

CHAIR'S LETTER



RESILIENCE AND DEDICATION

Dear Shareholder

It is now more than a year since the beginning of the global pandemic which has had such a profound impact on our personal and business lives. It has also been a period that has highlighted the quality of our leadership team and the dedication of our team members in both North America and the United Kingdom who have continued to provide an outstanding level of service to our customers and our wider stakeholder base.

The resilience of our business model has been truly tested and we are proud that under these challenging circumstances we have been able to deliver such a strong set of financial results. These results have been achieved without seeking government funding, shareholder support or making any COVID-19 related redundancies. We have also been operating in an environment where the safety and well-being of our colleagues has been paramount, and is consistent with our leading value that safety is at the forefront of what we do.

The culture and dedication of our team members has been critical for our customers and the communities we serve. As a designated essential business, in all of our markets, we have been able to support national and local government and the private sector in their response to the pandemic. Supporting first responders with vital equipment, establishing testing sites, ensuring that food services and telecommunication companies continued to operate are just a few examples of our colleagues helping in their local communities.

Progress

At the start of our financial year in May 2020 there was much uncertainty in our markets and so we made significant reductions in capital expenditure and operating costs to help strengthen our balance sheet. However our long-term stated strategy of broadening and diversifying our end markets as well as enhancing our product range created a more confident outlook as the year unfolded. As a result, in the US and Canada we opened 29 greenfield sites and completed five bolt-on acquisitions.

Also at the start of the year we rebranded our UK business as Sunbelt UK which has been hugely successful and has resulted in a more consistent service and product offering to our growing customer base.

In April 2021 we launched our new strategic plan, Sunbelt 3.0. This ambitious plan is designed to ensure the continued growth and sustainability of our business and builds on our significant market expertise. We believe there are many opportunities for growth in our chosen markets and you can read more about Sunbelt 3.0 later in this report.

Embedding sustainability

The opportunity to have a positive impact on our environment is a key component of our growth plan.

We are committed to providing to our customers the latest low and sometimes even zero-rated carbon equipment that is available. Focus on our environmental impact helps our customers who are also seeking ways to reduce their carbon footprint or carbon intensity. We can do this in a number of ways including investing in greener equipment and also helping our customers work in a more environmentally friendly way. For example, our solar powered light towers provide light for up to 60 hours, allowing our customers to operate during the night without any carbon emissions.

HIGHLIGHTS OF THE YEAR

+3%

REVENUE UP 3%¹
RENTAL REVENUE UP 1%¹

£1,135m

GROUP OPERATING PROFIT OF £1,135M
(2020: £1,224M)

£998m

GROUP ADJUSTED PRE-TAX PROFIT OF £998M
(2020: £1,061M), A REDUCTION OF 2%^{1,2}

166.0p

ADJUSTED EARNINGS PER SHARE OF 166.0P
(2020: 175.0P)

155.7p

EARNINGS PER SHARE OF 155.7P
(2020: 162.1P)

£697m

POST-TAX PROFIT OF £697M
(2020: £740M)

£125m

£125M SPENT ON BOLT-ON ACQUISITIONS
(2020: £453M) AND 30 GREENFIELD
LOCATIONS OPENED

£718m

£718M CAPITAL INVESTED IN THE BUSINESS
(2020: £1.5BN)

£1,382m

£1,382M OF FREE CASH FLOW GENERATION
(2020: £792M)

1.4x

NET DEBT TO EBITDA LEVERAGE^{1,2} OF 1.4 TIMES
(2020: 1.9 TIMES)

35.0p

PROPOSED FINAL DIVIDEND OF 35.0P
MAKING 42.15P FOR THE FULL YEAR
(2020: 40.65P)

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

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Change in reporting currency

The Board has decided that from 1 May 2021 the Group will report in US dollars. Approximately 80% of our revenue originates in US dollars and therefore reporting in US dollars should allow for a clearer understanding of our financial performance for investors and other stakeholders.

Dividends

Our progressive dividend policy is designed to ensure sustainability through the economic cycle while always taking into account both underlying profit and cash generation in the period.

I am pleased to report that having taken into account the Group's outlook and financial position and other stakeholders' interests, including our decision not to

access government funding, your Board is recommending a final dividend of 35.0p making 42.15p for the full year. Assuming the dividend is approved at the Annual General Meeting ('AGM'), it will be paid on 21 September 2021 to shareholders on the register on 20 August 2021.

Outlook

As ever I am very grateful to my fellow Board colleagues for their wise counsel and support during this extraordinary time. I would also like to thank my colleagues around the Group for their incredible dedication during the year. Despite the personal and work challenges many have faced, their spirit and determination to provide an outstanding service to our customers has been exemplary.

We have a strong business model and a clear growth strategy for the next three years articulated in our Sunbelt 3.0 plan, characterised by 'Ambition with Purpose'. That, coupled with our strong balance sheet and the diversity of our products, services and end markets, positions us well for future growth recognising that for a while uncertainty is likely to remain in some of our markets.



PAUL WALKER
Chair, 14 June 2021