



PAUL WALKER
Chair

A YEAR OF DELIVERY AND GROWTH

Dear Shareholder

I am pleased to report that we have continued to see growth in all our markets which has produced another strong set of financial results.

Our ability to deliver this strong performance is a result of the successful execution of our Sunbelt 3.0 strategic plan and the dedication and outstanding team members we have in the business. It has been an incredibly busy year! So, I would like to thank all my colleagues for their commitment and excellence in serving our customers which has helped produce these record results.

Strategic progress

In April 2021 we announced our Sunbelt 3.0 strategy which clearly described the actionable components that would drive further growth in our business. We are now two-thirds of the way through this plan and I am delighted to report that we are ahead of where we expected to be at this stage.

Major legislation passed by the US government, which is referred to later in this report, has increased demand for our fleet in end markets that are already strong. We have been able to meet this demand by working closely with our suppliers to ensure that we have both the size and breadth of fleet that can meet our customer demands in what are increasingly diverse end markets.

Our focus on the size and breadth of our fleet is also critical as we continue to be successful in our cross-sell strategy between General Tool and our Specialty businesses, a key part of the actionable components of our 3.0 strategy.

To support this increased market activity in North America, we have opened 77 greenfield locations during the year and added a further 88 locations through 45 bolt-on acquisitions. Since the year end, we completed the acquisition of a leading Power and HVAC business based in Quebec, which expands our offerings and capabilities in this Canadian market where we are already an established supplier.

Our construction end market is becoming characterised increasingly by larger projects. These include projects such as electrical vehicle and battery plants, LNG plants and semiconductor facilities. We refer to these as 'mega' projects and we provide more information about mega projects on pages 26 to 27.

We are making excellent progress in the development of our industry-leading technology platform which will continue to enhance growth in the business. Over the course of the next six months, we will be releasing a number of new applications, which will enable us to deliver a more intuitive and connected service to our customers, as well as creating a number of efficiency opportunities to support our sustainability objectives. Our platform has also been designed to ensure that advances in AI can help further in our customer insight as well as our efficiency objectives.

A sustainable business model

Health and safety is the first priority in all aspects of our day-to-day life at Ashtead. The dedication of our team members who deliver outstanding service to our customers every day of every week, do so while ensuring safety, our leading value, is at the forefront of all that they do. I would like to thank all of our team members for their ongoing commitment to safety in our business. Our Engage for Life programme is a key contributor in how we embed safety into the daily lives of our team members and

so this year we launched Engage for Life 'Amplified', to help focus ongoing improvement in our safety procedures. I am delighted to report that our incident rate in North America remains the lowest it has been in the Group's history, and we have made similar progress in the UK.

I am pleased that earlier this year we published our first standalone Sustainability report and I would encourage shareholders to read this report, which provides detailed insight into the progress we are making. In particular, the report describes the lead we have taken in our industry to drive a number of key environmental initiatives working with both suppliers and customers to use our existing fleet in more sustainable ways. These initiatives are integral to our longer-term priority to have the most environmentally sustainable rental and transportation fleet.

We continue to make very good progress with our diversity, equality and inclusion initiatives. Our women's group, WISE (Women: Inspired, Supported, Empowered), was set up to support and empower our female team members. This group is having a significant impact on our organisation, and I would like to thank everyone who has dedicated their time to making this a success. We have also undertaken significant work this year to expand our veteran recruitment, making it more attractive for them to join and easier for them to thrive once part of our team.

Financing

One of the five actionable components of our strategic plan, Sunbelt 3.0, is dynamic capital allocation. An integral part of this is a strong balance sheet which provides a competitive position to take advantage of the structural growth opportunities evident in both existing and new markets that we serve. During August 2022 and January 2023 we accessed the bond markets in order to strengthen further our balance sheet and to ensure we have financial flexibility to take advantage of opportunities in the market. We issued \$750 million, 10-year, investment grade notes in August and January at a coupon rate of approximately 5.5%. Including these \$1.5 billion of bonds, our debt facilities are committed for an average of six years at a weighted average cost of 5%.

We continue to operate at the lower end of our target leverage range of 1.5 to 2.0 times net debt to EBITDA and we will continue to deploy capital in accordance with our capital allocation policy.

Dividends

We continue to have a progressive dividend policy which is designed to ensure sustainability through the economic cycle. Our current profit and cash generation are also factors that the Board consider when recommending the final dividend.

The Board have noted the Group's outlook and financial position as well as other stakeholders' interests and I am pleased to report that we are recommending a final dividend of 85.0¢ making 100.0¢ for the full year. The final dividend will be paid, if approved at the AGM, on 12 September 2023 to shareholders on the register on 11 August 2023.

Outlook

Our business continues to perform well benefitting from strong customer demand in our end markets. The continuing enhancements to our operational flexibility and significant investment in our fleet will ensure that we can capitalise on these growing and diverse end markets.

We have a strong balance sheet, a well-defined and proven go to market strategy, and an outstanding workforce. This positions us well for future growth.



PAUL WALKER

Chair, 12 June 2023

Highlights of the year

+24%

Revenue up 24%¹,
rental revenue up 22%¹

\$2,522m

Group operating profit of
\$2,522m (2022: \$1,948m)

\$2,273m

Group adjusted pre-tax profit
of \$2,273m (2022: \$1,824m),
an increase of 26%¹

388.5¢

Adjusted earnings per share
of 388.5¢ (2022: 307.1¢)

368.4¢

Earnings per share of 368.4¢
(2022: 280.9¢)

\$1,618m

Post-tax profit of \$1,618m
(2022: \$1,251m)

\$1.1bn

\$1,146m spent on bolt-on acquisitions
(2022: \$1,274m) and 77 greenfield
locations opened in North America

\$3.8bn

\$3,772m of capital invested in
the business (2022: \$2,397m)

\$531m

\$531m of free cash flow
generation
(2022: \$1,125m)

1.6x

Net debt to EBITDA leverage^{1,2}
of 1.6 times (2022: 1.5 times)

85.0¢

Proposed final dividend of
85.0¢, making 100.0¢ for the
full year (2022: 80.0¢)

¹ At constant exchange rates.

² Excluding the impact of IFRS 16.