

PROGRESSING WITH SUNBELT 4.0



BRENDAN HORGAN
Chief executive

ALEX PEASE
Chief financial officer

This past year, we delivered another strong performance, setting new records for Group rental revenue and EBITDA. Planned lower used equipment sales, combined with a tougher environment in the local commercial construction sector, resulted in total revenue being slightly lower than the prior year. These headwinds were mitigated in part by good momentum from mega projects. These, coupled with our disaster response efforts, helped offset the challenges and keep us positioned for continued growth.

This year has been a year of laser focus on the delivery of our new strategic plan Sunbelt 4.0, and its five actionable components, with clear momentum also building from our Sunbelt 3.0 investments. We enjoyed a number of successes including strong growth especially among our top 200 North American customers. Our strategic account team and broader organisation have strengthened relationships, driving year-on-year rental revenue growth, with 42,000 new customers added in the year on top of the 118,000 accounts added during Sunbelt 3.0. This success stems from major project wins, cross-selling, and collaborative partnerships, benefitting both construction and non-construction markets. We have

implemented a full rollout of VDOS 4.0, our next generation vehicle dispatch optimisation system. This reengineered platform enhances availability, utilisation, efficiency, and user experience, through a clearer path to saying yes to customers, with every branch and logistics operation now using the system. Another key achievement is the performance of the 401 locations added during Sunbelt 3.0. Collectively, these sites have grown rental revenues by 20% over the year while improving margins by over 200 basis points. Last year we added 61 new locations in North America, of which 48 were greenfield sites and 13 locations from four bolt-on acquisitions. These actions are a crucial step toward our broader Sunbelt 4.0 goal of leveraging our Sunbelt 3.0 investments and increasing margins by 3-5%, further improving customer satisfaction and streamlining operations to drive performance.

Safety is always our top priority and this year we achieved a Total Recordable Incident Rate of 0.65 and a Lost Time Rate of 0.1, both metrics representing record performance in frequency and severity of reported incidents which is the precise intent of our ground-breaking safety programme, Engage for Life. In January, we launched the Driver Profile, a

proprietary system which deploys a risk-based approach to reducing our exposures on the road, to anyone in our organisation operating a Sunbelt Rentals vehicle. This is another example of not allowing complacency into our culture.

Group rental revenue increased 4% for the year, on a constant currency basis. This growth was delivered with strong margins, an adjusted EBITDA margin of 47% and an adjusted operating profit margin of 25%, delivering adjusted operating profit of \$2,687m. As expected, the lower level of used equipment sales affected the absolute level of EBITDA and operating profit. After net financing costs of \$559m, 3% higher than this time last year, adjusted pre-tax profit was 5% lower than last year at \$2,128m. The higher interest expense reflects principally higher absolute debt levels. Adjusted earnings per share were 369.5¢ for the year.

Rental revenue in our North America General Tool business grew 1% over last year to a record \$5,890m, which was on top of growth of 10% the previous year. Growth was driven by a combination of volume and rate improvement, demonstrating the power of our diversified business model as well as our disciplined execution. Lower gains on disposals and the higher depreciation charge on a larger fleet impacted operating profit, following the previous year when we took advantage of improving fleet deliveries and strong second-hand markets to catch up on deferred disposals.

Rental revenue in our North America Specialty business grew 8%, demonstrating the benefits of our strategy of growing our Specialty business and broadening our end markets. This growth came from organic growth (same-store and greenfield sites), driven by both volume growth and rate improvement. As with the General Tool business, lower gains on disposals and the higher depreciation charge on a larger fleet impacted operating profit.

Sunbelt 4.0 – continued delivery

01 CUSTOMER	Progress
02 GROWTH	Continued progression of the industry, growing total addressable market (TAM)
03 PERFORMANCE	Strong rate discipline in core markets
04 SUSTAINABILITY	Growth in market share; mega projects
05 INVESTMENT	100% focus on 4.0 execution
	Building momentum with clear proof of success
	Amazing resilience, disciplined capital allocation and strong cash flow
	Positioned to win

In line with our 4.0 strategy, the focus in the UK remains on delivering operational efficiency and long-term, sustainable returns in the business. UK rental revenue was 5% higher than a year ago at \$778m. Rental only revenue growth has been driven by both rate and volume improvement. While we continue to make progress on rental rates, these need to progress further.

The Group is in a position of strength, with the operational flexibility and financial capacity to take advantage of the ongoing structural growth opportunities we see for the business and enhance returns to shareholders as we follow our Sunbelt 4.0

plan. The investments in and expansion of the business over Sunbelt 3.0 and into Sunbelt 4.0 are enabling us to take advantage of the diverse opportunities that we see while maintaining discipline and balance sheet strength that affords us considerable flexibility and optionality.

Our results, along with our ongoing investments, reflect confidence in our markets and the strength of our cash-generating growth model. Market conditions remain stable, and we anticipate long-term future growth. Our intention is to leverage our infrastructure as we look to improve operating performance.

We are well-placed for success in the short, medium and long-term, as we both drive and capitalise on the structural evolution of our industry. We are focused on the execution of our Sunbelt 4.0 strategy to deliver returns for all our stakeholders. With this momentum, a strong market position, and an optimistic outlook, we move forward with confidence. Sunbelt 4.0 serves as our path to sustained growth, enhanced resilience and stronger performance – delivering value for our customers, employees and investors alike.

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 10](#)

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 16](#)

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 22](#)

MEASURING OUR PERFORMANCE

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

[+ page 30](#)

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 32](#)

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 52](#)

» 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 business is 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 as we have diversified our end markets. 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 as we add greater value to our customers through the services we provide. Together with our plan, these changes, which we believe are permanent, 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 the next page 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 construction projects are bigger and longer, often being completed 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, which 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 North America 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; and
- 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



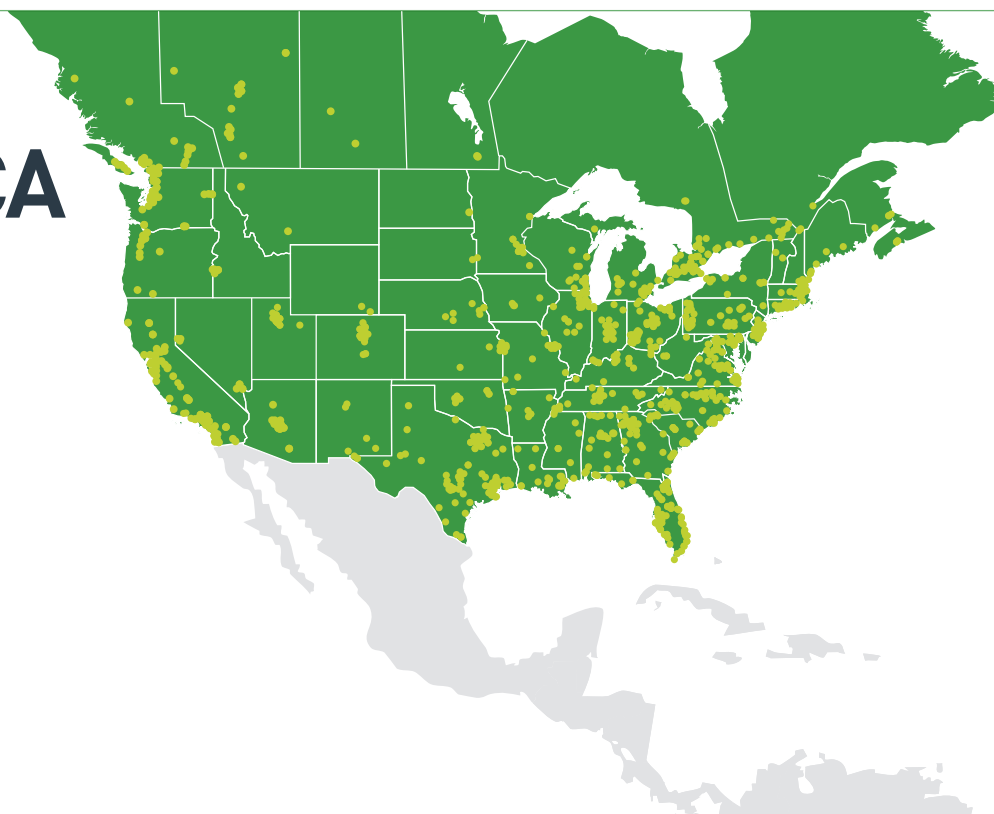
STATE AND LOCAL GOVERNMENT



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



NORTH AMERICA



We continuously assess market trends across North America, both in terms of the end markets we serve, but also on a regional, district and local level. In understanding market trends, we consider our local market knowledge, as well as market forecast data provided by third parties. We have set out below details of market data for the US and Canada, consistent with the basis of the forecast data provided by third parties.

The US

Dodge Construction Starts continue to show strength in our end markets. The outlook for construction growth continues to be underpinned by what we consider to be mega projects and infrastructure work, which continue to gain momentum. This is a portion of the market where we enjoy outsized share and continue to be positioned extraordinarily well as more of these large projects enter planning and start. Our cross-functional sellers and solutions experts are highly engaged with these contractors, our customers, and in many cases the owner or developer themselves. We are well positioned to bring our broad range of solutions and capabilities to bear on these not only large, but complex projects.

At the same time, the local commercial construction space is softer than it was in recent years as the prolonged higher interest rate environment has weighed on local and regional developers. This predominately impacts some of the small,

mid and regional sized contractors, which are a powerful and important segment of our customer base. It may take some time for this segment to see a meaningful uptick. However, it will rebound, and when it does, we believe that it will do so quite strongly. When this happens, we are in a position of strength to benefit, with customer relationships, coverage of products, services and markets and capacity, which are all part of our long-held cluster market strategy.

Mega projects made up an increasing part of recent years' construction starts values, more than double what they represented in the past. Internally, we refer to projects with a value of over \$400m as mega projects – these can include data centres, electric vehicle factories, battery plants and semi-conductor factories and we are active on many such projects and continue to win more. Mega project activity continues to be robust, particularly in the data centre space, with the total pipeline of mega projects projected to grow from what was c. \$840bn in the FY23 – FY25 timeframe to more than \$1.3 trillion in the FY26 – FY28 timeframe. 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. These make up an increasing proportion of our fleet on rent today and this will continue as the increasing number of starts translates into put-in-place construction and hence, activity. The on-going strength of mega projects and broader non-construction markets helped offset the softer local non-residential construction activity last year.

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 2011-2020, 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. While these forecasts are for growth through 2029, there could be bumps on the way due to inflation, the interest rate environment and other broader macroeconomic 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.

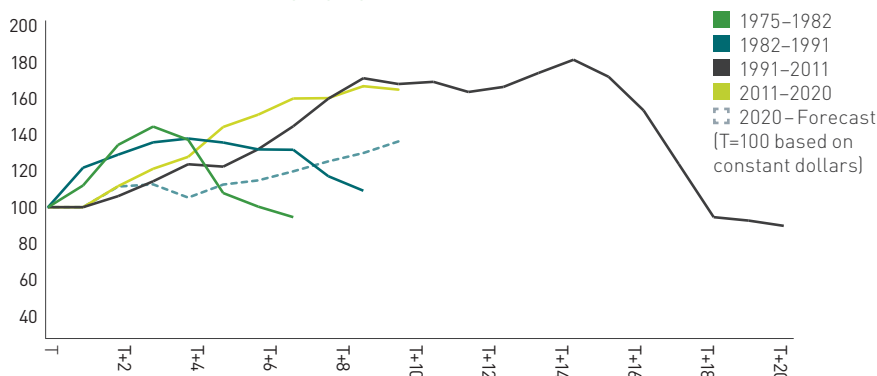
01 US market outlook

Industry rental revenue

2025	4%
2026	3%
2027	3%

Source: S&P Global Market Intelligence (May 2025)

02 Construction activity by cycle



Source: Dodge Data & Analytics (May 2025)

Canada

Canada is a 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. We are seeing continued market growth in 2025 and S&P Global Market Intelligence predicts Canadian rental revenue to grow 3% in 2025, 5% in 2026 and 8% in 2027.

We anticipate growing more rapidly as we take market share and broaden our offering.

Market share

We continue to grow our market share in North America 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 and collectively we have approximately 30% market share. In North America, most of the remainder of the market is made up of small local independent rental shops. For example, in the US, c. 50% of the market is represented by rental companies with five or fewer locations.

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 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.

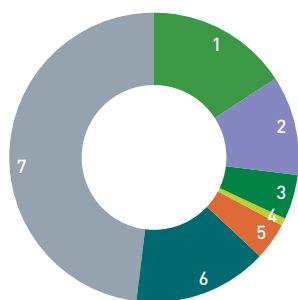
This market share analysis is based on the latest American Rental Association ('ARA') definition of the rental market, which incorporates a broad range of equipment, much of which is used in non-construction across a wide range of end markets. These markets include the facility maintenance, repair and 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, 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 continues to grow, our share will also increase. We continue to set ambitious targets with our longer-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 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.

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. 35% of North American revenue in 2024/25. 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.

03 North America market share



1 United Rentals	16%
2 Sunbelt	11%
3 Herc Rentals (inc. H&E)	5%
4 Home Depot	1%
5 Top 6-10	4%
6 Top 11-100	15%
7 Others	48%

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

Structural change

The rental market continues to undergo structural change. Rental penetration continues to deepen, with rental now core for customers rather than top-up, 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. Our business is more resilient and less cyclical as a result of this structural change.

Rental still only makes up to around 55% to 60% of the North American market compared to around 75% in the UK. However, this is a broad average with penetration levels ranging from low single-digit percentages to high double-digit percentages. For example, floor scrubbers have a low rental penetration whereas the rental penetration for large aerial equipment is over 90%. 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 North America.

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 structural progression 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 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.

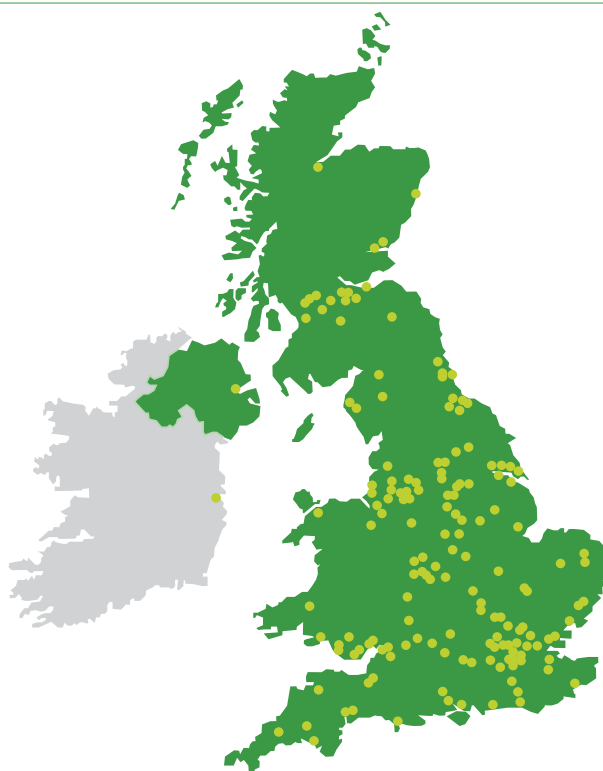
VDOS LOGISTICS: OPTIMISING OUR CUSTOMER DELIVERY SYSTEMS

The Sunbelt 4.0 enhancements to our VDOS (Vehicle Dispatch Optimization System) logistics application are providing intelligent load building and route planning for delivery vehicles.

The system provides alerts to customers and dispatchers, so our customer knows when their equipment will arrive and we know when a driver will be back at the branch. The combination of these features reduces the cognitive load on the dispatcher and allows them to focus on managing their driver team. Updates to the VDOS mobile application include the addition of commercial vehicle routing, improvements to our photo capture programme, and the ability for our drivers to enter equipment return information directly into VDOS. This enables the contract to be automatically closed, eliminating the need for a paper pickup ticket process. The system also makes it easier for vehicles to always be fully loaded, further adding to the efficiency of our transport. Equipment set for return can be allocated automatically to the branch closest to them, rather than where it necessarily came from. Together, these improvements to our logistics platform drive improved driver/vehicle utilisation and increase delivery/pickup capacity while reducing miles driven and the hours required to provide outstanding service to our customers.



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 through adding value to our customers by way of the services we provide, as well as improving operational efficiency. 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.

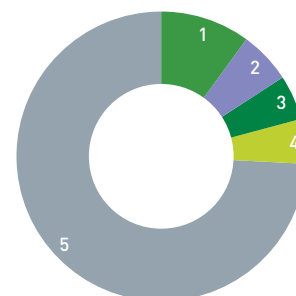
We continue to see significant opportunities in both construction and non-construction markets in the UK, as in North America. We will continue to invest responsibly in the UK market as we seek to increase market share and enhance returns.

Market share

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 04 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.

04 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

05 UK construction industry forecasts

£m	2023 Actual	2024 Actual	2025 Estimate	2026 Forecast	% of total
Residential	74,909	75,167 0.3%	77,427 3.0%	81,325 5.0%	36%
Private commercial	55,493	56,413 1.7%	56,919 0.9%	58,275 2.4%	26%
Public and infrastructure	80,394	79,976 -0.5%	81,144 1.5%	83,778 3.2%	38%
Total	210,796	211,556	215,490	223,378	100%

Source: Construction Products Association (Spring 2025)

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 North America and the UK. Our rental fleet ranges from small hand-held tools to the largest construction equipment. We have a platform which enables our customers to rent what they want, when they want and where they want with ease.

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



■ Powering the platform ■ Managing through the 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 20

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 20

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 21

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 20

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 21

**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 41

**OUR COMMUNITIES**

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

+ See more on page 41

**OUR INVESTORS**

Generating sustainable returns for shareholders through the cycle.

+ See more on page 41

**OUR ENVIRONMENT**

Working to ensure we provide environmentally friendly solutions.

+ See more on page 52

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.

DIVERSE MARKETS AND APPLICATIONS ANYTOWN NORTH AMERICA

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.



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



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



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



Providing temporary climate control solutions for retail premises and office buildings



Healthcare – Indoor Air Quality, facility maintenance, advanced climate control applications



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



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 32 and 37).

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 22.



Providing equipment for facilities management at a shopping complex



Designing bespoke lifting solutions for the construction of a new bridge



Providing traffic management solutions for engineering projects



Facilitating fit-out and ongoing maintenance at a power plant



Data centres – Power generation, load banks, temporary HVAC solutions, access, environmentally friendly focused solutions



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



Designing, erecting and dismantling scaffolding systems



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 North America 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 Specialty lines of business represent c. 35% of our North American rental 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. 60% of our revenue.

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 2025, in the US we dealt with approximately 800,000 customers, who generated

average rental revenue of \$10,300. 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

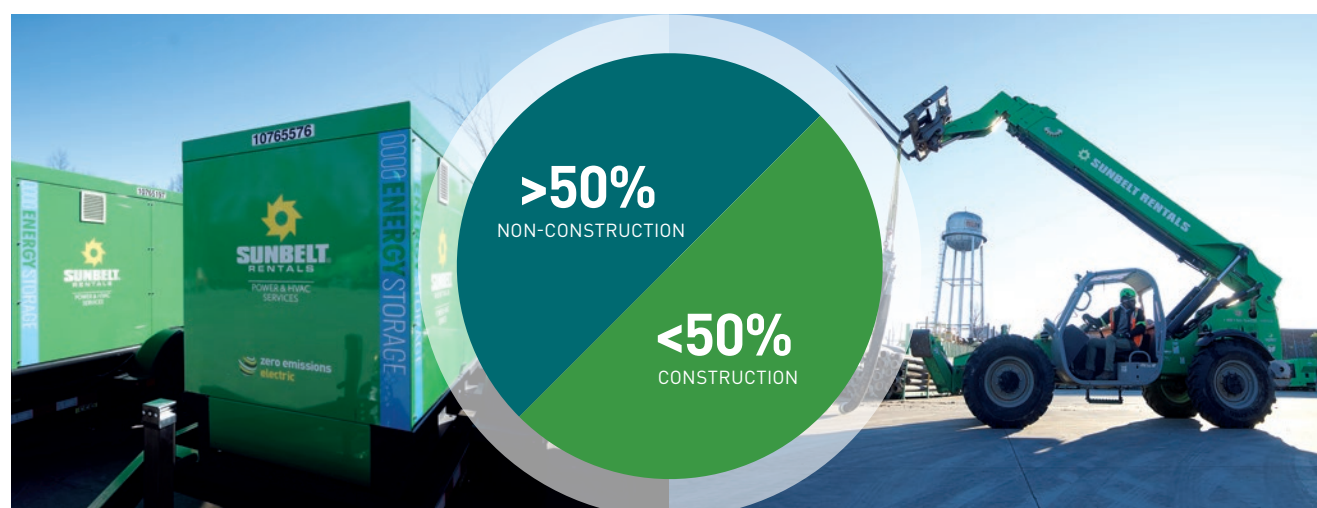
Our operating model is key to the way we deliver operational excellence:

- In North America, we achieve scale through a 'clustered market' approach of grouping large and small General Tool and Specialty rental locations in each market. We started this approach in the US, but have implemented a

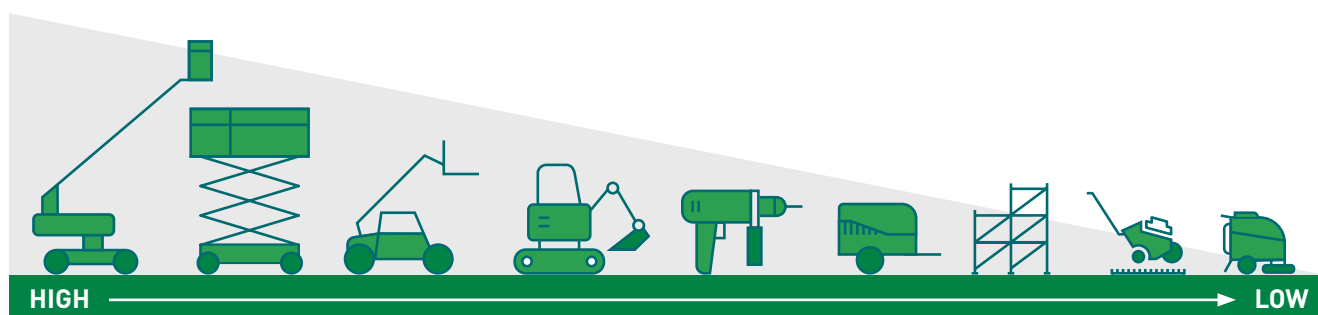
similar strategy in Canada as we have established our specialty service offering. Across North America, we seek to build fleet density around these clusters. This approach allows us to provide a comprehensive product offering and convenient service to our customers wherever their job sites may be within 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 25.

- 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 easily transfer fleet between locations which helps us achieve strong levels of fleet on rent, one of our key performance indicators ('KPIs').

06 Business mix – North America



07 Rental penetration – the product range



- 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 07 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 we have been implementing 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 60 to 63 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

Having launched our strategic plan, Sunbelt 4.0, last year, our focus is now on the implementation of this plan, our next level of ambition with purpose. 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

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 the 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 current 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

Sunbelt 4.0 actionable components

01 CUSTOMER



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

02 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

03 PERFORMANCE



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

04 SUSTAINABILITY



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

05 INVESTMENT



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

FOUNDATIONAL ELEMENTS

PEOPLE

PLATFORM

INNOVATION

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.

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 couple of years 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.

Actionable components

At the heart of Sunbelt 4.0, we are guided by five actionable components, powered by three foundational elements. We have called the actionable components Customer, Growth, Performance, Sustainability and Investment, and 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
01 CUSTOMER	<ul style="list-style-type: none"> Elevate our customer culture from centric to obsession Growing 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 adding new credit customers 	<ul style="list-style-type: none"> Return on investment Fleet on rent Dollar utilisation 	<ul style="list-style-type: none"> Economic conditions Competition People and culture
02 GROWTH	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Return on investment Fleet on rent Dollar utilisation Adjusted EPS 	<ul style="list-style-type: none"> Economic conditions Competition People and culture
03 PERFORMANCE	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Return on investment Fleet on rent Dollar utilisation EBITDA margins Adjusted EPS 	<ul style="list-style-type: none"> Economic conditions Competition People and culture Cyber security
04 SUSTAINABILITY	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Safety Carbon intensity Staff turnover 	<ul style="list-style-type: none"> Health and safety Environmental People and culture Laws and regulations
05 INVESTMENT	<ul style="list-style-type: none"> Target leverage range of 1.0 to 2.0 times net debt to EBITDA (excluding IFRS 16) 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 	<ul style="list-style-type: none"> Adjusted EPS Return on Investment Net debt and leverage 	<ul style="list-style-type: none"> Economic conditions Competition

01 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. We see it as our responsibility to enable their success.

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 118,000 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.

02 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 300-400 greenfield locations during Sunbelt 4.0.

To illustrate our opportunity, the fleet density map, Chart 08, 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:** \$76 of OEC per capita with 103 locations and being the third largest US rental market
- 2 Ontario:** \$40 of OEC per capita with 63 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 \$29bn to achieve the same level of fleet density throughout North America that we have in Florida.



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 are 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;

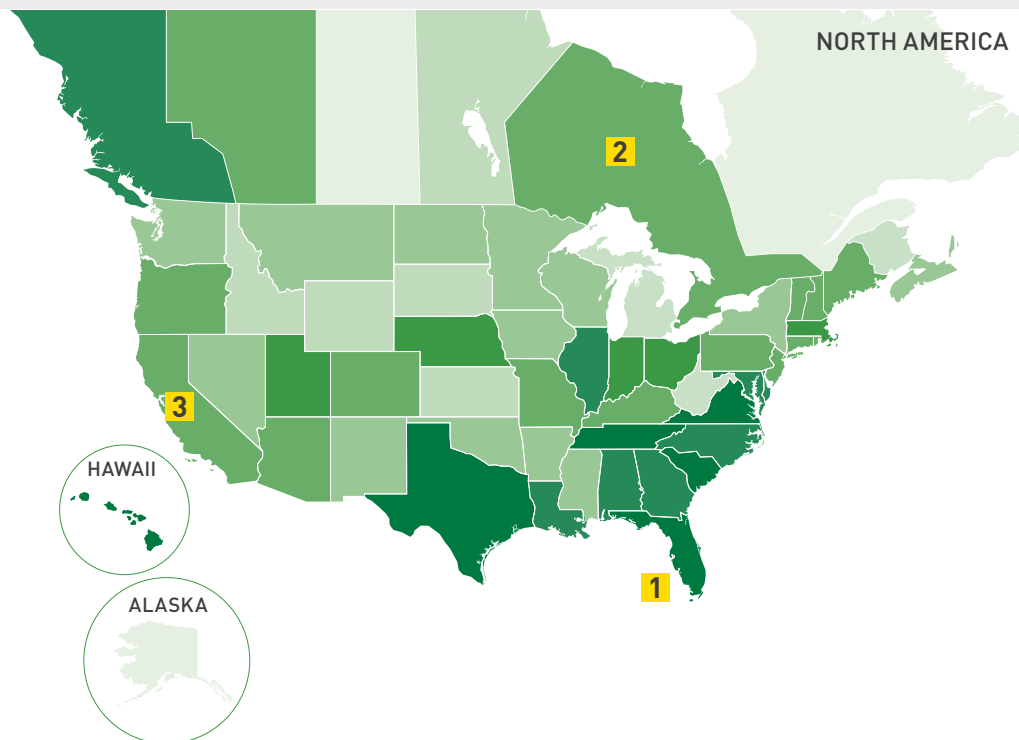
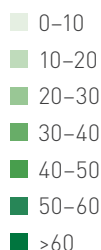
- Flooring Solutions;
- Pump Solutions;
- Trench Safety;
- Industrial Tool;
- Film & TV;
- Temporary Structures;
- Ground Protection;
- Temporary Fencing; and
- Temporary Walls.

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.



08 Fleet density

\$ OEC per capita



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 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		
	Top 25	26–50	51–100	101–210	Top 5	6–10	11–55
Rental markets							
Rental market %	56%	19%	16%	9%	49%	18%	33%
Cluster definition	>15	>10	>4	>1	>10	>7	>1
Clustered	21	12	26	29	4	2	9
Sunbelt 4.0 target	22 markets	15–17 markets	30–33 markets	39–48 markets	4–5 markets	3–5 markets	13–15 markets

03 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 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.



CONNECTED SOLUTIONS:

MANAGING OUR ASSETS IN THE MOST EFFECTIVE AND EFFICIENT WAY

Connected Solutions is the next generation of our telematics, which will soon be fully integrated within our reservation portal, as well as in the mobile service app, which our technicians use. The Connected Solutions portal offers proactive support where the health of our 300,000 connected assets is monitored through proactive alerts to help us identify any issue, allocate the right resources and optimise uptime. We can create a watch list of equipment by specific category, customer or for any eventuality, such as a big event, for example. The portal tracks all alerts on any piece of equipment, can prioritise them, so we deal with them in order of importance, and is able to visualise the equipment, where it is deployed and what is wrong with it. We can see exactly where equipment is located on a map within the system and its service status. Meanwhile, our Technician Resource Uptime Support Team (TRUST) offers field technicians real-time assistance with diagnostics and repairs. Our customers will also soon have access to this valuable data to benefit their own operations.



300k
connected assets
in our portal

04 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 set an updated target in the prior year 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 52.



Operations

- Committing to Scope 1 and 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

05 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 is underpinned by our 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