NEXT PHASE OF AMBITION WITH PURPOSE

We have delivered another year of growth driven by the strength of our North American markets and ongoing momentum. We completed successfully our Sunbelt 3.0 strategic plan and launched the next phase of our strategy, Sunbelt 4.0 – Runway for Success. We launched Sunbelt 4.0 in April at Powerhouse, a combined internal meeting and external Capital Markets event which brought together c. 5,000 team members from the US, Canada and the UK, c. 300 customers and suppliers and c. 160 investors and analysts. Powerhouse was a great success, providing a unique opportunity for everyone to immerse themselves in Sunbelt 4.0 and understand the breadth of our capabilities and end markets and most importantly, our culture.

We are proud of our performance through Sunbelt 3.0 and are excited about the next phase of the Group's development. Sunbelt 3.0 provides a strong foundation from which we can capitalise on our existing competitive advantage. We have grown our General Tool and Specialty businesses, expanded our geographical footprint, progressed our cluster strategy, embedded new technologies to enhance order capture and dynamic pricing while also investing in a transformative technology ecosystem, made progress against our sustainability initiatives while flexing all parts of our capital allocation priorities. We continue to embed sustainability into the business and our new Sunbelt 4.0 strategy has brought additional clarity and forward motion to our commitments. We are delighted to announce our commitment to being Scope 1 and 2 Net Zero by 2050 and we have a clear, tangible path to get us there, with a shorter-term Scope 1 and 2 carbon intensity reduction target of 50% by 2034.

Our success is made possible through the dedication of our team members who deliver for all our stakeholders every day, while ensuring our leading value of safety remains at the forefront of everything we do.

During the final year of Sunbelt 3.0 we executed on all our priorities. We invested $4.3 billion in new rental fleet and delivery vehicles to fuel our existing locations and greenfield additions. This investment positions us well to capitalise on the opportunities arising from ongoing structural changes and our expanded network. We added 113 locations in North America, 66 by way of greenfields and 47 through bolt-on acquisitions. We are now present in all 50 US states and eight Canadian provinces. We have created a strong platform for future growth and are confident in the ongoing health of our end markets, and the fundamental strength in our cash generating growth model.

We saw growth in all our markets last year. Group rental revenue increased 10% for the year, on a constant currency basis. This growth was delivered with strong margins, an EBITDA margin of 45% and an adjusted operating profit margin of 26%, delivering adjusted operating profit of $2,775m, 5% higher than last year. After an interest expense of $545m, 49% higher than this time last year, which reflects both higher absolute debt levels and the significantly higher interest rate environment, adjusted pre-tax profit was slightly lower at $2,230m. Adjusted earnings per share were 386.5¢ for the year.

BRENDAN HORGAN
Chief executive

MICHAEL PRATT
Chief financial officer

RUNWAY 4 SUCCESS

Rental revenue in the US grew by 11% over last year to $8,321m, which was on top of growth of 24% the previous year. General Tool grew 11% and Specialty grew 14%, despite some impact from the lower level of emergency response work than in previous years. Rental revenue growth was driven by a combination of volume and rate improvement in strong end markets. Rates continue to be an important part of the equation given the increased costs we face, whether it be interest costs or the impact of continued inflation on our rental fleet and operating cost base. We used the opportunity of strong second-hand markets to catch up on delayed equipment disposals and accelerate the disposal of some older fleet where utilisation has been lower than optimal.

Canada continues to deliver strong growth, from existing general tool and specialty locations, as well as greenfield and bolt-on acquisition activity. Rental revenue was 10% higher at C$765m. Advancing our clusters enabled us to increase our markets beyond construction as we have done so well over the years in the US. Importantly, as is the case in the US, rental rates continued to grow year over year, which we expect to continue to be the case moving forward.

Our Film & TV business was impacted significantly by the strikes in the North American film and television industry, which were settled in December. Excluding the drag from the Film & TV business, EBITDA margins in Canada are slightly better than last year.

UK rental revenue was 6% higher than a year ago at £590m. Total revenue increased 3% for the year reflecting the higher level of service revenue in the prior year associated with the demobilisation of the Department of Health Covid testing sites and the Queen's funeral. While we continue to make progress on rental rates, this has not kept pace with the inflationary environment in the UK, which impacted margins adversely. We continued to make market share gains in an end market composition which favours our unique positioning through the industry's broadest offering of general tool and specialty products which is unmatched. While progress has been made on rental rates, we have plenty more to do. We are focused on passing through the necessary rate increases for the leading services we provide.

This has been another period of good growth, location expansion, and continued momentum in our business. We are experiencing strong demand for our products and services and gaining improved clarity to the strength of both our construction and non-construction end markets. This is driven in part by the ongoing realities of US onshoring, technology and manufacturing modernisation, and the Federal legislative acts discussed in the strategy section of this report. These factors add to what was already a strong underlying level of end market construction activity, further supported by increasingly large and resilient non-construction activity, for example the day-to-day MRO (maintenance, repair and operations) of our markets.

Our business is positioned to win in the near, medium, and long term as we both influence and benefit from the structural advancement of our business and industry. We have had a very successful Sunbelt 3.0 campaign which positions us well for future success. For these reasons, and coming from a position of ongoing strength, and positive outlook, we look to the future with confidence. Sunbelt 4.0 is our runway for successful growth, increased resilience and performance, for our customers, our team members, and our investors.

Sunbelt 3.0 – Successful completion

Actionable component	How we delivered
1 Grow General Tool and Advance Our Clusters	– Grew General Tool revenue at 17% CAGR – Expanded our North American footprint by 401 locations: 230 in Specialty and 171 in General Tool – Now present in all 50 US states and eight Canadian provinces – Progressed our top 100 US clusters from 31 to 58
2 Amplify Specialty	– Amplified Specialty by growing revenue at 24% CAGR to $2.9bn and adding three new business lines – Extracted the power of cross-selling our unique mix of products and services to a broadened customer base by 30%
3 Advance Technology	– Embedded our order capture and dynamic pricing systems enabling overperformance in volume and pricing – Developed comprehensive and powerful technology ecosystem, with implementation roadmap in place for these domains: Sales, Logistics, Service, Connected, Frontline, enabling: - Enhanced order capture - Improved customer experience - Efficiencies for next chapter of growth - Market share gains
4 Lead with ESG	– Reduced carbon intensity by 31%, ahead of our 15% target – Rental penetration increased, thereby reducing embedded carbon – Our 'Engage for Life' health and safety programme and culture delivered record-low incident rates – Continued strength demonstrated through our team member engagement surveys – 87% engagement score
5 Dynamic Capital Allocation	– Consistent application of our capital allocation policy to optimise capital deployment for the benefit of all stakeholders – $10.5bn invested in the business – 231 greenfields opened in North America – $3.3bn spent on bolt-ons with 170 locations added in North America – Returned $1.8bn to shareholders through dividends ($1.1bn) and share buybacks ($0.7bn) – Underpinned by target net debt to EBITDA leverage range of 1.5 to 2.0 times; 1.7 times at 30 April 2024

IN THE STRATEGIC REPORT

CAPITALISING ON MARKET OPPORTUNITIES

We are building market share through same-store growth, new greenfield investments, select bolt-on acquisitions and the expansion of our product offering.

+ page 12

CREATING SUSTAINABLE VALUE

Our equipment rental business model, and the management of that over the economic cycle, enable us to create long-term sustainable value.

+ page 20

IMPLEMENTING OUR STRATEGY

We focus on building market share, maintaining flexibility in our operations and finances, and delivering Availability, Reliability and Ease to our customer base.

+ page 26

MEASURING OUR PERFORMANCE

We had a year of strong market outperformance across the business, delivering for all our stakeholders.

+ page 34

MANAGING OUR RISKS

Our main risks relate to economic conditions, competition, cyber security, health and safety, people and culture, the environment and laws and regulations.

+ page 36

BEING A RESPONSIBLE BUSINESS

We report on responsible business through the Group Risk Committee. We focus on health and safety, our people, the environment, including climate change, community investment and ensuring the highest ethical standards across the Group.

+ page 56

OUR MARKETS

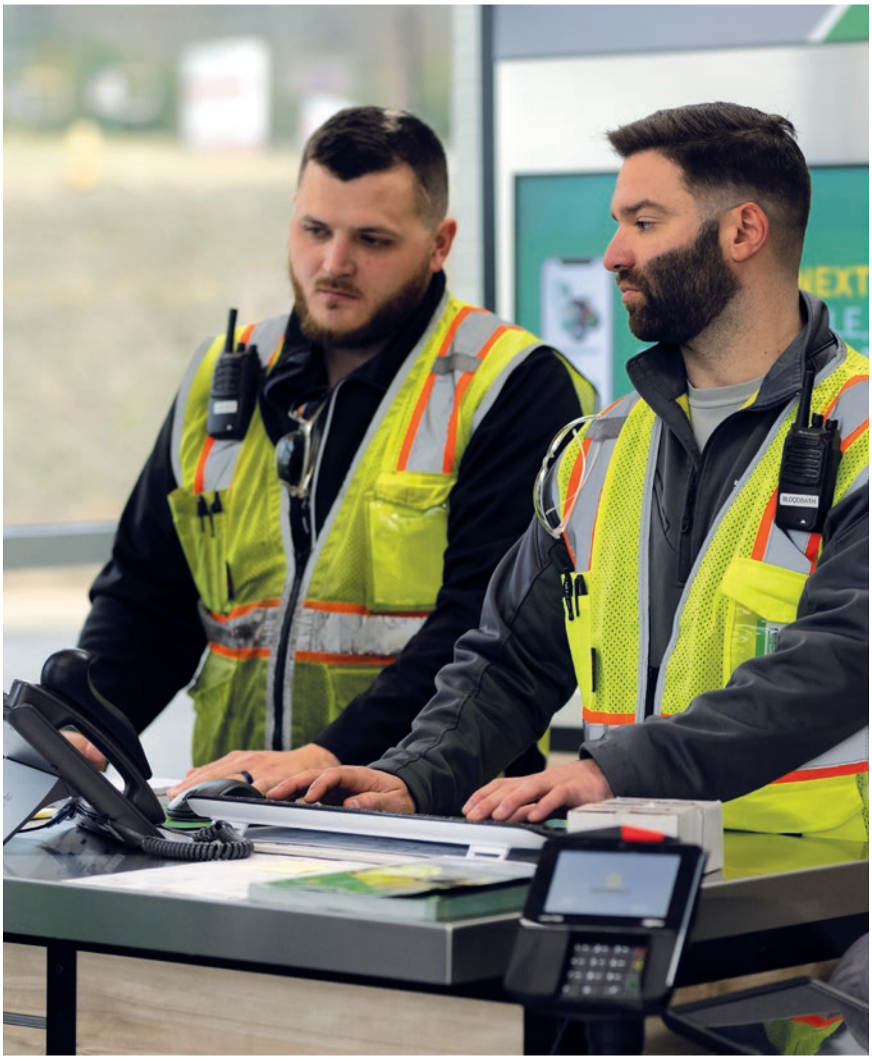
Our markets continue to grow and evolve as we expand our footprint and the services we provide and contribute to and benefit from structural progression.

We continue to see a shift from ownership to rental, with rental increasingly essential for customer success where the larger, experienced rental companies are able to respond to a wide range of customer needs. As such, we are taking market share in what are larger and more diversified markets. Our markets are far less cyclical than in the past because construction, while still an important part of our business, is much less so, relative to the other markets we serve. That means that our markets are more resilient than ever before, making the Group more resilient too. Our growth used to be a factor of fleet size. The bigger our fleet size, the more revenue we could generate. Now, as we and the industry have matured into business service providers, pricing progression will become fundamental to our operations.

We believe the market changes we have seen during Sunbelt 3.0 are now permanent. Together with our plan, these changes have created the foundations for our next chapter and the growth expected during our new strategic plan, Sunbelt 4.0.

The breadth and resilience of our markets

We serve increasingly broad and diverse end markets. Our markets continue to expand, in terms of geography, range of equipment provided and the applications for which our equipment is used. The graphic on page 13 shows the diversity of end markets that use our equipment. This is often 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 Formula 1 racetracks to home decor. Our customers are equally diverse from major global companies to DIYers. For any of these markets, there is a huge range of equipment used.



Construction remains a core part of our end markets but accounts for less than 50% of total activity, and we see an increasing level of crossover between our General Tool and Specialty businesses on any typical construction site. Increasingly we are seeing bigger, longer construction projects, often over several years. We now refer internally to projects worth over $400m as mega projects and these are an important part of our project portfolio. Mega projects last typically for around three years and we expect to see more of these coming online in the future.

Our non-construction markets are increasingly large and resilient and amongst other sectors include:

- Maintenance, repair and operations is a highly stable end market characterised by recurring work needed, regardless of what may be happening in the wider economy.
- Our entertainment and special events market is a large and stable end market with long-term growth prospects.
- Emergency response and restoration is a key market for us and we are designated an essential service in the US, Canada and the UK in times of need, supporting government and the private sector in response to both day-to-day emergencies as well as major events, including hurricanes, tornadoes and other disasters. Natural disasters generate spikes in demand but day-to-day emergencies generate steady demand.
- State and local government is our most stable end market with expenditure typically determined in advance and sheltered from macroeconomic shifts.

Across these non-construction end-markets, there are ongoing opportunities for further rental penetration.

CONSTRUCTION

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

Examples of major non-construction markets

MAINTENANCE, REPAIR AND OPERATIONS

- Office complexes
- Apartment complexes
- Data centres
- Shopping centres
- Golf course maintenance
- Industrial
- Entertainment and conference venues

ENTERTAINMENT AND SPECIAL EVENTS

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

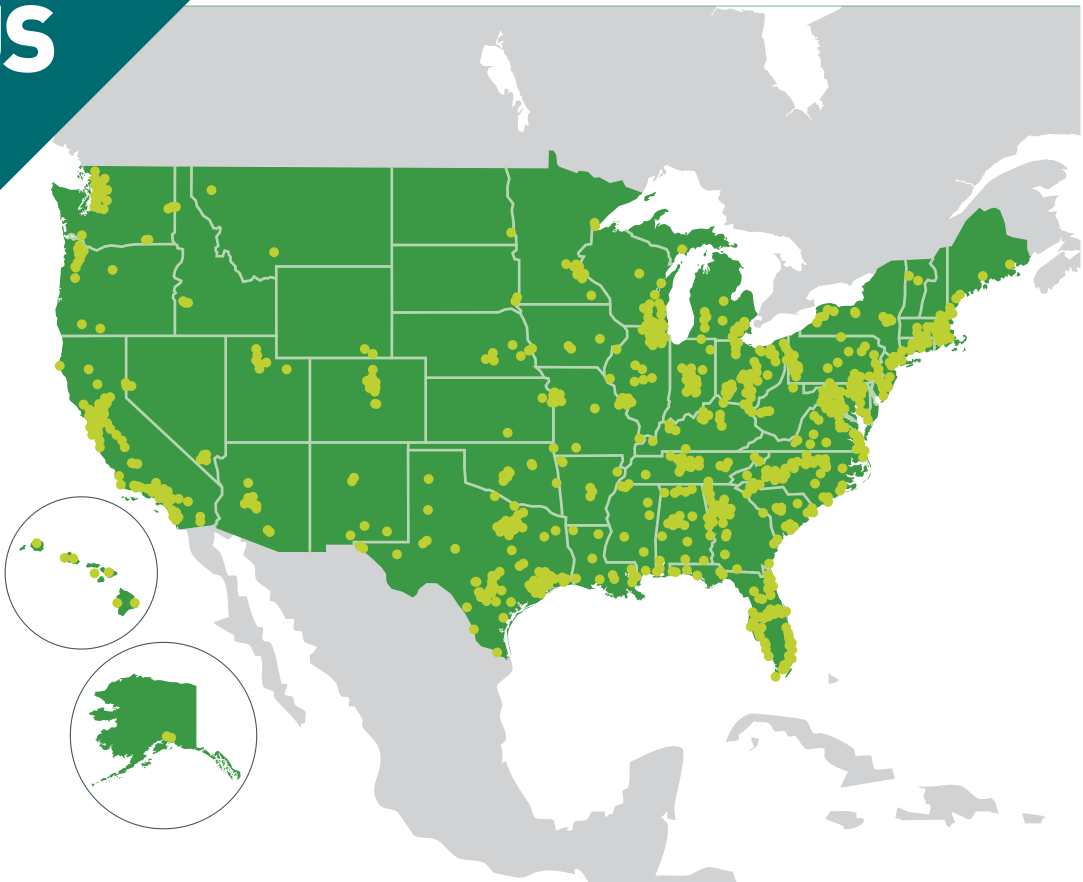
EMERGENCY RESPONSE AND RESTORATION

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

STATE AND LOCAL GOVERNMENT

- Government
- Hospitals
- Parks and recreation departments
- Schools and universities
- Pavement/kerb repairs

THE US



Dodge Construction Starts continue to show strength and growth. We believe we are entering a period of moderate growth after three years of amplified non-residential and non-building growth. This positive outlook is underpinned by market dynamics such as deglobalisation and Federal support.

As we have noted before, the Infrastructure Investment and Jobs Act, the Chips and Science Act and the Inflation Reduction Act are all fuelling growth. These provide an underpin to demand in a market which is very active and we expect this to continue.

The non-residential and non-building components of the construction end market remain strong. Furthermore, the continuing evolvement of the mega project landscape will drive further construction as infrastructure is developed around the mega projects to support their operation and future workforce. For example, if a major manufacturing facility is built for electric vehicles or for power storage, this will create a significant number of new jobs and infrastructure will be required to service and support the people taking those new jobs and their families.

As such, we believe most mega projects will likely generate broader ecosystems, creating significant opportunities for growth.

Mega projects made up roughly 30% of recent years' construction starts values, more than double what they represented in the past. Projects of this scale and sophistication require suppliers with relatable scale, but also expertise, experience, breadth of product and services, and the financial strength to meet the needs of the customer. While the nature of the risks associated with mega projects (contractual and counterparty risk principally) are similar to the rest of our business, they are heightened due to the scale of the projects. We are active on many mega projects and continue to win more, including data centres, electric vehicle factories, battery plants, and semi-conductor factories. These make up approximately 10% of our fleet on rent today and this will increase as the increasing number of starts translate into put-in-place construction and hence, activity.

Chart 02 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 forecasts for the current cycle are more similar to the last two cycles, and we believe that we are entering a period of more moderate growth following strong growth over the last three years as the market recovered following the COVID-19 pandemic, buoyed by the emergence of mega projects and underpinned by legislative Acts. While these forecasts are for growth through 2028, there could be bumps on the way due to inflation, the interest rate environment and other broader macro-economic conditions. 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. In the event of a slowing economy, the impact will be mitigated to a degree by the opportunity from the structural shift from ownership to rental and our ability to increase market share.

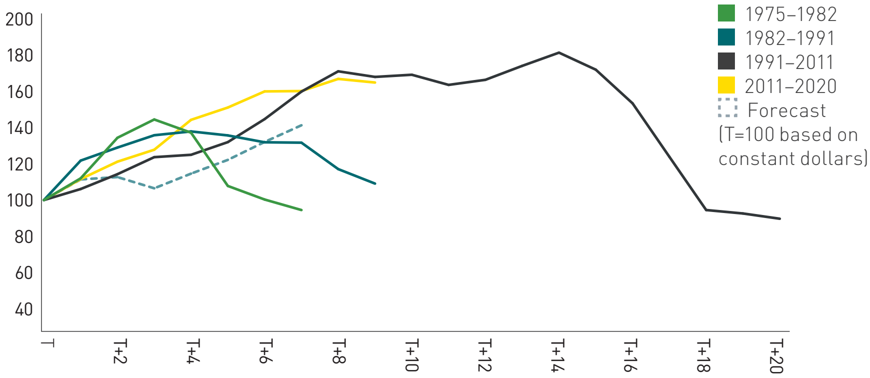
01 US market outlook

Industry rental revenue

2024	+10%
2025	+5%
2026	+4%

Source: S&P Global Market Intelligence (May 2024)

02 Construction activity by cycle



Source: Dodge Data & Analytics (May 2024)

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 on page 16 shows. Our major competitors are United Rentals and Herc Rentals with 15% and 4% respectively. Home Depot and H&E have shares of c. 2%. Most of the remainder of the market is made up of small local independent rental shops, with five or fewer locations, comprising c. 50% of all rental locations in the US.

Much of our market share gain comes from these small independents when we set up new stores or acquire them, and hence our runway remains long with ample opportunity for bolt-on investments. In our industry size and expertise matters. Scale brings cost benefits and sophistication in areas like 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.

This market share analysis is based on the latest definition of the rental market, which incorporates a broader range of equipment, much of which is used in non-construction across a wide range of end markets. These markets include the facility maintenance, repair and operation of the geographic markets we serve, characterised by square footage under roof. In the US there is more than 100bn square feet under roof with minimal rental penetration currently. Thus, despite the change, we believe the size of the rental market is still 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 continue to set ambitious targets with our long-term market share target of 20%. The speed at 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.

The combination of our business model, which you can read more about on page 20, 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.

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 c. 30% of revenue in 2023/24. 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.

The trend to rental

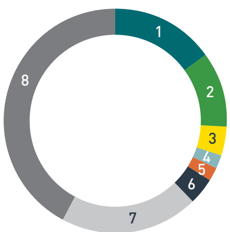
Rental penetration continues to deepen and those benefitting from this increased rental penetration are the larger, more experienced, more capable rental companies who can position themselves to be there as partners for this increasing customer base, delivering more complex solutions, and capitalising on this larger market.

Rental still only makes up around 55% to 60% 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 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, easier and safer. 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 replace less and rent or, in the case of smaller competitors, 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. 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 development and use of technology is also driving rental penetration. Our highly sophisticated proprietary customer management, inventory and delivery tracking systems all contribute to Availability, Reliability and Ease for our customers. Sustainability is also increasingly an important consideration. Renting from us can help customers with their own sustainability aspirations. They can use the most environmentally friendly equipment available, reduce their own direct and indirect carbon emissions during the operation and transportation of equipment and means that they are not responsible for the disposal of the equipment at the end of its life. We save customers money by teaching them to use the right product for the right job and using it in the most energy efficient manner possible.

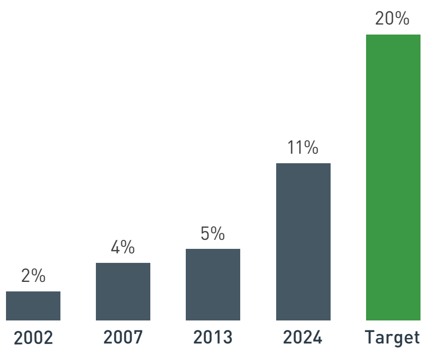
03 US market share



1 United Rentals 15%
2 Sunbelt 11%
3 Herc Rentals 4%
4 Home Depot 2%
5 H&E 2%
6 Top 6–10 ......4%
7 Top 11–100 ......20%
8 Others 42%

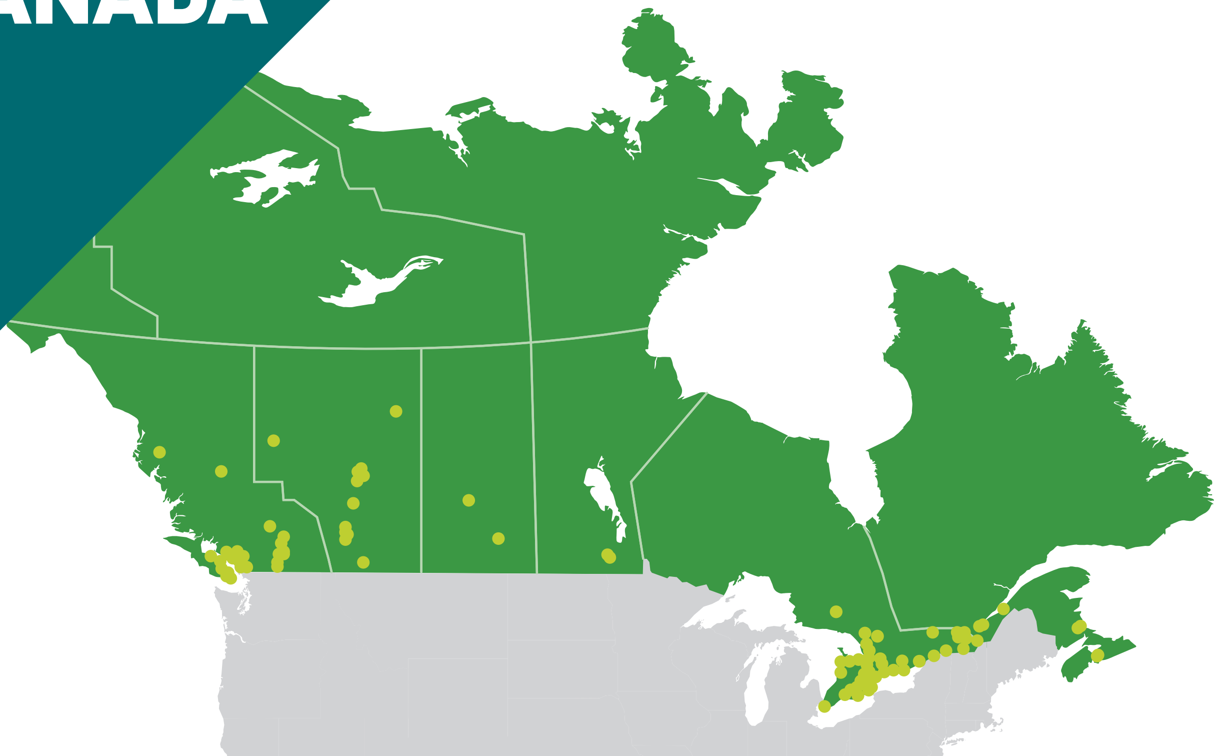
Source: Management estimate, based on latest S&P Global Market Intelligence market size estimates.

04 US market share development



Source: Management estimate, 2024 market share based on latest S&P Global Market Intelligence market size estimates.

CANADA



Canada remains 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 9%. There is plenty of scope to develop this in the same way as in the US and we are growing rapidly. We are seeing continued market growth in 2024 and S&P Global Market Intelligence predicts Canadian rental revenue to grow 7% in 2024, 7% in 2025 and 5% in 2026. We anticipate growing more rapidly as we take market share and broaden our offering.

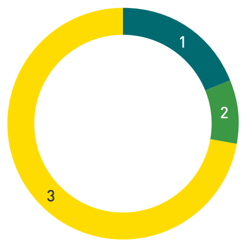
Our original Canadian business goes from strength to strength as it takes advantage of its increasing scale and breadth of product offering as we expand our Specialty businesses and look to build out our clusters and increase market density in that market. In contrast, our Film & TV business was impacted significantly by the writers' and actors' strikes in the North American film and television industry, which persisted for longer than we anticipated and were only resolved in December 2023. This also had some impact on the rest of the Canadian business given our success in cross-selling our more traditional rental product into the film and television space, which is one of our competitive advantages in the market.

We have grown to 135 locations across Canada. We have a significant presence in Ontario and are now present in eight provinces. The rental market has, historically, been construction focused, but we continue to develop new markets. We began by introducing General Tool businesses into the Canadian market but have subsequently added Specialty lines of business.

Contributing to growth and positioning for further success was the June acquisition of Loue Froid, a leading provider of Power and HVAC rental solutions with four locations across Canada, and a base in Montreal. As is often the case with new acquisitions, there are cross-selling opportunities inherent in this deal, and of course the expansion of our business in the Quebec market.

Over time we would expect our Canadian market share to be similar to that in the US.

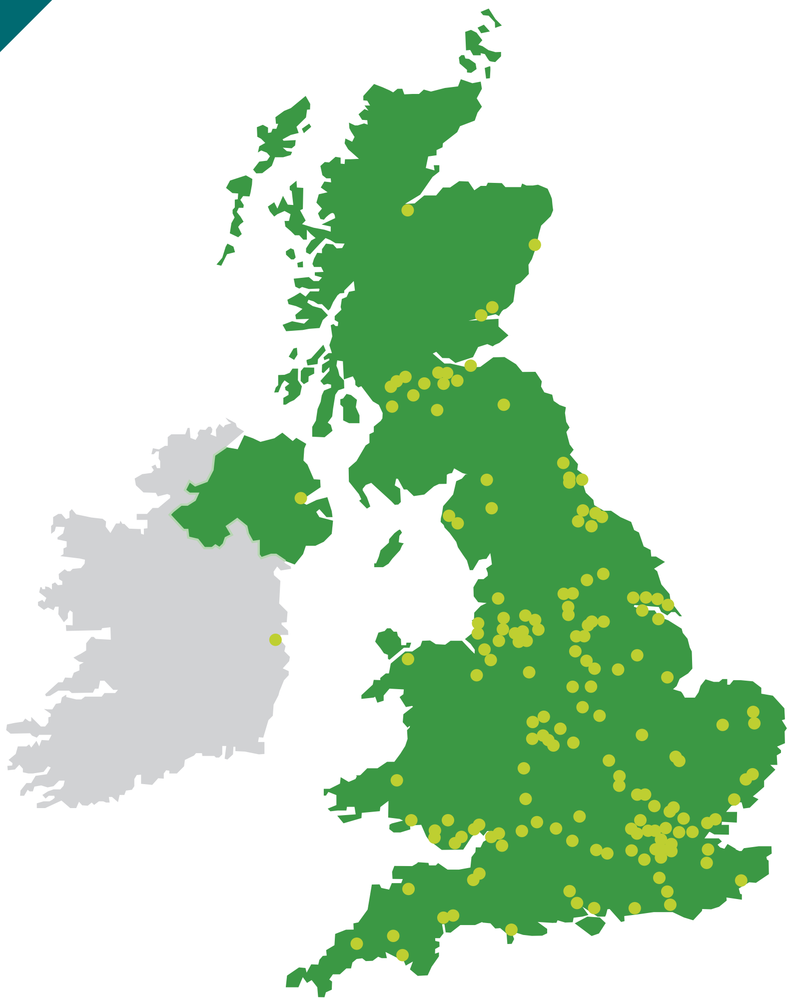
05 Canadian market share



1 United Rentals....19%
2 Sunbelt....9%
3 Others 72%

Source: Management estimate, excluding Film & TV, based on new S&P Global Market Intelligence market size estimates.

THE UK



Our UK business continues to progress despite local market challenges. We believe our ability to deliver complex solutions to our customers is unmatched in the UK market.

This is no small accomplishment, being brought about by our unique cross-selling capabilities across our unmatched product and services portfolio. As a result, we have seen market share gains, particularly in infrastructure and industrial projects, as well as increasing progress into areas such as facility maintenance.

A consistent area of focus to improve our UK business has been on advancing rental rates and the associated fees we charge to provide services to our customers. Although progress has been made, there is still work to be done. This is something the UK rental industry falls behind in and our position will be steadfast in making a demonstrable change in the face of the notable inflation our business and the industry has absorbed.

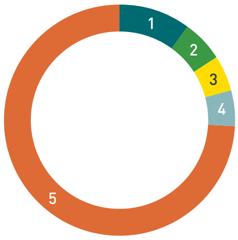
We continue to see significant opportunities in both construction and non-construction markets in the UK as in the US and Canada. We will continue to invest responsibly in the UK market as we seek to increase market share and enhance returns.

Market share in the UK

We are 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 06 on page 19 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 a 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.

06 UK market share



1 Sunbelt 10%
2 Speedy...6%
3 HSS..5%
4 VP...5%
5 Others 74%

Source: Management estimate based on latest S&P Global Market Intelligence market size estimates.

07 UK construction industry forecasts

£m	2022 Actual	2023 Actual	2024 Estimate	2025 Forecast	% of total
Residential	69,927	66,069	63,070	65,639	35%
		-6%	-5%	+4%	
Private commercial	45,787	48,628	47,839	48,200	26%
		+6%	-2%	+1%	
Public and infrastructure	66,324	70,895	70,631	71,537	39%
		+7%	- %	+1%	
Total	182,038	185,592	181,540	185,376	100%
		+2%	-2%	+2%	

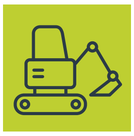
Source: Construction Products Association (Spring 2024).

CREATING SUSTAINABLE VALUE ACROSS THE ECONOMIC CYCLE

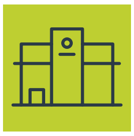
We create value through the short-term rental of equipment that is used for a wide variety of applications and the provision of services and solutions to a diverse customer base through a broad platform across the US, Canada and the UK. Our rental fleet ranges from small hand-held tools to the largest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

Creating value

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 24

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 24

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 25

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 24

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 25

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

See more on page 22

OUR SUPPLIERS
Developing long-term relationships with suppliers.

See more on page 45

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

See more on page 45

OUR INVESTORS
Generating sustainable returns for shareholders through the cycle.

See more on page 22

OUR ENVIRONMENT
Working to ensure we provide environmentally friendly solutions.

See more on page 56

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

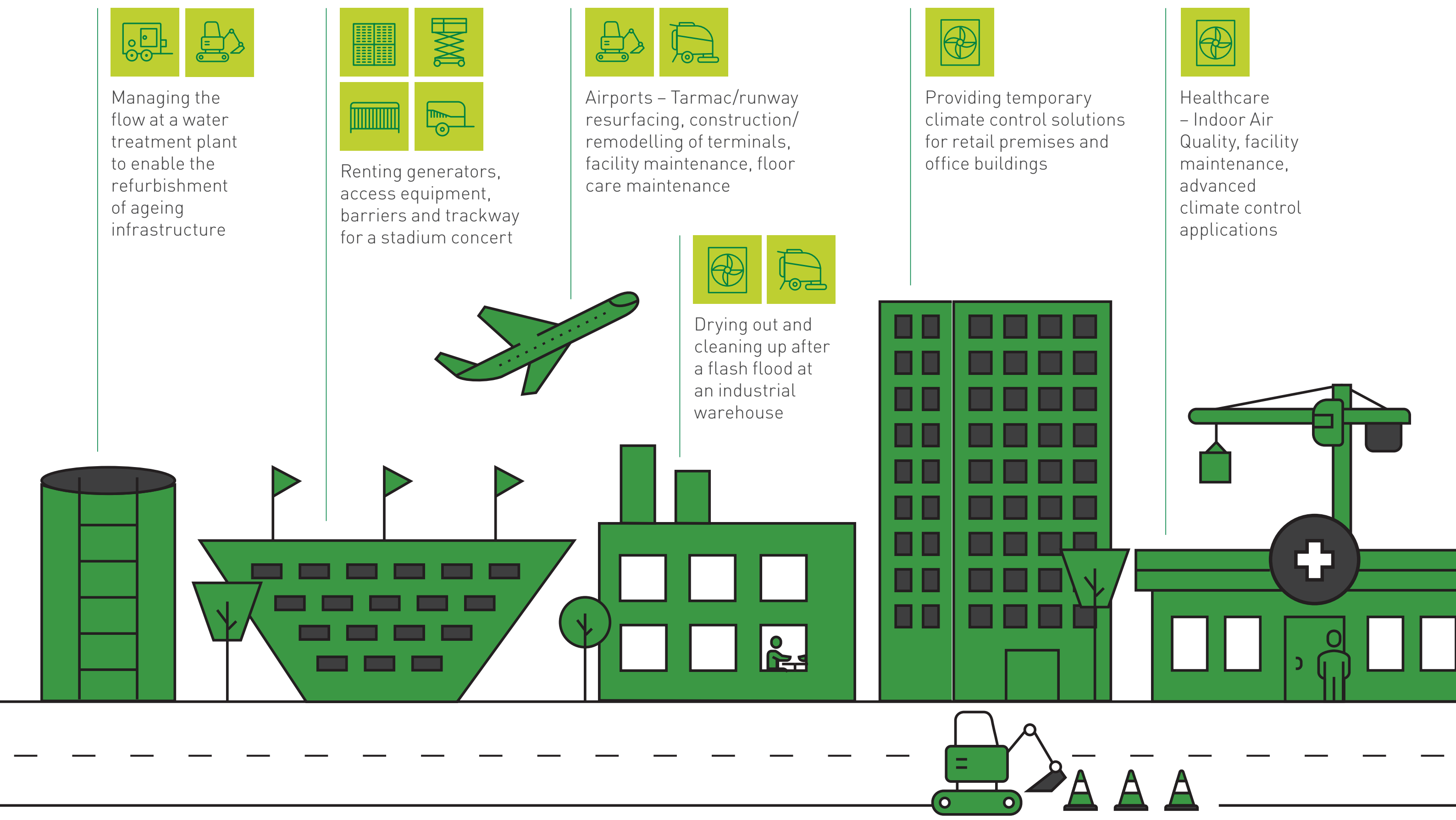
At its most basic, our model is simple – we purchase an asset, we rent it to customers through our platform and generate a revenue stream each year we own it (on average, seven years) and then we sell it in the second-hand market and receive a proportion of the original purchase price in disposal proceeds. Assuming we purchase an asset for $100, generate revenue of $60 each year (equivalent to 60% dollar utilisation) and receive 35% of the original purchase price as disposal proceeds, we generate a return of $455 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 (refer to pages 36 to 41).

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. When we expect a slow-down in construction markets, we are able to plan accordingly, react in a timely manner and lower levels of capital expenditure. This then ensures we are better positioned and potentially stronger than our competitors to take advantage of market changes once we are out the other side. See content on our strategy on page 26.

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. c. 60% of our revenue comes from non-construction markets.



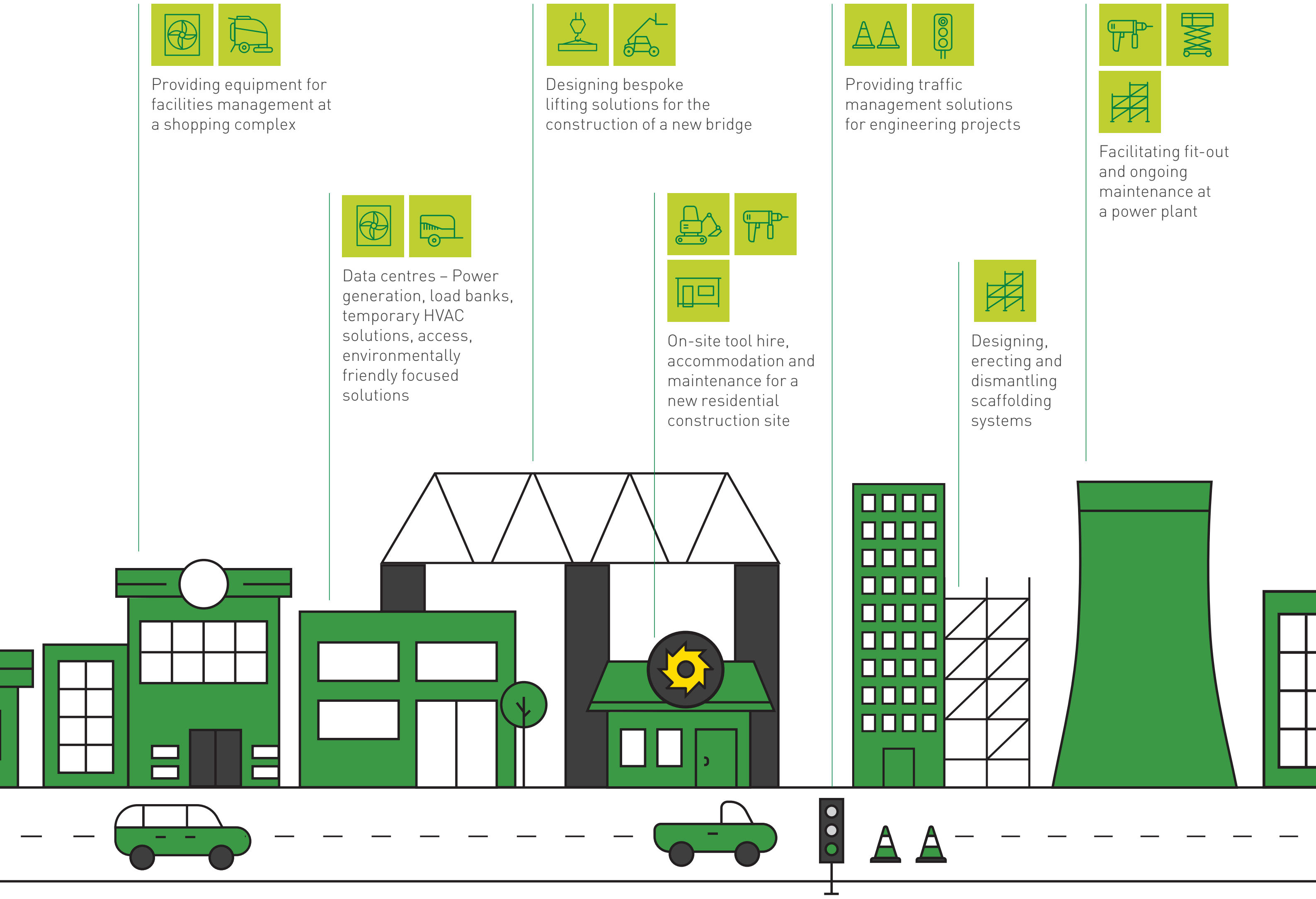
ANYTOWN

AnyTown started as AnyTown USA, a graphical representation of our markets and the equipment put to work in serving them. At the Group's Powerhouse event in Atlanta in April 2024, where we launched our Sunbelt 4.0 strategy, we built a 3D version of AnyTown through which people could walk and interact, to demonstrate the breadth of end markets and the wide range of applications of different types of equipment.

Our AnyTown comprised a number of commercial zones and provided an opportunity for our team members, customers, suppliers and investors to experience the nature of our end markets today and see how equipment is deployed in different scenarios.

Our range of General Tool and Specialty 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 large and small.

Today, more than 50% of our revenue comes from non-construction markets, but it is the same equipment which services both our construction and non-construction end markets. For example, our Power and HVAC Specialty business may provide power to a construction site, or ensure the uninterrupted power supply to a major entertainment event, or may provide temporary power in an emergency response situation, to name just three applications.



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 less than 50% 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 existing specialty areas, such as Power and HVAC, Climate Control, Scaffold Services, Flooring Solutions, Pump Solutions and Trench Safety, and seek to add to our Specialty lines of business. In total, our speciality lines of business represent c. 30% of our US revenue. 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. 65% of our revenue.

Our customers range in size and scale from multinational businesses, through strong local contractors to individual DIYers. 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 2024, Sunbelt US dealt with over 800,000 customers, who generated average rental revenue of $10,200. However this average reflects a broad and diverse customer base, which includes our smallest customers who transact with a single line of business, compared to our largest who transact across all of our services. We believe that we are well positioned to service our customers whatever their needs.

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.

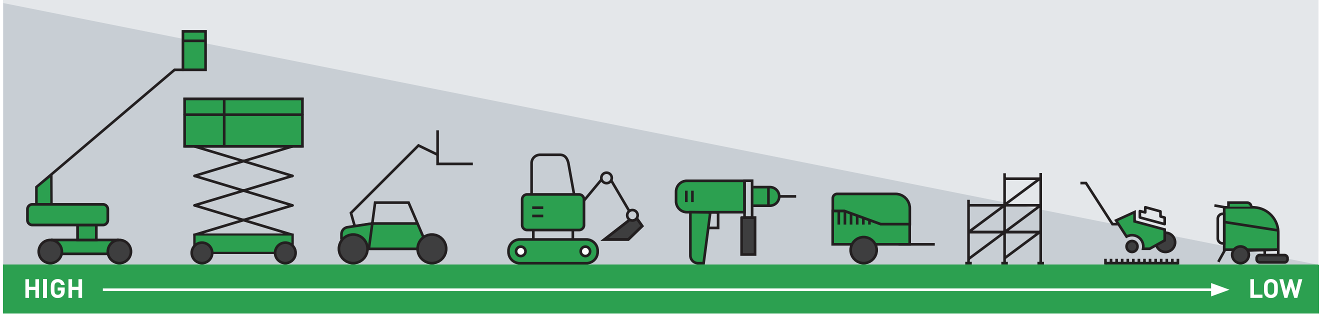
Ensuring operational excellence

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. We seek to build fleet density around these clusters. 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/market density strategy on page 29.
- In Canada, we are focused on expanding our presence and lines of business, 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 a store structure that allows 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 generally carry equipment from one or two suppliers in each product range and 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

08 Business mix – US

09 **Rental penetration – the product range**



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 are also focused on sustainability within our procurement strategy, working with our major equipment suppliers in developing and piloting new technologies. This focus is also expanding our supplier base, as we identify new technologies which respond to customer needs or which provide solutions to sustainability challenges.
- We 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, structures and fencing, 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 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 pickup or service or extend their contract, either from their desk or via a mobile app. 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 confidence. Vehicle telematics help drive best in class driver performance and safety. Technology enables our business, and provides power to the platform and a significant advantage over our competitors. During Sunbelt 3.0 we developed a more advanced and integrated technology ecosystem across Sales, Logistics, Service, Connected and Frontline which will be implemented over the coming months enabling enhanced order capture, improved customer experience, operational efficiencies and market share gains.
- 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. 60% 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 excellent customer service, high quality standards and strong financial returns. 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 and our customers.

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 64 to 67 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.

RUNWAY FOR SUCCESS – SUNBELT 4.0

As we enter 2024/25, we move from the very successful Sunbelt 3.0 to its next iteration, Sunbelt 4.0, our next level of ambition with purpose. Sunbelt 3.0, launched in April 2021, created the platform from which we feel confident to make the very most of the continuing structural progression in our business and the rental industry. You can see our performance against Sunbelt 3.0 on page 10. The continuing shift from ownership to rental and the increasingly essential nature of rental for customer success, mean the industry in which we excel continues to expand rapidly, providing the springboard for our next chapter of growth. Our size, experience and expertise mean that we will continue to get disproportionately larger in this growing and highly diversified market. Our history of strategic planning and execution has built a highly successful and robust business. Sunbelt 4.0 is designed to deliver further growth, resilience and performance.

Sunbelt 4.0: April 2024

Positioned to execute and realise the benefits of ongoing structural change present within the rental industry

Strategic growth plan designed to deliver a period of strong performance through growth in volume, pricing, margin and return on investment

Ever-strengthening financial position through earnings growth, strong free cash flow, and low leverage, providing significant operational and capital allocation optionality for the benefit of all stakeholders

Over the course of decades, we have been both influencing and realising the structural change agents in our industry, the first being that ongoing shift from ownership to rental. Secondly, we can now say categorically that everything has changed in the eyes of our customers. Rental, and therefore Sunbelt, is essential to their success. Our business is now mainstream. Rental is the first option for our customers, rather than being the 'top-up' provision of the past. That is the platform for growth we saw coming together through our previous strategic plan. It is the industry-built foundation for our new plan, Sunbelt 4.0.

Traditionally ours was a highly cyclical business and we managed the cycles that impacted us to accommodate the changing nature of our business. We are significantly less cyclical now. Construction accounts for less than 50% of our total business, rather than being the majority. We are far more resilient to market changes than ever before. We have a much larger addressable market given the diversification we have built throughout the business, because rental is now core in a multitude of areas.

Sunbelt 4.0 actionable components

1 CUSTOMER

Elevate our obsession with customer service and their success throughout the organisation to a level unparalleled in the broader service sector

2 GROWTH

Grow General Tool and Specialty through the ongoing structural progression in our business and industry and advance our clusters to deepen our presence and increase our total addressable markets

3 PERFORMANCE

Operate with more efficiency through scale, process, and technology to unlock margin progression

4 SUSTAINABILITY

Advance our position as a thriving, growing enterprise to deliver long-term sustainable value for our people, customers, communities and investors

5 INVESTMENT

Disciplined capital allocation driving profitable growth, strong cash generation and enhanced shareholder value

FOUNDATIONAL ELEMENTS

PEOPLE | **PLATFORM** | **INNOVATION**

The change in the role and importance of rental means that industry pricing is also evolving, and rental rate discipline and progression has been seen across the industry. It used to be that the bigger our fleet was, the more money we made. There was little variation in pricing available. We now see ourselves more as a business services company and envisage having pricing progression as our norm. We and the industry have demonstrated this over the last year as, despite lower levels of physical utilisation and used equipment prices, rental rates have continued to progress. This marks a huge change for us and the industry and is part of our growth algorithm which did not exist in the past. When we have the scale we have in these market conditions, we expect to see increased margin performance, particularly when we combine these market conditions with confidence and excellence in execution.

Our strategy has evolved and will continue to evolve to meet this new level of opportunity. In our next phase of growth, we will be guided by five actionable components, powered by three strong foundational elements. We have called these components, Customer, Growth, Performance, Sustainability and Investment. These are the backbone of the Sunbelt 4.0 runway for success – the core components of the next level of our ambition with purpose.

Our Sunbelt 4.0 strategic priorities

STRATEGIC PRIORITY	KEY INITIATIVES	RELEVANT KPIs	RELATED RISKS
1 Customer	– Elevate our customer culture from centric to obsession – Grow the percentage of revenue from customers which rent from General Tool and three or more Specialty lines of business – Increase value of existing customers and add new credit customers	– Return on investment – Fleet on rent – Dollar utilisation	– Economic conditions – Competition – People and culture
2 Growth	– Increase market density through investment in General Tool and Specialty businesses – Access latent capacity through existing location growth – Add greenfield stores to establish and deepen market presence, progressing our market clusters – Make rate progression a sustained contributor to growth	– Return on investment – Fleet on rent – Dollar utilisation – Adjusted EPS	– Economic conditions – Competition – People and culture
3 Performance	– Leverage SG&A with increased scale – Increase maturity of existing store portfolio, in particular those added during Project 2021 and Sunbelt 3.0 – Deliver against operational excellence initiatives and embed industry-leading technology platform developed during Sunbelt 3.0	– Return on investment – Fleet on rent – Dollar utilisation – EBITDA margins – Adjusted EPS	– Economic conditions – Competition – People and culture – Cyber security
4 Sustainability	– Continue prioritisation of health and safety – Target Scope 1 and 2 Net Zero by 2050 target, supported by a tangible pathway – Unlock the sustainability potential in our people strategies – Advance an integrated community investment strategy enabled by technology	– Safety – Carbon intensity – Staff turnover	– Health and safety – Environmental – People and culture – Laws and regulations
5 Investment	– New target leverage range of 1.0 to 2.0 times net debt to EBITDA – Dynamic capital allocation policy, prioritising organic growth investment in existing locations and greenfields – Returns to shareholders through progressive dividend policy and share buybacks – Free cash flow from operations will fund 100% of ambitious Sunbelt 4.0 organic growth plans, leaving significant flexibility and optionality to allocate capital in accordance with our long-term priorities	– Adjusted EPS – Return on investment – Net debt and leverage	– Economic conditions – Competition

1. CUSTOMER

The first of our actionable components is to elevate our obsession with customer service and their success throughout the organisation to a level unparalleled in the broader business sector.

Customers have always been the priority at Sunbelt but putting them front and centre in our new strategic plan elevates that further. As our business has changed, so too have our customers. They now rely on us to get their job done, safely, efficiently, without any hassle and often in the most sustainable way possible.

Cross-selling the power of Sunbelt is an important part of the customer experience and a great source of our competitive advantage. We continue to grow our customer base, having added over 108,000 new credit customers in the US during Sunbelt 3.0. Meanwhile, those customers who rent from multiple lines of business also grew over the same period. In addition, the revenue generated by individual customers is also growing. Our focus on ensuring those customers enjoy the very best customer service and experience will enable us to capitalise on these factors in building the business further.

OUR SPECIALTY BUSINESSES

Our Specialty businesses focus on products with comparatively low rental penetration in predominantly non-construction markets. They are hugely important to our business and remain core to our Sunbelt 4.0 strategy. Specialty products and services 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 lines of businesses which in North America include:

- Power and HVAC;
- Climate Control;
- Scaffold Services;
- Flooring Solutions;
- Pump Solutions;
- Trench Safety;
- Industrial Tool;
- Film & TV;
- Temporary Structures;
- Ground Protection;
- Temporary Fencing; and
- Temporary Walls.

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. Cross-referrals between General Tool and Specialty are becoming more and more commonplace.

2. GROWTH

Our second actionable component is to grow our General Tool and Specialty businesses through the ongoing structural progression of our business and industry.

We are evolving our cluster approach as we look to increase our fleet density. We believe that there is a clear opportunity to increase the fleet density in our markets through accessing the latent capacity in our existing locations, particularly those added through Sunbelt 3.0 and supplementing those through further greenfield locations. In this way, we aim to ensure that rental penetration increases in ever broadening markets as our market density grows. We aim to add 300 to 400 greenfield locations during Sunbelt 4.0.

To illustrate our opportunity, the fleet density map, Chart 10 on page 29, shows fleet density (original equipment cost ('OEC') per capita) by state. Highlighting three markets, each of which we believe has opportunity for further growth:

1 **Florida:** $69 of OEC per capita with 99 locations and being the third largest US rental market.

2 **Ontario:** $39 of OEC per capita with 73 locations and being the largest Canadian rental market.

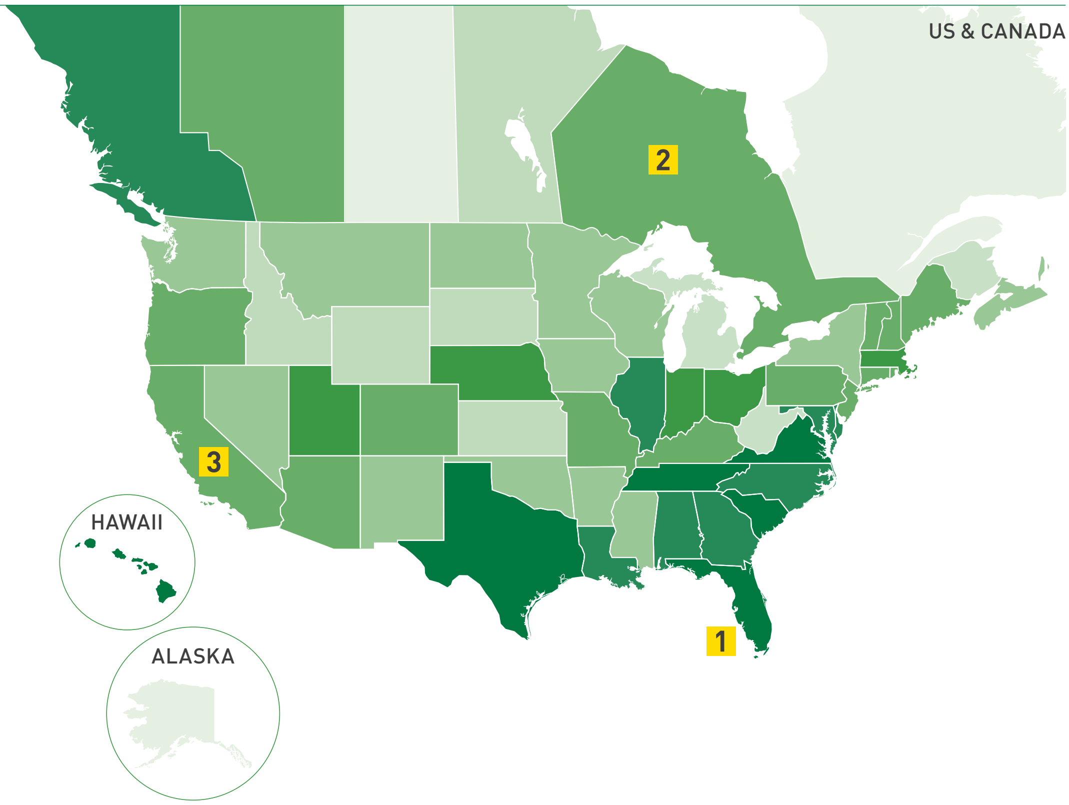
3 **California:** $34 of OEC per capita with 126 locations and being the largest US rental market.

We would need a fleet size of $26bn to achieve the same level of fleet density throughout the US and Canada that we have in Florida.

10 Fleet density

$ OEC per capita

- 0–10
- 10–20
- 20–30
- 30–40
- 40–50
- 50–60
- >60



Source: ARA Rentalytics, US and Canada census.

CONTINUING TO ADVANCE OUR CLUSTER APPROACH

Our cluster approach has been a very important aspect of our strategy and success at building the business to where we have the scale we have today. We are now amplifying this cluster approach, focusing also on increasing our market density where we have clusters. Our greenfield sites are chosen to enhance our existing business and we believe that this approach continues to provide significant continuing opportunity for growth. 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 return on investment.

The size and composition of a cluster depends on the market size based on Designated Market Areas. We have defined clusters such that a top 25 market cluster in the US has more than 15 stores, a top 26–50 market cluster more than 10 stores and a top 51–100 market more than four stores. We also include the smaller 101–210 markets within our cluster analysis although our focus is predominantly on the top 100 markets in the US. Nevertheless, we have found that the 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. With the advanced technology we have in place, we can analyse local market data 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 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 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. The value is in the mix of products and services we are able to provide in a concentrated environment.

	US				Canada		
Rental markets	Top 25	26–50	51–100	101–210	Top 5	6–10	11–55
Rental market %	57%	19%	16%	8%	48%	19%	33%
Cluster definition	>15	>10	>4	>1	>10	>7	>1
Clustered	21	12	25	26	3	2	8
Sunbelt 4.0 target	22 markets	15–17 markets	30–33 markets	39–48 markets	4–5 markets	3–5 markets	13–15 markets

3. PERFORMANCE

Our third actionable component is performance, unlocking the capacity to operate more efficiently through process, technology and scale, resulting in margin progression with growing revenues.

We see three areas of opportunity where we can drive performance:

1. firstly, we will leverage our central and field sales and support services, using the investments made during Sunbelt 3.0 as a platform for future growth. We believe that our central and field support functions have now reached the scale to drive Sunbelt 4.0 growth. The investments made over Sunbelt 3.0 provide the foundation to tackle the next chapter of growth without the same levels of incremental cost, contributing to margin improvement;
2. secondly, we will extract the full potential from our existing footprint and leverage our scale. We have added c. 400 locations in North America during Sunbelt 3.0 which have ample room for revenue growth and margin progression. Capital investment targeted in these locations presents a significant opportunity; and
3. finally, we aim to achieve further performance advantage through market-based operational excellence programmes and harnessing the power of digitally enabled solutions.

During Sunbelt 3.0, we launched and benefitted from dynamic pricing, order capture and eCommerce tools, but have been investing in a wide range of industry-leading technologies which will take our technology platform to the next level. Asset telematics, logistics, field service and customer-focused tools will provide further opportunities.

4. SUSTAINABILITY

Our fourth actionable component is sustainability, and this underpins everything we do. We will advance our position as a thriving, growing enterprise to deliver long-term sustainable value for our people, customers, communities and investors.

We intend to lead sustainability in our industry and have set an updated target of a 50% reduction in Scope 1 and 2 greenhouse gas intensity by 2034 (using the base year as 2024), on our journey to being Net Zero by 2050. We have four areas of focus within our sustainability actionable component; operations, customers, our people and communities, and we report on these in more detail in our Responsible business report on page 56.

Operations

- Committing to Scope 1 & 2 Net Zero by 2050 supported by a tangible pathway
- Reducing environmental impact and advancing sustainability through the value chain

Customers

- Driving the benefits of rental amplified by our scale
- Partnering and innovating to bring new products to the rental market

Our people

- Health and safety remaining our key priority
- Focus on attracting, developing and retaining top talent
- Fostering inclusion and belonging

Communities

- 1% of post-tax profit to community investment by 2028/29
- Advancing an integrated community investment strategy
- Scaling strategic sustainability and community partnerships

5. INVESTMENT

Our fifth and final actionable component is investment, by which we mean disciplined capital allocation to drive profitable growth, strong cash generation and enhanced shareholder value.

We will continue to allocate capital within our clearly defined framework:

- 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 leverage within our target range.

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 adverse changes. Having a strong balance sheet is fundamental to our success at all stages in the cycle.

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 age. 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. During Sunbelt 4.0, strong free cash flow will fund 100% of our organic growth plans, leaving significant capacity for bolt-ons and returns to shareholders.

Our capital allocation will be underpinned by a revised target leverage range of 1.0 to 2.0 times net debt to EBITDA (excluding IFRS 16).

FOUNDATIONAL ELEMENTS

Underpinning our five actionable components are our foundational elements, which we believe are essential to the delivery of our strategy. These are our people, our platform and innovation. Our foundational elements are present in everything we do and core to the culture of our organisation, enabling us to deliver on our customer promise of Availability, Reliability and Ease. We believe that these foundational elements drive the success of our business, and as such, underpin our strategic plan.

PEOPLE | **PLATFORM** | **INNOVATION**