OUR GROUP AT A GLANCE

An international network of equipment solutions and services.

Ashtead is an international equipment rental company, trading under the Sunbelt Rentals brand, with national networks in the US, Canada and the UK. We rent a broad range of construction, industrial, general and specialty equipment across a wide variety of applications to a diverse customer base.

PURPOSE

To provide a reliable alternative to ownership for our customers across a wide range of applications and markets

See more on page 16

ACTIONABLE COMPONENTS

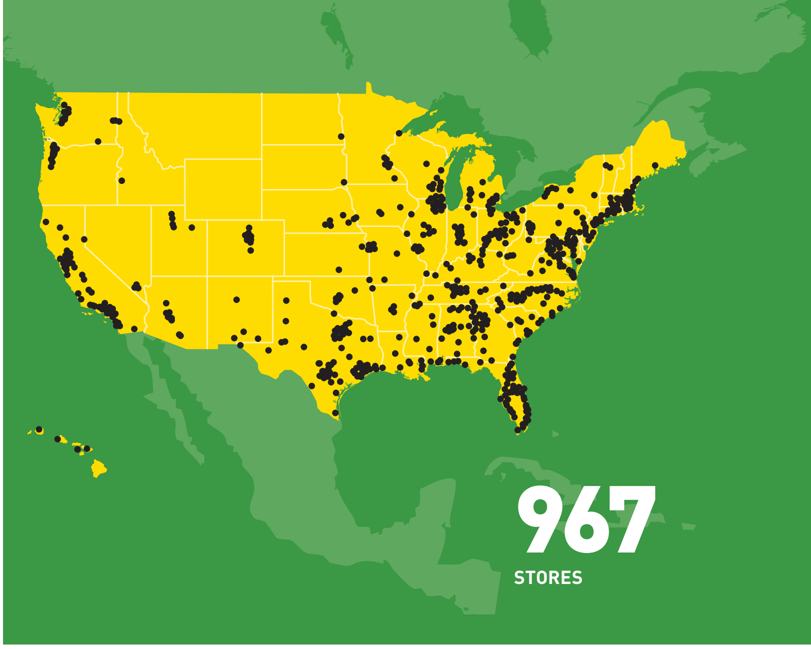
- Grow General Tool and advance our clusters
- Amplify Specialty
- Advance technology
- Lead with ESG
- Dynamic capital allocation

See more on page 22

CULTURAL ELEMENTS

- Investment in our people
- Foster culture of 'entrepreneurialism with scale'
- Continuously delivering on our customer promise of Availability, Reliability and Ease

See more on page 56

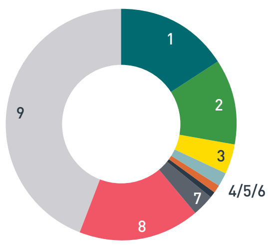


US

The second largest equipment rental company in the US with 967 stores

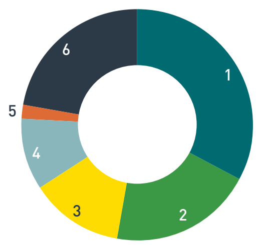
Revenue	$6,477m
Return on investment[1]	25%
Segment result	$1,852m
Employees	16,068
Stores	967
Fleet size	$11,425m

MARKET SHARE[2]



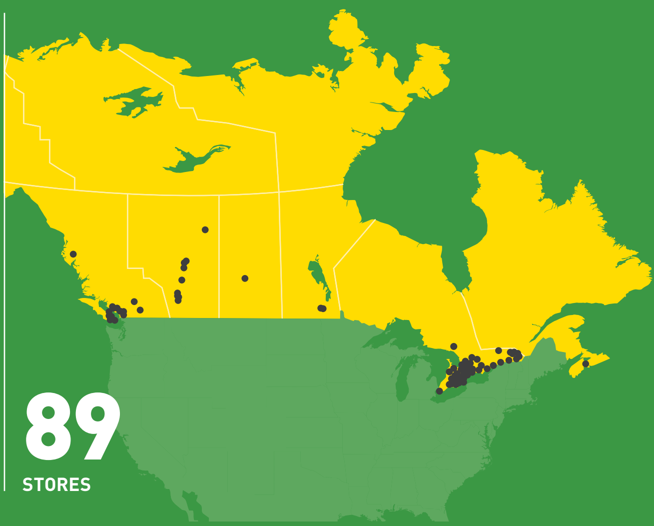
1. United Rentals 16%
2. Sunbelt 12%
3. Herc Rentals 4%
4. Home Depot 2%
5. Ahern 1%
6. H&E 1%
7. Top 7–10 3%
8. Top 11–100 c.17%
9. Others c.44%

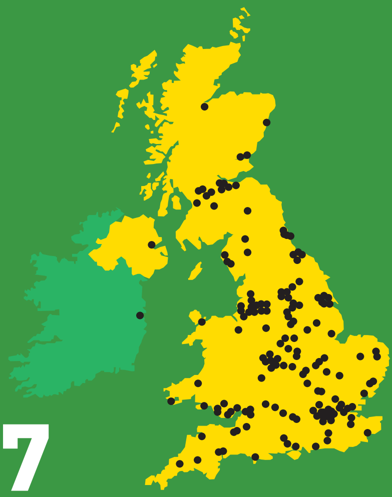
FLEET COMPOSITION[3]



1. Mobile elevating work platforms 33%
2. Forklifts 20%
3. Earth moving 13%
4. Power and HVAC 10%
5. Scaffold 2%
6. Other 22%

1 Excluding goodwill and intangible assets.
2 Source: Management estimate based on IHS Markit market estimates.
3 Source: Management information.





177

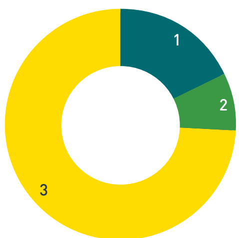
STORES

CANADA

Market share of 8% in Canada with 89 stores

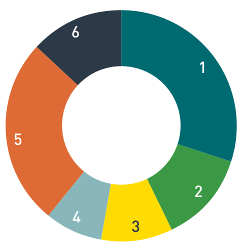
Revenue	**C$626m**
Return on investment[1]	**20%**
Segment result	**C$144m**
Employees	**1,682**
Stores	**89**
Fleet size	**C$1,116m**

MARKET SHARE[2]



1 United Rentals 18%
2 Sunbelt 8%
3 Others 74%

FLEET COMPOSITION[3]



1 Mobile elevating work platforms 30%
2 Earth moving 13%
3 Forklifts 10%
4 Power and HVAC 8%
5 Lighting, grip and lens 26%
6 Other 13%

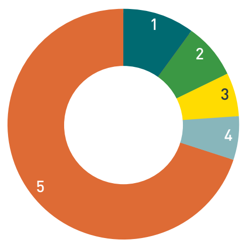
1 Excluding goodwill and intangible assets.
2 Source: Management estimate, excluding lighting, grip and lens, based on IHS Markit market estimates.
3 Source: Management information.

UK

The largest equipment rental company in the UK with 177 stores

Revenue	**£726m**
Return on investment[1]	**14%**
Segment result	**£87m**
Employees	**3,983**
Stores	**177**
Fleet size	**£988m**

MARKET SHARE[2]



1 Sunbelt 10%
2 Speedy 8%
3 HSS 6%
4 VP 6%
5 Others 70%

FLEET COMPOSITION[3]

1 Accommodation 17%
2 Earth moving 13%
3 Panels, fencing and barriers 11%
4 Forklifts 10%
5 Mobile elevating work platforms 10%
6 Other 39%

1 Excluding goodwill and intangible assets.
2 Source: Management estimate based on IHS Markit market estimates – market share has been calculated excluding the impact of revenue associated with supporting the Department of Health COVID-19 response.
3 Source: Management information.

A YEAR OF DELIVERY AND GROWTH

DEAR SHAREHOLDER

I am delighted to report that in this financial year Ashtead has produced another strong set of results. During the year we have continued to invest and execute on our strategic priorities to ensure we can continue to deliver strong growth in the markets in which we operate. However, we can only achieve this with outstanding and dedicated colleagues who, with an excellent leadership team, are able to create a strong culture for success. Although the last two years have been a difficult period for most people I am proud that our business is even stronger because of the dedication, commitment and resilience of our colleagues in all parts of our business. Thank you very much.

Strategic progress

In April 2021 we launched our ambitious strategic plan, Sunbelt 3.0, which is designed to grow the business in a responsible and sustainable way. I am pleased to report that we have made significant progress on all elements of Sunbelt 3.0, and you will read more about that in the pages that follow.

We have continued to work closely with our suppliers ensuring we have the right equipment available despite their production challenges because of worldwide supply chain issues. This has enabled our teams to deliver our planned growth and expansion, opening 88 greenfield sites in North America and completing 25 bolt-on acquisitions. The recent acquisition of Mahaffey which provides temporary structures, means we have added our 10th Specialty business line.

Our technology initiatives, to make the move from an industry-leading technology platform to a leader among the broader industrial and services sector, are making excellent progress and will increase the competitiveness of our offering in the future.

A sustainable business model

Health and safety has always been a primary focus for the Board and a priority in all our business activities throughout the organisation. We have continued to make significant progress and I am delighted to report that our incident rate in North America is the lowest it has been in the Group's history. We have also made similar progress in the UK.

Sustainability is an integral part of our strategic plan and business model and our ESG targets, which are a key component of Sunbelt 3.0, are now deeply embedded throughout the business.

Our modern rental fleet consists of the latest, most environmentally-friendly equipment and we continue to invest millions of dollars in new equipment which produces less carbon, less particulate matter and requires less servicing and repair. We are working closely with our customers and suppliers to develop and test new technology to ensure we can deliver more environmentally-friendly and sustainable equipment to the market. An example is our collaboration with Doosan Bobcat to develop and produce the world's first all-electric compact track loader.

We also continue to make good progress with our diversity, equity and inclusion ('DEI') initiatives. After getting constructive feedback from our colleagues, last year saw the establishment of our first grassroots DEI Task Force in North America, which is already driving real cultural change in the businesses. We have also established a new women's group, WISE (Women, Inspired, Supported, Empowered), which is supporting women across the organisation and helping to increase the number of women we recruit into our industry. In the UK we continue to drive DEI initiatives across the business, including ensuring our programmes seek to develop, coach and recruit the best people, irrespective of their backgrounds.

DEI was also an important focus of our Senior Leadership and Board meetings which were held in Dallas in April 2022. The Senior Leadership meeting was the first major meeting in person we have been able to hold since the UK management conference held in Manchester prior to the pandemic. The Board was delighted to be able finally to reconnect in person with a wider population of our people driving the business.

Financing

Another important component of our strategic plan and competitive advantage is our dynamic capital allocation strategy. Despite challenging supply chain issues, we invested more in the rental fleet than in any other year. The strength of our balance sheet was again demonstrated when we were able to issue $1.3bn of long-term investment grade bonds last year. While this may not be unusual for other businesses, it is a first for our industry and represents the increasing maturity of both Ashtead and our industry. It reinforces our strategy of always accessing the finance we need ahead of when we need it, so we can make the very most of market growth opportunities.

Board changes

I am delighted to welcome Renata Ribeiro to the Board, who joined in January as a non-executive director. Renata is an executive at Carnival Corporation and brings strong commercial and digital experience to the Board.

Dividends

We have a progressive dividend policy which is designed to ensure sustainability through the economic cycle whilst always taking into account both underlying profit and cash generation.

I am pleased to report that having considered the Group's outlook and financial position, and other stakeholders' interests, your Board is recommending a final dividend of 67.5¢ making 80.0¢ for the full year. Assuming the dividend is approved at the Annual General Meeting ('AGM'), it will be paid on 9 September 2022 to shareholders on the register on 12 August 2022.

Outlook

We have strong momentum in the business underpinned by our Sunbelt 3.0 strategic plan which is advancing faster than we originally planned, both through organic growth and bolt-on acquisitions.

Our balance sheet remains strong and that, coupled with our diverse range of products and services for our end markets, positions us well for future growth.

PAUL WALKER
Chair, 13 June 2022

HIGHLIGHTS OF THE YEAR

+19%
Revenue up 19%[1], rental revenue up 22%[1]

$1.3bn
$1,274m spent on bolt-on acquisitions (2021: $172m) and 88 greenfield locations opened

$1,948m
Group operating profit of $1,948m (2021: $1,498m)

$2.4bn
$2,397m of capital invested in the business (2021: $947m)

$1,824m
Group adjusted pre-tax profit of $1,824m (2021: $1,316m), an increase of 38%[1]

$1.1bn
$1,125m of free cash flow generation (2021: $1,822m)

307.1¢
Adjusted earnings per share of 307.1¢ (2021: 219.1¢)

1.5x
Net debt to EBITDA leverage[1,2] of 1.5 times (2021: 1.4 times)

280.9¢
Earnings per share of 280.9¢ (2021: 205.4¢)

67.5¢
Proposed final dividend of 67.5¢, making 80.0¢ for the full year (2021: 58.0¢)

$1,251m
Post-tax profit of $1,251m (2021: $920m)

1 At constant exchange rates.
2 Excluding the impact of IFRS 16.

1. GROW GENERAL TOOL AND ADVANCE OUR CLUSTERS

SUNBELT 3.0 IN ACTION

Our General Tool and Specialty businesses complement each other, often sitting side by side and enhancing further our ability to service our customers wide range of needs. This year we added 41 General Tool locations, 16 as greenfield sites and 25 acquisitions.

We clustered another eight of the top 100 markets in the US bringing our clustered market count to 39 in the top 100 markets. These new clusters include San Francisco, Tampa and St Louis. In Canada we established a new market cluster in the Thompson-Okanagan region of British Columbia, maturing our offering further in Canada, with 10 markets now clustered.

OUR STRATEGY

1 **Advance our clustered market approach through a proven playbook to meet demand and enable increased rental penetration in North America while optimising our operational network in the UK.**

2022 HIGHLIGHTS

16 GREENFIELD LOCATIONS ADDED IN 2021/22

21 GENERAL TOOL ACQUISITIONS COMPLETED ADDING A FURTHER 25 LOCATIONS

8

additional markets clustered within the US top 100 markets

+18%

growth in North American General Tool revenue in 2021/22

Brendan Horgan
Chief executive

Michael Pratt
Chief financial officer

AMBITION WITH PURPOSE

We are delighted to report that Ashtead has had a very good year delivering record performance and we remain optimistic about the years to come. Not only is the business performing well from a financial standpoint, but we are making huge inroads in our ESG ambitions. Our safety record remains industry-leading and we remain relentlessly focused on our safety and wellness platform, Engage for Life. The authenticity of our advocacy in this area especially, is leading to genuine cultural change across the organisation. The sustainable nature of how we operate is increasingly important to our customers. Real momentum is occurring in our markets, in how we do business day-to-day, how we are positioning ourselves for long-term growth and how we are embedding our innate sense of purpose in everything we do. We believe this is good news for our customers, our people, our investors and the communities in which we operate. This is our Ambition with Purpose.

Rental revenues in North America were 23% ahead of last year's pandemic affected levels. This market-leading performance continues to demonstrate the strength in our model, as well as the potential for growth in the business and the broader market. It also reflects the early benefits of executing on our strategic growth plan, Sunbelt 3.0, launched last year, adding 123 locations in North America, 88 by way of greenfield openings and 35 through bolt-on acquisitions.

The last two years have been challenging, but we have emerged stronger than ever before. Our growth strategy is on track, our rental revenue is growing strongly, we are generating strong free cash flow alongside record levels of fleet investment. Our balance sheet is stronger than ever and we have the funds available to finance expected future growth. We are delivering on our plans for growth in General Tool, seeing acceleration in our Specialty businesses and continuing to advance the technology that makes it all possible. Our dynamic capital allocation strategy has delivered leverage at the end of the year, at the lower end of our target range, at 1.5 times net debt to EBITDA, excluding the effect of IFRS 16.

There are several factors that cause us to be optimistic about the future. First we are seeing a significant volume of large projects that need our services; large construction projects, infrastructure projects, industrial maintenance projects and large events. Often these are multi-year projects which signify long-term revenue opportunities for us. Many industries are seeing massive change as a result of environmental considerations and their need for rental is increasing as a result. If you consider American automotive manufacturing, for example, it almost has to start over to build new manufacturing capacity for electric vehicles and batteries. So there will be new factories to be built or whole assembly lines revised. In addition, the $1 trillion US infrastructure bill is driving further new, large-scale projects. We believe challenges with skilled labour availability will result in these projects taking longer to complete and accelerate the shift to rental.

While current economic conditions are causing concern to businesses and investors alike, we see them as benefitting rental. Particularly, supply constraints, an inflationary environment and fears about labour supply, are all issues which we believe we are positioned to solve. There are well documented constraints on supply chains which we believe will remain through 2023 at least. Our ability to navigate these challenges through engaged planning with our key manufacturers throughout the pandemic and in conjunction with the timeliness of Sunbelt 3.0, has become an advantage. Over the last year we were able to facilitate the largest rental fleet capital expenditure year in our history, all in an incredibly difficult supply-constrained environment.

Similarly, after nearly a decade-long economic cycle with minimal levels of inflation, businesses are experiencing inflation in most cost lines. We anticipate the current levels will moderate but we may well have a cycle with modest inflation throughout. We have been able to digest these inflationary realities through scale efficiencies and rental rate improvements, and are confident this will continue to be the case. Lastly, there is a shortage of general labour, however, when you think about our business, it's not just general labour. The vast majority of our workforce is comprised of skilled trades, specifically, mechanical technicians, licensed commercial drivers and equipment application specialists. The availability of such a workforce is not just limited, it is scarce. As an example, US construction job openings are at their highest level in 20 years. Unlike the first two issues, we believe the duration of this goes on as far as we can see with no known catalyst to reverse it.

How do these issues impact us and our customers day-to-day? If a customer cannot afford to buy or physically acquire an item of equipment, the only option is to rent that equipment. If you cannot hire a mechanic to service your equipment, your alternative is rental. If you are not big enough to get the attention of the suppliers of the equipment you need, your alternative is rental. If equipment prices are high, our customers will be more reluctant to buy and instead preserve their financial resources, so rental will therefore continue to expand.

We are always planning ahead to make sure we have the fleet and the skilled drivers, mechanics and tradespeople we need. That is our focus. We also have the scale to get the equipment and people we need more easily than smaller operators. These considerations are not a focus for a live events company, or a big construction company, for example. If market conditions are challenging, a business does not have time to think about the equipment needed or the people required to take care of that equipment. They have to focus on the job they do. We will continue to step in and do whatever it takes to get their job done.

Group rental revenue increased 22% on a constant currency basis. This revenue performance was achieved with a slightly larger average rental fleet than last year, which generated an EBITDA margin of 45%, a significantly improved adjusted operating profit margin of 26% and Group return on investment of 18%. As a result, adjusted pre-tax profit was $1,824m and adjusted earnings per share were 307.1¢ for the year.

US rental revenue was up 22% at $6,042m. This was driven by volume predominantly, with acquisitions contributing c. 5% to the growth, but also the benefit of a favourable demand and supply environment, which has enabled us to deliver healthy rate improvement since March 2021.

In Canada, rental revenue was 30% higher than a year ago at C$569m. This growth reflects the depressed comparatives last year, particularly in the lighting, grip and lens business, William F. White, which was severely constrained by the pandemic, as well as strong performance from the original Canadian business.

UK rental revenue was 13% higher than a year ago at £544m. The business continued to benefit from our support for the Department of Health in its COVID-19 response, which contributed to c.30% of total revenue in the UK, but the core business also performed strongly, benefitting from investment in operational infrastructure and the reshaping of our operating footprint. Following the UK Government's announcement that free mass testing would cease in April 2022, the majority of the Department of Health revenue has now ceased and the UK business is in the process of demobilising the testing sites.

As we believe we have demonstrated, growth in our business is driven, to a certain extent, by market growth, but also by a unique set of circumstances both across the rental industry and the wider economy, that will impact our entire customer base. We believe it is always good to be in the rental business. As rental expands and as more businesses in more sectors become accustomed to renting the equipment they need, it becomes difficult to go back. There is no rational reason to go back. Rental penetration will be broader and deeper and we will continue to grow.

In the Strategic report

OUR MARKETS

Our markets continue to evolve and our strategic plan, Sunbelt 3.0, is taking us into ever more markets, both by geography and function.

Construction will likely remain our largest market in terms of the equipment required, particularly given the 2021 US infrastructure bill, but non-construction continues to expand rapidly as we service new markets through the amplification of our Specialty businesses. The US continues to be our largest market with strong performance and we see good growth in our newest market, Canada. The UK, which is a more mature rental market, is a more subdued environment than North America, but our actions to realign the business for the future with a simplification of the go-to-market message and leveraging cross-selling opportunities across the platform, are bearing fruit. We are excited by the future prospects for the UK business supplemented by targeted bolt-on acquisitions to develop the business further. The US rental market is seven times bigger than the UK and we continue to capitalise on the structural changes in that market, as customers continue to adapt to renting equipment rather than owning it. Our Canadian business is smaller than our UK business but is growing rapidly and we are excited by the opportunities we see there. We expect the Canadian market to develop in a manner similar to the US, as customers get more accustomed to renting a wider range of equipment and more familiar with the Availability, Reliability and Ease we deliver. Our aim is to continue to grow the business wherever we are in the economic cycle and no matter what circumstances we face.

All our markets were affected by the COVID-19 pandemic, but they are offering us new opportunities now that the impact of the virus appears to be declining in our principal markets and the long-term attractiveness of our markets has not changed. As mentioned in the introduction to this Strategic report, we also see opportunity in the market where others see potential problems, specifically concerns about equipment and labour supply, as well as an increasingly inflationary environment. When you put these three together, we believe they are structural tailwinds to our business. Specifically, they will foster deeper rental penetration and those with scale, experience to execute, technological advantages, great levels of customer service, a culture of people engagement and financial strength, will benefit disproportionately.

THE BREADTH OF OUR MARKETS

Our markets continue to broaden, in terms of geography, range of equipment rented and the applications for which our equipment is used. Our end markets are increasingly diverse and we are seeing the power of cross-selling between General Tool and Specialty. The graphic opposite shows the diversity of end markets that are using our equipment. In many cases, this is the same equipment just used for a different purpose. A significant proportion of our fleet was developed originally for the construction industry but is now used in applications varying from film and television production to putting up Christmas decorations. Our customers are equally diverse, from multinational organisations to DIYers. We are reaching these broadening markets as a result of our scale, advancement of our market cluster strategy and Specialty business evolution – all positioned to give great service to our customers through our corporate mantra, Availability, Reliability and Ease. For any one of these markets, there is also a wide range of equipment used. Equipment that previously would not have been rented is now part of the rental mix. This is particularly the case with the ongoing structural change most noticeable in the US and Canada.

Construction is a core part of our end markets but we continue to see plenty of growth opportunity for our General Tool and Specialty businesses in areas such as live events, building maintenance, municipal activities and emergency response. We commonly refer to these end markets, and many more, as MRO or the maintenance, repair and operations of the geographic markets we serve. These incredibly large addressable markets make up the majority of our Specialty revenues; however, increasingly they also benefit our General Tool business as our cross-selling prowess continues to improve.

CONSTRUCTION

- Airports
- Highways and bridges
- Office buildings
- Data centres
- Schools and universities
- Shopping centres
- Residential
- Remodelling
- Manufacturing plants
- Green energy

RESPONSE

- Fire
- Hurricanes
- Flooding
- Tornadoes
- Winter storms
- Residential emergencies
- Health emergencies
- Alternative care facilities
- Points of distribution
- Mobile testing facilities

FACILITIES MAINTENANCE AND MUNICIPALITIES

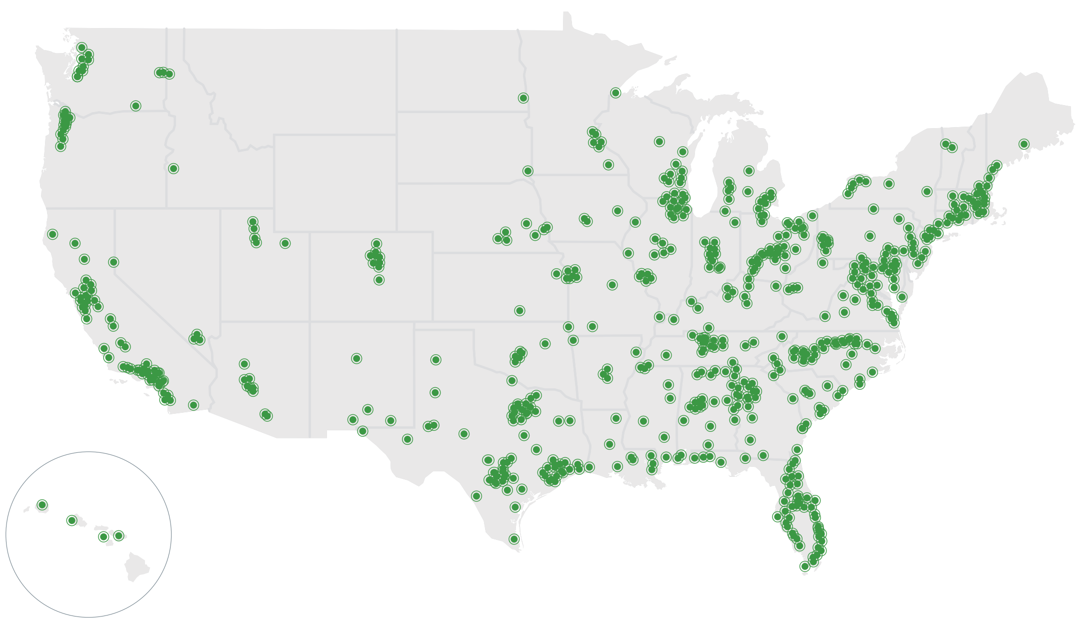
- Office complexes
- Apartment complexes
- Government
- Hospitals
- Data centres
- Parks and recreation departments
- Schools and universities
- Shopping centres
- Pavement/kerb repairs
- Golf course maintenance
- Industrial

ENTERTAINMENT AND SPECIAL EVENTS

- National events
- Concerts
- Sporting events
- Film and television production
- Theme parks
- Festivals
- Farmers' markets
- Local 5K runs
- Cycle races

A big change in recent years has been the increase in rentals taking place in ordinary square footage under roof applications every day, and we expect this trend to continue. Increasingly we are also seeing bigger, longer projects often over several years. We expect the $1 trillion US infrastructure bill to further fuel this trend. In addition, we are designated an essential service in the US, UK and Canada in times of need, supporting government and the private sector in response to emergencies, including hurricanes, tornadoes and, until recently, the pandemic.

The length of time that customers rent equipment is also increasing. Not only are large projects lasting longer, but rental is now core to these rather than being more 'top up' in nature, as it used to be. We are also seeing customers renting equipment longer to move to the next job or project.



THE US

Our core US markets were adversely affected by COVID-19 but we are exceeding pre-pandemic levels and the longer-term prospects for rental and our products and services remain strong. We expect to perform better than the market as we expand further our Specialty businesses and continue to take market share.

Construction starts have continued their recovery and are now above pre-pandemic levels with forecasts showing further growth through to 2026. There remain significant levels of construction activity in areas such as warehouses, data centres, distribution, fulfilment and manufacturing such as electric vehicle factories, lithium battery plants and new liquid natural gas plants. We believe we are likely to see continued changes in construction focus, shifting away from retail, new hotels and office buildings into these kinds of infrastructure projects supporting the transition to a greener economy. These are all examples of an abundance of large scale, multi-year projects that are in early-stage construction or late in the planning phase. Projects that we are positioned to serve in a meaningful way, more so than at any point in our history. We also expect to see more large projects as a result of the 2021 infrastructure bill.

Dodge Data & Analytics is forecasting put-in-place construction growth of 9% for 2022, followed by further growth in 2023 and 2024. Similarly, rental market growth is forecast by IHS Markit to be 11% in 2022 with continued growth thereafter. With forecasts like these, our business model becomes ever more attractive as our customers choose increasingly the flexibility of rental versus the long-term commitment and ongoing cost related to purchasing equipment.

The events market suffered greatly during COVID-19 but after a gentle recovery last year we are expecting a stronger performance in the coming year. While we will benefit from the improving oil and gas market, it remains a small part of our business.

The markets we serve remain strong long-term, as both structural and cyclical trends are favourable. Chart 02 on page 12 shows the last four construction cycles. These have followed one of two patterns. From 1975 to 1982 and from 1982 to 1991 the initial recovery was very aggressive but the overall cycle was relatively short. In contrast from 1991 to 2011, and 2011 to 2020, the cycle was characterised by a more gradual recovery over a longer period of time. The initial forecasts for the next cycle are more similar to the last two cycles. However, while these forecasts are for growth through 2025, there is the potential for a more imminent slow down due to inflation and the increasing interest rate environment. However, our business model is well equipped to deal with this environment as we are able to reduce our capital expenditure and generate significant free cash flow. The impact of a slowing economy will be mitigated to a degree by the opportunity from the structural shift from ownership to rental and our ability to increase market share.

01 US MARKET OUTLOOK (RENTAL REVENUE FORECAST)

	2022	2023	2024
Industry rental revenue	+11%	+6%	+3%

Source: IHS Markit (May 2022).

MARKET SHARE IN THE US

We continue to grow our market share in the US and even though we are the second largest equipment rental company, there remains plenty of room to grow as Chart 03 shows. Our major competitors are United Rentals and Herc Rentals with 16% and 4% respectively. Home Depot, Ahern and H&E have shares of 2% or less. Most of the remainder of the market is made up of small local independent rental shops.

Much of our market share gain comes from these small independents when we set up new stores or acquire them. Ours is a capital-intensive industry where size matters. Scale brings cost benefits and sophistication in areas such as technology and other services, and this leads ultimately to further consolidation. The proportion of the market enjoyed by the larger players continues to increase and we have clearly been a major beneficiary of this trend. Whilst there will always be a place for strong local players, the market share enjoyed by the larger players is likely to continue to grow as the big get bigger.

This market share analysis is based on the traditional definition of the rental market focused on construction. However, a significant market for us is facility maintenance, repair and operation characterised by square footage under roof. In the US there are 100bn square feet under roof and we believe this represents a potential rental market of $7-10bn, with minimal rental penetration at the moment. It is not a new market for us, but one with increasing opportunity as we demonstrate the benefits of rental through Availability, Reliability and Ease. One consequence of this is that we believe the size of the rental market is understated and hence our, and everyone else's, market share is overstated. This only serves to increase the opportunities for growth.

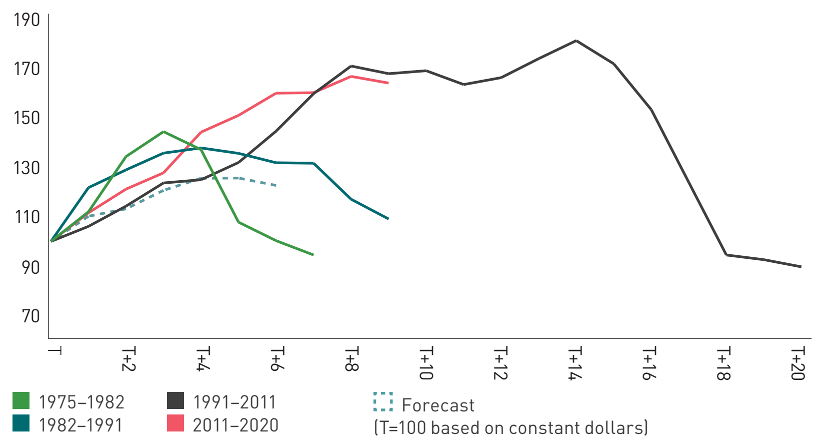
We are confident that as the market grows, our share will also increase. We have a good track record of success, having tripled our market share since 2010. We continue to set ambitious targets for market share, increasing our long-term target to 20%. The speed with which we increase our market share is in part a function of how quickly we can get new locations up and running.

However, as noted above, our market share growth also comes from continuing to broaden both our end markets and the range of equipment we have available to rent in each location (more on this in our strategy section on page 22).

The combination of our business model, which you can read more about on page 16, the continued attractiveness of our markets and the long-term trend to rental, provides the perfect environment for us to achieve our goals. In addition, our market share gains accelerate as we make the most of our scale advantages. Being there for our customers and trusted to deliver, also brought us share during the pandemic.

As we increase our market share and grow our Specialty businesses, they become a greater proportion of the business mix across the cycle and accounted for 30% of revenue in 2021/22. The acquisitions we make are often to expand into a new specialty area or to develop an existing one and then we supplement them with greenfield openings.

02 CONSTRUCTION ACTIVITY BY CYCLE

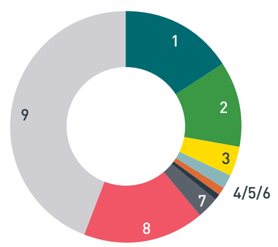


Source: Dodge Data & Analytics (May 2022).

04 US MARKET SHARE DEVELOPMENT

Source: Management estimates.

03 US MARKET SHARE



1 United Rentals 16%
2 Sunbelt 12%
3 Herc Rentals 4%
4 Home Depot 2%
5 Ahern 1%
6 H&E 1%
7 Top 7–10 ..... 3%
8 Top 11–100 ..... c.17%
9 Others c.44%

Source: Management estimate based on IHS Markit market estimates.

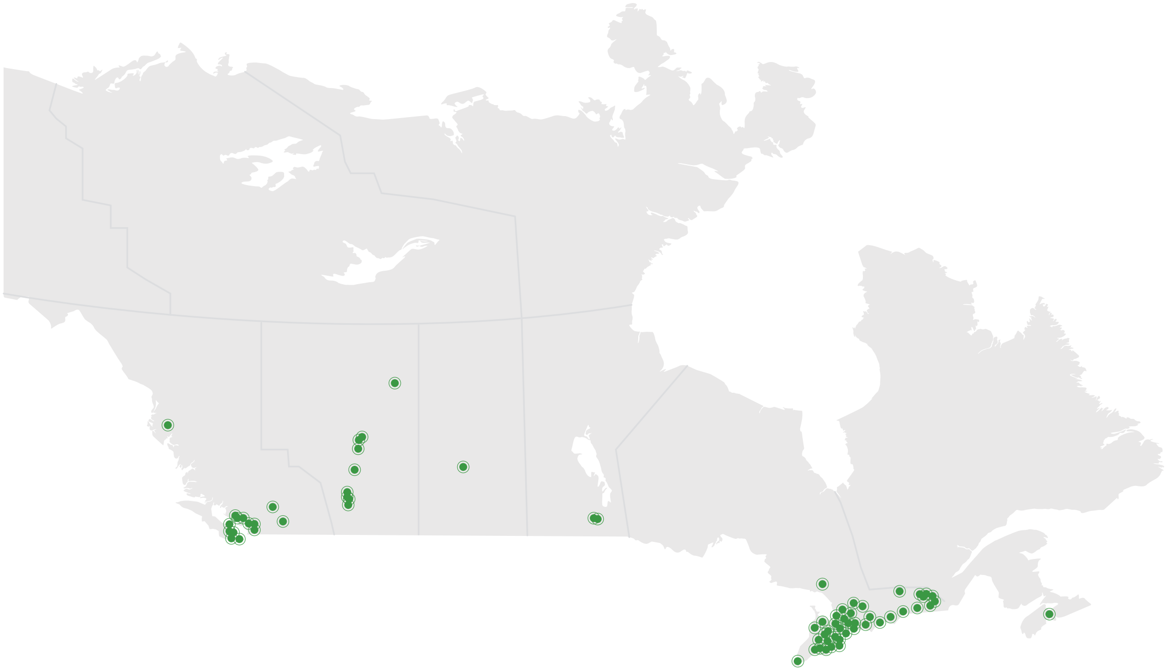
THE TREND TO RENTAL

The trend of rental penetration in the US continues to be positive for the industry as our customers have become accustomed to the flexibility of an outsourced model. Between 2010 and 2022, increased rental penetration effectively grew our end market by c. 25%. We see this trend continuing, which will provide similar levels of market growth over the coming years. Rental still only makes up around 55% of the US market compared to around 75% in the UK. However, this is a broad average with penetration levels ranging from low single-digit percentages for, say, floor scrubbers to 90%+ for large aerial equipment. We like specialty products because they are at the low end of this range, which provides greater scope for growth. We see the potential market penetration for rental equipment to be well over 60% in the US.

The drivers of this evolution include the significant cost inflation in recent years associated with the replacement of equipment, technical changes to equipment requirements and health, safety and environmental issues which make rental more economical and just easier. For example, environmental regulations have driven further rental penetration through the reduction in fleet size by those customers who previously may have chosen to own some if not all of their larger equipment needs. Customers and smaller competitors with older fleets are faced with heavier replacement spend causing them to either replace less and rent or reduce their fleet size. Furthermore, the difficulties of getting to grips with new technology and maintenance requirements have also caused more operators to decide to rent. Maintaining optimally serviced and therefore safe equipment can be a big outlay for a smaller operator. Therefore we continue to invest in keeping our fleet in the best condition it can be to take advantage of the increased demand for rental. Uncertain market conditions also make it far more attractive to rent than buy. The diversity of our fleet helps us take advantage of this increasing trend to rental and we continue to expand the range of products we rent.

Our customers often assume we will be able to fulfil their equipment needs with a rental product for an ever-widening range of applications. If your fleet consists of equipment which is already predominantly rented and hence, have high rental penetration like telehandlers and large booms, you are not necessarily benefitting from increased rental penetration as it is probably as high as it is likely to get. However, if you have a broader mix of fleet, then there is significant further upside to come from increased rental penetration. Further, the current unique circumstances of growing demand and constrained equipment supply, serve as a perfect catalyst to encourage and increase the structural shift from ownership to rental. This is exactly what we believe is happening during this inflection period in the market.

Our development and use of technology is also driving rental penetration. Our highly sophisticated proprietary customer management, inventory and delivery tracking systems enable us to make our customers' rental experience one of Availability, Reliability and Ease. Our customers are increasingly willing to rent different types of equipment from us, more often. More on this in the section on strategy on page 22.



CANADA

Canada is still a relatively new and growing market for us.

The overall rental market is less than a tenth of the size of the US. But in the same way that the US has experienced structural growth as more and more types of equipment are rented for different applications, we expect similar trends in Canada. Our share of the Canadian rental market is around 8%. There is plenty of scope to develop this in the same way as in the US and we are growing rapidly. We have seen continued market growth in 2022 and IHS Markit predicts Canadian rental revenue to grow 10% in 2022, 6% in 2023 and 4% 2024. We anticipate growing more rapidly as we take market share and broaden our offering.

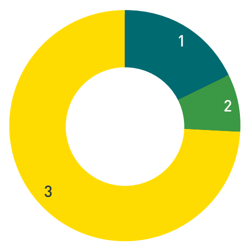
From our humble beginnings in Western Canada, we have grown to 89 locations across Canada. Key of course to delivering on our mantra of Availability, Reliability and Ease is convenience, proximity and diversity in our offering. We now have a significant presence in Ontario and have expanded in Edmonton, Calgary and Winnipeg. Beginning with a complement of General Tool businesses and adding Specialty into the mix to introduce cross-selling, our runway for growth in Canada remains long.

The rental market has, historically, been construction focused, but we continue to develop new markets such as the film industry in Vancouver and Toronto. This has been aided by the acquisition of our lighting, grip and lens business, William F. White ('WFW') in December 2019. The WFW business will also provide a platform to expand our lighting, grip and lens Specialty into the US and UK markets. In addition, we have continued to expand our power and flooring solutions Specialty businesses in Canada. Customers who traditionally rented mainly mobile elevating work platforms ('MEWPs') are now renting smaller equipment as well. They are seeing increasingly the benefits of working with us to fulfil the full range of their rental needs. Our cluster approach (more on this in our section on strategy on page 25) also means we are able to be closer to our customers than has previously been the case.

Across the country there are variances in the mix of fleet we have on rent. In Western Canada we see more customer demand for MEWPs especially through our work servicing the film and television industry. We see great opportunities for expanding our Specialty and MEWP businesses, especially in Ontario, aided by the growth of our lighting, grip and lens business. As we expand in other provinces we expect to generate more business from Canada's resources industry.

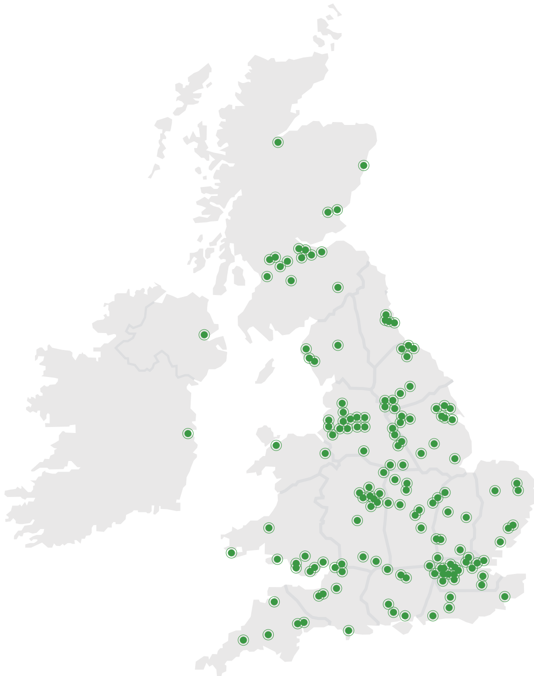
Given our continued growth in Canada, we are now targeting 10% market share.

05 CANADA MARKET SHARE



1 United Rentals 18%
2 Sunbelt 8%
3 Others 74%

Source: Management estimate, excluding WFW, based on IHS Markit market estimates.



THE UK

The UK market remains competitive but we have never been positioned better to deliver the Power of Sunbelt to our customers.

Bringing all the UK businesses together as Sunbelt Rentals, and the launch of Sunbelt 3.0, has changed the face of our business and is paying great dividends as we outperform the market, leading, in particular, to gains in the ongoing construction and maintenance-related rental space. Last year growth continued and the business has achieved encouraging customer wins and an impressive sales pipeline. We are known for being able to deliver a range of general and specialist products and services unlike any other in the market and have an increasingly good track record of coming through in even the most challenging of circumstances. New customers gained and those in the pipeline are the most diverse in terms of end markets served in our UK history.

Last year a large proportion of revenue (around 30%) came from our COVID-19 work for the Department of Health. When there is any kind of emergency, in any of our territories, we are usually brought in to help. When free mass testing ended in April 2022, that revenue largely stopped. However, the core business continues to perform strongly and we are benefitting from improved cross-selling and operational advancements very much at the centre of our Sunbelt 3.0 plans. We remain in the early stages of forging our path to sustainable long-term results and returns, but are creating sustainable cultural change.

We continue to see significant opportunities in both construction and non-construction markets in the UK as in the US and Canada. We will continue to invest responsibly in the UK market as we seek to increase market share and enhance returns.

MARKET SHARE

We continue to be the largest equipment rental company in the UK. There are a greater number of major players in the UK market and, as the largest, we have a 10% market share.

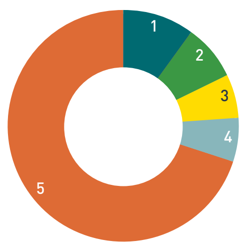
Chart 07 shows our key competitors and their share of the market. We believe we continue to be well positioned in the market with our strong customer service, broad-based fleet and strong balance sheet. We have enhanced this market position through simplifying our go-to-market message and leveraging the cross-selling opportunities provided by our broad product offering and Specialty businesses, a key element of our strategic plan, Sunbelt 3.0.

06 UK CONSTRUCTION INDUSTRY FORECASTS

(£ million)	2020 Actual	2021 Actual	2022 Estimate	2023 Forecast	% of total
Residential	51,634	60,767	60,416	59,859	34%
		17.7%	-0.6%	-0.9%	
Private commercial	40,566	41,173	43,083	44,521	25%
		1.5%	4.6%	3.3%	
Public and infrastructure	58,033	67,447	70,593	73,468	41%
		16.2%	4.7%	4.1%	
Total	150,233	169,387	174,092	177,848	100%
		12.7%	2.8%	2.2%	

Source: Construction Products Association (Main scenario: Spring 2022).

07 UK MARKET SHARE



1 Sunbelt 10%
2 Speedy 8%
3 HSS 6%
4 VP 6%
5 Others 70%

Source: Management estimate based on IHS Markit market estimates – market share has been calculated excluding the impact of revenue associated with supporting the Department of Health COVID-19 response.

Creating sustainable value across the economic cycle

We create value through the short-term rental of equipment that is used for a wide variety of applications and the provision of services and solutions to a diverse customer base through a broad platform across the US, Canada and the UK. Our rental fleet ranges from small hand-held tools to the largest construction equipment.

What we do

We have a platform which enables our customers to rent what they want, when they want and where they want with ease.

BUY
We buy a broad range of equipment from leading manufacturers.

RENT
We rent it on a short-term basis to a broad range of customers.

SELL
We sell the older equipment in the second-hand market.

How we do it

Creating sustainable value across the economic cycle

1
DIFFERENTIATING OUR FLEET AND SERVICE
- Broad fleet mix
- Evolution of Specialty businesses
- Broad range of customers and applications
- Scale to meet size and range of requirement

See more on page 18

2
ENSURING OPERATIONAL EXCELLENCE
- Culture of health and safety
- Focused, service-driven approach
- Long-term partnerships with leading equipment suppliers
- Industry-leading application of technology

See more on page 19

3
INVESTING IN OUR PEOPLE
- Highly skilled team
- Devolved structure
- Maintaining significant staff continuity
- Strong focus on recruitment, training and incentive plans

See more on page 19

4
MAXIMISING OUR RETURN ON INVESTMENT
- Effective fleet management
- Optimisation of utilisation rates and returns
- Flexibility in local pricing structures
- Focus on higher-return equipment

See more on page 19

Creating value

How we share value with our stakeholders:

OUR PEOPLE
Investing in our people to provide opportunity for development and to ensure we take the very best care of our people.

See more on page 19

OUR CUSTOMERS
The provision of cost-effective rental solutions to a diverse customer base.

See more on page 20

OUR SUPPLIERS
Developing long-term relationships with suppliers.

See more on page 43

OUR COMMUNITIES
Enhancing the communities in which we operate, through employment, opportunity and community involvement..

See more on page 54

OUR INVESTORS
Generating sustainable returns for shareholders through the cycle. .

See more on page 18

OUR ENVIRONMENT
Working to ensure we have a positive impact on the environment.

See more on page 54

WHAT WE DO IS SIMPLE. HOW WE DO IT IS NOT.

At its most basic, our model is simple – we purchase an asset, we rent it to customers through our platform and generate a revenue stream each year we own it (on average, seven years) and then we sell it in the second-hand market and receive a proportion of the original purchase price in disposal proceeds. Assuming we purchase an asset for $100, generate revenue of $55 each year (equivalent to 55% dollar utilisation) and receive 35% of the original purchase price as disposal proceeds, we generate a return of $420 on an initial outlay of $100 over a seven-year useful life. We incur costs in providing this service, principally employee, maintenance, property and transportation costs and fleet depreciation. However, this simple overview encompasses a significant number of moving parts, activities and expertise that powers the platform to ensure Availability, Reliability and Ease for our customers. Our ability to excel in these areas enables us to provide a rewarding career for our team members, generate strong margins and deliver long-term, sustainable shareholder value, while managing the risks inherent in our business, even the unprecedented ones like COVID-19 (refer to pages 34 and 39).

MANAGING THE CYCLE

We describe ourselves as being a late cycle business in that our biggest end market, non-residential construction, is usually one of the last parts of the economy to be affected by a change in economic conditions. This means that we usually have a good degree of visibility on when we are likely to be affected, as the signs will have been visible in other parts of the economy for some time. We are therefore able to plan accordingly and react in a timely manner when necessary. While unable to plan for a 'black swan' event such as COVID-19, we were expecting a slow down in construction markets and were planning accordingly with lower levels of capital expenditure. As a result of COVID-19, we accelerated these plans, enabling us to respond immediately and adapt our business to the changing environment. The actions we took as a result of the pandemic were all focused on how we could ensure we were better positioned and stronger than our competitors to take advantage of market changes once we were out the other side. As a result, as markets reopened post COVID-19, we were able to move quickly to adjust our capital expenditure plans to respond to market demand and, despite supply chain challenges, had our largest ever year of capital expenditure. See content on our strategy on page 22.

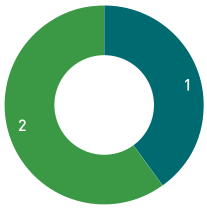
DIFFERENTIATING OUR FLEET AND SERVICE

The differentiation in our fleet and service means that we provide equipment to many different sectors. Construction continues to be our largest market but now represents around 40% of our business in the US as we have deliberately reduced our reliance in this area through broadening our product offering and customer base. We continue to develop our specialty areas, such as Power and HVAC, Climate Control and Air Quality, Scaffold Services, Shoring Solutions and Flooring Solutions, which represent 30% of our US business. The acquisition of Mahaffey in December 2021 provided the foundation for our tenth Specialty business line, Temporary Structures, and the acquisition of ComRent added the market-leading load bank business to our Power and HVAC business enabling us to address better the rapidly advancing electrification environment. Residential construction is a small proportion of our business as it is not a heavy user of equipment. In the UK, specialty areas represent c. 60% of our business.

Our customers range in size and scale from multinational businesses, through strong local contractors to individual do-it-yourselfers. Our diversified customer base includes construction, industrial and homeowner customers, service, repair and facility management businesses, emergency response organisations, event organisers, as well as government entities such as municipalities and specialist contractors. The nature of the business is such that it consists of a high number of low-value transactions. In the year to April 2022, Sunbelt US dealt with over 710,000 customers, who generated average rental revenue of $8,500.

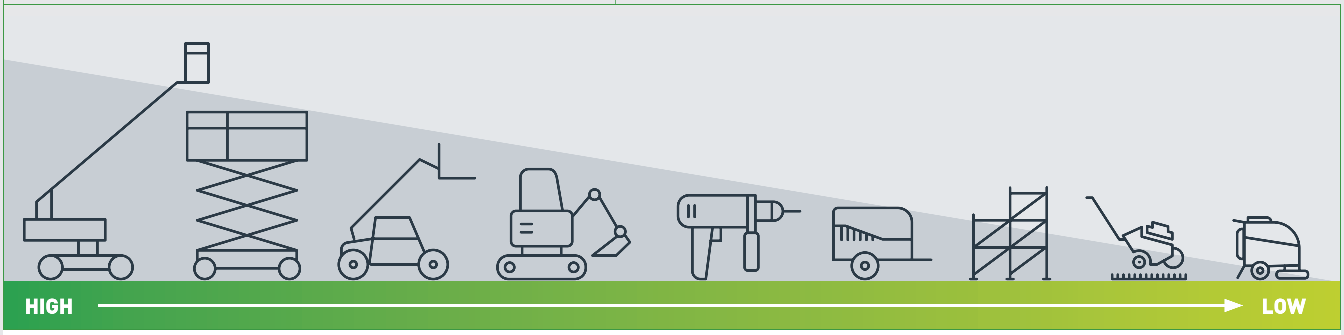
The individual components of our General Tool fleet are similar to our peers. However, this is complemented by our Specialty businesses offering a broad range of differentiated equipment. It is the breadth and depth of our fleet across our General Tool and Specialty businesses that differentiates us from our peers and provides the potential for higher returns. The size, age and mix of our rental fleet is driven by the needs of our customers, market conditions and overall demand. The equipment we provide to each customer is diverse and we are often involved in supplying various types of equipment over an extended period at each distinct stage of a project's development. Our equipment is also used in a wide range of other applications including industrial, events, repair and maintenance, and facilities management.

08 BUSINESS MIX – US



1 Construction....................................40%
2 Non-construction 60%

09 RENTAL PENETRATION: THE PRODUCT RANGE



HOW WE OPERATE

Our operating model is key to the way we deliver operational excellence:

- In the US we achieve scale through a clustered market approach of grouping large and small General Tool and Specialty rental locations in each market. This approach allows us to provide a comprehensive product offering and convenient service to our customers wherever their job sites may be within these markets. When combined with our purchasing power, this creates a virtuous circle of scale. You can find out more on our cluster strategy on page 25.

- In Canada, we are focused on expanding our presence in the Western and Eastern provinces, whilst achieving scale through a clustered market approach similar to the US. The businesses we acquired have strong positions in construction equipment, mobile elevating work platforms and general tools. We are expanding the range of products available to customers in all areas, including building up our specialty service offering.

- In the UK, our strategy is focused on having sufficient stores to allow us to offer a full range of general tool and specialty equipment on a nationwide basis. We are migrating to a regional operating centre model with a few, larger locations which are able to address all the needs of our customers in their respective markets, combined with smaller, local locations, not dissimilar to a cluster approach. This approach reflects the nature of the customer base (more national accounts) and the smaller geography of the UK.

- Across our rental fleet, we seek generally to carry equipment from one or two suppliers in each product range and to limit the number of model types of each product. We believe that having a standardised fleet results in lower costs. This is because we obtain greater discounts by purchasing in bulk and reduce maintenance costs. We are also able to share spare parts between stores which helps minimise the risk of over-stocking. Furthermore, we can easily transfer fleet between locations which helps us achieve strong levels of fleet on rent, one of our key performance indicators ('KPIs').

- We purchase equipment from well-known manufacturers with strong reputations for product quality and reliability and maintain close relationships with them to ensure certainty of supply and good after-purchase service and support. We work with suppliers to provide early visibility of our equipment needs which enables them to plan their production schedules and ensures we receive the fleet when we need it.

- We also aim to offer a full service solution for our customers in all scenarios. Our Specialty product range includes equipment types such as pumps, power generation, heating, cooling, scaffolding, traffic management, temporary flooring, trench shoring and lifting services, which involve providing service expertise as well as equipment.

- We look to build rental penetration through expanding the breadth and depth of equipment we rent. As well as our Specialty businesses, we are also increasingly focused on developing the rental penetration of the smaller end of our product range. Chart 09 shows how the largest equipment in our fleet has high levels of rental penetration while the smaller, but often still costly to own, equipment has not traditionally been a large part of the rental mix.

- We invest heavily in technology, including the mobile applications required to deliver efficient customer service. Customers can track the equipment they have on rent, place new orders, request pick-up or service or extend their contract remotely. Our sales reps have access to the same information, along with details of the location of our fleet and all other information required to serve the customer. Our order fulfilment system utilises automated workflows connected to and powering our point of sale and logistics systems to enable our sales reps to say 'yes' with increased confidence. Technology enables our business and provides power to the platform and a significant advantage over our competitors.

- Our large and experienced sales force is encouraged to build and reinforce customer relationships and to concentrate on generating strong, whole-life returns from our rental fleet. Our sales force works closely with our customers to ensure we meet their needs. Through the application of technology, it is equipped with real-time access to fleet availability and pricing information enabling it to respond rapidly to the needs of a customer while optimising returns.

- We guarantee our service standards and promise our customers we will make it happen. We believe that our focus on customer service and the guarantees we offer help distinguish our businesses from competitors and assist us in delivering superior financial returns. Our responsiveness to customer needs is critical in a business where c. 65% of orders are placed for delivery within 24 hours. We have long-standing relationships with many of our customers. Our customer retention is high due to the scale and quality of our fleet, our speed of response and our customer service.

- Our local management teams are experienced and incentivised to produce strong financial returns and high quality standards. We believe that the autonomy given to management teams to take decisions locally ensures that, despite our size, we retain the feel of a small, local business for our employees.

INVESTING IN OUR PEOPLE

Our people enable us to provide the exceptional customer service that keeps our customers coming back. Our exceptional staff and focus on service give us a huge competitive advantage in what we do. On pages 59 to 61 we discuss the importance of our team members and corporate culture in more detail. We aim to recruit good people and then invest in them throughout their careers.

ANYTOWN NORTH AMERICA

Managing the flow at a water treatment plant to enable the refurbishment of ageing infrastructure

Designing bespoke lifting solutions for the construction of a new bridge

Drying out and cleaning up after a flash flood at an industrial warehouse

Renting generators, access equipment, barriers and trackway for a stadium concert

Designing, erecting and dismantling scaffolding systems

DIVERSE MARKETS AND APPLICATIONS
Our range of construction, industrial and general equipment is applicable to broad and diverse end markets, with individual products having many different applications. As such, our equipment serves the needs of customers from construction to zoos and from data centres to community events. More than 50% of our revenue comes from non-construction markets.

Providing equipment for facilities management at a shopping complex

Power generation, load banks, temporary HVAC solutions, access, environmentally-friendly focused solutions

Providing traffic management solutions for engineering projects

Facilitating fit-out and ongoing maintenance at a power plant

Indoor Air Quality, facility maintenance, advanced climate control applications

Providing temporary climate control solutions for retail premises and office buildings

On-site tool hire, accommodation and maintenance for a new residential construction site

Tarmac/runway resurfacing, construction/ remodelling of terminals, facility maintenance, floor care maintenance

AMBITION WITH PURPOSE – SUNBELT 3.0

Following our successful Project 2021, during which we increased our revenue almost 75% from $3,825m in 2016 to $6,639m in 2021, we launched the latest iteration of our strategic plan, Sunbelt 3.0, in April 2021. Sunbelt 3.0 is ambitious and reflects what we believe is achievable for Ashtead. Our plan is infused with purpose for all our stakeholders; our people, our customers, our suppliers, our investors and our communities, and underpinned by critical cultural elements. We are already seeing big cultural shifts across our entire business and all our territories.

Our business, even under normal circumstances, is cyclical and we have created a business model that not only accommodates that, but capitalises on it. We seek to make the most of the structural growth opportunities available to us, particularly in the US and Canada, through same-store investment, greenfields and bolt-ons. From 2011 to 2021, we achieved 16% compound annual growth in the US, of which two-thirds was from market share gains. Now we are taking the business to the next level, through Sunbelt 3.0.

We are conservative in our approach to maintaining a stable and secure balance sheet throughout the cycle which gives us the flexibility to manage changes to the business and its environment, as and when they occur. We have been able to take decisions based on the long-term prospects for the business without having to take short-term decisions that could damage the fabric of it. The past two years have demonstrated perhaps more than anything else, our ability to not only withstand difficult market conditions, but actually to flourish under them. We have emerged from this period stronger than ever. Being a highly diversified business has enabled that, as does our strategic planning for any eventuality. We work well in good times and bad. That is what we do.

Our goal for Sunbelt 3.0 is to add 298 greenfield locations across North America bringing us to a total of 1,234 locations in 2024, while in the UK, the focus is on transforming the business over the 3.0 period to deliver enhanced and sustainable margins and returns. We have already added 88 greenfield locations in North America and a further 35 through bolt-ons, and the UK business is seeing improved performance from operating as a more cohesive unit. We are guided by five actionable components which help us capitalise on the structural growth opportunities still very much available in North America and position us as the leading rental company in the UK. These are underpinned by three cultural elements that make us who we are, investing in our people, maintaining our entrepreneurial culture but doing that at scale, and continuing to bring Availability, Reliability and Ease to our customers.

ACTIONABLE COMPONENTS

1	**Grow General Tool and advance our clusters**	Advance our clustered market approach through a proven playbook to meet demand and enable increased rental penetration in North America while optimising our operational network in the UK.
2	**Amplify Specialty**	Drive accelerated growth through recently realised Specialty scale, unique cross-selling capabilities, and demand in the early phases of rental penetration.
3	**Advance technology**	Make the move from industry-leading technology platform, to a leader among the broader industrial and service sector; further improving our customer value proposition and capture the benefits of scale across the Group.
4	**Lead with ESG**	Embracing responsible sustainability and success for our people, our customers, our communities and our investors; while unlocking structural benefits ESG will bring to rental across the Group.
5	**Dynamic capital allocation**	Consistent application of our capital allocation policy to optimise capital deployment for the benefit of all stakeholders.

Underpinned by cultural elements

- Invest in our people
- Entrepreneurialism with scale
- Bringing Availability, Reliability and Ease to our customers

Our goal in the long-term is to achieve 20% market share in North America and continue to grow our share of the UK market. We believe these are realistic goals given the way the rental market continues to evolve and the way we do business. Consistent implementation of our strategy across the economic cycle will ensure we are in a strong position at all times to take advantage of the opportunities presented.

OUR SUNBELT 3.0 STRATEGIC PRIORITIES

STRATEGIC PRIORITY	KEY INITIATIVES	UPDATE	RELEVANT KPIs	RELATED RISKS
1 **Grow General Tool and advance our clusters**	– Organic fleet growth – 126 greenfield openings in North America – Bolt-on M&A – 49 of top 100 US markets clustered by 2024 – Four of top 10 Canadian markets clustered by 2024	– 12% US market share – 8% Canadian market share – 10% UK market share – 13% increase in US average fleet on rent – 15% increase in Canadian average fleet on rent – 88 greenfield openings in North America – Specialty revenue of \$2.0bn – 39 of top 100 US markets clustered – Three of top 10 Canadian markets clustered – Mahaffey acquisition creates 10th Specialty business, temporary structures	– RoI – Fleet on rent – Dollar utilisation – EBITDA margins	– Economic conditions – Competition – People and culture
2 **Amplify Specialty**	– Revenue growth from \$1.4bn to \$2.4bn – Organic fleet growth – 172 greenfield openings – Bolt-on M&A – Develop Specialty products – Focus on cross-selling		– RoI – Fleet on rent – Dollar utilisation – EBITDA margins	– Economic conditions – Competition – People and culture

3 **Advance technology**	– Operational improvement:
	  – delivery cost recovery
	  – fleet efficiency
	– Increased use of technology to drive optimal service and revenue growth
	– ARE initiative: Availability, Reliability, Ease
		– Dollar utilisation:
		  – US: 57%
		  – Canada: 55%
		  – UK: 58%
		– EBITDA margins:
		  – US: 48%
		  – Canada: 45%
		  – UK: 30%
			– Fleet on rent
			– Dollar utilisation
			– EBITDA margins
				– Cyber security
				– Laws and regulations

4 **Lead with ESG**	Making ESG core to how we operate:
	– Focus on culture
	– Focus on safety
		– 42.2 tCO_2e/\$m
		– (2021: 48.5 tCO_2e/\$m)
		– Staff turnover
		  – US: 21%
		  – Canada: 28%
		  – UK: 25%
		– RIDDOR reportable rates
		  – US: 0.17
		  – Canada: 0.15
		  – UK: 0.22
			– Carbon intensity
			– Staff turnover
			– Safety
				– People and culture
				– Health and safety
				– Environmental

5 **Dynamic capital allocation**	– Organic growth investment in existing locations and greenfield sites – Bolt-on M&A – Returns to shareholders	– \$2,397m of capital invested in the business (2021: \$947m) – \$1,274m spent on current year acquisitions (2021: \$172m) – \$269m paid in dividends (2021: \$235m) – Leverage of 1.5x EBITDA (excluding IFRS 16) – \$414m allocated to share buyback	– Adjusted EPS – RoI – Net debt and leverage	– Economic conditions – Competition

1 **GROW GENERAL TOOL** AND ADVANCE OUR CLUSTERS

The first of our actionable components is to grow our General Tool business and advance our proven clustered market approach to meet demand and enable increased rental penetration in North America. In the UK, our focus is on optimising our operational network. We are focused on achieving operational improvements in existing locations, exploiting latent capacity in newly opened locations, investing in fleet, leveraging the economics of our cluster approach and improving rental rates.

We plan to open 126 General Tool greenfield locations whose location has been determined based on our experience and analytics down to the zip code level. This analysis includes our assessment of current market share, fleet per capita, customer statistics, construction starts, proximity to existing locations, square footage under roof and the competitive landscape. Our greenfield openings are biased towards the western part of the US where we have lower market share. This organic growth strategy is being complemented by bolt-ons.

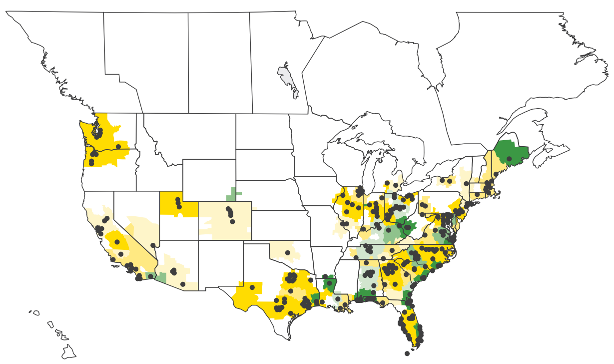
Our plans during Sunbelt 3.0 for Canada involve bringing our market share to our 2021 US level through 26 greenfield openings, across all provinces and advancing our clusters around Toronto which is the largest rental market. When we entered the Canadian market in 2014 we acquired six locations in Western Canada. In 2022 we have 66 General Tool locations and by 2024 we will have 86.

There is a drag on margins when we open new stores but generally they improve quickly as they deliver more revenue and later broaden the fleet and customer mix. The same happens with acquisitions because we buy businesses we can improve, either operationally or through additional investment, or both. Even when the market declines, as was the case in 2020/21, our stores can continue to benefit from the structural part of the growth which is independent of the market. This is why we are consistently able to out perform both our competitors and the market. The strength of our brand and reputation means that greenfield sites become profitable very quickly. The diversity of our product portfolio and services only adds to this.

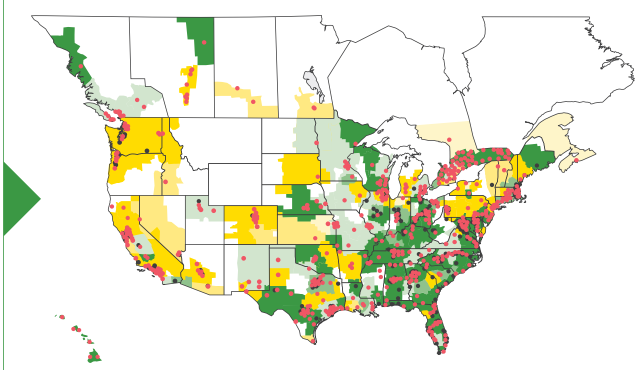
Structural growth is people choosing to rent more equipment (increased rental penetration) and the big getting bigger (increased market share). We are able to keep growing because we prioritise investment in the fleet and have the financial security to do that. Our customers want good quality fleet, readily available to meet their needs. Investing in a broad range of fleet and backing that up with great service means our customers remain loyal and do not need to look elsewhere. Prioritising higher return on investment ('RoI') products further helps our growth.

10 MARKET SHARE AND GROWTH STRATEGY

APRIL 2012



APRIL 2022



Market share:

0% 10% 15%

Locations:

● April 2012 ● Location growth May 2012 to April 2022

Source: IHS Markit/ARA: State of the Equipment Rental Industry, April 2022 and management estimates.

Our cluster approach

Our cluster approach is an important aspect of our strategy. Our greenfield sites are chosen to enhance our existing business. We focus on building clusters of stores because, as they mature, they access a broader range of markets unrelated to construction leading to better margins and RoI. The size and composition of a cluster depends on the market size based on Designated Market Areas.

A top 25 market cluster in the US has more than 15 stores, a top 26-50 market cluster more than ten stores and a top 51-100 market more than four stores. We also include the smaller 101-210 markets within our cluster analysis. We have found that these smaller markets, while performing less well than others overall, often prove more resilient when times are less good. Our definition of a cluster in these markets is two or more stores. Creating clusters is also a key element of our expansion strategy in Canada which also helps us increase the Specialty business element of what we can provide for customers. With the advanced technology we have in place, we are able to analyse local market data very accurately. This allows us to find similarities between certain US and Canadian centres, and model our growth plans accordingly. The more customers get to know and trust us, the faster we are able to grow.

We focus on ensuring our clusters meet the multiple needs of local customers even if that means some stores may appear superficially to perform less well than others. The interaction of the stores in a cluster is what gives us real competitive advantage. We find that having a blend of locations is highly desirable and we like to mix up the large equipment locations with smaller General Tool stores. The addition of Specialty stores serves to really differentiate us from competitors in the area. This enables us to broaden and diversify our customer base and our end markets, as we extend our reach within a market. Average revenue per store is not a relevant measure with which to evaluate the success of individual clusters or even the business as a whole. The value is in the mix.

11 OPPORTUNITY TO BUILD OUT FURTHER CLUSTERS

	US			
Rental markets	Top 25	26–50	51–100	100–210
Rental market %	57%	19%	16%	8%
Cluster definition	>15	>10	>4	>1
Clustered	15 markets	9 markets	15 markets	16 markets

	Canada		
Rental markets	Top 5	6–10	11–55
Rental market %	67%	20%	13%
Cluster definition	>7	>4	>1
Clustered	2 markets	1 market	7 markets

Source: Management information.

2 AMPLIFY SPECIALTY

Our second actionable component is to amplify our Specialty businesses which focus on products with comparatively low rental penetration in predominantly non-construction markets. These products are often a natural add-on to our General Tool products and services. We are always looking for new rental opportunities and to expand the number of our Specialty businesses which in North America include:

- Power and HVAC;
- Climate Control and Air Quality;
- Scaffold Services;
- Flooring Solutions;
- Pump Solutions;
- Lighting, Grip and Lens;
- Ground Protection;
- Industrial Tool;
- Shoring Solutions; and
- Temporary Structures.

In North America we are investing in fleet to enable existing location growth as well as continuing our greenfield openings and bolt-on acquisitions. We are scaling the less developed business lines and identifying, exploring and developing new white and grey space opportunities. A good example of grey space was our acquisition of Mahaffey in December 2021, establishing our 10th Specialty business line, temporary structures.

Our Specialty businesses are true specialisms with in-house experts in each business line with in-depth product and application knowledge, who enable us to provide the very best level of service to our customers.

We are looking to grow our North American Specialty revenue to c. $2.4bn during Sunbelt 3.0 through our ambitious plans to drive rental penetration and increase our market share. We have made significant progress in the first year of Sunbelt 3.0 with revenue of $2.0bn. We have a broad-based team identifying new rental product ideas for both existing and new businesses, and a culture that encourages ideas at all levels of the organisation, building entrepreneurialism with scale.

In the UK we are making targeted fleet investment, accelerating Specialty growth through cross-selling and also identifying and developing new opportunities. In the UK we are already seeing significant growth in cross-referrals.

3 ADVANCE TECHNOLOGY

The third of our strategic actionable components is advancing the way we use technology. We are moving from being an industry-leading technology platform to being a leader among the broader industrial and service sector, further improving our customer value proposition and capturing benefits of scale across the Group. We do this by: leveraging our experience, culture and the data we accumulate day-to-day; making what we create, sustainable and scalable; building a technology-driven ecosystem; enabling eCommerce across all channels; ensuring we improve further our customer value proposition of Availability, Reliability and Ease; and migrating our common applications to a group-wide platform.

We have a robust technology infrastructure which supports our proprietary systems with the aim of continuous improvement to enable The Perfect Rental™. With c. 65% of orders placed for delivery within 24 hours, our goal is to enable our sales force to say 'yes' confidently, through the use of our proprietary cloud-based sourcing decision engine, Chronos. Our Sunbelt 3.0 technology roadmap is designed to enhance the capability of all our systems, mobile applications and tools to make them ever smarter and more flexible, such that they deliver improvements in customer service, procurement opportunities, service operations, logistics and our management of resources. We are focused specifically on increasing order capture, improving time utilisation, improving rental rates and enhancing dynamic pricing.

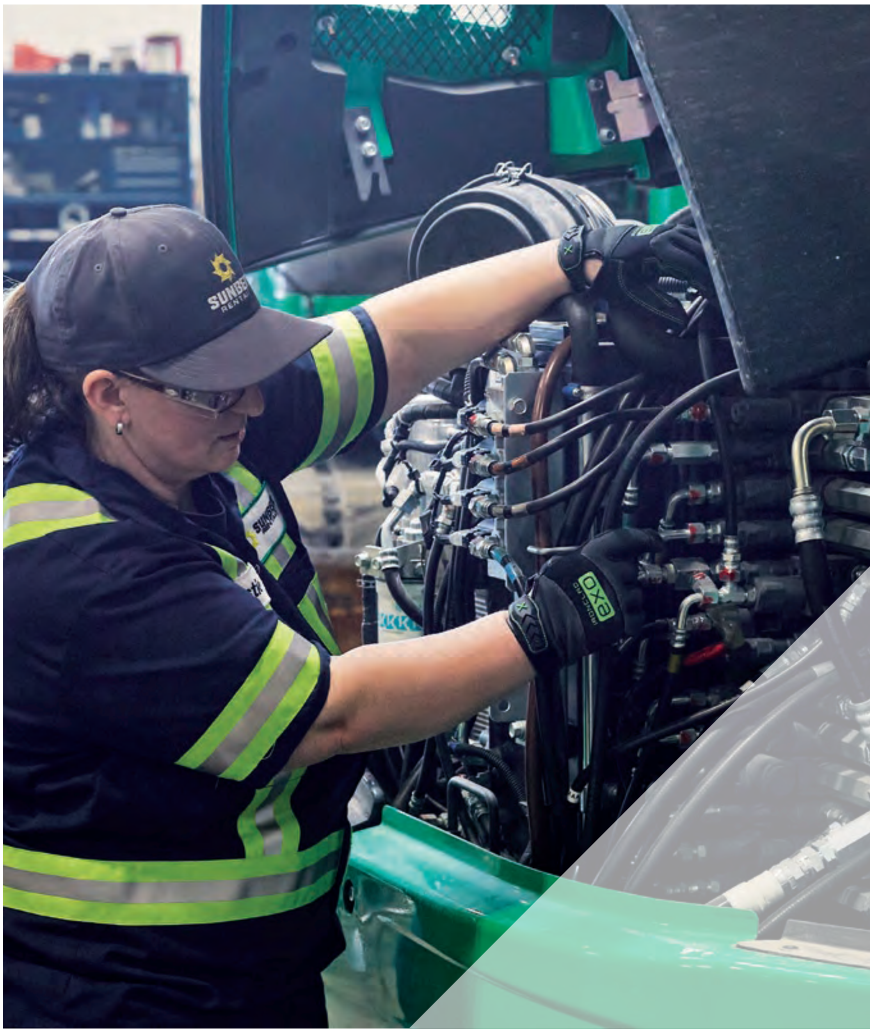
THE PERFECT RENTAL™

- Safety for our people, our customers and our communities
- Availability, Reliability and Ease
- Professional and friendly interaction
- Right equipment for the application
- Delivered on time
- Easy and efficient omni-channel experience
- Smartly dispatched
- No breakdown in first 48 hours
- Optimised pricing
- Proactive telematics notifications
- Sustainable process
- The Sunbelt Promise

IF IT'S NOT PERFECT, WE MAKE IT RIGHT!

4 LEAD WITH ESG

A major update to our strategy in launching Sunbelt 3.0 was the inclusion, for the first time, of ESG as an actionable component. Responsible sustainability has always been important to the Group and part of our activities day-to-day, but now it is formally embedded into our strategy for the benefit of our people, customers, suppliers, communities and investors, as well as optimising the structural benefits ESG brings to rental. This is an important element in what we mean by Ambition with Purpose for Sunbelt 3.0. We believe there are enormous benefits to the environment from rental versus ownership at all stages of the business life cycle, supply chain, operations, customer use and end of life of equipment. It is far better for the environment for many customers to rent one piece of well-maintained and safe equipment only when they need it, than for many customers to each purchase said piece of equipment, use it a few times, fail to maintain it properly and then throw it away when it becomes obsolete or just no longer needed. This is a prime example of the sharing economy. Increased rental of shared assets reduces the number of machines that need to be manufactured with the benefit of lower consumption of raw materials, fewer manufacturing facilities and hence, lower energy requirements, and fewer assets to be disposed of end of life. Our rental equipment is also amongst the greenest available as we renew our fleet on a regular basis and take advantage of the latest technology. We have made a commitment to reduce our Scope 1 and 2 carbon intensity by 35% by 2030 and by 15% during Sunbelt 3.0. This will come principally from environmental efficiencies in our transportation fleet and the facilities we operate.



From a social perspective, our people have always been first on the priority list and that was ever more evident during COVID-19. Ours is a culture committed to employee safety, engagement, diversity, equity and inclusion, and providing a Leading / Living Wage. Putting our people first allows them to give us enormous competitive advantage. Our skilled workforce is instrumental to the Group's long-term success and we preserved our committed workforce during COVID-19 so that we were ready for the recovery when it came.

As an essential service provider we support our customers and communities whether that be investing in the communities in which our people reside, first responder participation for emergencies, or natural disaster response such as hurricane relief. You can read more about our ESG strategy in our Responsible business report on page 54 and about governance in the Corporate governance report on page 84.

5 DYNAMIC CAPITAL ALLOCATION

Our final actionable component is dynamic capital allocation; the consistent application of our capital application policy to optimise capital deployment for the benefit of all our stakeholders. Maintaining financial and operational flexibility enables us to flex our business and operational models through the economic cycle. This enables us to react quickly to both opportunities in the market and negative changes. The more growth we experience and plan for, the more financial and operational flexibility we need. A key element of our strategy is ensuring we have the financial strength to enable growth when appropriate and make our returns sustainable. Having a strong balance sheet is fundamental to our success at all stages in the cycle.

Our consistently applied policy continues with the following allocation priorities:

- organic growth investment in existing locations and greenfield sites;
- bolt-on acquisitions; and
- returns to shareholders – a progressive dividend policy and share buybacks to maintain our target leverage range.

A core element of our financial stability comes from our strategy of ensuring that, averaged across the economic cycle, we always deliver RoI well ahead of our cost of capital. RoI through the cycle is the key measure for any rental company and the best medium-term indicator of the strength of the business. We do this in a variety of ways at different stages of the cycle, all focused on the effective management of invested capital and financial discipline.

The maturity of our stores has a big impact on RoI. As stores mature, and the size and range of fleet increases, there is natural margin and returns progression. Stores that were greenfield sites only two years ago are now already adding same-store growth. We are always focused on moving new and young stores up the maturity curve as there is scope for higher returns as they progress. This also means that we are now at a very different stage in our evolution in the current economic cycle relative to where we were in the last cycle. We have more stores and they are larger and more mature than at the peak of the last cycle, and are well placed to take advantage of growth opportunities and much better placed to weather downturns, when they arise, as we have seen over the last two years.

We have been consistent in our commitment to both low leverage and a well-invested fleet, and we benefit from the options this strategy has provided. The length and gradual nature of the last cycle enabled us to establish a smooth, well distributed fleet profile across the age bands which provides significant flexibility across the economic cycle. Traditionally, rental companies have only generated cash in a downturn when they reduce capital expenditure and age their fleet. In the upturn, they consume cash as they replace their fleets and then seek to grow. We have changed this dynamic through the cycle with our scale and strong margins. We have been in a phase where we continued to grow the business in the latter part of the last cycle and were highly cash generative. This cash generation continued in 2021/22, with free cash flow of $1,125m, while we invested significantly in the business. Our leverage remains at the bottom of our target range of 1.5 to 2.0 times net debt to EBITDA (excluding IFRS 16) which provides the Group with significant flexibility, security and a platform for growth as we look to improving markets.

This financial position, when combined with the scale, maturity and diversity of the business, puts us in a strong position as we implement Sunbelt 3.0. Free cash flow from operations will fund 100% of our ambitious Sunbelt 3.0 organic growth plans, leaving significant capacity for bolt-ons and returns to shareholders.

CULTURAL ELEMENTS

Underpinning our five actionable components are our cultural elements of investing in our people; fostering a culture of 'entrepreneurialism with scale'; and continuously delivering on our customer promise of Availability, Reliability and Ease. We believe our culture drives the success of our business and, as such, these elements underpin our strategic plan and are critical to its delivery.

2. AMPLIFY SPECIALTY

OUR STRATEGY

2 Drive accelerated growth by leveraging recently realised Specialty scale, unique cross-selling capabilities and demand in the early phases of rental penetration.

2022 HIGHLIGHTS

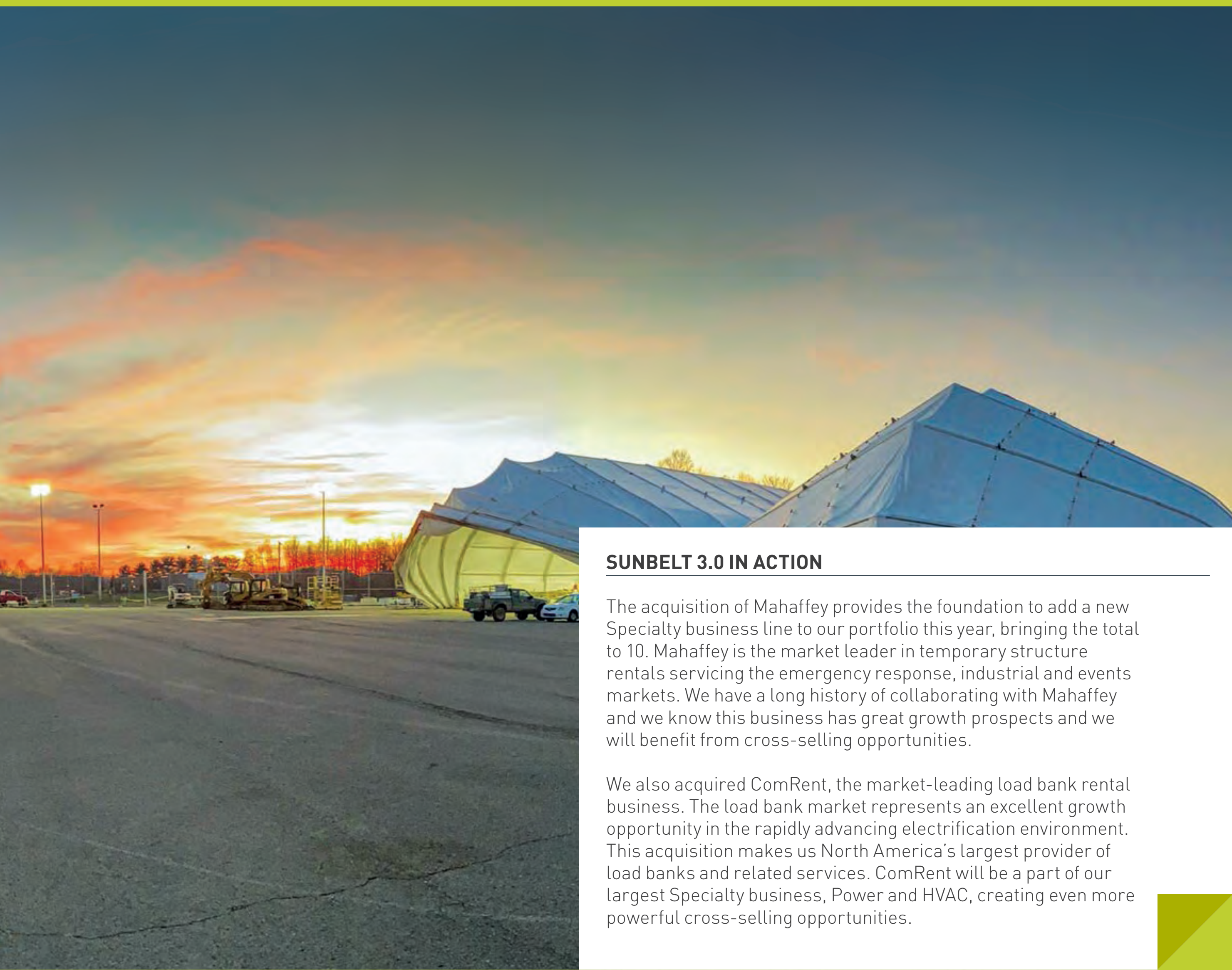
- $2.0BN SPECIALTY REVENUE IN 2021/22
- SCALING OF LESS DEVELOPED BUSINESSES
- 72 GREENFIELD LOCATIONS ADDED IN 2021/22
- 4 SPECIALTY ACQUISITIONS COMPLETED

429

Specialty locations at April 2022

+34%

growth in North American Specialty revenue in 2021/22



SUNBELT 3.0 IN ACTION

The acquisition of Mahaffey provides the foundation to add a new Specialty business line to our portfolio this year, bringing the total to 10. Mahaffey is the market leader in temporary structure rentals servicing the emergency response, industrial and events markets. We have a long history of collaborating with Mahaffey and we know this business has great growth prospects and we will benefit from cross-selling opportunities.

We also acquired ComRent, the market-leading load bank rental business. The load bank market represents an excellent growth opportunity in the rapidly advancing electrification environment. This acquisition makes us North America's largest provider of load banks and related services. ComRent will be a part of our largest Specialty business, Power and HVAC, creating even more powerful cross-selling opportunities.

MEASURING OUR PERFORMANCE

At Group level, we measure the performance of the business using a number of key performance indicators ('KPIs'). These help to ensure that we are delivering against our strategic priorities as set out on page 22. Several of these KPIs (adjusted EPS, return on investment, leverage and carbon intensity) influence the remuneration of our executive team (see page 97).

Certain KPIs are more appropriately measured for each of our operating businesses, whereas other KPIs are best measured for the Group as a whole.

KEY

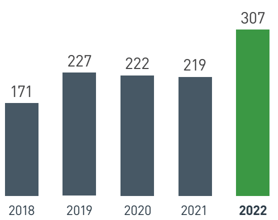
Link to strategic priority:

1 Grow General Tool and advance our clusters
2 Amplify Specialty
3 Advance technology
4 Lead with ESG
5 Dynamic capital allocation

R Linked to remuneration

ADJUSTED EPS (¢)

1 2 5 R



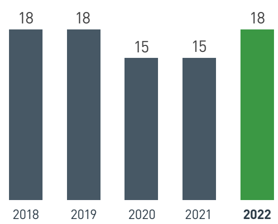
Calculation
Adjusted Group profit after taxation divided by the weighted average number of shares in issue (excluding shares held by the Company and the ESOT).

Target
As a cyclical business, adjusted EPS varies through the cycle.

2022 performance
Adjusted EPS was 307.1¢ per share in 2021/22.

RETURN ON INVESTMENT ('ROI') (%)

1 2 5 R



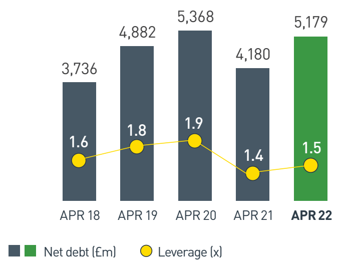
Calculation
Last 12-month ('LTM') adjusted operating profit divided by the LTM average of the sum of net tangible and intangible fixed assets, plus net working capital but excluding net debt and tax. RoI is calculated excluding the impact of IFRS 16.

Target
Averaged across the economic cycle we look to deliver RoI well ahead of our cost of capital, as discussed in our strategic review.

2022 performance
Our RoI was 18% for the year ended 30 April 2022.

NET DEBT AND LEVERAGE AT CONSTANT EXCHANGE RATES

5 R



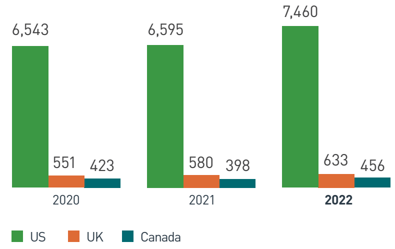
Calculation
Net debt is total debt less cash balances, as reported, and leverage is net debt divided by EBITDA, calculated at constant exchange rates (balance sheet rate). Both net debt and leverage exclude the impact of IFRS 16.

Target
We seek to maintain a conservative balance sheet structure with a target for net debt to EBITDA of 1.5 to 2.0 times (excluding IFRS 16).

2022 performance
Excluding lease liabilities arising under IFRS 16, net debt at 30 April 2022 was $5,179m and leverage was 1.5 times.

FLEET ON RENT ($M/£M/C$M)

1 2 3



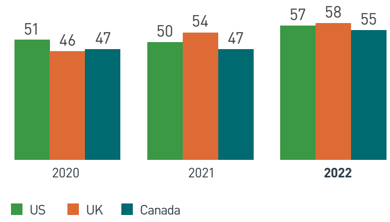
Calculation
Fleet on rent is measured as the daily average of the original cost of our itemised equipment on rent.

Target
To achieve growth rates in excess of the growth in our markets and that of our competitors.

2022 performance
In the US, fleet on rent increased 13% (rental revenue up 22%), in Canada, fleet on rent increased by 15% (rental revenue up 30%), while in the UK it increased by 9% (rental revenue up 13%). The US market increased by 9%, the Canadian market by 17% and the UK market by 8%.

DOLLAR UTILISATION (%)

1 2



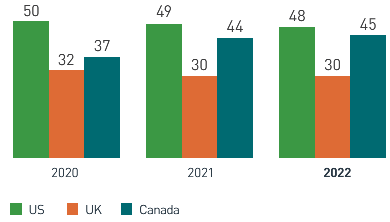
Calculation
Dollar utilisation is rental revenue divided by average fleet at original (or 'first') cost measured over a 12-month period.

Target
Improve dollar utilisation to drive improving returns in the business.

2022 performance
Dollar utilisation was 57% in the US, 55% in Canada and 58% in the UK. The increase in the US and Canada reflects better fleet utilisation following the COVID-19 pandemic and an improved rate environment. In the UK, the increase reflects the work done for the Department of Health.

EBITDA MARGINS (%)

1 2 3 5



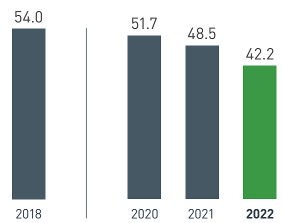
Calculation
EBITDA as a percentage of total revenue.

Target
To improve or maintain margins with EBITDA margins of 40-50% in the US, 40-45% in Canada and 35-40% in the UK.

2022 performance
EBITDA margins in 2021/22 were 48% in the US, 30% in the UK and 45% in Canada.

CARBON INTENSITY (TCO$_2$e/$m)

4 R



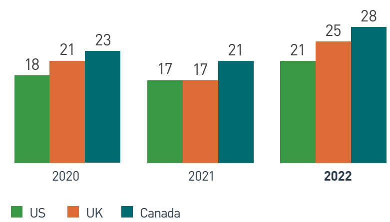
Calculation
Carbon intensity is calculated as emissions per $m of revenue (tCO$_2$e/$m), calculated at constant exchange rates.

Target
To reduce our carbon intensity by 35% by 2030 with reference to 2018 as a base year, with a shorter-term target of 15% by 2024.

2022 performance
Our carbon emission intensity ratio was 42.2 (2021: 48.5).

STAFF TURNOVER (%)

4



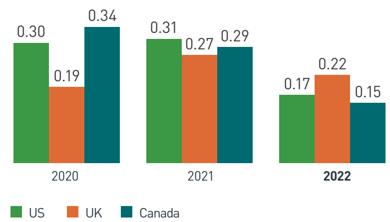
Calculation
Staff turnover is calculated as the number of leavers in a year (excluding redundancies) divided by the average headcount during the year.

Target
Our aim is to keep employee turnover below historical levels to enable us to build on the skill base we have established and maintain and enhance the culture of the business.

2022 performance
Turnover levels have increased across the business. Voluntary employee turnover and the actions we are taking to reduce it are discussed on page 60. Our well-trained, knowledgeable staff remain targets for our competitors.

SAFETY

4



Calculation
The RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reportable rate is the number of major injuries or over seven-day injuries per 100,000 hours worked.

Target
Continued reduction in accident rates.

2022 performance
The RIDDOR reportable rates were 0.17 in the US, 0.22 in the UK and 0.15 in Canada.

More detail is included in our Responsible business report on page 56.

MANAGING OUR RISK

The Group recognises the importance of identifying and managing financial and non-financial risks faced by the business. In response to this, it has developed a rigorous risk management framework designed to identify and assess the likelihood and consequences of risks and to manage the actions necessary to mitigate their impact, including those related to climate-related matters. Our risk identification processes seek to identify risks from both a top-down strategic perspective and a bottom-up business perspective. The Board has overall responsibility for risk management, setting of risk appetite and implementation of the risk management policy. This is designed to enable our employees to take advantage of attractive opportunities, yet to do so within the risk appetite set by the Board.

The Group Risk Register is the core of the Group's risk management process. It contains an overall assessment of the risks faced by the Group together with the controls established to reduce those risks to an acceptable level and is maintained by the Group Risk Committee. The Group Risk Register is based on detailed risk registers maintained by Sunbelt in North America and the UK, which are reviewed and monitored through local risk committees. The operation and effectiveness of the local risk committees, which meet at least quarterly, continues to be enhanced.

The Group Risk Committee meets as required, but at least twice a year, with the objective of encouraging best risk management practice across the Group and a culture of regulatory compliance and ethical behaviour. The Committee is chaired by Michael Pratt, our chief financial officer and also includes:

- in relation to North America:
  - the chief financial officer;
  - the head of central operations;
  - the head of administration and business development;
  - the chief technology officer;
  - the head of safety, health and environment; and
  - one of the operational executive vice presidents;
- in relation to the UK, the chief financial officer, who chairs the UK business risk committee;
- the Group's managing director of ESG; and
- Group and US counsel.

RISK MANAGEMENT FRAMEWORK

GROUP RISK COMMITTEE

- Reviews key and emerging risks on a regular basis with support from the businesses' risk committees which meet quarterly.
- Receives in-depth presentations from the businesses' risk committees on key matters.

AUDIT COMMITTEE

- Receives presentations from Group Risk Committee on the Group Risk Register on an annual basis.
- Assesses effectiveness of risk management process.

BOARD

- Overall responsibility for risk management framework and the definition of risk appetite.
- Undertakes Board monitoring of significant risks throughout the year.

RISK IDENTIFICATION

- Assessed both on a top-down and bottom-up basis.
- Risks considered most material to the business.
- Consideration of emerging risks.

ASSESSMENT OF LIKELIHOOD AND IMPACT

- Financial, operational, environmental and regulatory impacts considered.

RISK APPETITE DETERMINED

- Risk appetite assessed for individual risks in accordance with our overall Group risk appetite.

MITIGATING CONTROLS IMPLEMENTED

- Mitigating controls identified, implemented and monitored to ensure risk is reduced to an acceptable level.

GROUP RISK REGISTER

Group Risk Register summarises work of Group Risk Committee, changes in risks identified and details by significant risk material controls and monitoring activities completed.

RISK APPETITE DETERMINED

Risk appetite determined with reference to the Group's risk categories:

STRATEGIC | **OPERATIONAL** | **FINANCIAL**

The Group Risk Committee reports annually through the Audit Committee to the Board and, as part of this process, produces an updated Group Risk Register. The Board assesses on a regular basis whether the appropriate risks have been identified, including any emerging risks which may impact the Group, and that adequate assurance is obtained over those risks.

In addition, consideration is given to ensure that risks have been appropriately assessed in relation to risk rating. Our risk appetite is reflected in our rating of risks and ensures the appropriate focus is placed on the correct risks. The Board takes a view of the prospects of the business through the cycle and, given the inherent cyclicality in the business, tends to operate with a low risk appetite.

The Group Risk Committee priorities this year included:

- assessment of the Group Risk Register, including identification and prioritisation of business risks;
- health and safety, together with continuous improvement through training and awareness;
- driver safety, training and compliance;
- focus on the continued development of our technology environment, including in relation to cyber security;
- assessment of the environmental and social impact of the Group;
- monitoring of compliance with laws and regulations; and
- performance standards audits.

Our priorities for next year focus on the principal areas of risk to the Group and are similar. In particular:

- continue our safety initiatives, focused on serious injury and fatality ('SIF') protocols and driver programmes;
- focus on the development of our technology environment in accordance with the Group's strategic plans, including a continued focus on cyber security; and
- focus on our ESG initiatives, delivering against our environmental and social priorities.

PRINCIPAL RISKS

Set out below are the principal business risks that could impact the Group's business model, future performance, solvency or liquidity and information on how we mitigate them. Our risk profile evolves as we move through the economic cycle and commentary on how risks have changed is included below. The Committee has considered whether climate-related matters represent a principal risk for the Group. The Group believes that climate-related matters are addressed principally through our environmental risk and commitment to reduce carbon intensity. On balance, the Committee believes that climate change and emerging technologies will increase the demand for rental and continue the shift from ownership to rental, rather than presenting a risk to our business model. In addition, we have removed 'financing' as a principal risk. The risk of financing relates to the potential failure to replace debt facilities prior to their maturity, resulting in the Group being unable to meet its debt obligation as they fall due. As an investment grade rated company, operating in the lower part of our target leverage range, we no longer believe this represents a principal risk.

KEY

Change in risk in 2021/22:

- ↑ Increased risk
- → Constant risk
- ↓ Decreased risk

Link to strategic priority:

- 1 Grow General Tool and advance our clusters
- 2 Amplify Specialty
- 3 Advance technology
- 4 Lead with ESG
- 5 Dynamic capital allocation

Economic conditions

↑ 1 2 5

Potential impact

In the longer-term, there is a link between levels of economic activity and demand for our services. The most significant end market which affects our business is construction. The construction market is cyclical and typically lags the general economic cycle by between 12 and 24 months.

The economic uncertainties resulting from the impact of COVID-19 or other pandemics are considered as part of this risk.

Mitigation

- Prudent management through the different phases of the cycle.
- Flexibility in the business model.
- Capital structure and debt facilities arranged in recognition of the cyclical nature of our market and able to withstand market shocks.

Change

The North American and UK economies have rebounded from the adverse impact of the COVID-19 pandemic and our markets, particularly in North America, are strong. However, concerns over inflation and increasing interest rates has heightened the risk of an economic slowdown in 2023. Accordingly, we have increased the likelihood rating of an adverse economic event to 'high'.

Competition

1 2 5

Potential impact
The already competitive market could become even more competitive and we could suffer increased competition from large national competitors or small companies or local companies resulting in reduced market share and lower revenue.

This could negatively affect rental rates and physical utilisation. Continuing industry consolidation could also have a similar effect.

Mitigation
- Create commercial advantage by providing the highest level of service, consistently and at a price which offers value.
- Differentiation of service.
- Enhance the barriers to entry to newcomers provided by our platform: industry-leading technology; experienced personnel and a broad network; and equipment fleet.
- Regularly estimate and monitor our market share and track the performance of our competitors.

Change
Our competitive position continues to improve. We have grown faster than our larger competitors and the market, and continue to take market share from our smaller, less well financed competitors. We have a 12% market share in the US, an 8% market share in Canada and a 10% market share in the UK.

Cyber security

3

Potential impact
A cyber-attack or serious uncured failure in our systems could result in us being unable to deliver service to our customers and /or the loss of data. In particular, we are heavily dependent on technology for the smooth running of our business given the large number of both units of equipment we rent and our customers. As a result, we could suffer reputational loss, revenue loss and financial penalties.

This is the most significant factor in our business continuity planning.

Mitigation
- Stringent policies surrounding security, user access, change control and the ability to download and install software.
- Testing of cyber security including red team exercises, system penetration testing and internal phishing and other training exercises undertaken.
- Use of antivirus and malware software, firewalls, email scanning and internet monitoring as an integral part of our security plan.
- Use of firewalls and encryption to protect systems and any connections to third parties.
- Use of multi-factor authentication.
- Continued focus on development of IT strategy taking advantage of cloud technology available.
- Separate near-live back-up data centres which are designed to be able to provide the necessary services in the event of a failure at a primary site.

Change
Good progress has been made in enhancing the Group's cyber security profile, with a significant and ongoing investment in resource and tooling. Nevertheless, cyber security remains a continually evolving area and a priority for the Group.

In relation to business continuity, our plans have been subject to continued review and update during the year and our disaster recovery plans are tested regularly.

Health and safety

4

Potential impact
A failure to comply with laws and regulations governing health and safety and ensure the highest standards of health and safety across the Group could result in accidents which may result in injury to or fatality of an individual, claims against the Group and/or damage to our reputation.

Mitigation
- Maintain appropriate health and safety policies and procedures regarding the need to comply with laws and regulations and to reasonably guard our employees against the risk of injury.
- Induction and training programmes reinforce health and safety policies.
- Programmes to support our customers exercising their responsibility to their own workforces when using our equipment.
- Maintain appropriate insurance coverage. Further details are provided on page 49.

Change
The health and safety of our team members continues to be a key focus area for the Group and an area of continuous improvement.

In terms of reportable incidents, the RIDDOR reportable rate was 0.17 (2021: 0.31) in the US, 0.15 (2021: 0.29) in Canada and 0.22 (2021: 0.27) in the UK. Further details are provided in our Responsible business report.

People and culture

1 2 4

Potential impact

Retaining and attracting good people is key to delivering superior performance and customer service, and maintaining and enhancing our culture.

Excessive staff turnover is likely to impact on our ability to maintain the appropriate quality of service to our customers and our culture and would ultimately impact our financial performance adversely.

At a leadership level, succession planning is required to ensure the Group can continue to inspire the right culture, leadership and behaviours and meet its strategic objectives.

Mitigation

- Provide well-structured and competitive reward and benefit packages that ensure our ability to attract and retain the employees we need.
- Ensure that our staff have the right working environment and equipment to enable them to do the best job possible and maximise their satisfaction at work.
- Invest in training and career development opportunities for our people to support them in their careers.
- Ensure succession plans are in place and reviewed regularly which meet the ongoing needs of the Group.

Change

Our compensation and incentive programmes have continued to evolve to reflect market conditions, the economic environment and the results of our employee engagement surveys.

Diversity, equity and inclusion programmes have been established across the business to enhance our efforts to attract and retain the best people.

We are increasing our focus on mental health including 'Let's Talk Mental Health' in the UK.

Environmental

4

Potential impact

The Group has made a long-term commitment to reduce its Scope 1 and 2 carbon intensity by 35% by 2030, from its level in 2018, with a near-term commitment to reduce its carbon intensity by 15% by 2024, and set out a roadmap to achieve this. Failure to do so could adversely impact the Group and its stakeholders.

A significant part of our rental fleet is reliant on diesel engines. Over time, 'greener' alternatives will become available as technology advances. If we do not remain at the forefront of technological advances, and invest in the latest equipment, our rental fleet could become obsolete.

In addition, we need to comply with the numerous laws governing environmental protection matters. These laws regulate such issues as wastewater, storm water, solid and hazardous wastes and materials, and air quality. Breaches potentially create hazards to our employees, damage to our reputation and expose the Group to, amongst other things, the cost of investigating and remediating contamination and also fines and penalties for non-compliance.

Mitigation

- Policies and procedures in place at all our stores regarding the need to adhere to local laws and regulations.
- Procurement policies reflect the need for the latest available emissions management and fuel efficiency tools in our fleet.
- Collaboration with key suppliers to develop and pilot new technologies.
- Greener vehicle transition plan.
- Real estate and facility standards to reduce emissions from our operations.
- Monitoring and reporting of carbon emissions.

Change

The work of the Health, Safety and Environmental departments and Performance Standards teams continues to assess environmental compliance.

Our Scope 1 and 2 carbon emissions have been validated by the Carbon Trust and we are working with them to quantify our Scope 3 emissions. We continue to assess the appropriateness of science-based targets for a rapidly growing business.

In 2021/22 our carbon emission intensity ratio reduced to 42.2 (2021: 48.5). Further detail is provided on page 65.

Laws and regulations

→ 3 4

Potential impact
Failure to comply with the frequently changing regulatory environment could result in reputational damage or financial penalty.

Mitigation
- Maintaining a legal function to oversee management of these risks and to achieve compliance with relevant legislation.
- Group-wide modern slavery, business ethics and ethical sourcing policies, and whistle-blowing arrangements.
- Evolving policies and practices to take account of changes in legal obligations.
- Training and induction programmes ensure our staff receive appropriate training and briefing on the relevant policies.

Change
We monitor regulatory and legislative changes to ensure our policies and practices reflect them and we comply with relevant legislation.

Our whistle-blowing arrangements are well established and the company secretary reports matters arising to the Audit Committee and the Board during the course of the year. Further details as to the Group's whistle-blowing arrangements are provided on page 72.

During the year 5,970 people in the US, 671 people in Canada and 845 people in the UK underwent induction training. In addition, training programmes were undertaken in safety and business ethics.

Emerging risks

In addition to the principal risks identified above, the Board considers what emerging risks may also impact the Group. In identifying emerging risks, the Board has considered both third-party risk analysis as well as internal views of emerging trends which may impact the business. As a result of this analysis, the Board specifically considered climate-related matters and emerging technologies, including battery-led technologies and autonomous machines.

The Board believes climate-related matters are addressed principally through our environmental risk and our commitment to reduce our carbon intensity, but notes that this is a developing area and as such continues to monitor the ways in which climate change may affect the Group in the future. On balance, the Board believes that the impact from climate change and emerging technologies will increase the demand for rental and continue the shift from ownership to rental, rather than presenting a risk to our business model.

ASSESSMENT OF PROSPECTS AND VIABILITY

The prospects of the Group are inherently linked to the environment in which we operate. While our principal market is construction, which is cyclical in nature, it represents less than 50% of our business. The balance is non-construction related activity, including, inter alia, industrial, events, maintenance and repair, emergency response and facilities management which, by their nature, are typically less cyclical.

Our markets in the US and Canada are undergoing structural change. Customers are increasingly choosing to rent equipment rather than own it and the fragmented markets are consolidating. The Group is well positioned to take advantage of these structural changes. The UK market is more mature and competitive than the US and Canada but Sunbelt UK is the largest rental company in that market and, with the Group's strong financial position, is well positioned to optimise market conditions.

Period of assessment

The Board discusses regularly the factors affecting the Group's prospects and the risks it faces in optimising the opportunity presented in its markets. The principal risks, which the Board concluded could affect the business are set out on the preceding pages. The Group's risks are ongoing in nature and therefore could crystallise at any time, rather than being linked to a specific time frame. While the Board has no reason to believe the Group will not be viable over a longer period, the period over which the Board considers it possible to form a reasonable expectation as to the Group's longer-term viability, is the three-year period to 30 April 2025. This also aligns with the duration of the business plan prepared annually and reviewed by the Board. We believe this provides a reasonable degree of confidence over this longer-term outlook.

Assessment of viability

The Group prepares an annual budget and three-year business plan. This plan considers the Group's cash flows and is used to review its funding arrangements and available liquidity based on expected market conditions, capital expenditure plans, used equipment values and other factors that might affect liquidity. It also considers the ability of the Group to raise finance and deploy capital.

The nature of the Group's business is such that its cash flows are countercyclical. In times of improving markets, the Group invests in its rental fleet, both to replace existing fleet and grow the overall size of the fleet, which results in improving earnings but lower cash flow generation from operations in times of rapid growth. However, as the cycle matures and the rate of growth slows, the Group generates strong cash flow from operations. In more benign or declining markets, the Group invests less in its rental fleet and, as a result, generates significant cash flow from operations.

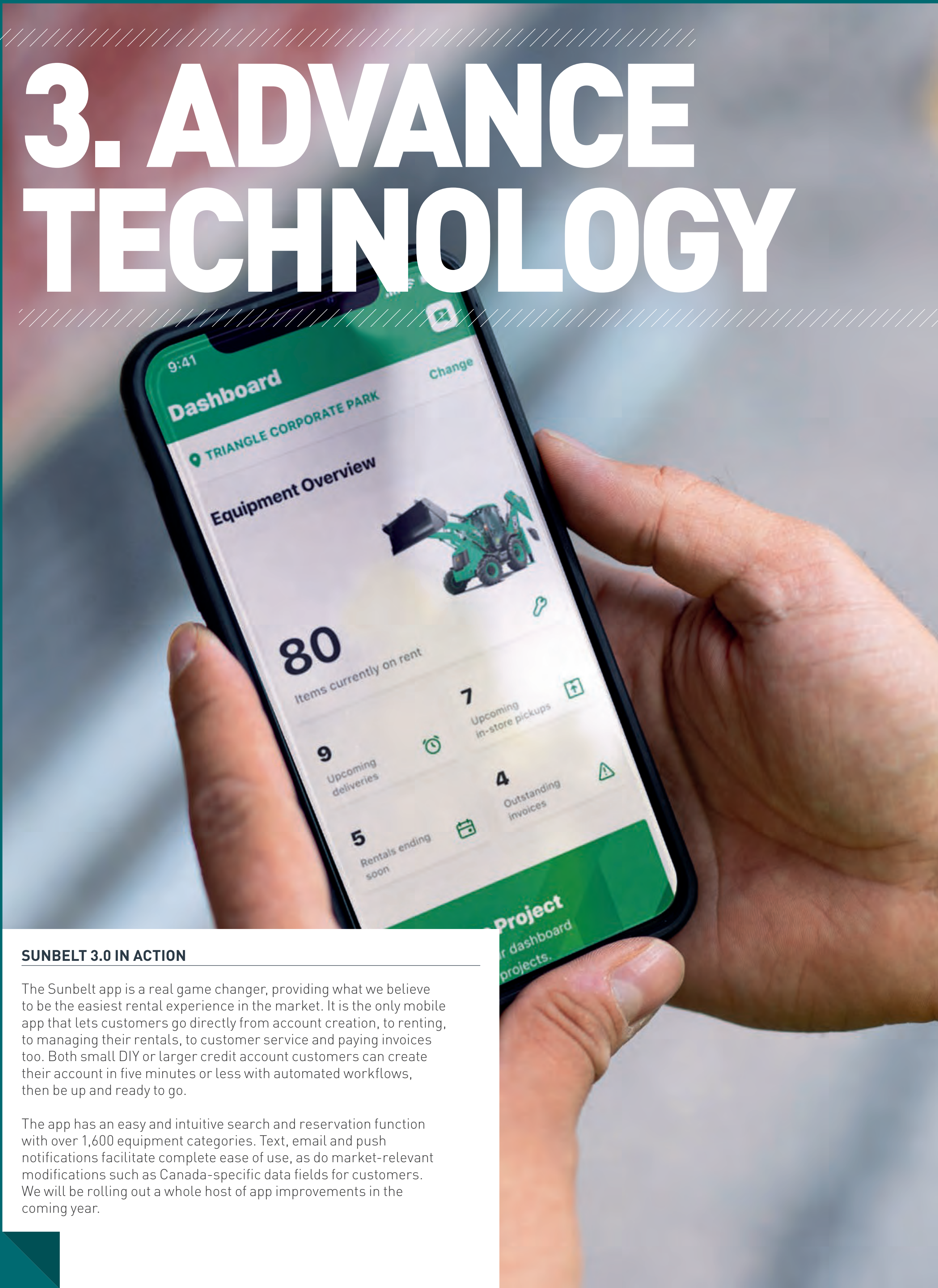
Recognising the impact of the economic cycle and the risk of an economic downturn on the business and its financing requirements, we undertake scenario planning based on the timing, severity and duration of any downturn and subsequent recovery. This scenario planning considers the impact of the cycle on revenue, margins, capital expenditure, cash flows, overall debt levels and leverage. The Group maintains a net debt to EBITDA leverage target range of 1.5 to 2.0 times (pre IFRS 16) and long debt maturities to mitigate financing risk.

Based on this analysis, and the Board's regular monitoring and review of risk management and internal control systems, we do not believe there are any reasonably foreseeable events that could not be mitigated through the Group's ability to flex its capital expenditure plans and cost base, which would result in the Group not being able to meet its liabilities as they fall due. The nature of the business' other principal risks is such that, while they could affect the Group's ability to achieve its objectives, they are unlikely to prevent the Group from meeting its liabilities as they fall due.

Viability statement

Based on the foregoing, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 30 April 2025.

3. ADVANCE TECHNOLOGY



SUNBELT 3.0 IN ACTION

The Sunbelt app is a real game changer, providing what we believe to be the easiest rental experience in the market. It is the only mobile app that lets customers go directly from account creation, to renting, to managing their rentals, to customer service and paying invoices too. Both small DIY or larger credit account customers can create their account in five minutes or less with automated workflows, then be up and ready to go.

The app has an easy and intuitive search and reservation function with over 1,600 equipment categories. Text, email and push notifications facilitate complete ease of use, as do market-relevant modifications such as Canada-specific data fields for customers. We will be rolling out a whole host of app improvements in the coming year.

OUR STRATEGY

3

Make the move from industry-leading technology platform, to a leader among the broader industrial and service sector; further improving our customer value proposition and capturing the benefits of scale across the Group.

2022 HIGHLIGHTS

- LAUNCHED THE NEW, IMPROVED SUNBELT RENTALS APP
- LAUNCHED NEW ECOMMERCE SITE
- LAUNCHED SUNBELT SMARTSITE – ALLOWING CUSTOMERS TO CONNECT WITH EQUIPMENT

c.65%

of orders delivered within 24 hours

1,600+

Over 1,600 equipment categories available in the Sunbelt app

Engaging actively with our stakeholders is critical to the success of the Group and the Group engages regularly with stakeholders on a variety of topics relevant to the business.

A high degree of delegation of the engagement with stakeholders to the management teams within the Group exists in order to ensure the smooth operation of the Group on a day-to-day basis. As noted within our Corporate governance report, the role of the Board is to provide a framework under which the Group operates but under which the Group's businesses have freedom and decision-making authority to pursue business opportunities, underpinned by the culture of the Group. The directors believe that this is an important factor in the operation of the Group and the Group's overall success.

Authority for the operational management of the Group's businesses is therefore delegated to the chief executive, or further delegated by him to the senior management teams within the Group. This ensures effective day-to-day operation of the Group while maintaining effective governance.

At a board level, Board members are encouraged to engage with our stakeholders directly, for example through meeting with individual employees during site visits or through investor meetings, such as those to obtain remuneration policy feedback or through attendance at the Group's annual general meeting. In addition, the Board receives feedback from management as to stakeholder views. This occurs in a number of ways including through board reports, investor feedback reports from our brokers and employee survey reports. An example of board-level engagement has been illustrated in the case study on page 43 focusing on the Board's engagement with our people.

In relation to the Group's overall engagement with stakeholders, the Group has identified the following groups as being fundamental to the success of the Group:

OUR PEOPLE

Definition
- Existing and prospective employees, including apprentices

Why relevant?
Our employees want to work for a company which values them, provides ongoing development, treats them fairly and remunerates them appropriately. Investing in our people ensures we maintain our culture by having the right people and enables us to deliver on our strategic goals.

Nature of engagement
- Employee engagement apps
- Regular 'toolbox talks' and 'town hall' meetings
- Employee surveys
- National conferences, leadership team meetings and other employee events
- Regular communication on safety, with dedicated safety weeks
- Training programmes
- Apprentice programmes
- Employee relief programme

Further details are provided on pages 56 to 63.

Our response to engagement
- Employee reward and benefit structure which recognises the contribution our employees make to the success of the business
- Employee policies which ensure our people are treated fairly
- Ensuring safety remains a cornerstone of our culture
- Continued focus on diversity, equity and inclusion across the Group, with DEI Task Forces in place in North America and the UK

Relevant KPIs
- Employee survey scores
- Safety metrics
- Employee retention metrics

OUR CUSTOMERS

Definition
- National and other managed accounts
- Small and mid-sized enterprises
- Individuals

Why relevant?
Our customers want to have confidence in the 'Availability, Reliability and Ease' of our offering as a reliable alternative to ownership.

Nature of engagement
- Account managers for major customers
- Customer feedback mechanism
- Store level staff with local customer relationships
- Customer centric technology to facilitate customer engagement
- Customer focused websites

Our response to engagement
- Continued investment in fleet, including greener rental options where we are working with customers and suppliers to develop new technologies
- Investment in new market offerings to broaden our rental offering
- Continued investment in customer focused technology solutions, including launch of new customer eCommerce websites and apps

Relevant KPIs
- Customer satisfaction scores
- Level of repeat business
- Customer spend
- Debtor days/days to credit

OUR SUPPLIERS

Definition
- Major equipment suppliers
- Other equipment suppliers
- Service providers

Why relevant?
Partnering with our suppliers in a collaborative manner ensures that we have access to equipment when we need it and enables us to deliver new innovation to the market.

Nature of engagement
- Dedicated account managers for major suppliers
- Central procurement teams manage supplier relationships
- Collaboration to develop and pilot new technologies, including making targeted investments where appropriate to support the development of greener technology

Our response to engagement
- Regular meetings with key suppliers to assist in management of production cycles
- Policies in place in relation to working with our suppliers fairly
- Clear procurement terms agreed

Relevant KPIs
- Payment practices statistics

OUR COMMUNITIES

Definition
- Local communities to our operations
- Families of employees

Why relevant?
We want to make a positive contribution to the communities in which we operate. Establishing the right relationships with our communities also helps us to attract the best talent into our business. Supporting the families of our staff is just the right thing to do.

Nature of engagement
- Nationwide programmes in addition to local community initiatives entered into by individual depots
- Responding to community needs for emergency relief
- Charity partnerships which support our communities

Further details are provided on pages 68 to 71.

Our response to engagement
- Community building activities
- Disaster response when required
- Financial support at time of crisis
- Provision of rental equipment

Relevant KPIs
- Charitable donations
- Employee time contributed to community initiatives

OUR INVESTORS

Definition
- Shareholders (institutional)
- Shareholders (private)
- Financial lending institutions

Why relevant?
Our investors want to understand how we are managing the business to generate sustainable returns through the cycle and to promote the long-term success of the Group.

Nature of engagement
- Investor conferences
- One-to-one meetings
- Site visits
- Annual Report and other communications
- Results presentations and bond holder calls
- Reporting to financial lending institutions
- Annual General Meeting
- Ashtead Group website including investor relations section

Our response to engagement
- Communication of business model and strategic plan
- Application of stated capital allocation priorities
- Maintain compliance with stated financial objectives (e.g. leverage range, etc.)
- Manage business through the cycle

Relevant KPIs
- Returns to shareholders

BOARD LEVEL ENGAGEMENT

Stakeholders most impacted:
Employees, customers, suppliers, investors

Consideration:
In April 2022, the Board attended the senior leadership meeting in Dallas where c. 400 of the leaders across the Group gathered, comprising both field-based leadership and also central support leaders. While participants comprised mainly team members from North America, the UK business was also represented.

During the meeting, participants were provided an update on the Group's strategic initiatives, including those related to diversity, equity and inclusion, health and safety, employee training programmes, environmental initiatives, technology and our fleet strategy.

Board members had the opportunity to interact with a range of staff across the business in both operational and support roles, including visiting a number of stores in the Dallas / Fort Worth market. They were also able to see examples of the type of 'greener equipment' investments that the Group is making through our partnership with customers and suppliers, including the Bobcat electric skid steer, a JCB electric telehandler and a Class 8 electric tractor. They were able to receive first-hand feedback from employees across the business of how the Group's strategic initiatives are being implemented on a day-to-day basis and ongoing areas of focus.

Board members had the opportunity to interact with a range of staff across the business in both operational and support roles.

SECTION 172 STATEMENT

Statement by the directors in performance of their statutory duty in accordance with s172(1) of the Companies Act 2006.

The Board of directors of Ashtead Group plc considers that it has, both individually and collectively, acted in good faith in a way which would most likely promote the success of the Company for the benefit of the members as a whole, and in doing so have had regard (amongst other matters) to factors (a) to (f) as set out in s172(1) of the Companies Act 2006 for the decisions taken during the year ended 30 April 2022. In making this statement, the directors have considered the following matters:

- **the likely consequences of any decision in the long-term:** the Board monitored progress against the Group's strategy, Sunbelt 3.0, as disclosed on pages 22 to 29, during the year and concluded that it will support the long-term success of the Company. Shorter-term expectations in supporting that strategy are approved by the Board as part of the annual budgeting process, against which the performance of the Group is then monitored. Decisions taken during the year are made in the context of the Group's strategy in order to ensure that they are consistent with that strategy, take account of the Group's principal risks as described on pages 34 to 39 and are in line with the Group's capital allocation policy, which is designed to support long-term value generation for all stakeholders as detailed on page 29 and is reflected in the Board's assessment of viability as described on page 39;
- **the interests of the Company's employees:** our people are critical to the success of our business and a core component of our business model. We endeavour to recruit the best people, train them well and look after them so that they provide the best possible service for our customers and remain with us for the long-term. The Board has ultimate responsibility for ensuring the Group's decisions consider the interests of our employees. Further details and examples of our activities with employees are provided on page 42 of the Strategic report and pages 56 to 63 of the Responsible business report;
- **the need to foster the Company's business relationships with suppliers, customers and others:** managing the Company's relationships with suppliers and customers is critical in ensuring the Company delivers on its strategy. We dedicate account teams to our national customers to ensure that we maintain an ongoing dialogue while local customers are managed at a store level to enable us to respond at all levels of the organisation appropriately. The Board receives regular updates on our relationships with suppliers and customers, and has ultimate responsibility for approving investments made. Further details and examples of our activities with customers and suppliers are provided on pages 42 and 43 of the Strategic report;
- **the impact of the Company's operations on the community and the environment:** the Group seeks to have a positive impact on the communities in which it operates and minimise the environmental impact of our operations. Examples of our community initiatives and the environmental steps we take are provided in further detail on pages 64 to 71 of the Responsible business report and pages 73 to 75 of the Task Force on Climate-related Financial Disclosures;
- **the desirability of the Company maintaining a reputation for high standards of business conduct:** the Group regularly reviews and updates, where appropriate, its business conduct and ethics policies and ensures that these are communicated to employees, are readily available to employees, customers and suppliers and that appropriate training is undertaken by relevant employees on a regular basis to reinforce the Group's policies. The Group business ethics and conduct policy is formally reviewed and approved by the Board on an annual basis and available on the Group's website, while employee specific policies are provided in the employee handbooks. Further details are provided on page 72 of the Responsible business report and on page 84 of the Corporate governance report; and
- **the need to act fairly as between members of the Company:** the Company always seeks to ensure that its communications are transparent and its actions are in accordance with the Group's stated strategic aims to promote the long-term success of the Company. On page 85 within the Corporate governance report we detail how we engage with our shareholders, including both institutional investors and private investors.

FINANCIAL REVIEW

	Revenue		EBITDA		Profit[1]	
	2022	2021	**2022**	2021	**2022**	2021
UK in £m	**725.7**	635.1	**214.6**	192.8	**86.8**	60.9
Canada in C$m	**626.0**	500.9	**281.4**	218.9	**143.6**	97.8
US	**6,477.0**	5,417.5	**3,120.6**	2,634.5	**1,852.3**	1,444.6
UK in $m	**986.3**	838.1	**291.7**	254.4	**118.0**	80.4
Canada in $m	**499.0**	383.0	**224.3**	167.4	**114.4**	74.8
Group central costs	**–**	–	**(27.2)**	(19.5)	**(28.3)**	(20.6)
	7,962.3	6,638.6	**3,609.4**	3,036.8	**2,056.4**	1,579.2
Net financing costs before exceptional items					**(232.6)**	(262.9)
Profit before amortisation, exceptional items and taxation					**1,823.8**	1,316.3
Amortisation					**(108.6)**	(81.2)
Exceptional items					**(47.1)**	–
Profit before taxation					**1,668.1**	1,235.1
Taxation					**(417.0)**	(315.0)
Profit attributable to equity holders of the Company					**1,251.1**	920.1
Margins						
US			**48.2%**	48.6%	**28.6%**	26.7%
UK			**29.6%**	30.4%	**12.0%**	9.6%
Canada			**45.0%**	43.7%	**22.9%**	19.5%
Group			**45.3%**	45.7%	**25.8%**	23.8%

Notes
1 Segment result presented is operating profit before amortisation.
Throughout the Financial review, we use a number of alternative financial performance measures ('APMs') which the directors have adopted in order to provide additional useful information on the underlying trends, performance and position of the Group. Further details are provided in the Glossary of Terms on page 169.

CHANGE IN PRESENTATIONAL CURRENCY

Effective from 1 May 2021, the Group changed its presentational currency from sterling to US dollars to allow for greater transparency in the Group's performance for investors and other stakeholders and to reduce exchange rate volatility in reported figures, given that c. 80% of the Group's revenue and c. 90% of the Group's operating profit originate in US dollars. Further details are provided in Note 2 to the financial statements.

OUR FINANCIAL PERFORMANCE

Group revenue increased 20% (19% at constant currency) to $7,962m during the year (2021: $6,639m). This revenue growth, combined with strong operational execution, resulted in adjusted profit before tax increasing 39% to $1,824m (2021: $1,316m).

In the US, rental only revenue of $4,782m (2021: $3,976m) was 20% higher than the prior year (and 18% higher than 2020), representing continued market outperformance and demonstrating the benefits of our strategy of growing our Specialty businesses and broadening our end markets. Organic growth (same-store and greenfields) was around 16%, while bolt-ons contributed approximately 4% of rental only revenue growth. In the year, our General Tool business grew 17%, while our Specialty businesses grew 28% following growth of 13% in 2020/21. While rental revenue growth has been driven by volume, with a larger fleet and improved utilisation, it has benefitted from improved rates in what is a better rate environment than we have seen for a number of years. Our year-over-year rate of growth increased as we progressed through the year. US total revenue, including new and used equipment, merchandise and consumable sales, increased 20% to $6,477m (2021: $5,418m).

The UK business generated rental only revenue of £403m, up 11% on the prior year (2021: £362m). While our performance continued to benefit from our essential support to the Department of Health in its COVID-19 response efforts, our core business is performing strongly and is benefitting from the operational improvements in the business which are ongoing. Total revenue increased 14% to £726m (2021: £635m) reflecting the higher level of ancillary and sales revenue associated with the work for the Department of Health, which accounted for c. 30% of UK revenue in the 12 months. Following the UK Government's announcement that free mass COVID-19 testing would stop from April 2022, we are demobilising the test sites rapidly and expect a relatively low revenue contribution in 2022/23.

Canada's rental only revenue increased 26% to C$456m (2021: C$363m). While this rate of growth reflects the depressed comparatives last year, it is driven by the strong performance of the original Canadian business and our lighting, grip and lens business since lockdowns eased. That said, the lighting, grip and lens business was affected again by COVID-induced production restrictions in the second half. Canada's total revenue was C$626m (2021: C$501m).

Last year, we took action to reduce operating costs and eliminate discretionary expenditure in all our markets. While we continue to maintain a focus on the cost base, a number of these costs have returned to the business, reflecting the increased activity levels. In addition, we continue to invest in the infrastructure of the business to enable us to take advantage of the market and structural opportunities, particularly in our technology platform. In common with many businesses, we face inflationary pressures across all cost lines, but particularly in relation to labour, transportation and fuel. However, our strong performance on rate, combined with our scale, has enabled us to navigate this inflationary environment and deliver US rental revenue drop through to EBITDA in line with our expectations for the first year of Sunbelt 3.0 at 39%. This contributed to a reported EBITDA margin of 48% (2021: 49%) and a 28% increase in segment profit to $1,852m (2021: $1,445m) at a margin of 29% (2021: 27%).

Support for the Department of Health has been a benefit to the UK business but also presented it with logistical and operational challenges. It remains focused on delivering operational efficiency and improving returns in the business and will seek to redeploy the assets dedicated to the testing centres elsewhere in the business. The UK generated an EBITDA margin of 30% (2021: 30%) and a segment profit of £87m (2021: £61m) at a margin of 12% (2021: 10%).

The development of our Canadian business continues as it invests to expand its network and broaden its markets. Growth has been achieved across the business while delivering a 45% EBITDA margin (2021: 44%) and generating a segment profit of C$144m (2021: C$98m) at a margin of 23% (2021: 20%).

Overall, Group adjusted operating profit increased to $2,056m (2021: $1,579m), up 30% at constant exchange rates. After net financing costs before exceptional items of $233m (2021: $263m), Group profit before exceptional items, amortisation of intangibles and taxation was $1,824m (2021: $1,316m).

Statutory profit before tax was $1,668m (2021: $1,235m). This is after amortisation of $109m (2021: $81m) and, in the current year, exceptional interest costs of $47m.

TAXATION

Tax charge for the year

The adjusted tax charge for the year was $456m (2021: $335m), representing an effective rate of 25% (2021: 25%) of adjusted pre-tax profit of $1,824m (2021: $1,316m). The cash tax charge was 15%.

The exceptional tax credit of $39m (2021: $20m) relates to a tax credit in relation to the amortisation of intangibles and exceptional items.

Tax strategy and governance

The Group believes it has a corporate responsibility to act with integrity in all tax matters. It is the Group's policy to comply with all relevant tax laws, regulations and obligations including claiming available tax incentives and reliefs in the countries in which it operates. The Group's appetite for tax risk is considered to be cautious and this policy has remained unchanged for a number of years. This approach to taxation is reviewed and approved by the Board on a periodic basis.

Whilst the Board retains ultimate responsibility for the tax affairs of the Group, we have a dedicated internal tax function which takes day-to-day responsibility for the Group's tax affairs. In addition, we seek regular professional advice to ensure that we remain in compliance with changes in tax legislation, disclosure requirements and best practice.

Tax risks are monitored on an ongoing basis and tax matters are reported to the Audit Committee as part of our routine reporting on a quarterly basis.

The Group is committed to having a transparent and constructive working relationship with all tax authorities, including seeking to obtain agreement from tax authorities prior to undertaking material transactions where there is a degree of uncertainty surrounding the appropriate tax treatment.

Legislative changes

We continue to monitor developments in the OECD's work on Base Erosion and Profit Shifting ('BEPS') to ensure continued compliance in an ever-changing environment. In December 2021, the OECD published a framework for the proposed Pillar Two model rules which would introduce a global minimum corporation tax rate of 15% for groups with global revenues of over €750m. We do not expect that the 15% global minimum tax rate would materially affect the amount of tax the Group pays, as corporation tax rates in the jurisdictions in which the Group operates exceed 15%. We continue to follow the guidance issued and other developments closely.

Following its state aid investigation, in April 2019 the European Commission announced its decision that the Group Financing Exemption in the UK controlled foreign company ('CFC') legislation constitutes state aid in some circumstances. In common with the UK Government and other UK-based international companies, the Group does not agree with the decision and has therefore lodged a formal appeal with the General Court of the European Union. In common with other UK taxpayers, the Group's appeal has been stayed while the appeals put forward by the UK Government and ITV plc proceed.

On 8 June 2022 the General Court of the European Union dismissed the appeals put forward by the UK Government and ITV plc. However, there remains a high degree of uncertainty in the final outcome given it is likely that both the UK Government and ITV plc will appeal the decision. Accordingly, the Group does not consider that the decision affects its position but will continue to monitor proceedings closely.

Despite the UK Government appealing the European Commission's decision, Her Majesty's Revenue & Customs ('HMRC') was required to make an assessment of the tax liability which would arise if the decision is not successfully appealed and collect that amount from taxpayers. HMRC issued a charging notice stating that the tax liability it believes to be due on this basis is £36m, including interest payable. The Group has appealed the charging notice and has settled the amount assessed on it, including interest, in line with HMRC requirements. The £36m paid has been recognised as a non-current asset on the balance sheet. On successful appeal in whole or in part, all or part of the amount paid in accordance with the charging notice would be returned to the Group. If either the decision reached by the General Court of the European Union or the charging notice issued by HMRC are not ultimately successfully appealed, we have estimated the Group's maximum potential liability to be £36m as at 30 April 2022 ($45m at April 2022 exchange rates), including any interest payable. Based on the current status of proceedings, we have concluded that no provision is required in relation to this matter.

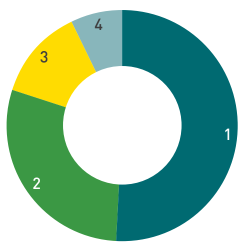
Total tax contribution

For the year ended 30 April 2022, total taxes paid by the Group were $1,205m, comprising taxes borne by the Group of $432m and taxes collected on behalf of tax authorities of $773m.

Taxes borne by type

As a profitable group, the majority of taxes borne by the Group relate to taxes paid on profits. The $219m net tax paid on profits (as shown in the consolidated cash flow statement for the year ended 30 April 2022) is lower than the $250m current tax charge for the year (as shown in Note 7 to the consolidated financial statements). This is primarily due to overpayments made in relation to prior years being offset against the current year liability and part of the estimated current year liability expected to be paid in the next financial year.

TAXES BORNE BY THE GROUP BY TYPE OF TAX



1 Profit	$219m	51%
2 People	$124m	29%
3 Property	$58m	13%
4 Product	$31m	7%
	$432m	100%

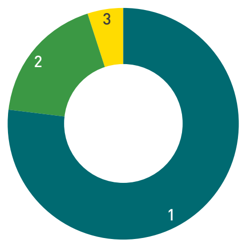
Given the Group's large number of employees, significant employer social security contribution payments were made during the year. The Group also paid property taxes and business rates in relation to the extensive network of stores from which we operate. Product taxes include use tax on certain purchases made in the US and fuel and excise duties associated with the Group's fleet of vehicles.

Taxes collected of $773m comprise $416m of net sales taxes on the products and services we provide to customers and $357m in relation to taxes and social security contributions withheld on behalf of our employees.

Taxes by jurisdiction

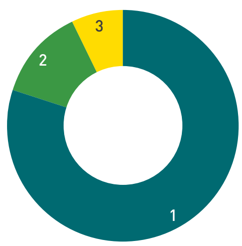
The Group's operations are based in the locations and jurisdictions necessary to best serve our customers and the Group pays tax in accordance with relevant tax laws and regulations in those jurisdictions. As with the split of the Group's revenue, the majority of taxes borne and collected have been paid in the US.

TAXES BORNE BY THE GROUP BY JURISDICTION



1 US	77%
2 UK	18%
3 Canada	5%

TAXES COLLECTED ON BEHALF OF TAX AUTHORITIES BY JURISDICTION



1 US	80%
2 UK	13%
3 Canada	7%

EARNINGS PER SHARE

Adjusted earnings per share were 307.1¢ (2021: 219.1¢) while basic earnings per share were 280.9¢ (2021: 205.4¢). Details of these calculations are included in Note 8 to the financial statements.

RETURN ON INVESTMENT

Return on investment (excluding goodwill and intangible assets) returned to pre-pandemic levels following the depressed levels of COVID-affected 2020/21. In the US, return on investment for the 12 months to 30 April 2022 was 25% (2021: 20%). In the UK, reflecting the benefits of increased volumes supporting the Department of Health and operational improvements, return on investment (excluding goodwill and intangible assets) was 14% (2021: 10%). In Canada, return on investment (excluding goodwill and intangible assets) was 20% (2021: 16%). This reflects improved performance across the business and an increasing contribution from our lighting, grip and lens business. For the Group as a whole, return on investment (including goodwill and intangible assets) was 18% (2021: 15%). Return on investment excludes the impact of IFRS 16.

01 TAXES BORNE BY THE GROUP BY JURISDICTION

$m	Revenue	Tax collected		Tax borne	
US	81%	619	80%	331	77%
UK	13%	103	13%	77	18%
Canada	6%	51	7%	23	5%
	100%	773	100%	432	100%

BALANCE SHEET

Property, plant and equipment

Capital expenditure in the year totalled $2,397m (2021: $947m) with $1,999m invested in the rental fleet (2021: $809m). Expenditure on rental equipment was 83% of total capital expenditure with the balance relating to the delivery vehicle fleet, property improvements and IT equipment. Capital expenditure by division is shown in Table 02 below.

In a strong US rental market, $876m of rental equipment capital expenditure was spent on growth while $748m was invested in replacement of existing fleet. The growth proportion is estimated on the basis of the assumption that replacement capital expenditure in any period is equal to the original cost of equipment sold.

The average age of the Group's serialised rental equipment, which constitutes the substantial majority of our fleet, at 30 April 2022 was 40 months (2021: 41 months) on a net book value basis. The US fleet had an average age of 41 months (2021: 41 months), the UK fleet had an average age of 37 months (2021: 39 months) and the Canadian fleet had an average age of 36 months (2021: 38 months).

Our operating model, and short delivery lead times, allow us to flex our capital spend quickly. This was seen with our response to the COVID-19 pandemic when we reduced our planned spend for 2020/21 significantly, in only a few weeks. As the Group returns to growth, and in line with Sunbelt 3.0, we have a range for 2022/23 capital expenditure of $3.3bn to $3.6bn.

The original cost of the Group's rental fleet, rental revenue and dollar utilisation for the year ended 30 April 2022 are shown below.

Dollar utilisation was 57% in the US (2021: 50%), 58% for the UK (2021: 54%) and 55% for Canada (2021: 47%). The improvement in US dollar utilisation reflects better fleet utilisation following the COVID-19 pandemic and an improved rate environment. In the UK, the increase in dollar utilisation reflects the significant increase in activity levels and associated ancillary services to support the Department of Health, while in Canada, dollar utilisation has benefitted from improved fleet utilisation and a good rate environment.

Trade receivables

Receivable days at 30 April 2022 were 47 days (2021: 42 days). The bad debt charge for the last 12 months ended 30 April 2022 as a percentage of total turnover was 0.4% (2021: credit to the income statement of 0.2% of total turnover). The credit in 2020/21 reflected the release of the additional provisions established at the onset of the COVID-19 pandemic, which was not required. Trade receivables at 30 April 2022 of $1,174m (2021: $928m) are stated net of allowances for bad debts and credit notes of $86m (2021: $74m), with the provision representing 7% (2021: 7%) of gross receivables.

Trade and other payables

Group payable days were 43 days at 30 April 2022 (2021: 40 days) with capital expenditure related payables totalling $363m (2021: $135m). Payment periods for purchases other than rental equipment vary between seven and 60 days and for rental equipment between 30 and 120 days.

02 CAPITAL EXPENDITURE

	2022 Replacement	2022 Growth	2022 Total	2021 Total
UK in £m	**84.1**	**74.0**	**158.1**	131.5
Canada in C$m	**42.7**	**157.8**	**200.5**	78.6
US	**748.2**	**876.4**	**1,624.6**	575.6
UK in $m	**114.3**	**100.5**	**214.8**	173.5
Canada in $m	**34.0**	**125.8**	**159.8**	60.1
Total rental equipment	**896.5**	**1,102.7**	**1,999.2**	809.2
Delivery vehicles, property improvements and IT equipment			**398.1**	138.2
Total additions			**2,397.3**	947.4

03 FLEET AND UTILISATION

	Rental fleet at original cost: 30 April 2022	30 April 2021	LTM average	LTM rental revenue	LTM dollar utilisation
UK in £m	**988**	914	945	544	58%
Canada in C$m	**1,116**	938	1,034	569	55%
US	**11,425**	9,827	10,586	6,042	57%
UK in $m	**1,241**	1,266	1,284	739	58%
Canada in $m	**873**	762	824	454	55%
	13,539	11,855	12,694	7,235	

Provisions

Provisions of $137m (2021: $115m) relate predominantly to the provision for insured risk and acquisition-related contingent consideration. The Group's business exposes it to the risk of claims for personal injury, death or property damage resulting from the use of the equipment it rents and from injuries caused in motor vehicle accidents in which its vehicles are involved. The Group carries insurance covering a wide range of potential claims at levels it believes are sufficient to cover existing and future claims.

Our US liability insurance programmes provide that we can recover our liability related to each and every valid claim in excess of an agreed excess amount of $1.5m in relation to general liability, workers' compensation and motor vehicle claims. In the UK our self-insured excess per claim is much lower than in the US and is typically £50,000 per claim. Our liability insurance coverage is limited to a maximum of £175m.

Pensions

The Group operates a number of pension plans for the benefit of employees, for which the overall charge included in the financial statements was $34m (2021: $29m). Amongst these, the Group has one defined benefit pension plan which was closed to new members in 2001 and closed to future benefit accrual in October 2020. All our ongoing pension plans are defined contribution plans.

The Group's defined benefit pension plan, measured in accordance with the accounting standard IAS 19, Employee Benefits, was $19m in surplus at 30 April 2022 (2021: $6m). The investment return on plan assets was $5m lower than the expected return while a net actuarial gain of $17m arose, predominantly due to the increase in the discount rate assumption. Overall, there was a net remeasurement of the defined benefit pension plan of $11m which was recognised in the statement of comprehensive income for the year.

The next triennial review of the plan's funding position by the trustees and the actuary is due as at 30 April 2022. The April 2019 valuation, which was completed during the prior year, showed a surplus of £1.5m ($1.9m at April 2022 exchange rate).

Contingent liabilities

The Group is subject to periodic legal claims in the ordinary course of its business, none of which is expected to have a material impact on the Group's financial position. As discussed earlier, if the findings of the European Commission's investigations into the Group Financing Exemption in the UK controlled foreign company legislation are upheld, we have estimated the Group's potential liability to be £36m ($45m at April 2022 exchange rate). Based on the current status of the investigation, we have concluded that no provision is required in relation to this amount.

CASH FLOW

Cash inflow from operations before the net investment in the rental fleet was $3,406m (2021: $3,017m). The conversion ratio for the year was 94% (2021: 99%), reflecting a more normalised level in a year of strong growth.

Total payments for capital expenditure (rental equipment and other PPE) during the year were $2,164m (2021: $955m). Disposal proceeds received totalled $369m (2021: $403m), giving net payments for capital expenditure of $1,795m in the period (2021: $552m). Financing costs paid totalled $231m (2021: $255m) while tax payments were $219m (2021: $388m). Financing costs paid typically differ from the charge in the income statement due to the timing of interest payments in the year and non-cash interest charges. The exceptional costs relate to the premium on redemption of the senior notes that were due in 2025 and 2026.

04 CASH FLOW

	Year to 30 April	
	2022 $m	2021 $m
EBITDA	**3,609.4**	3,036.8
Cash inflow from operations before changes in rental equipment	**3,406.5**	3,017.0
Cash conversion ratio*	**94.4%**	99.3%
Replacement rental capital expenditure	**(829.7)**	(754.1)
Payments for non-rental capital expenditure	**(398.4)**	(138.3)
Rental equipment disposal proceeds	**343.8**	384.7
Other property, plant and equipment disposal proceeds	**24.8**	18.3
Tax (net)	**(218.8)**	(387.6)
Net financing costs before exceptional items	**(231.1)**	(254.9)
Cash inflow before growth capex and payment of exceptional costs	**2,097.1**	1,885.1
Growth rental capital expenditure	**(935.7)**	(62.9)
Exceptional costs	**(36.0)**	–
Free cash flow	**1,125.4**	1,822.2
Business acquisitions	**(1,277.4)**	(195.1)
Financial asset investments	**(40.0)**	–
Total cash (absorbed)/generated	**(192.0)**	1,627.1
Dividends	**(269.3)**	(235.5)
Purchase of own shares by the Company	**(409.6)**	–
Purchase of own shares by the ESOT	**(23.8)**	(15.5)
(Increase)/decrease in net debt due to cash flow	**(894.7)**	1,376.1

* Cash inflow from operations before changes in rental equipment as a percentage of EBITDA.

Accordingly, the Group generated free cash flow of $1,125m (2021: $1,822m) and, after acquisition and investment related expenditure of $1,317m (2021: $195m), a net cash outflow of $192m (2021: inflow of $1,627m), before returns to shareholders. Acquisition expenditure related to 25 bolt-on acquisitions completed during the year as we continue to both expand our footprint and diversify our end markets. Further details are provided in Note 27 to the financial statements.

CAPITAL STRUCTURE AND ALLOCATION

The Group's capital structure is kept under regular review. Our operations are financed by a combination of debt and equity. We seek to minimise the cost of capital while recognising the constraints of the debt and equity markets. At 30 April 2022 our average cost of capital was approximately 10%.

The Group remains disciplined in its approach to allocation of capital with the overriding objective being to enhance shareholder value. Our capital allocation framework remains unchanged and prioritises:

- organic fleet growth;
  - same-stores;
  - greenfields;
- bolt-on acquisitions; and
- a progressive dividend with consideration to both profitability and cash generation that is sustainable through the cycle.

Additionally, we consider further returns to shareholders. In this regard, we assess continuously our medium-term plans which take account of investment in the business, growth prospects, cash generation, net debt and leverage. Therefore the amount allocated to buybacks is simply driven by that which is available after organic growth, bolt-on M&A and dividends, whilst allowing us to operate within our 1.5 to 2.0 times target range for net debt to EBITDA pre IFRS 16.

We launched a buyback programme in May 2021 under which the Group anticipates buying back up to £1bn in shares over a two-year period. We commenced the programme at a run rate of £75m a quarter and allocated $414m (£305m) to share buybacks in the year.

Dividends

The Company has a progressive dividend policy, which considers both profitability and cash generation, and results in a dividend that is sustainable across the cycle. Our intention has always been to increase the dividend as profits increase and be able to maintain it when profits decline. In accordance with this policy, the Board is recommending a final dividend of 67.5¢ per share (2021: 48.24¢) making 80.0¢ for the year (2021: 58.0¢), an increase of 38%. If approved at the forthcoming Annual General Meeting, the final dividend will be paid on 9 September 2022 to shareholders on the register on 12 August 2022.

In determining the level of dividend in any year, the Board considers a number of factors that influence the proposed dividend as detailed above. Ashtead Group plc, the parent company of the Group, is a non-trading investment holding company which derives its distributable reserves from dividends paid by subsidiary companies which are planned on a regular basis to maintain a suitable level of distributable reserves at the parent company.

Net debt

Chart 05 shows how debt and leverage, measured at constant April 2022 exchange rates, has changed over the cycle. Since 2010, we have stepped up our capital expenditure as rental markets improved. As a result, net debt has increased in absolute terms over the period principally due to acquisitions, dividends and share buybacks with free cash flow being broadly sufficient to fund substantially all the increased capital expenditure. Since 2013 we have been operating within our net debt to EBITDA leverage target range of 1.5 to 2.0 times (excluding IFRS 16). Furthermore, our overall balance sheet strength continues to improve with the second-hand value of our fleet exceeding our total debt by $2.7bn.

In greater detail, closing net debt at 30 April 2022 is set out in Table 06 on page 51.

Net debt at 30 April 2022 was $7,160m with the increase since 30 April 2021 reflecting principally the net cash outflow set out above. The Group's EBITDA for the year ended 30 April 2022 was $3,609m. Excluding the impact of IFRS 16, the ratio of net debt to EBITDA was 1.5 times (2021: 1.4 times) on a constant currency and a reported basis as at 30 April 2022. Including the impact of IFRS 16, the ratio of net debt to EBITDA was 2.0 times at 30 April 2022 (2021: 1.9 times).

Our debt package is well structured for our business across the economic cycle. We retain substantial headroom on facilities which are committed for the long-term, with an average of six years remaining at 30 April 2022. The weighted average interest cost of these facilities (including non-cash amortisation of deferred debt raising costs) is 3%.

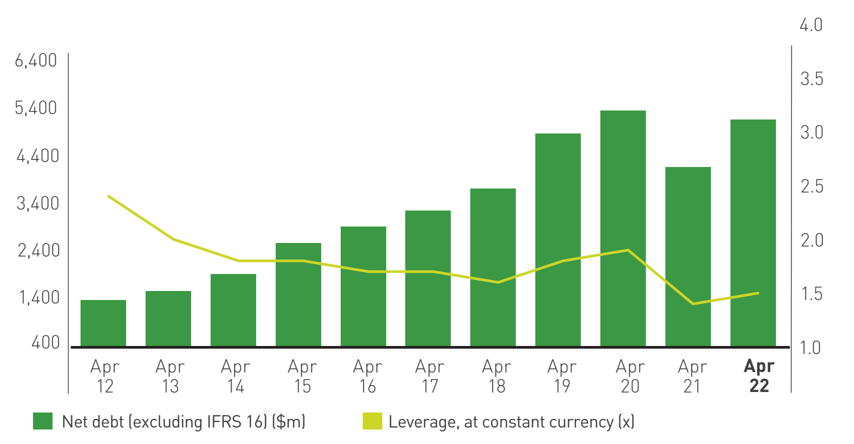
Debt facilities

The Group's principal debt facilities are discussed below.

First priority senior secured credit facility

At 30 April 2022, $4.5bn was committed by our senior lenders under the asset-based senior secured revolving credit facility ('ABL facility') until August 2026. The amount utilised was $2,188m (including letters of credit totalling $57m). The ABL facility is secured by a first priority interest in substantially all of the Group's assets. Pricing for the $4.5bn revolving credit facility is based on average availability according to a grid, varying from the applicable interest rate plus 125bp to 150bp. The applicable interest

05 NET DEBT AND LEVERAGE



rate is based on LIBOR for US dollar loans, SONIA for sterling loans and CDOR for Canadian dollar loans. At 30 April 2022, the borrowing rate was the applicable interest rate plus 125bp.

The only financial performance covenant under the asset-based first priority senior bank facility is a fixed charge ratio (comprising LTM EBITDA before exceptional items less LTM net capital expenditure paid in cash over the sum of scheduled debt repayments plus cash interest, cash tax payments and dividends paid in the last 12 months) which must be equal to or greater than 1.0 times.

This covenant does not, however, apply when availability (the difference between the borrowing base and facility utilisation) exceeds $450m. At 30 April 2022 availability under the bank facility was $2,537m ($3,011m at 30 April 2021), with an additional $3,029m of suppressed availability meaning that the covenant was not measured at 30 April 2022 and is unlikely to be measured in forthcoming quarters.

Senior notes
At 30 April 2022 the Group, through its wholly owned subsidiary Ashtead Capital, Inc., had five series of senior notes outstanding. The $550m 1.500% notes are due on 12 August 2026, the $600m 4.375% notes are due on 15 August 2027, the $600m 4.000% notes are due on 1 May 2028, the $600m 4.250% notes are due on 1 November 2029 and the $750m 2.450% notes are due on 12 August 2031.

Under the terms of the notes, financial performance covenants under the senior notes are only measured at the time new debt is raised.

Minimum contracted debt commitments
Table 07 below summarises the maturity of the Group's borrowings at 30 April 2022 by year of expiry.

Except for the Group's lease commitments, details of which are provided in Note 18 to the financial statements, $57m of standby letters of credit issued at 30 April 2022 under the first priority senior debt facility relating to the Group's insurance programmes and $7m of performance bonds granted by Sunbelt, we have no material commitments that we could be obligated to pay in the future which are not included in the Group's consolidated balance sheet.

CURRENT TRADING AND OUTLOOK
Our business has demonstrated its ability over the last two years to perform in both good times and more challenging ones. The new financial year has started well and the business has clear momentum. We are well positioned to navigate the challenges and capitalise on the opportunities arising from the market circumstances we face, including supply chain constraints, inflation, labour scarcity and economic uncertainty, all factors which we believe to be drivers of ongoing structural change. The Board looks to the future with confidence.

06 NET DEBT

	2022 $m	2021 $m
First priority senior secured bank debt	**2,108.1**	1,225.2
4.125% senior notes, due 2025	**–**	594.9
5.250% senior notes, due 2026	**–**	593.4
1.500% senior notes, due 2026	**545.8**	–
4.375% senior notes, due 2027	**594.8**	593.9
4.000% senior notes, due 2028	**594.3**	593.4
4.250% senior notes, due 2029	**593.9**	593.2
2.450% senior notes, due 2031	**743.2**	–
Total external borrowings	**5,180.1**	4,194.0
Lease liabilities	**1,995.2**	1,633.3
	7,175.3	5,827.3
Cash and cash equivalents	**(15.3)**	(26.6)
Total net debt	**7,160.0**	5,800.7

07 MINIMUM CONTRACTED DEBT COMMITMENTS

	2023 $m	2024 $m	2025 $m	2026 $m	2027 $m	Thereafter $m	Total $m
Bank and other debt	–	–	–	–	2,108.1	–	2,108.1
1.500% senior notes	–	–	–	–	548.8	–	548.8
4.375% senior notes	–	–	–	–	–	600.0	600.0
4.000% senior notes	–	–	–	–	–	600.0	600.0
4.250% senior notes	–	–	–	–	–	600.0	600.0
2.450% senior notes	–	–	–	–	–	748.2	748.2
	–	–	–	–	2,656.9	2,548.2	5,205.1
Deferred costs of raising finance	–	–	–	–	(3.0)	(22.0)	(25.0)
Cash at bank and in hand	(15.3)	–	–	–	–	–	(15.3)
Net debt (excluding IFRS 16)	(15.3)	–	–	–	2,653.9	2,526.2	5,164.8

4. LEAD WITH ESG

OUR STRATEGY

4 **Embracing responsible sustainability and success for all our stakeholders, while unlocking the structural benefits ESG will bring to rental across the Group.**

2022 HIGHLIGHTS

- EMBEDDED CULTURE OF HEALTH AND SAFETY: ENGAGE FOR LIFE
- COLLABORATION WITH KEY SUPPLIERS TO SUPPORT GREENER TECHNOLOGY DEVELOPMENT
- ENHANCED EMPLOYEE ENGAGEMENT THROUGH DEI INITIATIVES
- ‘LET’S TALK MENTAL HEALTH’ PROGRAMME IN THE UK SUPPORTING EMPLOYEE WELL BEING

CO_2

22%
reduction in carbon intensity compared with 2017/18

Top-50
military friendly employer in the US

Read more about our commitment to ESG and our progress in the Responsible business report on page 64

35x30

SUNBELT 3.0 IN ACTION

Embedding ESG into our Sunbelt 3.0 strategic plan has produced a step change this year. Health and safety has always been a priority for the Group and we continue to seek continuous improvement through our employee programmes and investment in technologies to aid our team members. We have also made a huge investment in greener fleet and are driving real cultural change through our new Diversity, Equity and Inclusion Task Force as well as our global women's group. Our community engagement is full steam ahead after two years of COVID-19 restrictions, delighting both our colleagues and our communities. We are closely tracking and evaluating our ESG efforts because we know how important this is to our business. This is our Ambition with Purpose.

DRIVING REAL CULTURAL CHANGE

Being a responsible business has always been crucial to us. We are passionate about our people, the environment and the communities in which we live and work. We care deeply about making the best impact possible on all our stakeholders and we are proud of the impact we have had in helping our people, customers, suppliers and communities, especially through the most difficult of times over the last two years. When we announced our new strategic plan, Sunbelt 3.0, last year, for the first time we embedded our ESG priorities. This added a layer of transparency and accountability to the work we do in this area and has placed ever greater emphasis on our environmental and social priorities. We have always said that being responsible is in our DNA but now it's front and centre, and visible in everything we do. Last year we launched important initiatives such as our new Diversity, Equity and Inclusion ('DEI') Task Force and we are delighted that extensive progress has already been made in raising the profile of this important work group-wide. We are excited about the progress we are making and how our innate sense of purpose is driving real change across the organisation and deepening the sense of pride we all have in the work we do.

Ultimately our ESG efforts enable us to deliver on our promises and expand the trust that makes our business tick; trust that the equipment we provide will arrive on time and do what we say it will; trust that it will be well-maintained and compliant with all health and safety requirements; trust that we are endeavouring to source the most environmentally-friendly equipment as we can; trust that everyone involved in the rental process has been treated fairly, kept safe and well rewarded; trust that we are not just taking from the communities in which we find ourselves, but are giving back real social value that can be measured.

BEING A RESPONSIBLE BUSINESS

Our goal is for our responsible business plan to be transparent, challenging and beneficial to everyone we interact with. We analysed our commitments into four key areas: our people; the environment; our communities; and governance. Following an analysis of what is material to the business in each of these areas, we then divided each area into individual segments which focus on the specific commitments we are making. In this Responsible business report we focus on the environmental, social and corporate behaviour aspects of our work. More detail on governance can be found in our Corporate governance report on page 84.

The world is changing and the impact of technological advancements, climate change, social action and unprecedented events such as the COVID-19 pandemic require ever greater attention and action. As part of Sunbelt 3.0, we are reinforcing ESG at the heart of how we operate, while unlocking the structural benefits ESG will bring to rental. Socially responsible behaviour has never been more important than in recent times. It is easy to treat people well in the good times but the true test of an organisation is how it responds in times of adversity. The decisions we made and the actions we took during the pandemic were made with a focus on the long-term sustainability of the business. Our early decision and communication to the workforce that no one would be made redundant as a result of the pandemic meant that our team members could focus on looking after their families, communities and our customers without having to look over their shoulder continuously.

The rental industry is hugely beneficial for the environment as it leads to the most efficient use of equipment and the manufacture of fewer assets. Significant carbon emissions and consumption of earth's natural resources take place during the manufacture of a piece of equipment. At the end of its life, that equipment requires disposal. Fewer, better designed pieces of equipment utilised as part of a sharing economy are better for our planet.

The Group's activities help advance the United Nations Sustainable Development Goals ('SDGs'). We have identified the eight goals to which we believe we can make the most contribution through our focus on recruitment and training, focus on diversity, equity and inclusion, the development of our products and management of our operations.

Furthermore, our fleet consists of the most recent and technologically advanced equipment, which is well-maintained and inherently better for the environment than older, less well-maintained equipment.

Our commitment to ESG is clear and we intend to expand further on the areas detailed in this Responsible business report within our first Sustainability Report, which will be published later in 2022. Here we will map the Group's activities and metrics to existing reporting frameworks such as the Sustainability Accounting Standards Board and Global Reporting Initiative standards. We are working to quantify our Scope 3 carbon emissions and assessing the potential applicability of science-based targets. Our industry has an important role to play in reducing carbon emissions both through bringing greener technologies to market and delivering the benefits of a sharing economy. However, as a rapidly growing business, our absolute emissions will increase in the near to medium-term until technological advancements result in equipment capable of fulfilling our customers' needs with significantly lower or zero carbon emissions, which will enable us to reduce emissions significantly in the longer-term.

HOW WE MONITOR OUR WORK

The Group's Board of directors is responsible for monitoring the progress we make against our strategic ESG objectives and the targets we have set. The Board is assisted in this function by the Group Risk Committee which is chaired by Michael Pratt, our chief financial officer. Included on the Group Risk Committee is the Group's managing director of ESG.

For further information on the Group Risk Committee, its members and priorities in current and forthcoming years, please see pages 34 and 35.

EMPLOYEE SPOTLIGHT

Matt Jackson
District Manager

Matt Jackson is a District Manager for our General Tool division and has been with us for over 16 years. He is the new President of our DEI Task Force which he says, "represents our organisation's commitment to support and respect both team members and customers. Sunbelt is becoming more innovative in our way of thinking and fostering connections within our communities in ways we have never done before, and it's exciting to be a part of that change."

OUR PEOPLE

HEALTH & SAFETY

Health and safety is the backbone of our business and culture. COVID-19 highlighted that more than ever. A strong reputation for excellent health and safety is a significant competitive advantage for us. In addition, an ever-changing regulatory focus on safety and more stringent requirements for all operators continues to assist our growth. It is more efficient to outsource responsibility for equipment safety to us than for customers to manage it themselves. This has been one important factor in the shift to rental that has underpinned our growth in North America and which has reinforced our position in the UK.

Our extensive health and safety programmes monitor, develop and maintain safe working practices while reminding our employees of the need to be safe at all times and look after their own health. Our continued improvement is accomplished through a combination of proactive safety and leadership training, enhanced safety programmes and timely incident response and investigation. This continuous improvement includes a focus on the importance of mental health in the overall well being of our people. We also help our customers ensure the safety of their own employees including providing safety training as required. In addition, we make a considerable annual investment in ensuring our rental equipment meets or exceeds the latest safety standards, as well as providing health and safety advice and materials along with each rental.

HOW WE MONITOR PERFORMANCE

We monitor health and safety by the number of reported incidents that occur during our work. We track and analyse all incidents and 'near misses' to enable us to identify recurrent issues and implement preventative improvements. The importance of health and safety is reflected in the fact that the number of reportable accidents is one of our group-wide KPIs (see page 36).

We continue to develop and improve our incident management system which enables us to manage incidents while allowing us to investigate, analyse root causes and track corrective/preventative actions. The tracking and reporting of 'near misses' is an area we are looking to improve as the lessons learnt are as instructive or often more so, than from actual incidents.

This year the US had 1,326 reported incidents relative to an average workforce of 14,934 (2021: 1,459 incidents relative to an average workforce of 13,526), Canada had 223 incidents relative to an average workforce of 1,575 (2021: 239 incidents relative to an average workforce of 1,409) and the UK had 193 incidents relative to an average workforce of 3,947 (2021: 192 incidents relative to an average workforce of 3,724). For the purposes of our internal tracking, the term incident does not necessarily mean that an employee was hurt or injured. Rather it represents an event that we want to track and report for monitoring and learning purposes under our health and safety management policies. We continue to focus on more timely reporting of every incident or first aid event that occurs.

Reportable accidents continue to be defined differently in the US, Canada and the UK. In the US and Canada, reportable accidents are reported in accordance with OSHA (Occupational Safety and Health Administration) whereas in the UK, reportable accidents are reported in accordance with RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations). Under the different definitions, more accidents are generally identified in the US as being reportable than in the UK. In order to compare accident rates across the Group, the US and Canada also applied the RIDDOR definition to its accident population.

We remain committed to reducing these rates as much as possible and continue to see progress across the businesses. We are delighted to report that our incident rate improved last year in all geographies.

SAFETY INITIATIVES

COVID-19 tested our excellent health and safety reputation and reinforced it massively. Operationally, we changed the way we work to ensure our team members remained protected, while continuing to work across our store network, ensuring we met the needs of our customers and communities. What remains relevant in a post-pandemic environment, we will continue to do.

We recognise that everyone must take responsibility for their own safety and the safety of others. In North America we continued to develop our Engage for Life programme which is built on three pillars: culture; community; and commitment. We are focused on building a culture that eliminates serious injuries or fatalities ('SIFs'), aligns our best practices, and ensures we all have the right skills to complete work safely.

01 RECORDABLE ACCIDENTS

		2022		2021	
		OSHA	**RIDDOR**	OSHA	RIDDOR
US	Recordable accidents	**190**	**74**	194	114
	Incident rate	**0.90**	**0.17**	1.07	0.31
Canada	Recordable accidents	**25**	**5**	29	8
	Incident rate	**1.49**	**0.15**	2.12	0.29
UK	Recordable accidents	**n/a**	**18**	n/a	21
	Incident rate	**n/a**	**0.22**	n/a	0.27

An important component of Engage for Life is that we demonstrate the dedication to the well being of our team members, their families and communities, while supporting and encouraging team members' safety development. We were recognised by the Board of Certified Safety Professionals ('BCSP') as an Emerald Class Certification Sponsor, for supporting our team members in achieving safety certification, with over 50 team members having completed the programme.

We have core safety processes across all our stores. In North America these include:

- the 'near miss' programme, which provides insights into our exposures across our businesses;
- the pre-task planning programme (Take 10 Programme), which requires everyone to take at least 10 seconds to think through the job they are about to do using a pre-task planning checklist. Examples of tasks where this is applied are loading/unloading, wash bay work, checking equipment in, and technicians repairing or conducting routine maintenance on the equipment;
- the Safety Committee engagement programme, which ensures all stores hold safety meetings and engage in topics such as 'near miss' reporting, being more observant in looking for exposures, corrective action closure, etc.; and
- Regional Safety Managers present in our business, who engage on a daily basis with team members. Their role includes truck inspections, facility assessments, training and listening to feedback from our people during our Wellness Visits.

In addition, the US senior leadership team's weekly safety meetings provide focus towards developing solutions that can be replicated across the Group. We hold annual safety weeks designed to increase awareness of the importance of safety across the business.

WORK HOME SAFE
KEEPING SAFETY PERSONAL... IT'S IN OUR HANDS

HEALTH, SAFETY AND ENVIRONMENT WEEK

This year we held our first joint Health, Safety and Environment week for North America and the UK. The theme was Ready to Go and was designed around the theme of getting our teams 'ready to go' every day at work.

Each day we highlighted a different safety topic supporting the theme. These included: Power Up, a new initiative to get our bodies and minds ready for work each morning with a focus on movement and dynamic stretching; how our safety councils work to engage our teams and ultimately drive safety improvements; a refresher on what ESG means to our business and how it fits into our strategy; a piece on wellness, in particular fatigue, how quality sleep can prevent errors, breathing, and the importance of powering down at the end of each day; finally, we reflected on two years of our Engage for Life programme and how we are performing.

Similar safety processes operate in the UK. We run the Work Safe Home Safe campaign to ensure staff also take responsibility for their own safety and Sunbelt UK managers undertake the five-day IOSH ('Institution of Occupational Safety and Health') Managing Safely course. The UK is leading the way with its Let's Talk Mental Health programme discussed further on page 63.

Other safety initiatives include:

- in the US we continued our programme to provide safety knowledge and skills at our stores specifically for our Safety Coordinators and Branch Managers. We prepare our store leaders to take an examination to become Safety Trained Supervisors ('STS'). Our goal is to have at least one STS at each and every one of our stores;
- we continued installing cameras in our delivery and service vehicles – a programme we call RITA, or Road Intelligence Transportation Assistant. RITA assists our drivers with real-time feedback on behaviours that could lead to vehicle incidents. It also provides an opportunity to reinforce positive actions and recognise our drivers for a job well done; and
- in the UK, we continue to highlight the importance of thinking 'ACE' – Awareness, Communication, Exclusion zone – during our health, safety and environment week, demonstrating that by simply being aware of the environment, communicating with teammates or pedestrians and creating a safe exclusion zone, accidents can be avoided.

Senior leadership and middle management support for safety is extremely high across the business. Our focus is at a local level where the work gets done to ensure we move from good to great.

In the US we are also a Safety Week partner. We strive to strengthen our industry's safety culture and performance by sharing best practices, tools and resources. Safety Week is sponsored by members of The Construction Industry Safety Initiative ('CISI') and the Incident & Injury Free Executive Forum. We are focused on the impact our safe choices have on our team members, their families and the communities in which they live and work. We are unwavering in our commitment to continuously improve our safety culture and send each employee home safe each day.

DRIVER AND VEHICLE SAFETY

Our North American transportation fleet continues to operate as one of the safest fleets in the equipment rental industry. Our commercial vehicle training programme is an ongoing initiative across the US and Canada, which ensures that all our drivers are trained in vehicle safety and compliance. We are among the leaders of our industry in continuously supporting the training and education of employees in commercial vehicle compliance and safety, including core training on hours of service, truck inspections, technology enhancements, load securement and hazardous materials.

We continue to target ways to reduce our motor vehicle incident rate. Our driver safety programmes take data from our onboard telematics units and communicates it directly to our motor vehicle compliance team with results shared with field operations daily. This helps us control any on-the-road unsafe behaviours and activities. While designed to improve driving behaviour, we also benefit through cost savings due to lower fuel usage, engine and vehicle maintenance and accidents.

In addition, drivers participate in online risk assessments that identify safe and unsafe behaviours through interactive driving modules. By identifying the risk profiles of our drivers, we are able to develop specific adaptive learning programmes for them. Through the use of electronic driver logs, our drivers receive real-time feedback on their hours of service and our fleet safety compliance team is able to retrieve driver data immediately. In addition to the electronic hours of service logs, we also use an electronic pre-trip inspection that is conducted on the driver's phone. We also train our drivers in defensive driving.

In the UK, our driver training courses are aimed at delivery drivers and cover areas such as loading and unloading of vehicles, working at height, site safety and manual handling. All general drivers, including delivery drivers and fitters, are required to undertake the Driver Induction Course, which is delivered in the form of workshops and covers transport procedures, legislation, hazard perception and practical driver assessments.

We drive over 285m miles each year, so giving our drivers the solid training on defensive driving principles is critical to having safe outcomes on the road.

WORKING ON SAFETY WITH OUR CUSTOMERS AND SUPPLIERS

Being a responsible business means sharing and promoting our safety culture with our customers and suppliers whenever possible. For example, we have dedicated mobile elevated work platform, forklift and earth moving operator trainers who train customers and we offer customised training programmes to fill their needs. We work with customers' safety teams to develop customised training courses, sometimes for a specific jobsite and participate in training days for major customers, demonstrating safe use of equipment and running training seminars. This is in addition to the routine safety briefings that accompany equipment rental. We now offer dedicated full-time safety trainers for our customers in 75 markets across North America and have 18 accredited training centres in the UK.

Our customer training covers a broad range of topics including:

Operator training

- Mobile elevating work platforms, boom lifts and scissor lifts
- Forklifts, warehouse and telehandler rough terrain
- Earth moving equipment, loaders, excavators, backhoes

Train the trainer

- Mobile elevating work platforms
- Forklifts
- Earth moving equipment
- Fall protection

Scaffolding

- User hazard awareness
- Competent person
- Suspended platforms hazard user awareness
- Suspended platforms competent person
- Customised courses available

In addition to the above, we offer a range of other training including:

- working at height safely;
- traffic control management;
- working safely in confined spaces;
- laser scanning and survey equipment;
- propane handling; and
- lock-out, tag-out

VEHICLE TECHNOLOGY SUPPORTING SAFETY

We continue to equip all new Class 8 trucks in North America with collision mitigation technology often available in personal vehicles. A Class 8 truck is a vehicle with a gross weight vehicle rating exceeding 33,000 lbs. In our fleet, these include HGVs, or tractor-trailers, as well as some rollback vehicles. The safety system is designed to try and prevent a collision or decrease its severity in the moments before it occurs, using a forward collision warning system, adaptive cruise control, lane departure warning system and/or an automatic braking system.

HUMAN CAPITAL

LABOUR MANAGEMENT

We know that a skilled and committed workforce is fundamental to our success. Our labour management policies are designed to ensure we take the very best care of our people. As we grow, we add employees both through direct recruitment and acquisition. When we acquire companies, we also acquire their knowledgeable and dedicated staff who have often built up a successful business. To maintain that success, we adopt a circumspect approach when it comes to integrating new staff into the Group to ensure new team members are engaged with the business and the Group benefits from their experience and dedication. We want new employees to be engaged with the new environment in which they find themselves, so we hold a presentation day for staff where senior management presents an overview of the Group, our plans for the acquired business and how they fit into our strategy for the future. We then demonstrate further our commitment to our new employees by investing in the business they helped build. Furthermore, integrating these new employees into our health and safety programmes contributes to enhanced health and safety within the rental industry.

In the past year we have done extensive work on making Sunbelt a more flexible organisation in which to work, which is a huge cultural shift. Part of this is driven by our DEI work because we know that to attract and keep a more diverse workforce, we need to offer more flexibility in how people can work. For example, the pandemic has made people think about work (and life) differently and has resulted in more people seeking a different balance and wanting flexibility in where they work. We are now much more focused on finding solutions that work for everyone involved: the manager; the team member; and the customer.

EMPLOYEE SPOTLIGHT

Karl Reid
Driver

Karl Reid joined Sunbelt as an HGV driver in 2021 with several years' experience in plant and powered access. Sunbelt has helped him acquire his Class 1 Licence and lorry loader HIAB qualification. He drives a 44-tonne low loader and has become familiar with sites for HS2, Tideway and National Grid locations in and around Greater London, getting to know the staff and helping them as much as possible. He says, "No two days are the same but for everything to run smoothly you need to have a great team behind you. You need good engineers back at the store, good route planners and good management. Driving around London can be really difficult so working closely with planners is a must and both sides have to communicate and be willing to listen. Working as a team, we can take it in our stride and find a way to get the job done to keep the wheels turning."

CAREER DEVELOPMENT AND TRAINING

Training and development continues throughout the careers of our employees and we have many programmes in place to ensure they achieve their ambitions, reach their potential and remain safe. Employees' welfare and job satisfaction are enormously important and we invest significant money and time in facilitating career development and evolving training to reflect the changing needs of our workforce.

For our largest group of employees, skilled trades, we have two main approaches to develop talent, career pathing and career progression. Career pathing is about providing employees with a clear promotion pathway within the business. For example, for a driver or technician to become a store manager, we have a career pathway with associated training courses that provide the skills needed for the next step on that particular career pathway. With this option, an ambitious employee can see the route they need to take to develop their career towards a more senior, management role.

For those that want to progress within their specific job area, we offer career progression. Within our skilled trades employee group, this provides a clear progress path that will enhance an employee's skills, ability and experience within their trade or job role. For example, technicians can achieve four skill levels, with each level requiring progressively more in-depth and expert skill and knowledge. To pass from one level to the next, the employee has to pass an evaluation that shows their skills match the next step on the ladder.

For leaders in our store network and other leaders in our central operations, we offer a range of leadership or senior leadership training. These courses ensure our leaders are equipped with the skills to deliver on our business strategy. These include inclusive leadership, coaching, performance and financial management, training skills, and customer experience.

In North America, our career development and training initiatives include:

- a technician-in-training programme;
- a paid technician Co-Op programme for trade school students approaching graduation;
- employee surveys;
- the Jumpstart Sales programme;
- the Jumpstart Manager In Training programme;
- an intern programme both in stores and at the support office;
- a leadership curriculum for all store managers;
- an Executive Leadership Development programme; and
- a Learning Management System ('LMS') that delivers, tracks and manages all our training online.

In the UK we held over 13,000 employee training days last year through a wide range of courses. In order to identify training needs when recruiting, we have developed a series of competence forms and adopted the OSAT ('On Site Assessment and Training') programme. Each employee has their skills mapped against the qualification framework through assessment and any skillgaps are filled through training. Through this process we can be sure of developing the skills and qualifying the experience of our workforce. In addition, we have implemented a leadership development programme across the UK to support the development of leaders in our business and implemented a 'grow coaching' programme for all store managers to ensure they are equipped with the skills to coach and mentor staff within the business.

To evaluate the effectiveness of our training, we issue all delegates with feedback forms and these are evaluated and actioned as required.

REWARD AND BENEFITS

We use a combination of competitive fixed pay and attractive incentive programmes to reward and motivate staff and these drive our profits and return on investment. All eligible Sunbelt UK employees are paid the Living Wage (as recommended by The Living Wage Foundation) and Sunbelt UK is an accredited Living Wage Employer. In North America we adopted a Leading Wage to ensure all employees are paid an hourly rate in excess of the state and federal recommended rates.

We provide a comprehensive package of benefits ensuring they represent affordable and smart choices for employees. Each benefit offering has been designed to work with another, providing a financial safety net that serves those employees in need, as well as providing us all with a proper sense of security. In the US we offer robust and comprehensive medical coverage and, despite the growing costs of healthcare, member contribution rates were not increased. By continuing to promote wellness, we intend to maintain a fair and balanced health plan that is considered one of the best in our industry. Our retirement plans are well received with a 96% enrolment rate in our US 401(k) plan, 87% enrolment rate in Canada and 94% of UK employees participating in the pension plan. Our employees are excited to be here, and we want to help them prepare for their future, whatever it holds.

Our sales force is incentivised through our commission plans which are based on sales, both volume and price achieved, and a broad measure of return on investment determined by reference to equipment type and discount level. We flex our incentive plans to reflect the stage of the cycle in which we operate and the drivers of performance for the business, which we believe is an important element in retaining the confidence of our workforce through the economic cycle.

INTRODUCTION OF PAID PARENTAL LEAVE IN THE US

While the US lags the UK on parental leave, we are a leader in the US rental industry in this area. We launched a Paid Parental Leave (PPL) benefit to US team members beginning January 2022. This policy applies to either parent and is in effect any time during the first year for births, adoptions, or placements of foster children.

In addition to their core benefits, including pension and life assurance arrangements, we have an employee assistance helpline which offers free confidential support and advice to those in need. We also have other benefits to promote good health amongst our employees. In the UK we have a flexible holiday arrangement enabling employees to purchase additional holiday entitlement or sell unused or unwanted holiday back to the company, giving them the opportunity to exchange some of their holiday entitlement for additional pay and allow the employee more flexibility and choice in how they use their contractual benefits.

STAFF TURNOVER

We endeavour to hire the best people, train them well and look after them so they provide the best possible service for our customers. Our aim is to keep employee turnover as low as possible to enable us to build on the skill base we have established. This is core to the success of the business and our competitive position and therefore staff turnover is one of our KPIs (see page 33).

In general, the rental industry suffers from high staff turnover, particularly within certain job categories such as mechanics and delivery truck drivers, with turnover being particularly high within the first two years of employment. We find increasingly our staff targeted by competitors which, whilst a compliment, means we have to work harder to retain them.

In North America, our voluntary staff turnover is 18% (total staff turnover is 22%) with c. 70% of this turnover arising from people with less than two years' service. Although staff turnover is slightly higher in the UK, the overall picture is similar. Voluntary staff turnover is 22% (total staff turnover is 25%) and over half of voluntary staff turnover arises from people with less than two years' experience.

SUNBELT UNIVERSITY

Last year we implemented a new learning management system for Sunbelt University to offer a better learner experience for all colleagues including:

- A mobile-only platform
- Over 10,000 courses available for various audiences
- Paperless hands-on evaluations for equipment certifications
- Improved visibility for compliance with regulatory and required training
- Improved training technology to transform how learning is delivered at Sunbelt
- Improved ease of finding training applicable to jobs
- Increased efficiency by integrating all of our North America operations into a single platform, with planned expansion to include Sunbelt UK.

SUNBELT UNIVERSITY

Our employees are driven, conscientious and loyal and we work hard to maintain that through market-leading training and development and superior reward and benefits. We have extensive programmes in place to ensure high standards of recruitment, training, and the appraisal, review and reward of our employees. A key area of focus for improvement is the onboarding and mentoring of new recruits. As can be seen from staff turnover levels and safety statistics, employees are unlikely to leave us and much less likely to suffer an injury or accident at work if they have been with us for two years or more. In addition, we endeavour consistently throughout the year to maintain and develop arrangements aimed at involving employees in the Group's affairs and hearing their views. Regular meetings are held at stores to discuss performance and enable employees to input into improvements as well as providing feedback on their own levels of satisfaction.

EMPLOYEE SATISFACTION

Getting ongoing feedback on how our staff are feeling and then making any changes necessary, is crucial to maintaining a happy and fulfilled workforce. We pride ourselves on having a strong culture, with a strong sense of purpose amongst our team members who take their responsibilities to assist customers and communities seriously. There is also a strong sense of pride in a job well done such as when we are helping people get back to normal after a natural disaster. We now hold annual North American-wide and UK employee surveys which have received excellent levels of response. We have been delighted with the results so far, which show a high degree of employee satisfaction even given the very difficult circumstances our staff were having to deal with both personally and at work.

In North America, our first Express Yourself Survey received a remarkable 88% participation rate with an 89% engagement score. The second one is ongoing. In the UK, participation in this year's survey was 81% with an 83% engagement rating. Key findings were again that the majority of team members reported a sense of pride, would recommend Sunbelt to family, that their managers care about safety and that they trust their manager to do a good job. We analyse all the results from the survey and take action accordingly. We plan to associate all action taken specifically with the survey to reinforce that we have listened and are taking action directly as a result of staff feedback.

SOCIAL OPPORTUNITIES

DIVERSITY

This year saw huge progress in this area. We are committed to ensuring that our workforce reflects the communities in which we live and work, and providing equal opportunities for all our staff is a priority. Our recruitment comes predominantly from the areas immediately around our facilities, thereby providing opportunities for local people and a positive impact on their community.

DIVERSITY, EQUITY AND INCLUSION IN THE US

It has been a busy first year for our DEI Task Force which has been meeting regularly, with senior management also travelling around North America to communicate directly with the wider team about our DEI aspirations.

We are creating an ongoing feedback loop to ensure that we are analysing what the business needs and wants, creating the framework to deliver that and communicating back to the business what we are putting in place. Members of the Task Force were part of the Senior Leadership meeting in April 2022 talking particularly about what DEI advocacy means within the business. We are opening up discussions, creating training materials, sharing personal advocacy stories from staff and making real cultural change. We have also expanded our recruitment team by adding a director of talent acquisition focused on attracting diverse candidates. Our new women's group, WISE, ('Women, Inspired, Supported, Empowered') is also supporting women across the organisation and helping to identify ways in which we can attract more women into our workforce, specifically within operational roles across the business.

We make every reasonable effort to give disabled applicants and existing employees who become disabled, opportunities for work, training and career development in keeping with their aptitudes and abilities. We do not discriminate against any individual on the basis of a protected status, such as sex, colour, race, religion, native origin, or age.

Our Diversity, Equity and Inclusion Task Force in North America draws from a diverse group of 14 team members across the organisation and is designing and implementing a new diversity, equity and inclusion strategy. We had over 300 applicants for this important initiative which reflects our collective desire for a more engaged and empowered workplace when it comes to diversity, equity and inclusion.

DIVERSITY & INCLUSION

In the UK, we have a similar group as part of 'Let's Talk Belonging' with Equality, Diversity and Inclusion Ambassadors from across the UK taking part in forums to explore the concept of 'belonging' and what this means on a day-to-day basis. Subsequent to this, we have engaged with an external third party in order to carry out a full assessment on our approach to equality, diversity and inclusion. We are taking our diversity and inclusion drive outside the business also, with participation at job fairs at community colleges, supported by our social value ambassadors.

In the US we are required by law to monitor ethnicity in our workforce and we maintain a diverse workforce with 31% of the US workforce identifying themselves as being non-white. We also gather ethnicity data as part of the recruitment process in the UK and monitor our diversity. We are committed to providing opportunities for people from all ethnic groups and in both geographies we have good representation from ethnic minorities across the organisation. We are also working to increase gender diversity at all levels of the business. However, our workforce as a whole reflects the nature of our business, the industry in which we operate and the markets we serve with just 12% of the Group's workforce being female. A significant proportion of our workforce are fitter engineers and HGV drivers, virtually all of whom have been male historically. Therefore, while across our workforce we seek to promote increasing proportions of women in the business, and we have seen success in some areas of our business such as within professional functions, sales and customer service, we recognise that some roles will continue to attract fewer women.

Nevertheless, whilst our industry has traditionally had many more men than women, we do have women at all levels of the Group, from the Board to store level. While four members of our Board (44%) are female and we have women on our senior management teams and as store managers and sales executives, we realise we have work to do to increase the number of women throughout the business.

We will continue to prioritise recruiting the best people for every role and are working to make it easier for more women to join the organisation, particularly as we expand. We believe that in doing so, we will move towards achieving a greater level of women's representation across our company at all levels starting from the grass roots of our organisation.

INCLUSION IN THE CANADIAN FILM AND TELEVISION INDUSTRY

Our lighting, grip and lens business in Canada has long been an advocate and partner with POV Film, an organisation that partners with talented youth to champion diversity, equity and inclusion in the content production industries, by increasing access to skills training, job placements, mentorship, and professional development opportunities. Through in-kind donation of space, equipment, and resources, we are helping provide valuable opportunities to talented young people, as well as building a stronger, more diverse film industry workforce across Canada.

We also work extensively with WIFT ('Women in Film and Television') providing a week-long immersive mentoring programme for production managers, providing insight and hands-on knowledge of our niche industry. For production managers, practical knowledge of equipment is invaluable.

02 WORKFORCE BY GENDER

	Male	Female	Female %
Board directors	5	4	44%
Senior management	30	8	21%
All staff	19,199	2,560	12%

03 PAY GAP

	Pay gap
US	5%
UK	1%
Canada	8%

We are also encouraging greater gender diversity and seeing success through our apprenticeship programme in the UK. Over time, we believe that this will broaden the representation of women within our workforce at all levels as they progress through the organisation. This will however take a number of years to have an impact.

Ashtead pays men and women the same for the same role with the actual remuneration being based on their skills, experience and performance. As a result of our mix of employees and the roles they undertake, the average pay of men and women differs across the business. Summarised in Table 03 on page 62 is the amount by which average pay for men exceeds that for women.

EMPLOYEE WELL BEING

We believe in treating our staff well and rewarding them for the effort they put in on our behalf. It is crucial that our workforce is a healthy one, both physically and mentally, and we work hard to look after our people and help them look after themselves. When our staff are on top form, they provide the best service to our customers. We are also there to help when they find themselves in difficulties. At no time were our efforts in this area more apparent than during the pandemic when we prioritised our employees' well being at all times.

In North America, the Sunbelt Rentals Employee Relief Fund was created to support employees who are facing financial hardships after a natural disaster or other life-changing events. The Fund was initially established to help the victims of Hurricane Charley in 2004 and is now a part of our long-term strategy to assist team members through catastrophic financial hardships. Any employee of Sunbelt is eligible to receive relief from this fund for the benefit of themselves or their immediate family members living in their household.

In the UK our 'Let's Talk' well being programme started with 'Let's Talk Mental Health' volunteers completing a two-day professional Mental Health First Aider course ('MHFA England') and we plan to train more staff in this important area.

EMPLOYEE SPOTLIGHT

Lisa Biase
Store Manager

Lisa Biase is the manager at one of our largest stores in Canada and is a passionate leader and advocate for women in the construction industry. Lisa's aim for the women she leads is to provide an environment where they feel confident and supported. She supports more tools and resources to become readily available to promote an inclusive environment for women within the construction industry. Lisa's advice to women interested in seeking a career in construction is to "ask questions, set boundaries, and empower each other." She also encourages her co-workers to connect with other female leaders to develop a support system.

LET'S TALK MENTAL HEALTH WELL BEING PROGRAMME

The Let's Talk Mental Health programme aims to remove the stigma surrounding mental health issues and create an environment where everyone feels they can talk openly with one of our trained mental health first aiders if they need to.

The UK business has more than 50 trained mental health first aiders who are available to any employee to talk about how they feel or issues that might be causing them worry or distress. Alongside our first aiders, the programme raises awareness of mental health issues widely among our workforce and is delivering mental health awareness training for line managers to support their knowledge and skills. More than 150 line managers have received mental health awareness training and we expect all line managers to have completed the training by the end of 2022.

LET'S TALK MENTAL HEALTH

ENVIRONMENT

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Protecting the environment has always been an important element of how we work. Now it is front and centre of our strategic plan, Sunbelt 3.0, with 'Lead with ESG' one of our five actionable components to enhance transparency regarding our commitments and achievements. Our biggest commitment in this area is to decrease our carbon intensity by 35% by the year 2030, with a shorter-term goal to reduce carbon intensity by 15% by 2024.

We believe this is not just the right thing to do but will bring us significant competitive advantage. Renting equipment rather than buying it is already the most environmentally-friendly way to use equipment. We believe rental is essential to environmental progress, designing out waste, reducing emissions and keeping products and materials in use, thereby assisting the regeneration of natural systems rather than depleting them consistently.

We are committed to providing the very latest, low and even zero carbon emission equipment available. We also increasingly help our customers work in more environmentally-friendly ways. We already offer the most comprehensive range of green equipment available in the market but we are committed to working closely with all our suppliers to help them develop the most environmentally sustainable equipment that we can then buy. Around 20% of our rental fleet is powered by alternatives to traditional diesel power, including battery, electric and hybrid options.

The large majority of our diesel-powered fleet also meets the most stringent North American and European emissions requirements. However, we are not content with simply being a buyer of next generation equipment; we want to influence and support our larger suppliers to accelerate the shift to a low-carbon economy. So, we work closely with them to help them design, develop, trial and bring to market innovative, environmentally-sustainable equipment, including electric versions of the most widely-used pieces of rental equipment.

INVESTING IN GREEN TECHNOLOGY FOR OUR CUSTOMERS: ELECTRIFYING AN ICON

We have partnered with Doosan Bobcat ('Bobcat') to develop and produce the world's first all-electric compact track loader. Our collaboration involved concept and product development, and testing and customer acceptance of the battery version of Bobcat's iconic compact loader.

In addition to being a zero-emission machine, the loader has other environmental benefits:

- it is made with around half the parts and components of the traditional diesel version, reducing maintenance needs and lifetime ownership costs;
- using electric motors rather than hydraulics, the loader needs only one litre of eco-friendly coolant compared to around 230 litres of fluids for the diesel/hydraulic model, reducing costs, emissions and the risk of spills; and
- the motor is silent-running and reduces vibration for operators.

In addition to collaborating in the development phase, Sunbelt has committed to buy two-thirds of the initial production run of 150 machines.

Diesel compact loaders are a staple construction machine in North America with around 100,000 units purchased each year. Rental only accounts for a 30% share of this market. With our investment in the electric loader, initial rental penetration of this zero-emission model based on our investment alone will be 67%. We plan to partner with Bobcat on further electric product development in the future.

We are in a good position to influence how new products are developed and used through our relationship with customers and manufacturers. We are therefore in an ideal position both to understand customer demand for greener equipment and support manufacturers to meet these needs with their product development. At the same time, our desire to invest in new and greener technology demonstrates to manufacturers there is demand for their new products. Finally, by bringing new products to a wide audience of customers in the rental market we help develop acceptance of new equipment and drive further demand.

Recent examples of our investment in greener equipment include:

- buying 100 (two-thirds of the first year's production) of the newly-launched electric Bobcat compact track loader in North America and investing in 30% of all Wacker Neuson electric four-wheel drive dumpers in the UK, ensuring high levels of rental penetration and use for these new products;
- in the UK, ordering £65m of the latest JCB equipment, 92% of which is either electric or hybrid powered or meets the latest emissions standards for combustion engines; and
- working with, and investing in, innovative start-up manufacturers in the areas of portable battery power, and battery design and packaging.

Focusing on environmental impact helps our staff feel good about where they work and helps to build good relationships with the communities around our stores. We are, and intend to continue, leading the rental industry through innovation in this area.

CLIMATE CHANGE

Like any other business, climate change has the potential to impact ours, both positively and negatively. For example, adverse weather events or natural disasters could negatively affect economies and disrupt our business day-to-day but also increase the demand for our services as we respond to the needs of our communities in recovering from such events. Our climate change focus is on our impact on the environment and we can reduce it through lower carbon emissions, waste and water usage.

Our commitment to improving energy performance and reduce carbon emissions is intended to reduce our impact on the environment and should also deliver significant long-term cost savings. We can do this through managing our own performance and enabling that of our customers.

We monitor our energy performance by looking at the management of:

- fuel usage;
- electric and gas usage;
- fleet telematics; and
- driver training.

We provide more environmentally-friendly equipment when possible such as:

- electric equipment;
- eco accommodation units;
- eco lighting;
- battery powered products; and
- hybrid generators.

GREENHOUSE GAS EMISSIONS

As we are a growing business with ambitious expansion plans, our absolute greenhouse gas ('GHG') emissions will necessarily increase in the near-term. However, we continue to evaluate how best we can limit that increase and mitigate the impact. As mentioned on page 64, we are committed to a significant reduction in our carbon intensity.

Our Scope 1 (fuel combustion and operation of facilities) and 2 (purchased electricity) GHG emissions are reported in Table 04 below, together with details of the energy consumption used to calculate those emissions.

In order to calculate the GHG emissions and total energy consumption in mWh, we have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), together with emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2020, as well as the US Environmental Protection Agency. Emissions have been measured using a 'market-based method'.

In the UK, we collect data from all Scope 1 and 2 suppliers and hence, there is no estimation involved. In the current year, the UK's Scope 2 (purchased electricity) emissions have reduced as a result of sourcing electricity from renewable sources which are REGO (renewable energy guarantees of origin) backed. As a result, Scope 2 emissions have been largely eliminated during 2021/22 with the remaining emissions relating to a small number of locations where energy is sourced through a third party. In the US and Canada, due to the size of our operation, we collect data from the significant vendors and then use this to estimate emissions attributable to the balance. At April 2022, approximately 8% of the North American emissions balance was estimated. Emissions from the Group's lighting, grip and lens business in Canada are not included. We believe that these emissions are immaterial to the Group's overall carbon emissions and we are working to collect this data going forward.

Historically we have not reported Scope 3 emissions due to the difficulty in gathering accurate and reliable information. We are working to quantify our Scope 3 emissions so we can monitor these and report on them in the future. The majority of these arise through our customers' use of our equipment on their sites and projects, emissions from the use of sold rental equipment subsequent to our ownership and the embedded carbon in our supply chain. Consequently, they are based on broad assumptions which are inherently difficult to validate. Accordingly, our Scope 3 emissions will always be subject to a significant degree of estimation uncertainty.

04 GREENHOUSE GAS EMISSIONS

		2022		2021	
		UK	**Total**	UK	Total
Scope 1	tCO_2e/year*	**30,099**	**302,843**	30,610	288,438
Scope 2	tCO_2e/year*	**357**	**26,977**	2,409	30,532
Total	tCO_2e/year*	**30,456**	**329,820**	33,019	318,970
Energy consumption used to calculate emissions	mWh	**131,148**	**1,317,129**	139,912	1,266,179

* tCO_2e/year defined as tonnes of CO_2 equivalent per year.

While we are focused on reducing our carbon emissions, they are likely to increase as we grow over the medium-term until technological advancements and increased manufacturing capacity reduce reliance on the diesel engine. Thus, at this stage, our key performance metric is carbon intensity as we look to mitigate our environmental impact. Our level of GHG emissions vary with our activity levels which are reflected in our revenue levels. Accordingly, we have concluded that the most appropriate intensity ratio for Ashtead is revenue intensity. Our intensity metric is therefore carbon emissions per million dollars of revenue (tCO_2e/$m).

	2022	2021
Carbon intensity ratio – emissions per $m of revenue ($tCO_2e$/$m)	**42.2**	48.8

On a constant currency basis (using this year's exchange rates) our intensity ratio has reduced from 48.5 to 42.2.

WASTE

We are focused on reducing waste to landfill and the amount of water we use.

Our business model necessarily promotes less waste overall going to landfill because we are renting the same piece of equipment to many customers and maintaining it to such an extent that it has a long product life. If each of our customers were buying all the equipment they need, perhaps using it only a few times and then disposing of it, then there would be considerably more equipment going to waste than with a rental model. We are working proactively with our supply chain to increase the amount of recycling of our equipment that can be done to avoid even obsolete equipment going to landfill.

We are actively pursuing programmes to reduce the volume of the waste we produce in all our territories. We are working with suppliers to reduce the packaging included with products we procure and are partnering with suppliers to develop takeback programmes for equipment packaging and protective materials. We offer recycling at our owned rental sites, partnering with suppliers to enhance the recyclability of products.

We monitor and manage our water consumption, working to ensure that process water is collected (and treated as required) and disposed of appropriately. We have introduced water mapping and have identified 20% of our locations as being in water-stressed areas, specifically those in California and the south-west and central states of the US. We will be introducing technology to help reduce water use in these areas.

ENVIRONMENTAL OPPORTUNITIES

Unlike many other companies, climate change represents more of an opportunity than a risk for Ashtead, which will also bring us significant competitive advantage. There are two main factors contributing to this opportunity.

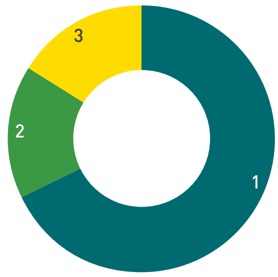
Firstly, as regulations change requiring greater use of lower carbon technologies, companies will voluntarily choose to use more environmentally-friendly equipment. However, as we see today, emerging technology is more complicated and expensive, at least initially, than existing technology. As a consequence, it will be more efficient for companies to rent that equipment from us rather than buying it themselves. So climate change will provide additional impetus to the shift from ownership to rental that we talk about often in this report.

Secondly, the more extreme weather events associated with climate change lead to the kind of damage that requires a rapid response and clean-up operations in which we are highly experienced. Our disaster response capability is one of the specialty areas in which we truly excel and are well known. While not linked directly to climate change, our disaster relief capabilities were immediately called upon to assist with management of the COVID-19 pandemic in the US, Canada and the UK, even under lockdown across all territories.

FLEET COMPOSITION

Every year we invest millions of dollars in new equipment and fleet which produces less carbon, less particulate matter and needs less maintenance and servicing. We work closely with our suppliers to develop the next generation of equipment, constantly innovating, trialling and improving on today's technology. Consideration of maintenance and servicing requirements as well as what happens at the end of a product's useful life are a key part of this process, as we believe that true sustainability needs to consider a holistic, whole life cycle approach.

GROUP FLEET COMPOSITION



1 Fossil fuel 68%
2 Electric 16%
3 Other, inc. non-powered 16%

The chart above shows the composition of our fleet today, with approximately one third of our assets comprising of non-fossil fuel powered assets. These include electric or solar powered assets, such as electric scissor lifts and tower lights, as well as non-powered assets. We expect this to increase going forward as alternative technologies become available. Even today, our third largest category of fleet is electric scissor lifts.

ALTERNATIVE FUELS

We are building partnerships with suppliers to introduce alternative energy and fuel solutions for our customers. HVO (hydrotreated vegetable oil) fuel is manufactured from 100% renewable and sustainable waste, ethically sourced and derived from raw materials. HVO is a 'drop in' fuel that can replace diesel with no changes required to the engine or operational infrastructure. It is legal for road and non-road use and offers significant reductions in noxious tail pipe emissions. We launched this alternative fuel to our UK customers hiring equipment with combustion engines, which would normally have burnt fossil-fuel-based red diesel. HVO has been proven to create a 90% reduction in net carbon emissions (CO_2e) on-site. Several of our UK national customers have already made the switch.

COMPANY VEHICLES

Driving over 285m miles a year delivering and servicing equipment and serving customers means that any steps we take to reduce the environmental impact of our vehicle fleet are important. Additional vehicle efficiency steps taken include the use of:

- telematics on vehicles to monitor engine idling and driving efficiency;

- a telematics dashboard to enable tracking of fuel usage and CO_2 emissions by location and individual asset, enabling better operational and cost saving decisions;
- speed limiting devices on all three-axle vehicles in the US, resulting in fuel savings and increased safety;
- technology to optimise delivery routes;
- tyre pressure monitors to optimise fuel efficiency;
- fuel efficient tyres and tyre inflation systems to reduce rolling resistance in the US;
- improved design to increase fuel efficiency of the delivery and service fleet; and
- reducing tailpipe emissions.

We continue to make fleet efficiency gains. The Fleet Operator Recognition Scheme ('FORS') is an accreditation scheme that aims to improve vehicle fleet activity throughout the UK. The overarching scheme encompasses all aspects of safety, fuel efficiency, economical operation and vehicle emissions, with the UK having successfully retained its Gold status for the sixth year running covering 145 of its depots.

Our strategy is to operate an environmentally responsible transport and logistic fleet:

- we offer eco-site solutions and co-located on-site facilities, to keep equipment and expertise as close to projects as possible, minimising trips to and from our depots to replenish plant and equipment;
- within three years we will convert all new orders for light duty fleet to nearly 100% environmentally responsible vehicles in the US; and
- our planned transport replacement plan will ensure that the entire UK fleet is Euro 6 compliant by mid-2022.

We are working hard to change as many of our company vehicles to 'green' vehicles as possible, linked to our overall carbon intensity target.

TRANSITION OF VEHICLE FLEET

More than 80% of our carbon footprint comes from our vehicle fleet. To tackle this, we are making a range of investments in our delivery and other vehicles. This investment includes the purchase of vehicles but also an investment in the charging infrastructure at our depots and at our employees' homes.

For example in the US, we ordered 700 all-electric F-150 Lightning pickup trucks for our on-road and rental fleet. This will account for a significant proportion of our F-150 fleet. In addition, we have ordered 10 Class 8 HGVs which we will pilot as part of our fleet during 2022/23. This is the first step in trialling and aiding the commercial development of this technology.

In the UK, we are also making investments in electric vehicles, including the purchase of new London EV Company vehicles as part of our delivery fleet.

OUR COMMUNITIES

8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES

Playing a big role in our local communities is crucial in all our markets and massively important to our sense of purpose as an organisation. As we expand our market share, particularly in the US and Canada, we have ever more impact and influence, enhancing the communities in which we operate, through employment, opportunity and community involvement. Our responsibility to these communities increases as we grow. It is crucial to us that we recruit locally when we can, including young people, long-term unemployed and veterans. We believe the skills and discipline gained through military service translates well into our work environment.

COMMUNITY ENGAGEMENT

Working with local charities is very important to us. We also have a huge impact on both our own communities and those further afield through our disaster relief work with communities in distress from a wide range of factors. We are a first responder when it comes to natural disasters, restoring communities and conducting massive clean-up operations after storms and floods, for example.

In the UK we have a designated Social Impact team that is working with customers as well as staff to support social value initiatives. We are using the UK National TOMS ('Themes, Outcomes, Measures') framework to measure our efforts against a minimum reporting standard for social value. We aim to eventually use this framework to guide and measure our social impact group-wide.

We are also working with community colleges to increase our recruitment from those, as well as with organisations working to improve the lives of people in difficulty, for example the homeless in the UK, as well as young people at risk of drugs and violence, to demonstrate and provide an alternative way of life.

DAMAR CHILDREN'S HOME

We like to get involved in community initiatives big and small. We support Damar in central Indiana, an organisation which serves 1,500 individuals with developmental disabilities and autism daily. We collected over 4,000 pairs of socks for the nearly 200 children at their residential campus. Many of these children arrive with minimal belongings or funding to cover necessities. We were also recognised for giving over $25,000 in support last year to the young people's home.

OPERATION BBQ RELIEF

Armed with a caravan of cooks, mobile pits, kitchens and volunteers, Operation BBQ Relief delivers the healing power of BBQ in times of need, feeding first responders and communities affected by natural disasters along with year-round efforts to fight hunger. We have worked with them since 2015, providing free equipment, supporting their fundraisers, volunteering when needed and most recently providing training classes on how to use generators and forklifts, for example.

EMBASSY VILLAGE

The Embassy project is a unique programme which aims to turn around the fortunes of Manchester's homeless. Embassy Village will provide emergency shelter and support to vulnerable men across the region, providing a safe and secure home for the homeless or those at risk of being homeless. We are proud to have helped support the project through achieving official planning permission to providing various site surveys from our expert teams. The Village will be located under the city's railway arches at Castlefield and provide 40 new high-quality homes, each with their own front door. The Embassy team will manage the site 24/7 and work to reintegrate vulnerable people back into society by helping them to find work and a home of their own.

RECRUITMENT

With our continued rapid growth, recruiting new employees is of the utmost importance. Our recruitment efforts are not only focused on finding the right employees and communicating the benefits of working for Sunbelt, but bringing awareness and excitement about the opportunities we provide. Our focus is on improving and standardising our recruitment and onboarding processes to reduce the level of turnover in the first two years. To aid these efforts we have a number of programmes including:

- our US Co-Op programme which provides an entry point for trade school students to apply knowledge and skills learned in their programmes of study. Over the course of six months, participants perform specific job tasks while demonstrating the potential to join the team as a technician-in-training or technician upon graduation from their trade school;
- Manager In Training ('MIT') – this programme identifies top talent out of college and the military and places them through an accelerated training programme; and
- our UK careers website allows prospective employees to apply online and enables us to manage the whole recruitment process internally, from posting of vacancies through interviews and offer/unsuccessful letters. Users are able to sign-up for job alerts in specific regions or divisions and internal reporting is both detailed and tailored.

WEAPONS DOWN GLOVES UP

Last year we launched an exciting new strategic partnership with Liverpool-based charity Weapons Down Gloves Up ('WDGU'). In just 12 months the charity created full-time employment with local companies for over 100 NEETs – those 'Not in Education, Employment or Training', aged 19–24, with a success rate of 100% staying in work. The charity uses the power of sport to take young people, including those leaving the care system, off the streets, away from the possibility of being groomed into drug trafficking and gang culture. It's free to take part and begins with a boxing programme supported by local pro boxing legends, where the young people are able to build trust with their responsible coaches. They then receive industry-specific training, where they learn about job opportunities and are offered support through the interview process to get into work and off benefits. We are fully committed to working with our customers to support this charity – helping to train more young people, so the team can achieve their ambition of finding sustainable employment for 1,000 young people by 2023. This is a superb way for us to have direct social impact as well as potentially sourcing new recruits to our apprenticeship programme.

UK APPRENTICESHIP PROGRAMME

The UK's apprenticeship programme continues to win awards for being one of the most successful and highly valued schemes in the equipment rental industry. We took on 29 trainees this year and we plan to recruit over 60 apprentices in the coming year. Our apprentice programmes take between one and three years to complete and usually include outside training and a formal NVQ qualification, in addition to on-the-job training. We have six apprentice streams: plant maintenance; customer service; driver; electro technical; mechanical engineering; and civil engineering. Our apprentice scheme also has an impressive 85% completion rate compared to the industry rate of c. 60%.

MILITARY RECRUITMENT

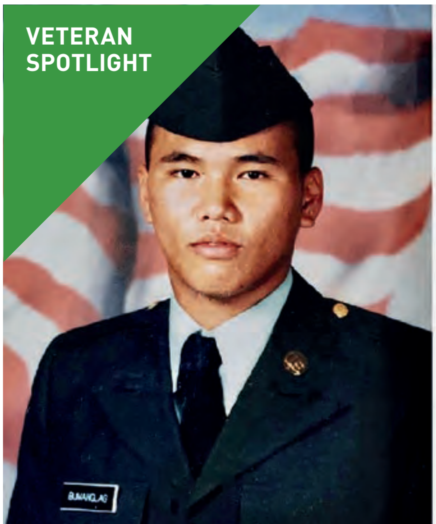
Veterans make up an increasing proportion of our workforce and they are a group we are keen to attract and support in all our territories. In the US we are designated as a 'top-50' military-friendly employer, and we intend to be a true leader in veteran employment, having achieved a silver award in 2022, an achievement attained by only a small number of companies. From soldiers and sailors to airmen and marines, these veterans choose us because they believe in the way we do business. We leverage the Power of Sunbelt by using principles like teamwork, integrity, loyalty and respect to help our customers and our employees lead better lives. Our military recruitment campaigns include acknowledging veterans in our current workforce, expanding our work with the Gary Sinise Foundation and participating in media events, such as 'Military Makeover'. We have designated veteran recruiters, working with the military, to introduce potential veterans when they are still in the forces, and exploring what next, as well as when already retired. Our veterans group runs on four cultural pillars: resources; recruiting; recognition; and retention. When a new veteran joins the Company, an ambassador reaches out to welcome and introduce them to other veterans. With these combined efforts, we are determined to be the employer of choice for people leaving the military in the US.

EMPLOYEE SPOTLIGHT

Lucy O'Rourke
Plant maintenance apprentice

Lucy O'Rourke joined us in 2019 as a plant maintenance apprentice at our Wilton International Depot as one of only two female apprentices in her sector. She decided sixth form college didn't suit her as she was happier working hands-on. She has already won Young Apprentice of the Year at the Hire Association Europe, Hire Awards of Excellence and the Judges Special Award at this year's Construction Plant Hire Association Stars of the Future Awards. She is now a fully fledged fitter and is beginning her NVQ Level 3 qualification in Plant Maintenance. She says, "It's not a man's world anymore. I want to show that women can work in this industry and that a plant mechanic role is not just for men."

VETERAN SPOTLIGHT



Deacon Bumanglag
Road Mechanic

Deacon Bumanglag is a road mechanic in California. Before joining Sunbelt, Deacon served in the Army for 15 years. While serving through multiple deployments, Deacon says he learned awareness, patience, respect, and "always be thankful for what you have." He joined the military initially to make a difference in his own life and the lives of his family. Making the switch to Sunbelt four years ago gave him a "chance at a better life and to be in a calmer environment." He calls the move a better choice for his family, allowing him to be there for them.

In the UK, we work in partnership with British Forces Resettlement Services ('BFRS') – a social enterprise created to help the armed forces community with their transition into civilian life. BFRS works with service leavers to provide them with the skills and opportunities they need to successfully resettle after leaving the armed forces. The veterans programme is led by an ex-Royal Navy serviceman. We are also a strategic partner of the veterans' charity Walking With The Wounded, helping injured veterans to find meaningful work after their service.

CUMBRIAN CHALLENGE

Much of our community engagement and charity work was curtailed during the pandemic. Last year we still managed to enter eight teams in the Cumbrian Challenge sponsored walk to raise £12,000 for Walking With The Wounded. We were delighted to be able to enter 15 teams to this year's event.

CHARITIES

GARY SINISE FOUNDATION

We are thrilled to enter the seventh year of our partnership with the Gary Sinise Foundation, which honours America's defenders, military veterans, first responders, their families and those in need. The Foundation does this through the creation and implementation of unique programmes designed to entertain, educate, inspire, strengthen and build communities.

Our partnership focuses on supporting the Gary Sinise Foundation's R.I.S.E. ('Restoring Independence, Supporting Empowerment'), First Responders Outreach and Snowball Express programmes. Through these efforts, the Foundation builds 100% mortgage-free specially adapted custom smart homes for severely wounded heroes and their families, serves the children of fallen military heroes and aids critical funding for emergency relief, training and essential equipment for America's firefighters, police departments and EMTs, respectively. In 2021 we expanded our partnership focus to include the foundation's Avalon Network, a cognitive health and mental wellness network that provides transformative care to veterans and first responders experiencing post-traumatic stress, traumatic brain injuries and substance abuse.

We supply the necessary equipment for each of the R.I.S.E. programme's projects to the contractors working on the home builds, at no charge. We also donate a portion of rental proceeds from co-branded Gary Sinise Foundation equipment and organise various localised fundraising efforts. This year, we contributed more than $0.9m in monetary and in-kind equipment donations to the Foundation. Our goal is to bring heightened awareness to the Foundation's work through continued fundraising and outreach initiatives in an effort to help positively impact the lives of veterans, defenders, and first responders. This year we launched a national fundraising sweepstake with the chance to win a Ford Bronco, to raise further funds and awareness.

AMERICAN RED CROSS

We continue to work closely with our designated charitable partners, the American Red Cross and its affiliates such as the Second Harvest Food Bank for which we have a food drive every November in the US. We allow employees to make payroll deductions to contribute to the American Red Cross or the Sunbelt Employee Relief Fund. On top of financial donations to the Red Cross, we send equipment and support to disaster-affected areas throughout the US to aid in relief efforts.

UK CHARITY PARTNERS

In the UK, we work regularly with a number of charities including The Prince's Trust, Teach First and CRASH. The Prince's Trust supports 11-30 year olds who are unemployed, struggling at school and at risk of exclusion, in or leaving care, facing issues such as homelessness or mental health problems, or who have been in trouble with the law.

Teach First recruits and trains teachers, placing them in schools in low-income communities. Not only are we providing valuable funding to Teach First, the charity's teachers and pupils in partner schools also have the chance to work with Sunbelt volunteers across our business.

CRASH is the construction industry's charity that helps homelessness and hospice organisations with their construction projects. 2022 represents the 12th year we have been a patron of the charity, with our expertise and products helping a number of homelessness and hospice projects.

GOVERNANCE

CORPORATE BEHAVIOUR

BUSINESS ETHICS

Our commitment to the highest ethical standards means that the Group Risk Committee works to ensure these are communicated and upheld throughout the business. We believe in the rights of individuals and take our responsibilities to all our employees seriously and those who may be affected by our activities. During the year we updated the Group's modern slavery and human trafficking policy, business ethics and conduct policy and ethical sourcing policy, all of which are available on the Group's website. These policies form part of our way of doing business and are embedded in our operations. They are also communicated directly to employees through dedicated communication and training programmes. While we do not manage human rights matters separately, we continue to assess potential risks and do not believe they raise particular issues for the business.

ETHICS TRAINING

Senior employees across the Group receive regular business ethics training to ensure they are aware of their obligations and responsibilities with regard to competing fairly, the UK Bribery Act and, in the US, the Foreign Corrupt Practices Act. This takes place every two years in North America with 2022/23 being a year of training, while in the UK, it is undertaken annually. Completion of training is monitored and reported to the Group's Risk Committee. Anti-corruption and bribery policies are maintained and reviewed on a regular basis with relevant guidance incorporated into our employee handbooks and available on our intranet pages.

WHISTLE-BLOWING

Our whistle-blowing arrangements allow employees, in confidence, to raise concerns about any alleged improprieties they may encounter. This arrangement is now outsourced to a third-party provider in both North America and the UK allowing both phone and web intake.

SUPPLY CHAIN

As part of our ongoing business ethics work, we are reviewing the sustainability and diversity of our supply chain and will continue to prioritise this where possible. Enquiries of suppliers are made when we enter into supplier relationships and refreshed on an ad hoc basis depending upon the level of business we undertake with any supplier.

In the UK, the Group entered into a three-year partnership in 2020/21 with the Slave-Free Alliance in order to strengthen further the actions taken in relation to the risks of modern slavery. We have worked with the Slave-Free Alliance on addressing the risk of modern slavery in our supply chain and have also reviewed our stores. They have identified our traffic management business as needing particular scrutiny to ensure there are no issues there. This is because we have the highest number of operatives coming through that area, making it more transient in nature than the rest of the business. The alliance has done some spot checks, audits and hands-on training with our teams to make sure we are on top of this issue. We are assessing whether this partnership may be broadened to encompass the Group's businesses in North America.

CYBER SECURITY

As the world continues to move online, accelerated due to the pandemic and increasingly connected technologies, at least in the short to medium-term, awareness, monitoring and adaptability to cyber security issues is ever more crucial for us. We are prioritising the monitoring of any potential cyber security vulnerabilities and working to ensure business continuity under all potential scenarios. Last year we held our fourth annual Information Security Awareness Month, with the theme of "Data Protection and You". While securing hardware is an important facet of information security, protecting the data on our assets is critical to our success. We launched encrypted email for all team members and a new Information Security SharePoint site is also now available for all team members. For more on cyber security risk, see page 36.

BEING A RESPONSIBLE BUSINESS

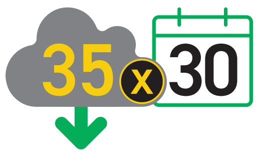
Our strategic plan, Sunbelt 3.0, has enabled us to embed responsibility within our strategy, with 'Lead with ESG' being one of the five actionable components of that strategic plan. By doing so, we will embrace responsible sustainability and success for our people, our customers, our communities and our investors; while unlocking the structural benefits that ESG will bring to rental across the Group.

As we have discussed earlier, we believe that rental is essential to environmental progress as it enables a more efficient use of assets across organisations. Within this report, we have set out some of our specific actions across each area of ESG. These examples are only a few of many ongoing activities across the Group and we will continue to challenge ourselves through investing in new ways of doing things, innovative use of technology and through working with our suppliers, customers and employees to develop new solutions.

These initiatives provide us with the confidence to lead with ESG through:

- ensuring a commitment to health and safety;
- enhancing our employee engagement and diversity, equity and inclusion;
- ensuring pay and benefits reflect our market-leading position;
- reducing our carbon intensity by 35% by 2030; and
- ensuring continued strong governance and stakeholder engagement.

This is the right thing to do for our stakeholders and will ensure the long-term sustainable success of the Group.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Task Force on Climate-related Financial Disclosures ('TCFD') provides a disclosure framework for companies to explain how they are responding to the risks and opportunities arising from climate change. UK Listing Rules require premium listed companies to make disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures and, where they have not complied, provide an explanation including details of the steps being taken to ensure future compliance. Responding to the risks and opportunities arising from climate change is an integral part of our business and is embedded throughout the Group and discussed throughout this Annual Report. The statement below explains how the Group has complied with the requirements of LR 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. It addresses all the disclosure requirements of the TCFD and links to additional information located elsewhere within the Annual Report.

GOVERNANCE

The Group's Board of directors is responsible for setting the Group's strategy, taking into account all relevant risks and opportunities, including those related to climate matters. The Group's rigorous risk management framework is designed to identify and assess the likelihood and consequences of risks and to manage the actions necessary to mitigate their impact, including those related to climate-related matters, and is detailed on pages 34 and 35.

The Group launched its latest strategic growth plan, Sunbelt 3.0, in April 2021 which included 'Lead with ESG' as a core actionable component, which incorporates climate-related considerations, including our commitment to reduce our Scope 1 and 2 carbon intensity. Further details as to how climate-related considerations are incorporated into the strategy are on page 28 and in our Responsible business report on page 65. The Board receives updates at each board meeting as to the Group's progress against our strategic goals, with a formal strategic review undertaken on an annual basis. In addition, ESG metrics have been embedded in the Group's remuneration arrangements through the Strategic Plan Award, launched in conjunction with Sunbelt 3.0, and overseen by the Remuneration Committee, as detailed on page 97.

The Board of directors is assisted in monitoring the success of our ESG initiatives through the work of the Group Risk Committee, which monitors the progress we make against our strategic ESG objectives and the targets we have set. The Group Risk Committee is chaired by our chief financial officer and reports formally to the Audit Committee on an annual basis.

One of the principal risks and opportunities faced by the business relates to environmental matters, including those contributing to climate change. On a day-to-day basis, the Group's response to climate-related risks and opportunities is led by Brendan Horgan, the Group's chief executive, and activities include working with suppliers and customers on developing and bringing more environmentally-friendly equipment options to market as discussed in more detail on page 37, directing the business in relation to reducing emissions through direct operations and approving associated capital expenditure plans.

Our actions across each of these areas are embedded within our operational activities across the business, supported by the Group's managing director of ESG and dedicated specialists in North America and the UK. An ESG operating committee, chaired by the Group's managing director of ESG and including representation from across the businesses, has been established to monitor progress of our ESG-related initiatives and performance against the targets we have set for ourselves. The results of the ESG operating committee's work are reported to the Group Risk Committee.

STRATEGY

Climate-related risks and opportunities

The Group undertook a material issues assessment to identify the significant risks and opportunities for the Group from an ESG perspective, the results of which are detailed on pages 54 and 55 within our Responsible business report. They are analysed into four key areas: our people; the environment; our communities; and governance. Climate-related matters fall within 'the environment' area and the Group believes climate-related matters represent significant opportunities as well as posing certain risks for the Group. The Group believes that its market position and financial strength brings it significant competitive advantage in responding to these risks and maximising the opportunities. Specifically, the Group has identified opportunities arising from the development of new products and services which support the transition to a lower-carbon economy, the shift in customer preference from ownership to rental and the overall benefits to the environment as a whole which arise from sharing assets over their life cycle, described in more detail on page 28, Lead with ESG, and on pages 66 and 67 within the Responsible business report.

The Group considers the range of climate-related risks and opportunities over the short, medium and long-term. In assessing these time horizons, the Group has defined short-term as being over the next three years, medium-term as being three to five years and long-term being beyond five years. These risks and opportunities are factored into the Group's strategic planning.

We believe that the climate-related risks relevant to the Group are those associated primarily with transition risks rather than physical (acute and chronic) risks. Physical risks are mitigated by the diverse nature of the Group's operations. The Group operates from over 1,200 stores across the US (where we are present in all but three states), Canada (where we are present in six provinces) and the UK. Our largest store has c. $125m of rental fleet at cost (c.1% of the Group's fleet) while c. 95% of our locations have less than $50m of rental fleet at cost, the majority of which is out on rent at any particular time. As a result, no one store is material to the Group such that a natural disaster would have a significant impact on the Group's ability to operate.

Transition risks identified include regulation (current and emerging), technology, legal, market and reputational. The impact of these risks, the likely time horizon over which they may affect the business and the Group's response are considered on page 74.

Regulation (medium to long-term)

The Group monitors current and emerging regulation to ensure our policies and practices remain appropriate. Specific examples of current regulation which impacts the Group relate to ensuring our rental and vehicle fleet is compliant with engine emission standards such as the Californian Air Emissions Standards or the London Ultra-low Emission Zone requirements. We believe that regulation will increase over time and the potential of increased pricing of GHG emissions could lead to higher operating costs for the Group in the future.

Technology (medium to long-term)
A significant proportion of our fleet contains a diesel engine. While we will seek to replace these assets with assets using alternative fuel sources as they become available, this will take time. There are a lack of alternative assets available today and limited manufacturing capacity and so we expect any transition to happen gradually. We will seek to manage this transition in the same manner as we managed the transition from Tier 0 to Tier 4/5 diesel engines from 1994 to 2018. On average, we own assets for seven to eight years and therefore expect the full transition of our fleet will only occur over the longer-term. We are working closely with suppliers and customers to develop new technology, including investment in partners to assist in the development of battery and other technology. We also believe the development of Bio-diesel or other environmentally-friendly alternative fuels will provide an alternative to the reliance on diesel today.

Legal (short-term)
Legal compliance covers matters such as wastewater, stormwater, solid and hazardous wastes and materials, and air quality. Breaches potentially create litigation matters for the Group which may result in fines and penalties for non-compliance. The Group's Health, Safety and Environmental departments and our Performance Standards operational audit teams continually assesses the Group's regulatory environmental compliance. These audits have a built-in corrective action process to ensure any identified non-compliance is addressed in a timely manner.

Market (medium to long-term)
Emerging market developments are monitored, using both third-party risk analysis, as well as internal views of emerging trends. Specifically, these market factors include changing customer requirements as a result of the environmental standards to which they operate to support their own low-carbon objectives and the shift from ownership to rental as customers opt to rent newer, more expensive technology than own it.

Reputational (short to long-term)
Breaches of environmental regulation potentially create hazards to our employees, damage to our reputation and expose the Group to, among other things, the cost of investigation and remediating contamination and also fines and penalties for non-compliance.

Management of the impact of these climate-related transition risks and opportunities forms part of the day-to-day operational activities of the Group and our financial planning activities reflect the financial impacts and investments anticipated with examples of their activities provided within our Responsible business report on pages 66 and 67, such as our partnership with Bobcat and our investments in greener vehicles. Ultimately, the Group believes the opportunities presented by climate change significantly outweigh the risks to the Group.

Resilience of the organisation's strategy

The Group has a business model that is both resilient and adaptable to change. Furthermore, it benefits from a distributed operating structure such that it is not reliant on any particular location. The Group's strategy seeks to take advantage of these benefits of the business model, while recognising the risks inherent in the business and the environment in which we operate, whether that be economic factors, competitor actions, cyber threats or environmental considerations such as climate change. We discuss our thinking on climate-related matters on a regular basis assessing how changes may affect the business and how the business would respond. While we consider a wide range of scenarios we have outlined our thinking under two climate scenarios, an increase in average temperatures by 2°C or less and then if the average increase were 4°C.

In a 2°C or less scenario, we believe that the risks and opportunities faced by the Group will be related principally to transition risks (e.g. the application of policy or regulatory initiatives including increased pricing of GHG emissions, changes in technology and changes in customer preferences). In this scenario, as we, our suppliers and our customers look to reduce GHG emissions, we are likely to face increasing costs whether that be through increased cost of our rental fleet or the cost associated with the pricing of GHG emissions. While we believe these factors will crystallise over the medium to longer-term as new technologies develop, we are working with our suppliers and other parties to advance these technologies, an example of which is discussed on page 64. In the near to medium-term, the availability of new technology will be constrained by production capacity and we would expect to transition our rental fleet to the latest technology gradually as we replace c. 15% of our rental fleet every year. We believe that increased costs and complexity will provide additional impetus to the shift from

ownership to rental, increasing our addressable market. We expect rental and transportation rates to reflect the increased cost of rental and transportation equipment, enabling us to maintain similar levels of dollar utilisation and therefore returns. We expect to continue to dispose of old rental fleet in the used equipment market, replacing other organisations' older, less environmentally-friendly equipment.

In a 4°C scenario, in addition to the transition risks discussed above, we would expect to see an increase in physical risks (e.g. increased instances of extreme weather events, rising mean temperatures and rising sea levels). As discussed above, the diversified nature of the Group's operations means that no location is material to the Group, mitigating the immediate impact of physical risks on our operations and enabling us to plan for the longer-term. In a 4°C scenario, there is an increased likelihood of more extreme weather events such as flooding, wildfires, hurricanes and other natural disasters, which cause damage and require clean-up and support which we are able to provide through our highly experienced Emergency Response Team.

In any scenario, the speed of the transition of assets will be constrained by the availability of new technologies and manufacturing capacity. Given our partnership with key suppliers and our regular replacement cycle, we expect to be able to transition our fleet more quickly than many other organisations. These discussions and considerations are factored into our routine financial planning activities – for example, through our capital allocation decisions.

RISK MANAGEMENT

The process for identifying, assessing and managing climate-related risks is the same as for all the risks faced by the Group and is described on pages 34 and 35. The Board has overall responsibility for risk management, setting risk appetite and implementation of the risk management policy – this includes responsibility for climate-related risks. This approach is designed to enable the Group to take advantage of attractive opportunities, yet to do so within the risk appetite of the Board, mindful of risks which have been identified and any emerging risks which may impact the Group. The Group's Risk Committee monitors the actions taken across the Group to manage the Group's risk and ensure that adequate assurance is obtained over them.

In addition, the Group's Risk Committee ensures that risks have been appropriately assessed in relation to risk rating.

METRICS AND TARGETS

Our KPI associated with environmental risk is that of carbon intensity for our Scope 1 and 2 GHG emissions. The basis and rationale for this KPI and our performance in the current year and progress over the prior years is on pages 33, 65 and 66. The target for the Group is to reduce our carbon intensity 35% by 2030 from the level in 2018 (54.0 tCO_2e/\$m on a constant currency basis), with a shorter-term target to reduce our carbon intensity 15% by 2024 from the level in 2018.

In order to achieve this target, we established a roadmap covering:

- near-term, including greener vehicle transition and route optimisation / dynamic telematics;
- medium-term, including making step changes on vehicle procurement and renewal energy generation; and
- long-term, including migration to alternative energy sources for the Group.

Across various areas, we are working with our key suppliers to ensure progress in each of the areas identified.

Our carbon intensity KPI, specifically delivering a carbon intensity reduction of 15% by 2024, forms part of the Group's remuneration arrangements as one of the performance measures for the Group's Strategic Plan Award, which is linked directly to the objectives underpinning the Group's Sunbelt 3.0 strategy.

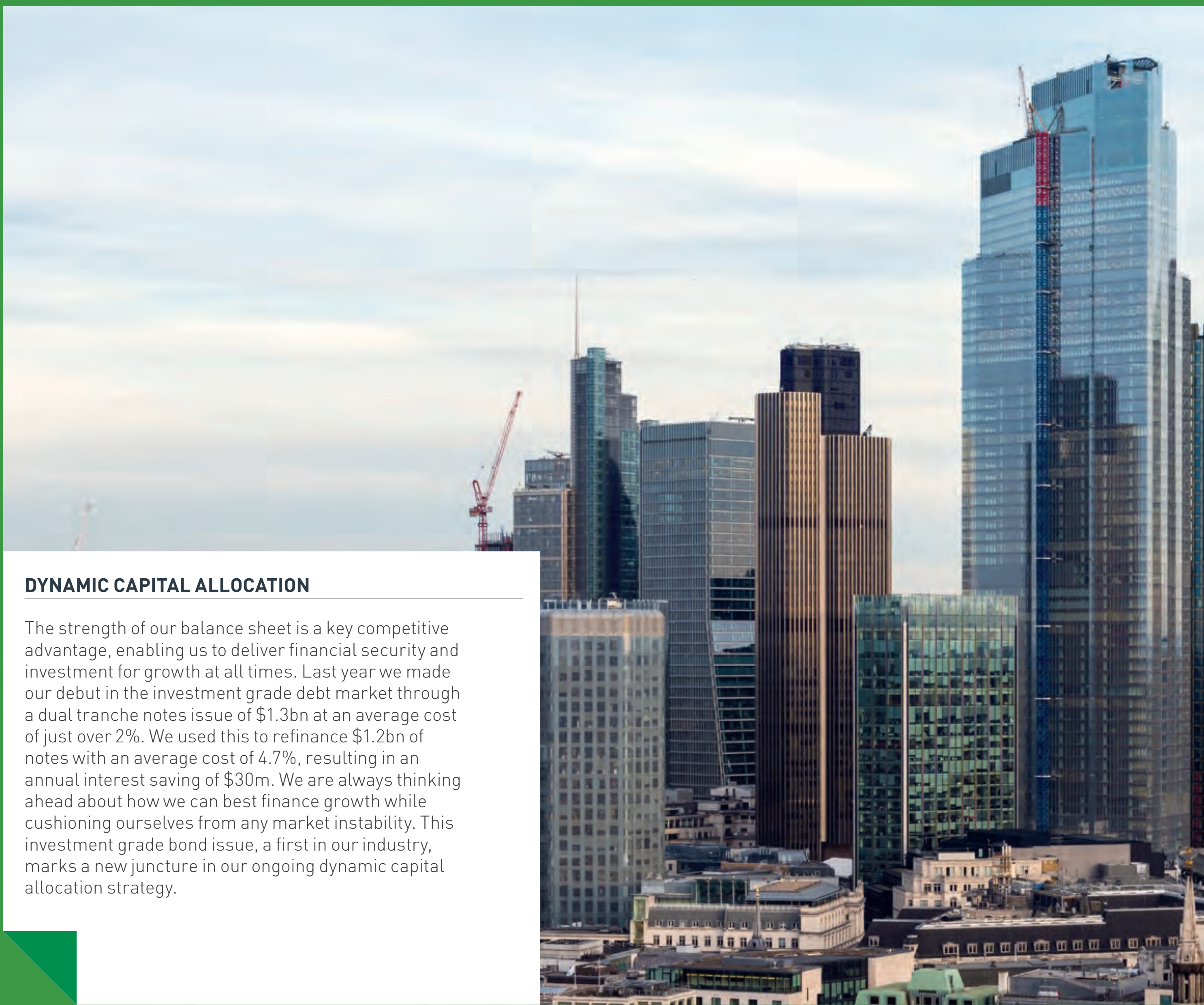
In addition, as part of our ongoing focus on the environmental impact of the Group more broadly, we are in the process of developing metrics and targets to monitor and measure our impact in relation to waste to landfill and water usage so as to assist us in measuring our progress in these areas.

Greenhouse gas (GHG) emissions

Our Scope 1 and 2 GHG emissions are disclosed on pages 65 and 66 of this report and have been determined in line with the GHG Protocol methodology.

We are working with The Carbon Trust to estimate the Group's Scope 3 emissions and understand how these will evolve going forward. The most significant components of our Scope 3 emissions relate to our customers' use of our assets during the rental period and the use of sold product (principally the use of used equipment after our ownership). Measuring Scope 3 emissions involves a significant application of judgement, in particular in relation to the use of sold assets when we dispose of rental assets to the used equipment market and end of life treatment of these assets. Accordingly, our Scope 3 emissions will always be subject to a significant degree of estimation uncertainty.

5. DYNAMIC CAPITAL ALLOCATION



DYNAMIC CAPITAL ALLOCATION

The strength of our balance sheet is a key competitive advantage, enabling us to deliver financial security and investment for growth at all times. Last year we made our debut in the investment grade debt market through a dual tranche notes issue of $1.3bn at an average cost of just over 2%. We used this to refinance $1.2bn of notes with an average cost of 4.7%, resulting in an annual interest saving of $30m. We are always thinking ahead about how we can best finance growth while cushioning ourselves from any market instability. This investment grade bond issue, a first in our industry, marks a new juncture in our ongoing dynamic capital allocation strategy.

OUR STRATEGY

5 Consistent application of our capital allocation policy to optimise capital deployment for the benefit of all stakeholders.

2022 HIGHLIGHTS

- CAPITAL EXPENDITURE OF $2.4BN
- $1.3BN SPENT ON BOLT-ON ACQUISITIONS, WITH 35 LOCATIONS ADDED
- PROPOSED FINAL DIVIDEND OF 67.5¢, MAKING 80.0¢ FOR THE YEAR
- $414M ALLOCATED TO SHARE BUYBACKS IN THE YEAR
- LEVERAGE AT 1.5X NET DEBT TO EBITDA, EXCLUDING IFRS 16

80.0¢

proposed full year dividend per share (2021: 58.0¢)

1.5x

leverage (2021: 1.4x)

NON-FINANCIAL INFORMATION STATEMENT

The non-financial reporting regulations in section 414CA and 414CB of the Companies Act 2006 require the disclosure of specific information relating to environmental matters, the Company's employees, social matters, respect for human rights and anti-corruption and anti-bribery matters, a summary of which is set out below.

ENVIRONMENTAL MATTERS

We seek to minimise the environmental impact of everything we do. In addition, our commitment to improving energy performance is intended to reduce our impact on the environment and could deliver significant cost savings over time.

Further details of our policies, including disclosure of carbon emission and energy usage data, is provided on pages 64 to 67. Our approach to responding to the risks and opportunities arising from climate change are summarised in our TCFD statement on pages 73 to 75.

Related principal risks: see 'environmental' risk on page 37.

EMPLOYEES

Our employee policies are designed to ensure that we hire the best people, train them well and look after them so that they provide the best possible service for our customers and suppliers. Furthermore, health and safety policies are core to our operations as we need to provide equipment which is safe to use and minimises any risk to our people.

Specific policies provide equal opportunities to all of our staff and ensure that we maintain an inclusive culture. Employee policies are available to all employees through the employee handbooks and on our employee intranet.

Further details of our policies, including details on our safety programmes, training and recruitment activities, is provided on pages 56 to 63.

Related principal risks: see 'people and culture' risk on page 37.

SOCIAL MATTERS

Playing a big role in our local communities is of crucial importance to our business. As we expand our market share, particularly in the US and Canada, we have ever more impact and influence over the communities where we hire staff and make an economic contribution. Our responsibility to those communities increases likewise. The Group has policies to support employee volunteering for programmes which positively impact our communities.

Further details of our contribution to society is provided on pages 68 to 71.

Related principal risks: while social matters are not considered a principal risk to the Group, we believe there is an important link between social matters and the risk identified in relation to our people and culture as outlined on page 37.

HUMAN RIGHTS

At Ashtead we believe in the rights of individuals and take our responsibilities seriously to all our employees and those who may be affected by our activities. We have policies addressing modern slavery and human trafficking, business ethics and conduct, ethical sourcing and whistle-blowing procedures, all of which protect our employees as they go about their work. These policies form part of our way of doing business and are embedded in our operations. Thus, while we do not manage human rights matters separately, we continue to assess potential risks and do not believe they raise particular issues for the business.

Further details of our policies are provided on page 72. Our business ethics and conduct policy, modern slavery and human trafficking policy and modern slavery and human trafficking statement are available on our website.

Related principal risks: see 'laws and regulations' risk on page 38.

ANTI-CORRUPTION AND ANTI-BRIBERY

Anti-corruption and bribery policies are maintained and reviewed on a regular basis with relevant guidance included in employee handbooks and available on our employee intranet.

Further details of our policies, including details on training required to be undertaken by our employees, is provided on page 72.

Related principal risks: see 'laws and regulations' risk on page 38.

In addition, information required in relation to the Group's business model, principal risks, including those which relate to the matters above, and key performance indicators are provided on pages 16 to 21 and pages 34 to 39 of the Annual Report.

APPROVAL OF THE STRATEGIC REPORT

The Strategic report set out on pages 1 to 78 was approved by the Board on 13 June 2022 and has been signed on its behalf by:

BRENDAN HORGAN
Chief executive
13 June 2022

MICHAEL PRATT
Chief financial officer
13 June 2022