits' (revised)
2. At constant exchange rates
3. The results in the table above are the Group's underlying results and are stated before exceptionals, intangible amortisation and fair value remeasurements

Net debt and leverage

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

(£m)	July 2013	July 2012
Net debt at 30 April	**1,014**	**854**
Translation impact	28	32
Opening debt at closing exchange rates	**1,042**	**886**
Change from cash flows	143	97
Non-cash movements	2	5
Net debt at period end	**1,187**	**988**
Comprising:		
First lien senior secured bank debt	865	679
Second lien secured notes	323	312
Finance lease obligations	3	4
Cash in hand	(4)	(7)
Total net debt	**1,187**	**988**
Net debt to EBITDA leverage (x)	**2.1**	**2.4**



At constant (July 2013) exchange rates

Interest

Floating rate: 73%

Fixed rate: 27%

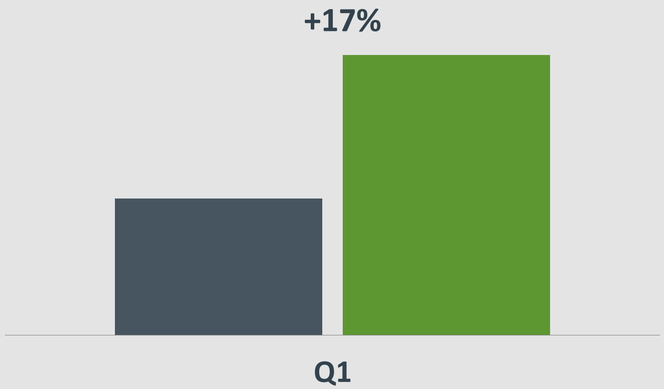
Summary of ABL Changes

	Prior Facility	Amended Facility
Facility size:	\$1.8 billion	\$2 billion
Maturity:	March 2016	August 2018
Pricing:	Interest rate is LIBOR plus 200-250bp based on leverage; currently at lowest pricing tier	Interest rate is LIBOR plus 175-225bp based on leverage; currently at lowest pricing tier
Availability at 31 July 2013:	\$457m	\$657m
Financial Covenants:	Not measured if availability is above \$216m • Fixed Charge Coverage Ratio of ≥ 1.1x • Total Leverage Ratio of ≤ 4.0x	Not measured if availability is above \$200m • Fixed Charge Coverage Ratio of ≥ 1.0x • Total Leverage Ratio of ≤ 4.0x

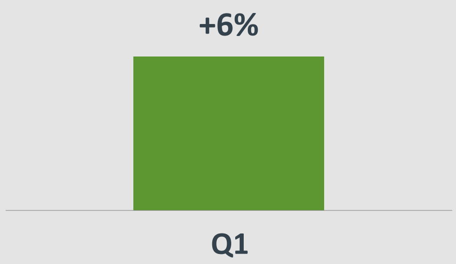
Sunbelt revenue drivers

Continuation of strong performance in both volume and yield

Average fleet on rent



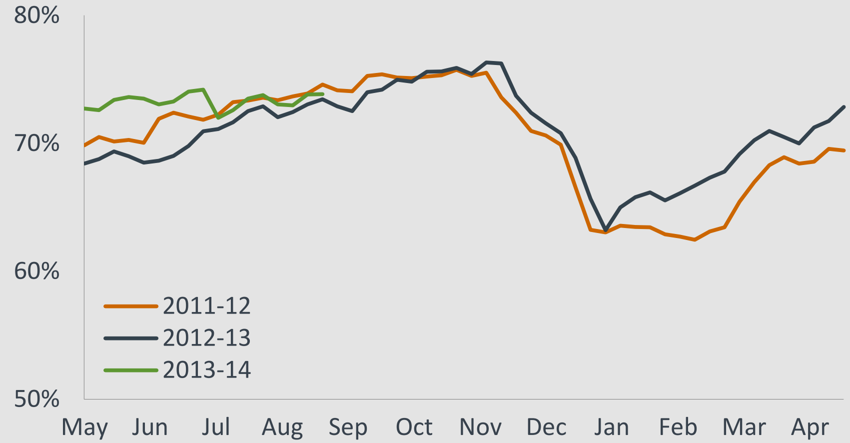
Year over year change in yield



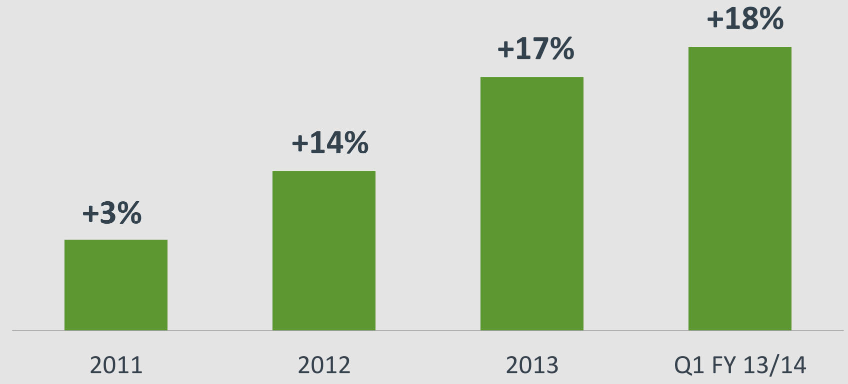
EBITDA drop through

63%

Physical utilisation



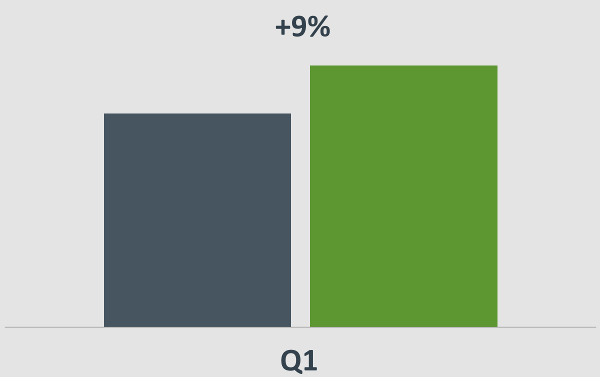
Fleet size and growth



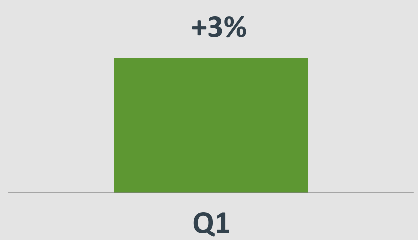
A-Plant revenue drivers

Rental revenue growth of 35% benefitted from acquisitions – 12% excluding acquisitions

Average fleet on rent



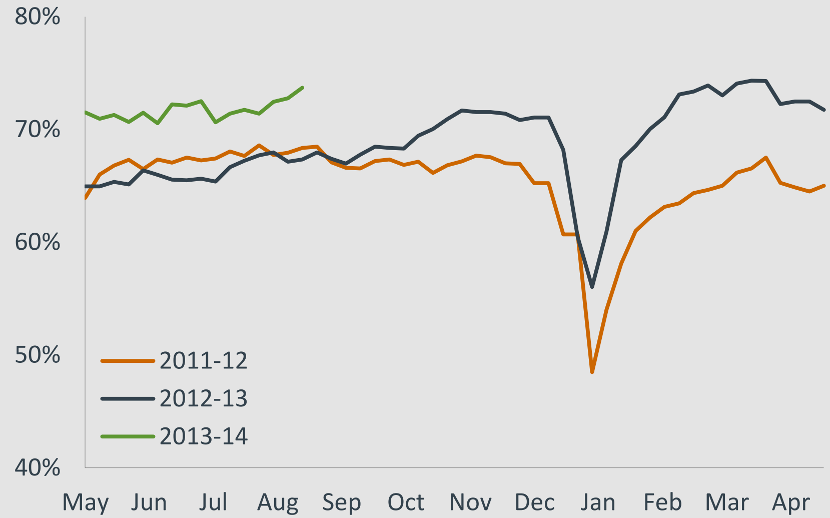
Year over year change in yield



EBITDA drop through

60%

Physical utilisation



Note: Amounts exclude acquisitions

Summary

- A strong first quarter with growth in rental revenue driven by both increased fleet on rent and yield improvement

- Focus on operational efficiency resulting in improvements in both margin and return on investment

- We continue to manage the cycle effectively as evidenced by both the on going fleet growth and the ABL refinancing. These actions have positioned us well for further growth in both the short and medium term

- The Board anticipates a full year result ahead of its earlier expectations

Appendices

Divisional performance – Q1

	Revenue			EBITDA			Profit		
	2013	2012	change[1]	2013	2012[2]	change[1]	2013	2012[2]	change[1]
Sunbelt ($m)	526	432	+22%	243	184	+32%	161	114	+40%
Sunbelt (£m)	344	275	+25%	159	117	+36%	104	73	+44%
A-Plant	67	50	+34%	20	14	+42%	8	3	+168%
Group central costs	-	-		(2)	(2)	+19%	(2)	(2)	+19%
	411	**325**	**+26%**	**177**	**129**	**+37%**	**110**	**74**	**+50%**
Net financing costs							(11)	(13)	-14%
Profit before tax and amortisation							**99**	**61**	**+63%**
Exceptionals and Amortisation							(2)	(26)	-
Profit before taxation							**97**	**35**	**+181%**
Taxation							(36)	(13)	+197%
Profit after taxation							**61**	**22**	**+172%**
Margins									
- Sunbelt				*46%*	*42%*		*31%*	*26%*	
- A-Plant				*31%*	*29%*		*12%*	*6%*	
- Group				*43%*	*40%*		*27%*	*23%*	

1. At constant exchange rates
2. Prior year figures restated for the adoption of IAS 19 'Employee Benefits' (revised)

Ashtead group

Divisional performance – LTM

	Revenue			EBITDA			Profit		
	2013	2012	change[1]	2013	2012[2]	change[1]	2013	2012[2]	change[1]
Sunbelt ($m)	1,914	1,578	+21%	801	590	+36%	499	330	+51%
Sunbelt (£m)	1,224	999	+23%	513	374	+37%	320	209	+53%
A-Plant	223	192	+16%	63	51	+24%	17	8	+110%
Group central costs	-	-		(10)	(8)	+17%	(10)	(8)	+16%
	1,447	**1,191**	**+22%**	**566**	**417**	**+36%**	**327**	**209**	**+56%**
Net financing costs							(43)	(51)	-16%
Profit before tax, exceptionals, amortisation and remeasurements							**284**	**158**	**+80%**
Exceptionals, amortisation and remeasurements							(7)	(22)	-69%
Profit before taxation							**277**	**136**	**+103%**
Taxation							(101)	(46)	+118%
Profit after taxation							**176**	**90**	**+96%**
Margins									
- Sunbelt				*42%*	*37%*		*26%*	*21%*	
- A-Plant				*28%*	*27%*		*8%*	*4%*	
- Group				*39%*	*35%*		*23%*	*18%*	

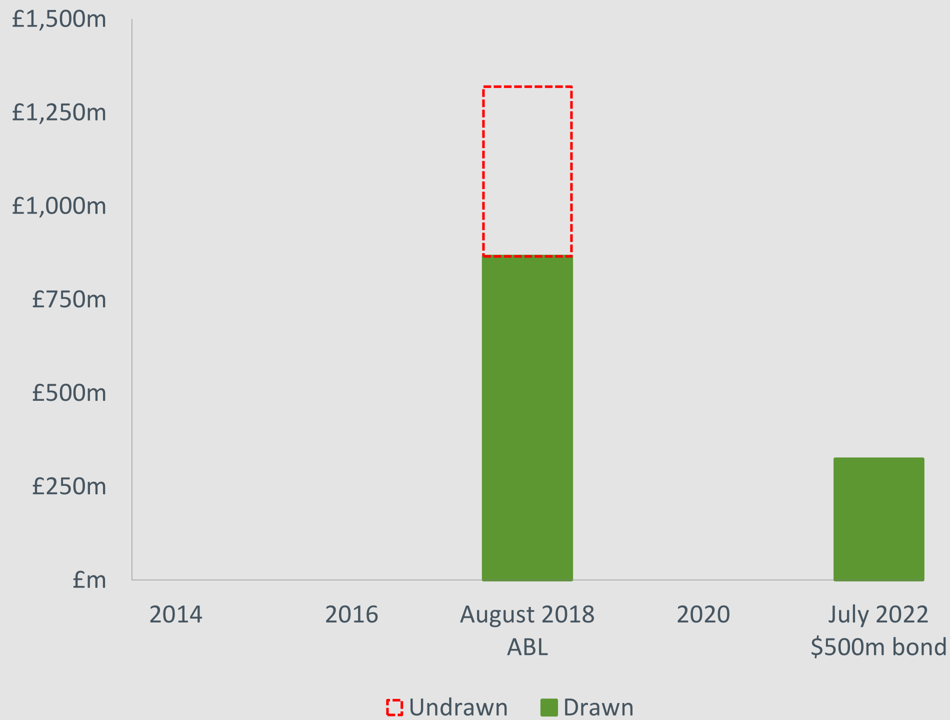
1. At constant exchange rates
2. Prior year figures restated for the adoption of IAS 19 'Employee Benefits' (revised)

Cash flow funds organic fleet growth

(£m)	LTM July 13	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EBITDA before exceptional items	**566**	**519**	**381**	**284**	**255**	**359**	**380**	**310**	**225**	**170**	**147**	**150**
EBITDA margin	39%	38%	34%	30%	30%	33%	38%	35%	35%	32%	29%	28%
Cash inflow from operations before fleet changes and exceptionals	**519**	**501**	**365**	**280**	**266**	**374**	**356**	**319**	**215**	**165**	**140**	**157**
Cash conversion ratio	92%	97%	96%	99%	104%	104%	94%	97%	96%	97%	95%	105%
Maintenance capital expenditure	(329)	(329)	(273)	(203)	(43)	(236)	(231)	(245)	(167)	(101)	(83)	(89)
Disposal proceeds	95	96	90	60	31	92	93	78	50	36	32	29
Interest and tax	(49)	(48)	(57)	(71)	(54)	(64)	(83)	(69)	(41)	(31)	(33)	(40)
Growth capital expenditure	(277)	(254)	(135)	-	-	-	(120)	(63)	(63)	(10)	-	(18)
Dividends paid	(20)	(20)	(15)	(15)	(13)	(13)	(10)	(7)	(2)	-	-	(9)
Cash available to fund debt pay down or M&A	**(61)**	**(54)**	**(25)**	**51**	**187**	**153**	**5**	**13**	**(8)**	**59**	**56**	**30**

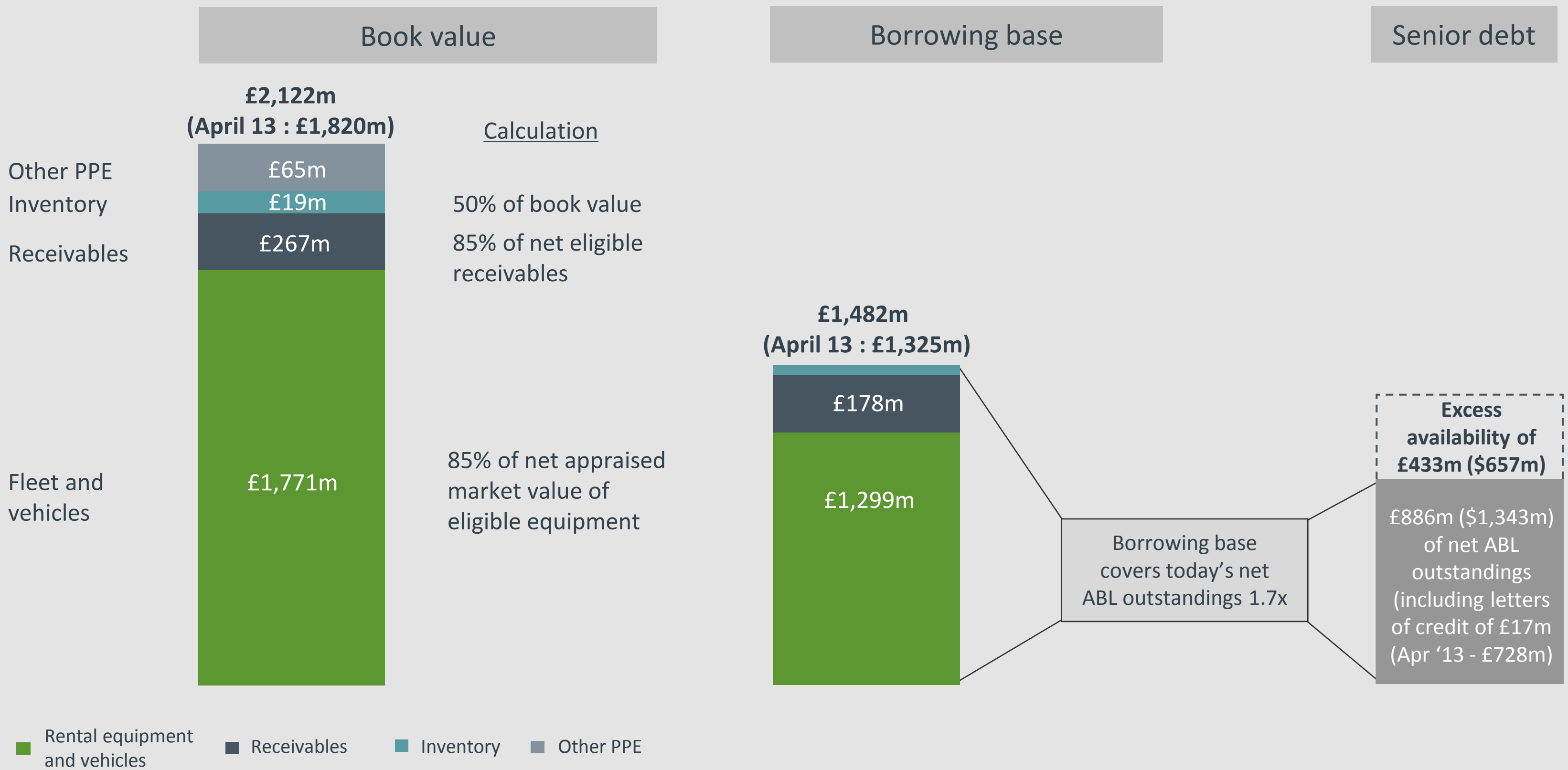
- Healthy EBITDA margins ensure significant top line cash generation throughout the cycle
- Cash from operations funds organic growth investment, tax, interest and dividends
- Historically, debt has only increased at times of large scale M&A

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 (July 2013 : $657m)

$657m of availability at 31 July 2013



- Borrowing base reflects January 2013 asset values

Debt and covenants

Debt

Facility	Interest rate	Maturity
$2bn first lien revolver	LIBOR +175-225bp	August 2018
$500m second lien notes	6.5%	July 2022
Capital leases	~7%	Various

Ratings

	S&P	Moody's
Corporate family	BB	Ba2
Second lien	BB-	B1

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 July 2013

Fixed charge coverage covenant

- EBITDA less net cash capex to interest paid, tax paid, dividends paid and debt amortisation must equal or exceed 1.0x
- Less than 1.0x at July 2013

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