2020/21 HIGHLIGHTS

REVENUE (£M)

£5,031m

2021	5,031
2020	5,054
2019	4,500
2018	3,706
2017	3,187

PROFIT BEFORE TAXATION (£M)

£936m

2021	936
2020	983
2019	1,059
2018	862
2017	765

ADJUSTED PROFIT BEFORE TAX (£M)

£998m

2021	998
2020	1,061
2019	1,110
2018	927
2017	793

EPS (P)

155.7p

2021	155.7
2020	162.1
2019	166.1
2018	195.3
2017	100.5

ADJUSTED EPS (P)

166.0p

2021	166.0
2020	175.0
2019	174.2
2018	127.5
2017	104.3

815,000
CUSTOMERS

760,000+
METRES OF BARRIERS ASSEMBLED

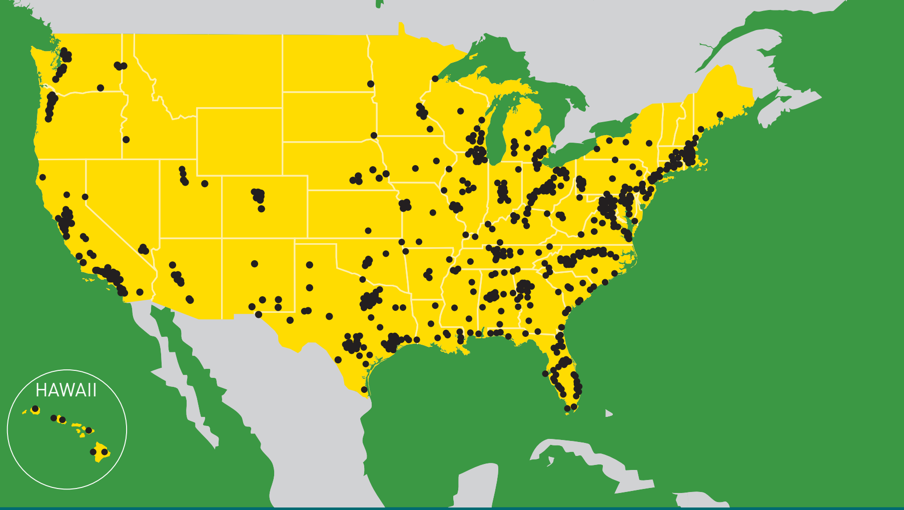
43bn+
BTU/HR OF HEATING DELIVERED

800,000+
RENTAL ASSETS

310m+
MILES TRAVELLED FOR DELIVERY AND SERVICES

1,650,000+
SMALL TOOLS RENTED

OUR GROUP AT A GLANCE



An international network of equipment solutions and services

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

PURPOSE

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

+ **See more on page 18**

STRATEGIC COMPONENTS

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

+ **See more on page 24**

CULTURAL ELEMENTS

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

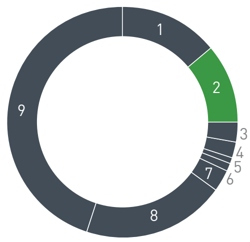
+ **See more on page 54**

US

The second largest equipment rental company in the US with 861 stores

Revenue	**$5,418m**
Segment result	**$1,445m**
Return on investment[1]	**20%**
Stores	**861**
Employees	**13,553**
Fleet size	**$9,827m**

MARKET SHARE[2]

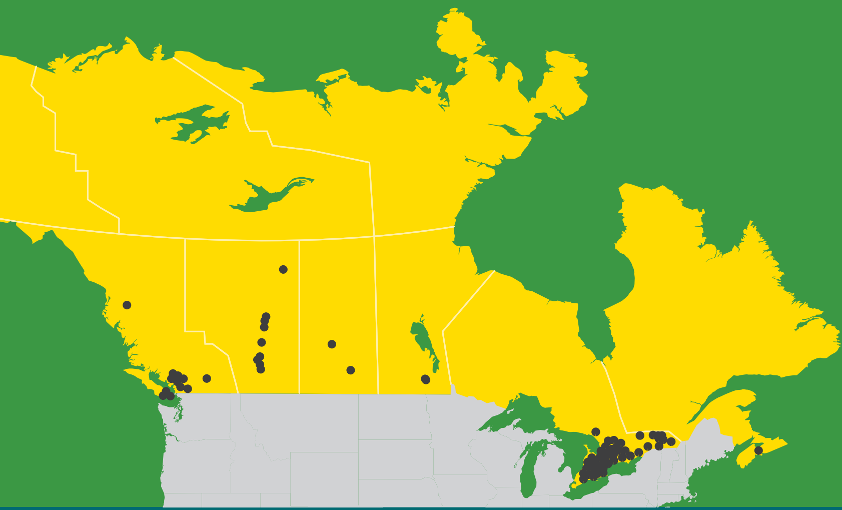


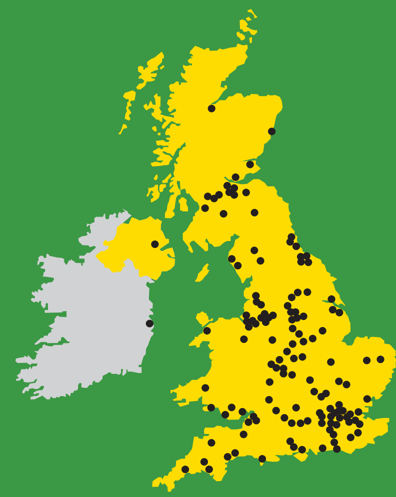
1 United Rentals.... 14%
2 Sunbelt 11%
3 Herc Rentals.........3%
4 Home Depot 2%
5 Ahern 1%
6 H&E........................1%
7 Top 7–10 ....3%
8 Top 11–100 ....c. 20%
9 Others ....c. 45%

FLEET COMPOSITION[3]

Mobile elevating work platforms	**34%**
Forklifts	**21%**
Earth moving	**13%**
Pump and power	**12%**
Scaffold	**2%**
Other	**18%**

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



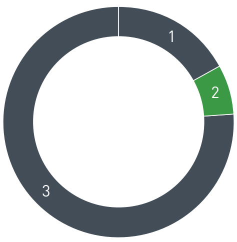


CANADA

Market share of 7% in Canada with 77 stores

Revenue	**C$501m**
Segment result	**C$98m**
Return on investment[1]	**16%**
Stores	**77**
Employees	**1,479**
Fleet size	**C$938m**

MARKET SHARE[2]



1 United Rentals 17%
2 Sunbelt 7%
3 Others 76%

FLEET COMPOSITION[3]

Mobile elevating work platforms	**31%**
Earth moving	**13%**
Forklifts	**10%**
Pump and power	**8%**
Other	**38%**

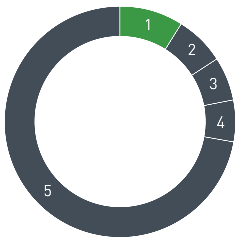
1 Excluding goodwill and intangible assets.
2 Source: Management estimate, excluding WFW, based on IHS Markit market estimates.
3 Source: Management information.

UK

The largest equipment rental company in the UK with 188 stores

Revenue	**£635m**
Segment result	**£61m**
Return on investment[1]	**10%**
Stores	**188**
Employees	**3,777**
Fleet size	**£914m**

MARKET SHARE[2]



1 Sunbelt 9%
2 Speedy 7%
3 HSS 6%
4 VP 6%
5 Others.................. 72%

FLEET COMPOSITION[3]

Accommodation	**16%**
Earth moving	**14%**
Panels, fencing and barriers	**11%**
Mobile elevating work platforms	**10%**
Forklifts	**10%**
Pump and power	**5%**
Formwork and falsework	**3%**
Traffic	**2%**
Other	**29%**

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

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.

> **The culture and dedication of our team members has been critical for our customers and the communities we serve.**

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.

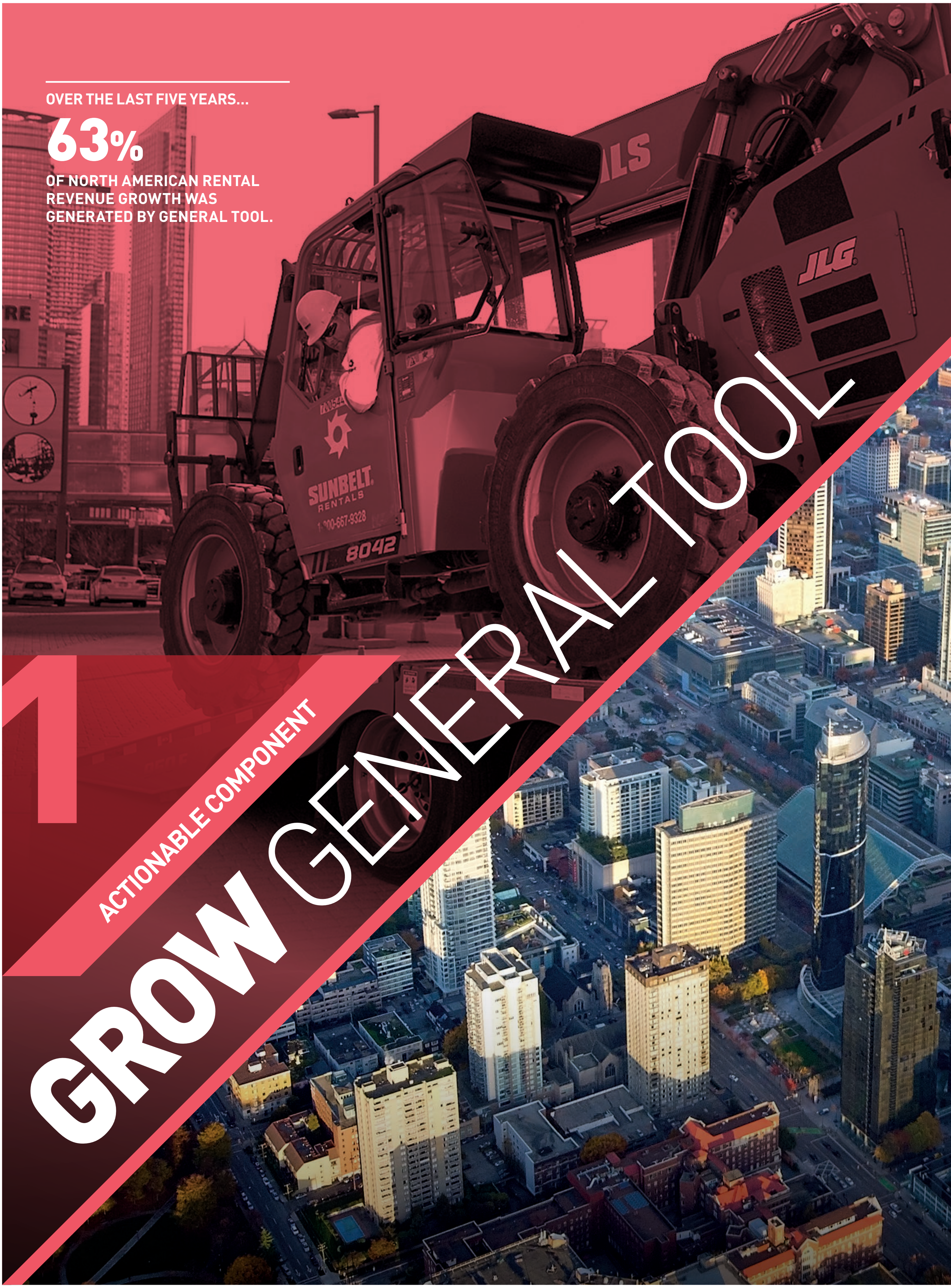
I am pleased to report that having taken into account the Group's outlook and financial position and other stakeholders' interests, including our decision not to access government funding, your Board is recommending a final dividend of 35.0p making 42.15p for the full year. Assuming the dividend is approved 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.

PAUL WALKER
Chair, 14 June 2021



OVER THE LAST FIVE YEARS...

63%

OF NORTH AMERICAN RENTAL REVENUE GROWTH WAS GENERATED BY GENERAL TOOL.

1 ACTIONABLE COMPONENT

GROW GENERAL TOOL

AND ADVANCE OUR CLUSTERS

Advancing our clustered market approach to meet demand and enable increased rental penetration in North America while optimising our operational network in the UK.

- LEVERAGE CLUSTER ECONOMICS
- SAME-STORE FLEET INVESTMENT
- GREENFIELD OPENINGS
- ACCRETIVE BOLT-ON M&A
- DRIVE OPERATIONAL EXCELLENCE

c. 55%
OF GROWTH EXPECTED TO ARISE FROM EXISTING LOCATIONS DURING SUNBELT 3.0

126
GREENFIELD GENERAL TOOL LOCATIONS PLANNED TO OPEN BY THE END OF FY 2024

23
US MARKETS ADVANCED TO CLUSTER STATUS BY THE END OF SUNBELT 3.0

10%
PROJECTED CANADIAN MARKET SHARE BY THE END OF FY 2024

STRATEGIC REVIEW

RESILIENCE AND GROWTH DESPITE DIFFICULT TIMES

The world has been through the most difficult period we have known for many years. When COVID-19 first appeared, not many people foresaw that we would still be dealing with it well into 2021. The pandemic has clearly impacted our business, but Ashtead is a business built to withstand hard times and this past year has seen our strategy and business model put through the toughest of tests. The diversification of the business continues to pay off and we have performed well, both operationally and financially, despite the impact of COVID-19.

We made a decision early on in the pandemic that our priority was to all our stakeholders, our people, our customers, our investors and our communities, but our people first and foremost. We recognised quickly that this crisis was very different to the financial crisis of 2008/09. We have long focused on diversifying the business to be less reliant on construction, strengthening our balance sheet to fund and support our business model and growth at the right point in the cycle, and investing in people, technology and system improvements. While COVID-19 was completely different, we had confidence in our business and its free cash flow characteristics in a downturn.

We modelled a number of scenarios for the business, making sure we had in place what was needed, with good disciplined cost management and cash preservation in place and deciding early on that we would be there for our people.

We have a team of c. 19,000 people for whom we immediately removed the fear of furlough and lay-offs so they were able to focus on our customers and continue doing what they do best. Not only did we remove any fear of furlough or lay-off, we provided additional support through additional paid time off for COVID-19 related reasons, discretionary bonuses and a 2% pay rise for skilled trade team members. Now we have brought forward a c. 6% pay rise for skilled trades in North America to June 2021 to address the labour pressures we are encountering. We felt we did not need any of the government subsidies or support schemes available and this approach enabled us to be there for all our staff, customers, investors and communities. It meant that despite difficulties, we gained meaningful market share because we were there for our customers, we were deemed essential in all geographies and as a result there was even greater trust in our service. That was a simple thing to do but we believe it became a material ingredient in our success over the year. We were able to improve on our relative position because of the decisions we made early on in the COVID-19 crisis.

We saw industry-leading performance with resilience in our General Tool segment and ongoing growth in our Specialty businesses, which reinforces the clear structural opportunities that will fuel our future growth. Our revenue performance and continued cash and operating cost discipline throughout the year delivered record free cash flow of £1,382m. This contributed to reducing our debt and lowering leverage to 1.4 times net debt to EBITDA, at the bottom of our target range. Group rental revenue was £4,473m, an increase of 1% compared to last year. However, margins decreased compared to last year reflecting, in part, our decision not to make any team members redundant as a result of COVID-19, nor reduce pay levels or take advantage of any government support programmes.

Throughout this time, we continued to invest in the business, including our technology platform and our rental fleet to ensure it was serviced, well maintained and rent-ready in advance of the recovery in activity. Furthermore, in addition to not reducing pay levels, we continued to pay bonuses and made additional discretionary payments to our skilled trade workforce as a mark of thanks for their hard work and dedication in working safely in a far from easy COVID-19 environment.

"We made a decision early on in the pandemic that our priority was to all our stakeholders, our people, our customers, our investors and our communities, but our people first and foremost.

Adjusted pre-tax profit was £998m, down 2% from last year at constant exchange rates. Our organic expansion continued with 30 greenfields added.

US rental and related revenue was 2% lower than last year at $4,933m. We continued to invest in the business, particularly in our technology capabilities. These factors enabled us to not only maintain customer service levels, but improve them and take market share.

In Canada, rental and related revenue was 21% higher than a year ago at C$436m. This includes the impact of William F. White ('WFW') acquired in late 2019. The WFW business was severely affected by the pandemic but bounced back strongly once production resumed in August and generated record revenue in the last quarter.

UK rental and related revenue was 18% higher than a year ago at £481m. This was a strong performance as the breadth of our product offering and commitment of our team members enabled us to support all our existing and new customers, and provide essential support in the national response to COVID-19. Our support for the Department of Health accounted for around 29% of revenue. Our strong performance was also testament to the success of Project Unify which has brought the various UK businesses together under one brand identity and strategy.

We were excited to launch our new strategic plan in April 2021, Sunbelt 3.0, which has at its core, growth and resilience, the title of this Annual Report. It is an ambitious three-year growth plan that is rooted in the fundamentals of our business. It is comprised of five strategic actionable components supported by the strength of our culture, namely:

- grow our proven General Tool business;
- amplify our Specialty business;
- advance technology;
- lead with ESG (Environmental, Social and Governance); and
- dynamic capital allocation.

We will add 298 new locations in North America over the course of the plan to give us 1,234 locations in North America. We will then be present in every US state except Montana, Wyoming and Alaska and in all Canadian provinces. The UK business will undergo an ambitious transformation through Project Unify and we plan to go from being among the leaders, to the absolute leader in the industry in the UK, with returns to match. Sunbelt 3.0 will lead to growth in our workforce, growth for the new customers we will be able to serve, growth for our supply chains, in the communities we will be investing in and of course, for our investors.

Our plan is driven by our customers' increasing reliance on our abilities to invest quickly when we need to and they need us to, to enable them to build, repair, replace and improve. Our purpose is to enable our customers to do whatever they need to do with our help. As part of our wider commitment to our communities, for the first time we are including ESG priorities in our strategic plan. We are committing to reduce our carbon intensity by 35% by 2030 and by 15% during the three-year plan. Ashtead can make a significant contribution to improving the environment and we will discuss later in this report the crucial role of rental in reducing absolute carbon emissions. The detail of our Sunbelt 3.0 plan can be found on page 24.

Our core principle of safety has been tested this year more than ever before with the majority of our workforce continuing to work on-site. Our priority has been to safeguard Sunbelt's own essential service providers as well as our customers and members of the communities we serve. We have done so with a relentless focus on our safety and wellness platform – Engage for Life.

We continue to have the utmost confidence in our business, as demonstrated by our performance over the last year in the most difficult of circumstances and our ambitious and purposeful new Sunbelt 3.0 strategic plan.

IN THE STRATEGIC REPORT

OUR COVID-19 RESPONSE

Deemed an essential service provider during the COVID-19 pandemic, helping national and local governments, companies, organisations and communities cope during this emergency has been hugely important during the year. We have engaged with all our stakeholders, employees, customers, suppliers, communities and investors, whose feedback has been the driving factor in the actions we have taken. Keeping our people safe and secure, while also reducing their worry as much as we can, has been a key priority.

Our US Emergency Response Team ('ERT'), usually the heart of our disaster relief efforts, now also fields calls for COVID-19 assistance nationwide and coordinates our efforts. Similarly we have worked nationwide in the UK, directly for the government, delivering over 500 COVID-19 testing and vaccination sites. These have used over 66,000 traffic cones and signs, nearly 130km of fencing and barriers, and approximately 2,270 accommodation units and 1,500 tower lights. In North America we have been involved in setting up mobile testing sites, alternative care facilities, utility power backup, distribution points and temporary base camps on a massive scale. Equipment has included temporary lighting, temperature control equipment, barriers and traffic control signs, ground protection and air quality/purification equipment.

In Florida, for example, we set up a 250-person overflow hospital in Fort Lauderdale and a second in Jacksonville. These are for a first response company, Granny's Alliance, and have each included 25 generators of various size, 200 tons of air conditioning, 10,000 cubic feet/minute of air scrubbers, four forklifts and 12 light towers. Also in Florida, we have supported over a dozen testing facilities, each including a generator, air conditioning and air scrubbers. In New York we delivered equipment to over 45 drive through testing sites, for first responder Garner Environmental, including for each site a generator and heating, temporary lighting and material handling. We have seen similar set-ups across the country, including in Wisconsin, Minnesota, Washington and California.

One particular area where we have been a key supplier is air quality. Air scrubbers have been in high demand for their ability to remove harmful contaminants from the air. We have been involved in providing equipment to purify the air in hospitals, including creating negative air space within the wings of hospitals to help stop the spread of the virus. This type of equipment is also being used in schools, offices, film studios, commercial real estate, government buildings and food processing facilities.

We worked with a major US theme park and sports leagues to provide equipment enabling the set-up of COVID-19 'bubbles' to limit player and coach travel and interactions, so they could continue to play games even if without their fans. Equipment used included refuelling units, generators, dehumidifiers, air conditioners, ground protection and traffic safety items.

As part of our commitment to protecting our people and customers, in the US we joined the American Rental Association's ('ARA') Clean. Safe. Essential programme which has been aimed at raising awareness of the rental industry's commitment to safety best practices related to COVID-19. In the UK we launched our own lateral flow testing units, in collaboration with the Department of Health and Social Care, as part of the UK government's pilot scheme for businesses. We have developed three Mobile Welfare Vehicles into COVID-19 testing facilities, fully equipped with an external gazebo, screens, PPE and testing kits.

Going above and beyond in a crisis is fundamental to who we are and how we work at Ashtead.

OUR MARKETS

Our markets are evolving and our new strategic plan, Sunbelt 3.0, will take us into ever more markets, both by geography and function.

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

All our markets have been affected by the COVID-19 pandemic and the unprecedented actions taken by governments and the private sector to contain the virus. This does not change the long-term attractiveness of our markets and our opportunity to rent an ever-broader range of equipment. Although volumes were impacted adversely, this was mitigated, in part, by our response efforts throughout our business units but particularly our Specialty businesses. We are designated as an essential service in the US, UK and Canada in times of need, supporting government and the private sector in response to emergencies, including hurricanes, tornadoes and, most recently, a pandemic. Our response to the pandemic includes providing vital equipment and services to first responders, hospitals, alternative care facilities, testing sites, food services, telecom and utility companies, while continuing to service ongoing construction sites and increased facility maintenance and cleaning.

THE BREADTH OF OUR MARKETS

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

Construction is a core part of our end markets but we continue to see plenty of growth opportunity in general equipment and specialty businesses in areas such as events and building maintenance. A big change in recent years has been the increase in rentals taking place in ordinary square footage under roof applications every day, and we expect this trend to continue once lockdown measures are eased. As well as our COVID-19 work we also saw high demand for our emergency response services for which we are well known after working on so many natural disasters, including tornadoes and hurricanes, especially in the second quarter.

We are also seeing changes in the length of time that customers hold on to equipment. Large projects are longer and rental is now core to these rather than being more 'top up' in nature, as it used to be. We are also seeing customers holding on to equipment longer to move to the next job or project.

Construction

- Airports
- Highways and bridges
- Office buildings
- Data centres
- Schools and universities
- Shopping centres
- Residential
- Remodelling

Response

- Fire
- Hurricanes
- Flooding
- Tornadoes
- Winter storms
- Residential emergencies
- COVID-19
- Alternative care facilities
- Points of distribution
- Mobile testing facilities

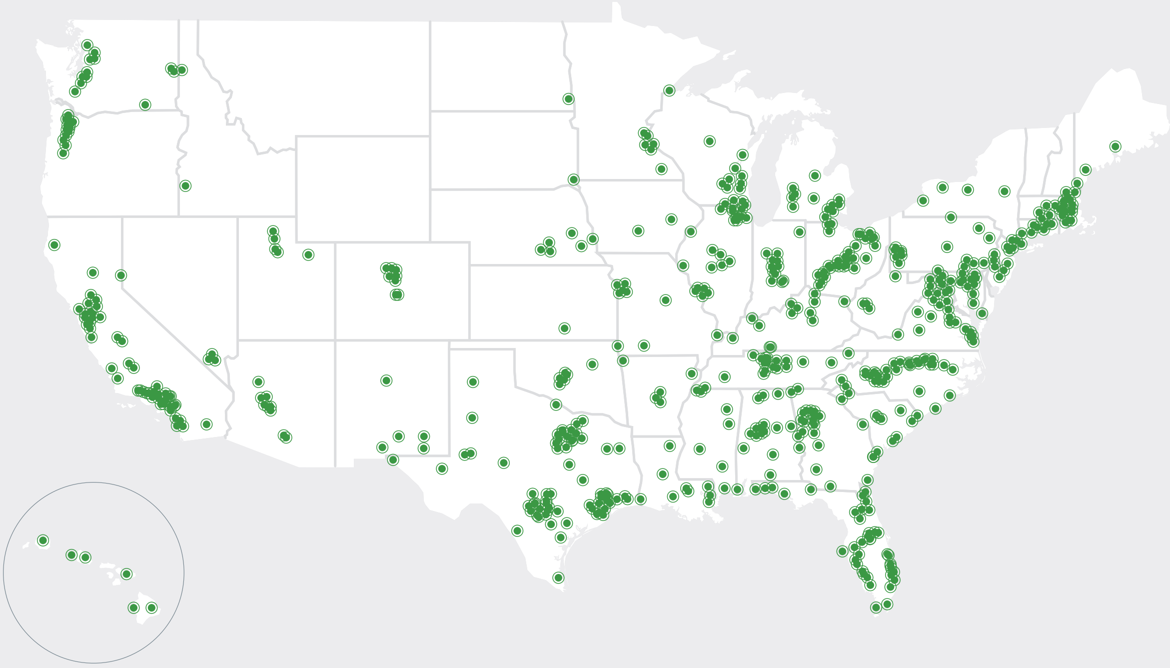
Facilities maintenance and municipalities

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

Entertainment and special events

- National events
- Concerts
- Sporting events
- Film/TV production
- Theme parks
- Festivals
- Farmers' markets
- Local 5k runs
- Cycle races

THE US



Our core US markets have been adversely affected by the impact of COVID-19. While the impact was immediate and quite severe, the longer-term prospects for rental and our products and services remain strong.

It is difficult to predict with any certainty in the current environment but rental industry forecasts are expecting a return to growth during 2021, after a significant retrenchment in 2020. We expect to perform better than the market as we expand our Specialty businesses and continue to take market share.

Dodge Data & Analytics show a put in place construction decline of 2% for 2021. This is expected to be followed by a consistent recovery in 2022 and 2023. Similarly, the rental market reduced by 9% but is expected to recover in 2021 and beyond. With forecasts like these, our business model becomes ever more attractive as our customers increasingly choose the flexibility of rental versus the long-term commitment and ongoing cost related to purchasing equipment.

We believe we are likely to see a change in focus of construction with the continued shift away from retail and lower demand for new hotels and office buildings but with increasing demand for data centres, distribution warehouses, infrastructure and office renovation. Lower construction activity will, in part, be mitigated by increased activity in non-construction markets such as office and residential remodelling. COVID-19 has resulted in virtually a complete shut-down of the events market, which is dependent on large gatherings of people. While we expect this market to return, it will be a slow build-back from where we are now. Oil and gas is only a very small part of our business and continues to be a reducing part.

"The markets we serve remain strong long-term, as both structural and cyclical trends are favourable.

01 US MARKET OUTLOOK (RENTAL REVENUE FORECASTS)

	2021	2022	2023
Industry rental revenue	+3%	+10%	+4%

Source: IHS Markit (May 2021).

THE US CONTINUED

The markets we serve remain strong long-term, as both structural and cyclical trends are favourable. 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 initial forecasts for the next cycle are more similar to the last two cycles although there is the potential for an infrastructure package to increase activity levels. Our opportunity is enhanced by the structural shift from ownership to rental and our ability to increase market share.

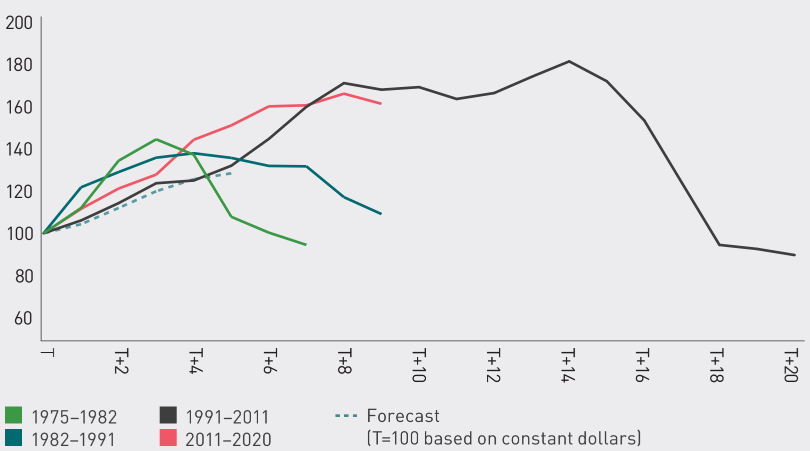
MARKET SHARE IN THE US

We continue to grow our market share in the US and even though we are the second largest equipment rental company, there remains plenty of room to grow as Chart 03 shows. Our major large competitors are United Rentals and Herc Rentals with 14% and 3% respectively. Home Depot, Ahern and H&E have shares of 2% or less. Most of the remainder of the market is made up of small local independent rental shops.

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

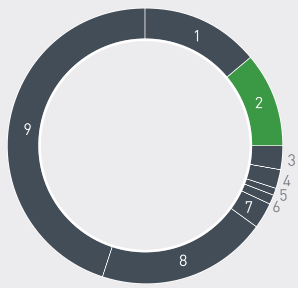
This market share analysis is based on the traditional definition of the rental market focused on construction. A significant market for us is facility maintenance, repair and operation characterised by square footage under roof. In the US there are 90bn square feet under roof and we believe this represents a potential rental market of $7-10bn, with minimal rental penetration at the moment. It is not a new market for us, but one with increasing opportunity as we

02 CONSTRUCTION ACTIVITY BY CYCLE



Source: Dodge Data & Analytics (May 2021).

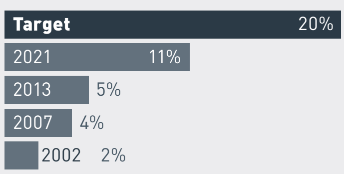
03 US MARKET SHARE



1 United Rentals ... 14%
2 Sunbelt ... 11%
3 Herc Rentals ... 3%
4 Home Depot ... 2%
5 Ahern ... 1%
6 H&E ... 1%
7 Top 7-10 ... 3%
8 Top 11-100 ... c. 20%
9 Others ... c. 45%

Source: Management estimate based on IHS Markit market estimates.

04 US MARKET SHARE DEVELOPMENT



Source: Management estimates.

demonstrate the benefits of rental through Availability, Reliability and Ease. One consequence of this is that we believe the size of the rental market is understated and hence our, and everyone else's, market share is overstated. This only serves to increase the opportunities for growth.

We are confident that as the market grows, our share will also increase. We have a good track record of success, having more than doubled our market share since 2010. We continue to set ambitious targets for market share, increasing our long-term market share target to 20%. The speed with which we increase our market share is in part a function of how quickly we can get new locations up and running. However, as noted above, our market share growth also comes from continuing to broaden both our end markets and the range of equipment we have available to rent in each location (more on this in our strategy section on page 24).

The combination of our business model, which you can read more about on page 18, the continued attractiveness of our markets and the long-term trend to rental, provides the perfect environment for us to achieve our goals. In addition, our market share gains accelerate as we make the most of our scale advantages. Being there for our customers and trusted to deliver, also brought us share during the pandemic.

As we increase our market share and grow our Specialty businesses, they become a greater proportion of the business mix across the cycle. 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.

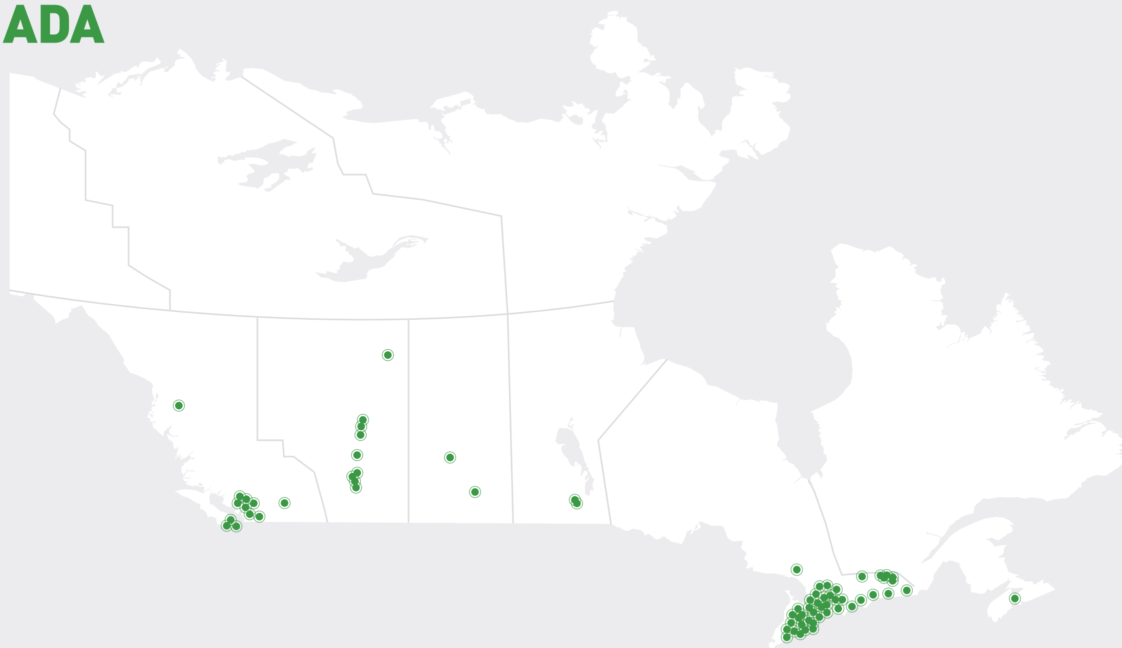
THE TREND TO RENTAL

The trend of rental penetration in the US continues to be positive for the industry as our customers have become accustomed to the flexibility of an outsourced model. Between 2010 and 2021, increased rental penetration effectively grew our end market by c. 25%. We see this trend continuing, which will provide similar levels of market growth over the coming years. Rental still only makes up around 55% of the US market compared to around 75% in the UK. However, this is a broad average with penetration levels ranging from low single-digit percentages for, say, floor scrubbers to 90%+ for large aerial equipment. We like specialty products because they are at the low end of this range, which provides greater scope for growth. We see the potential market penetration for rental equipment to be well over 60% in the US. The drivers of this evolution include the significant cost inflation in recent years associated with the replacement of equipment, technical changes to equipment requirements and health, safety and environmental issues which make rental more economical and just easier. For example, environmental regulations have driven further rental penetration through the reduction in fleet size by those customers who previously may have chosen to own some, if not all, of their larger equipment needs. Customers and smaller competitors with older fleets are faced with heavier replacement spend causing them to either replace less and rent or reduce their fleet size. Furthermore, the difficulties of getting to grips with new technology and maintenance requirements have also caused more operators to decide to rent. Maintaining optimally-serviced and therefore safe equipment can be a big outlay for a smaller operator. Therefore we continue to invest in keeping our fleet in the best condition it can be to take advantage of the increased demand for rental. Uncertain market conditions also make it far more attractive to rent than buy. The diversity of our fleet helps us take advantage of this increasing trend to rental and we continue to expand the range of products we rent.

Our customers often assume we will be able to fulfil their equipment needs with a rental product for an ever-widening range of applications. If your fleet consists of equipment which is already predominantly rented and hence, have high rental penetration like telehandlers and large booms, you are not necessarily benefitting from increased rental penetration as it is probably as high as it is likely to get. However, if you have a broader mix of fleet, then there is significant further upside to come from increased rental penetration.

Our development and use of technology is also driving rental penetration. Our highly sophisticated proprietary customer management, inventory and delivery tracking systems enable us to make our customers' rental experience one of Availability, Reliability and Ease. Our customers are increasingly willing to rent different types of equipment from us, more often. More on this in the section on strategy on page 24.

CANADA



Canada is a relatively new and growing market for us.

The existing 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 in the longer-term. Our share of the Canadian rental market is around 7%. There is plenty of scope to develop this in the same way as in the US and we are growing rapidly. Although the market has been affected in the near-term as a result of COVID-19, the longer-term prospects for the market remain strong. We have seen continued market growth in 2021 and IHS Markit predicts Canadian rental revenue to grow 12% and 8% in 2022 and 2023. We anticipate growing more rapidly as we take market share and broaden our offering.

From our humble beginnings in western Canada, we have grown to 12 locations in the Vancouver market. Key of course to delivering on our mantra of Availability, Reliability and Ease is convenience, proximity and diversity in our offering. We now have a significant presence in Ontario and have expanded in Edmonton, Calgary and Winnipeg. Beginning with a complement of General Tool businesses and adding Specialty into the mix to introduce cross-selling, our runway for growth in Vancouver and in the rest of Canada remains long.

The acquisition of William F. White ('WFW') in 2019 expanded our Specialty business into the provision of production set and on-site equipment, services and studio facilities to the motion picture, digital media and television industries. While this business ground to a halt when COVID-19 first hit, it has recovered well and we expect this to continue as well as delivering cross-selling opportunities in this space for the broader Sunbelt product offering. We are creating a strong platform from which to grow.

Excluding the impact of WFW, Sunbelt Canada's rental only revenue declined only 2% this year and in seven years we have gone from six stores to 77. The rental market has, to date, been construction focused, but we continue to develop new markets such as the film industry in Vancouver and Toronto. In addition, we have continued to expand our power and flooring solutions Specialty businesses. Customers who traditionally rented mainly mobile elevating work platforms ('MEWPs') are now renting smaller equipment as well. They are seeing increasingly the benefits of working with us to fulfil the full range of their rental needs. Our cluster approach (more on this in our section on strategy on page 24) also means we are able to be closer to our customers than has previously been the case.

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

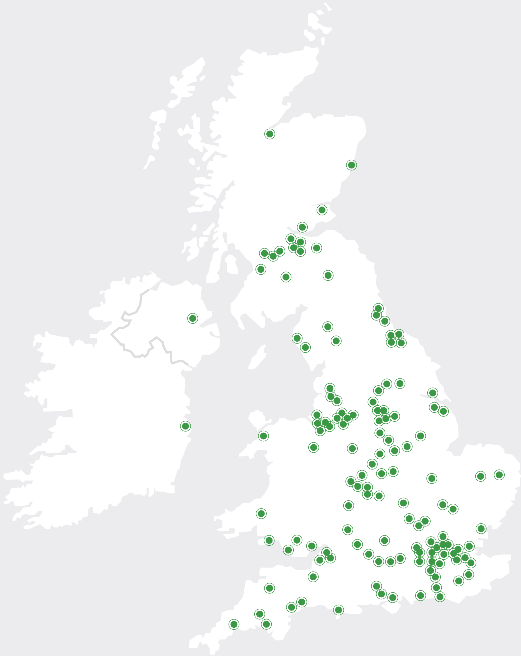
We have achieved our initial goal of a 5% market share in Canada and we are now looking towards the next milestone of 10% market share.

05 CANADA MARKET SHARE

1	United Rentals	17%
2	Sunbelt	7%
3	Others	76%

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

THE UK



The UK market is improving and we are ever more optimistic of improved returns.

Project Unify, under which all the UK businesses were brought together as Sunbelt Rentals, is already paying dividends as we outperform the market, leading, in particular, to gains in the ongoing construction and maintenance-related rental space. We remain in the early stages of forging our path to sustainable long-term results and returns, but are creating sustainable cultural change. The business is re-branded, re-focused and re-energised, with a joined up, cohesive approach to future growth opportunities. Our work for the Department of Health on the UK's COVID-19 response has also been a significant factor in the growth this year.

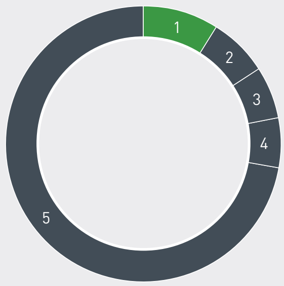
We continue to see significant opportunities in both construction and non-construction markets in the UK as in the US and Canada. We will continue to invest responsibly in the UK market as we seek to increase market share and enhance returns.

MARKET SHARE

We continue to be the largest equipment rental company in the UK. There are a greater number of major players in the UK market and, as the largest, we only have an 9% market share.

Chart 07 shows our key competitors and their share of the market. We believe we continue to be well-positioned in the market with our strong customer service, broad based fleet and strong balance sheet. Project Unify has already 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. We are excited by the potential we expect to uncover through our new strategic plan, Sunbelt 3.0.

07 UK MARKET SHARE



1 Sunbelt 9%
2 Speedy 7%
3 HSS 6%
4 VP 6%
5 Others 72%

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

06 UK CONSTRUCTION INDUSTRY FORECASTS

(£ million)	2019 Actual	2020 Actual	2021 Estimate	2022 Forecast	% of total
Residential	60,141	51,096	55,848	60,902	34%
		-15.0%	9.3%	9.0%	
Private commercial	41,984	40,937	44,058	46,664	26%
		-2.5%	7.6%	5.9%	
Public and infrastructure	69,354	57,953	69,415	70,607	40%
		-16.4%	19.8%	1.7%	
Total	171,479	149,986	169,321	178,173	100%
		-12.5%	12.9%	5.2%	

Source: Construction Products Association (Main scenario: Spring 2021).

OUR BUSINESS MODEL

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.

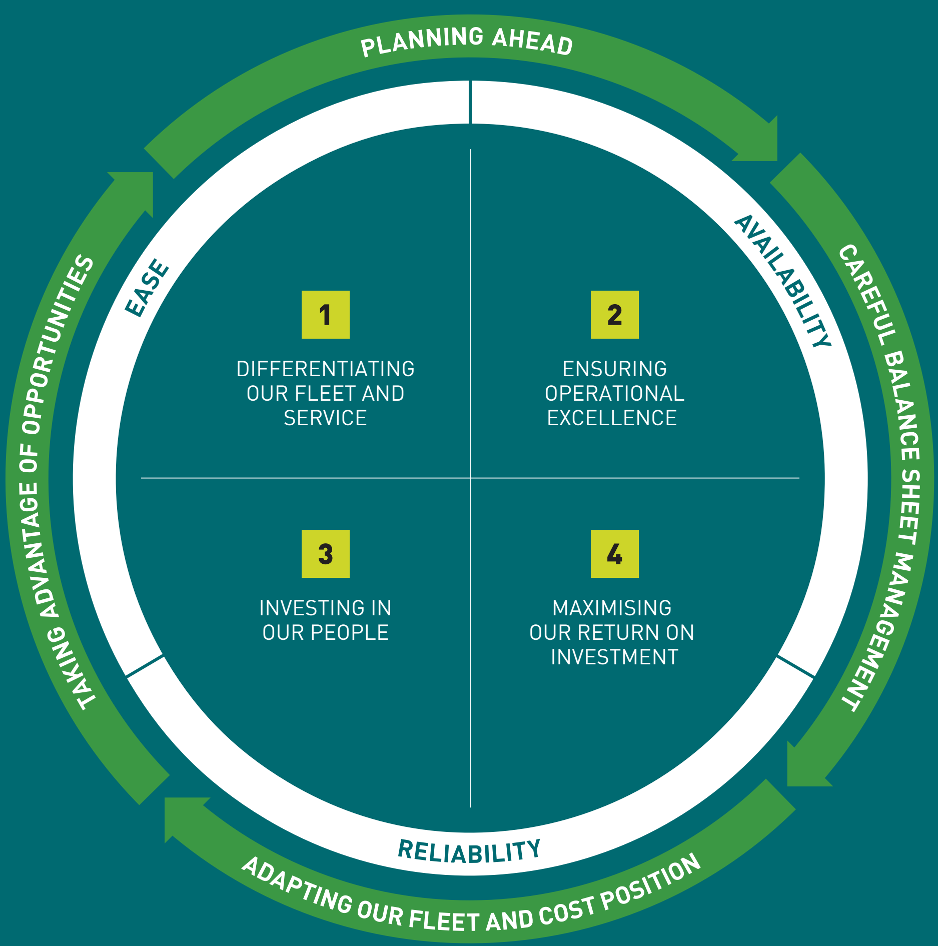
RENT

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



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 21

CREATING VALUE FOR OUR STAKEHOLDERS

Our customers
The provision of cost-effective rental solutions to a diverse customer base.

+ See more on page 22

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

+ See more on page 54

Our investors
Generating sustainable returns for shareholders through the cycle.

+ See more on page 20

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

+ See more on page 54

Our suppliers
Developing long-term relationships with suppliers.

+ See more on page 43

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

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

MANAGING THROUGH THE CYCLE

We describe ourselves as being a late cycle business in that our biggest end market, non-residential construction, is usually one of the last parts of the economy to be affected by a change in economic conditions. This means that we usually have a good degree of visibility on when we are likely to be affected, as the signs will have been visible in other parts of the economy for some time. We are therefore able to plan accordingly and react in a timely manner when necessary. While unable to plan for a 'black swan' event such as COVID-19, we were expecting a slow-down in construction markets and were planning accordingly with lower levels of capital expenditure. As a result of COVID-19, we accelerated these plans, enabling us to respond immediately and adapt our business to the changing environment. Under normal circumstances the key to the execution of our model is the planning we undertake to capitalise on the opportunities presented by the cycle. The opportunities are for both organic growth, through winning market share from less well-positioned competitors, and positioning ourselves to be able to fund acquisitive growth if suitable opportunities arise. The actions we have taken following the onset of the COVID-19 pandemic are all focused on how we ensure we are better positioned and stronger than our competitors to take advantage of market changes as we come out of the other side. See content on our strategy on page 24.

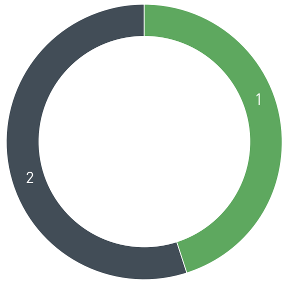
DIFFERENTIATING OUR FLEET AND SERVICE

The differentiation in our fleet and service means that we provide equipment to many different sectors. Construction continues to be our largest market but now represents around 45% of our business in the US as we have deliberately reduced our reliance in this area. We continue to develop our specialty areas, such as Power and HVAC, Climate Control and Air Quality, Scaffold Services, Shoring Solutions and Flooring Solutions, which represented 26% of our US business. 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. 55% of our business.

Our customers range in size and scale from multinational businesses, through strong local contractors to individual do-it-yourselfers. Our diversified customer base includes construction, industrial and homeowner customers, service, repair and facility management businesses, emergency response organisations, 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 2021, Sunbelt US dealt with over 650,000 customers, who generated average revenue of $7,500.

The individual components of our General Tool fleet are similar to our peers. However, this is complemented by our Specialty businesses offering a broad range of differentiated equipment.

08 BUSINESS MIX – US



1 Construction 45%
2 Non-construction 55%

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.

HOW WE OPERATE

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

- In the US we achieve scale through a 'clustered market' approach of grouping large and small General Tool and Specialty rental locations in each of our developed markets. This approach allows us to provide a comprehensive product offering and convenient service to our customers wherever their job sites may be within these markets. When combined with our purchasing power, this creates a virtuous circle of scale. You can find out more on our cluster strategy on pages 26 and 27.

09 RENTAL PENETRATION: THE PRODUCT RANGE

- In Canada, we have focused initially on expanding our presence in the Western and Eastern provinces, whilst achieving scale through a clustered market approach similar to the US. The businesses we acquired have strong positions in construction equipment, mobile elevating work platforms and general tools. We are expanding the range of products available to customers in all areas, including building up our Speciality service offering.
- In the UK, our strategy is focused on having sufficient stores to allow us to offer a full range of General Tool and Specialty equipment on a nationwide basis. We are migrating to a regional operating centre model with a few, larger locations which are able to address all the needs of our customers in their respective markets, combined with smaller, local locations, not dissimilar to a cluster approach. This approach reflects the nature of the customer base (more national accounts) and the smaller geography of the UK.
- Across our rental fleet, we seek generally to carry equipment from one or two suppliers in each product range and to limit the number of model types of each product. We believe that having a standardised fleet results in lower costs. This is because we obtain greater discounts by purchasing in bulk and reduce maintenance costs. We are also able to share spare parts between stores which helps minimise the risk of over-stocking. Furthermore, we can easily transfer fleet between locations which helps us achieve strong levels of fleet on rent, one of our key performance indicators ('KPIs').
- We purchase equipment from well-known manufacturers with strong reputations for product quality and reliability and maintain close relationships with them to ensure certainty of supply and good after-purchase service and support. We work with suppliers to provide early visibility of our equipment needs which enables them to plan their production schedules and ensures we receive the fleet when we need it. However, we believe we have sufficient alternative sources of supply for the equipment we purchase in each product category.
- We also aim to offer a full service solution for our customers in all scenarios. Our Specialty product range includes equipment types such as pumps, power generation, heating, cooling, scaffolding, traffic management, temporary flooring, trench shoring and lifting services, which involve providing service expertise as well as equipment.
- We build our rental penetration through expansion of the types of equipment we rent. As well as our Specialty businesses, we are also increasingly focused on developing the rental penetration of the smaller end of our product range. Chart 09 shows how the largest equipment in our fleet has high levels of rental penetration while the smaller, but often still costly to own, equipment has not traditionally been a large part of the rental mix.
- We invest heavily in technology, including the mobile applications required to deliver efficient service as well as high returns. Customers can track the equipment they have on rent, place new orders, request pick-up or service or extend their contract remotely. Our sales reps have access to the same information, along with details of the location of our fleet and all other information required to serve the customer. Our order fulfilment system utilises automated workflows connected to and powering our point of sale and logistics systems to enable our sales reps to say 'yes' with increased confidence. Technology enables our business and provides power to the platform and a significant advantage over our competitors.
- Our large and experienced sales force is encouraged to build and reinforce customer relationships and to concentrate on generating strong, whole-life returns from our rental fleet. Our sales force works closely with our customers to ensure we meet their needs. Through the application of technology, it is equipped with real-time access to fleet availability and pricing information enabling it to respond rapidly to the needs of a customer while optimising returns.
- We guarantee our service standards and promise our customers we will make it happen. We believe that our focus on customer service and the guarantees we offer help distinguish our businesses from competitors and assist us in delivering superior financial returns. Our responsiveness to customer needs is critical in a business where c. 65% of orders are placed for delivery within 24 hours. We have long-standing relationships with many of our customers. Our customer retention is high due to the scale and quality of our fleet, our speed of response and our customer service.
- Our local management teams are experienced and incentivised to produce strong financial returns and high quality standards. We believe that the autonomy given to management teams to take decisions locally ensures that, despite our size, we retain the feel of a small, local business for our employees.

INVESTING IN OUR PEOPLE

Our people enable us to provide the exceptional customer service that keeps our customers coming back. Our exceptional staff and focus on service give us a huge competitive advantage in what we do. On pages 60 to 62, we discuss the importance of our team members and corporate culture in more detail. We aim to recruit good people and then invest in them throughout their careers.

ANYTOWN NORTH AMERICA

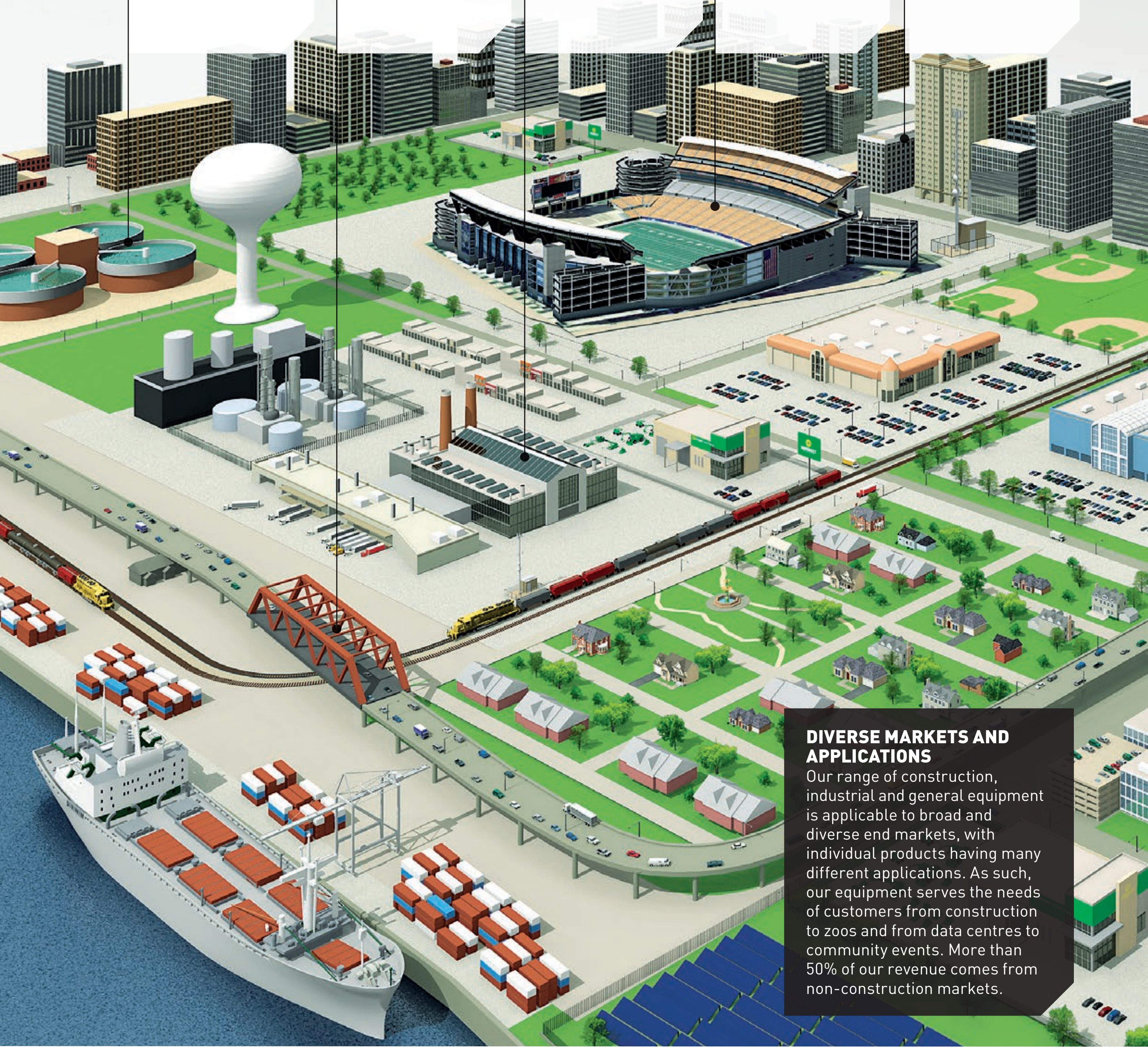
Managing the flow at a water treatment plant to enable the refurbishment of ageing infrastructure

Designing bespoke lifting solutions for the construction of a new bridge

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

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

Designing, erecting and dismantling scaffolding systems



DIVERSE MARKETS AND APPLICATIONS

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

Providing equipment for facilities management at a shopping complex

Providing traffic management solutions for engineering projects

Providing temporary climate control solutions for retail premises and office buildings

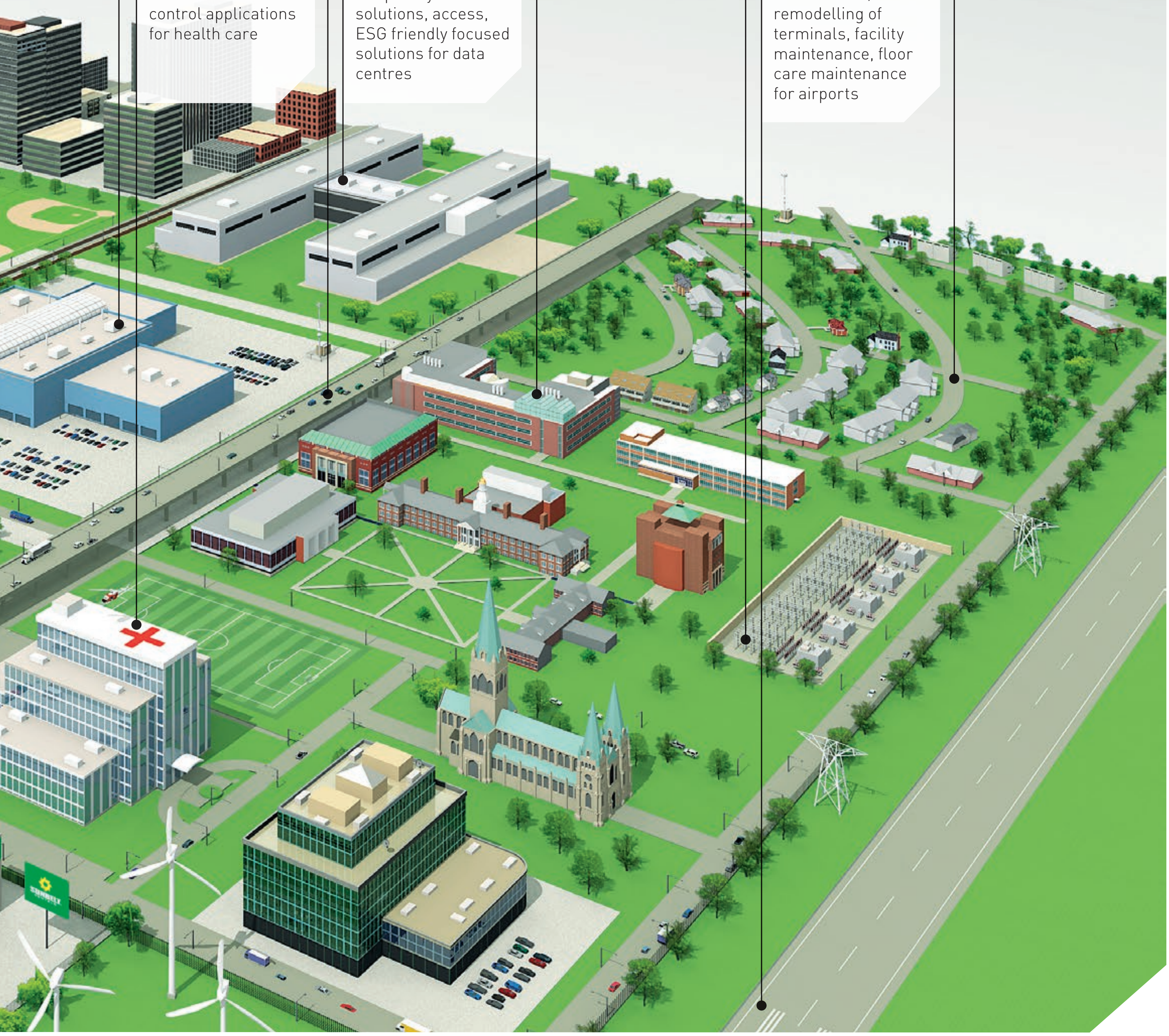
Facilitating fit-out and ongoing maintenance at a power plant

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

Indoor air quality, facility maintenance, advanced climate control applications for health care

Power generation, load banks, temporary HVAC solutions, access, ESG friendly focused solutions for data centres

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



OUR STRATEGY

Ambition with purpose – Sunbelt 3.0

This year we are excited to unveil the next iteration of our strategic plan, Sunbelt 3.0. We launched Sunbelt 3.0 in April 2021. This follows our successful Project 2021, during which we doubled our revenue from £2,546m in 2016 to £5,031m in 2021, despite the impact of COVID-19. Our new plan is ambitious and reflects what we believe is possible for Ashtead. Our plan is infused with purpose for all our stakeholders; our people, our customers, our suppliers, our investors and our communities and underpinned by critical cultural elements.

Our business, even under normal circumstances, is cyclical and we have created a business model that not only accommodates that, but which capitalises on it. We seek to make the most of the structural growth opportunities available to us, particularly in the US and Canada, through same-store investment, greenfields and bolt-ons.

From 2011 to 2021, we achieved 16% compound annual growth in the US, of which two-thirds was from market share gain. Now we plan to take the business to the next level, through Sunbelt 3.0.

We are conservative in our approach to maintaining a stable and secure balance sheet throughout the cycle and this enables us to maintain the flexibility we require to manage changes to the business and its environment, as and when they occur. We have been able to take decisions based on the long-term prospects for the business without having to take short-term decisions that damage the fabric of it. The past year of dealing with COVID-19 has demonstrated perhaps more than any other, our ability to not only withstand difficult market conditions, but actually to flourish under them. Being a highly diversified business enables that. We work well in good times and bad. That is what we do.

Our goal for Sunbelt 3.0 is to add 298 new locations across North America bringing us to a total of 1,234 locations in 2024, while in the UK, the focus is on transforming the business over the next three years to deliver enhanced and sustainable margins and returns. We intend to do this through five actionable components which will help us capitalise on the structural growth opportunities still very much available in North America and position us as the leading rental company in the UK. These are underpinned by three cultural elements that make us who we are; investing in our people, maintaining our entrepreneurial culture but doing that at scale, and continuing to bring Availability, Reliability and Ease to our customers.

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

ACTIONABLE COMPONENTS

1	GROW GENERAL TOOL AND ADVANCE OUR CLUSTERS	Advance our clustered market approach through a proven playbook to meet demand and enable increased rental penetration in North America while optimising our operational network in the UK.
2	AMPLIFY SPECIALTY	Drive accelerated growth through recently realised Specialty scale, unique cross-selling capabilities, and demand in the early phases of rental penetration.
3	ADVANCE TECHNOLOGY	Make the move from industry-leading technology platform, to a leader among the broader industrial and service sector; further improving our customer value proposition and capture the benefits of scale across the Group.
4	LEAD WITH ESG	Embracing responsible sustainability and success for our people, our customers, our communities and our investors; while unlocking structural benefits ESG will bring to rental across the Group.
5	DYNAMIC CAPITAL ALLOCATION	Consistent application of our capital allocation policy to optimise capital deployment for the benefit of all stakeholders.

UNDERPINNED BY CULTURAL ELEMENTS

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

OUR SUNBELT 3.0 STRATEGIC PRIORITIES

STRATEGIC PRIORITY	KEY INITIATIVES	UPDATE	RELEVANT KPIs	RELATED RISKS
1 Grow General Tool and advance our clusters	– Organic fleet growth – Bolt-on M&A – Increasing store maturity	– 11% US market share – 7% Canadian market share – 9% UK market share – US average fleet on rent consistent with prior year – 2% decrease in Canadian fleet on rent – 29 greenfield openings in North America – $171m spent on US acquisitions	– RoI – Fleet on rent – Dollar utilisation – Adjusted EBITDA margins	– Economic conditions – Competition – People
2 Amplify Specialty	– Organic fleet growth – Bolt-on M&A – Develop Specialty products – Develop diversified clusters in key areas – Increased focus on non-traditional rental equipment – Increased focus on cross-selling			
3 Advance technology	– Operational improvement: • delivery cost recovery • fleet efficiency – Increased use of technology to drive optimal service and revenue growth – ARE initiative: Availability, Reliability, Ease	– Dollar utilisation: • US: 50% • Canada: 47% • UK: 54% – EBITDA margins: • US: 49% • Canada: 44% • UK: 30%	– Fleet on rent – Dollar utilisation – Adjusted EBITDA margins	– Cyber security – Laws and regulations
4 Lead with ESG	Making ESG core to how we operate: – Focus on culture – Focus on safety	– 64.3 tCO_2e/£m (2020: 68.5 tCO_2e/£m) – Reduction in staff turnover • US: 17% • Canada: 21% • UK: 17% – RIDDOR reportable rates • US: 0.31 • Canada: 0.29 • UK: 0.27	– Carbon intensity – Staff turnover – Safety	– People – Health and safety – Environment
5 Dynamic capital allocation	– Organic growth investment in existing locations and greenfield sites – Bolt-on M&A – Returns to shareholders	– £718m of capital invested in the business (2020: £1,483m) – £125m spent on current year acquisitions (2020: £453m) – £182m paid in dividends (2020: £187m) – Leverage of 1.4x EBITDA (excluding IFRS 16) – Share buyback resumed	– Adjusted EPS – RoI – Net debt and leverage	– Economic conditions – Competition – Financing

A BROAD PLATFORM FOR GROWTH

1 GROW GENERAL TOOL AND ADVANCE OUR CLUSTERS

The first of our actionable components is to grow our General Tool business and advance our proven clustered market approach to meet demand and enable increased rental penetration in North America. In the UK, our focus is on optimising our operational network. General Tool will remain a significant driver of performance having accounted for 63% of North American rental revenue growth over the previous five-year plan. We will focus on achieving operational improvements in existing locations, exploiting latent capacity in newly opened locations, investing in fleet, leveraging the economics of our cluster approach and improving rental rates.

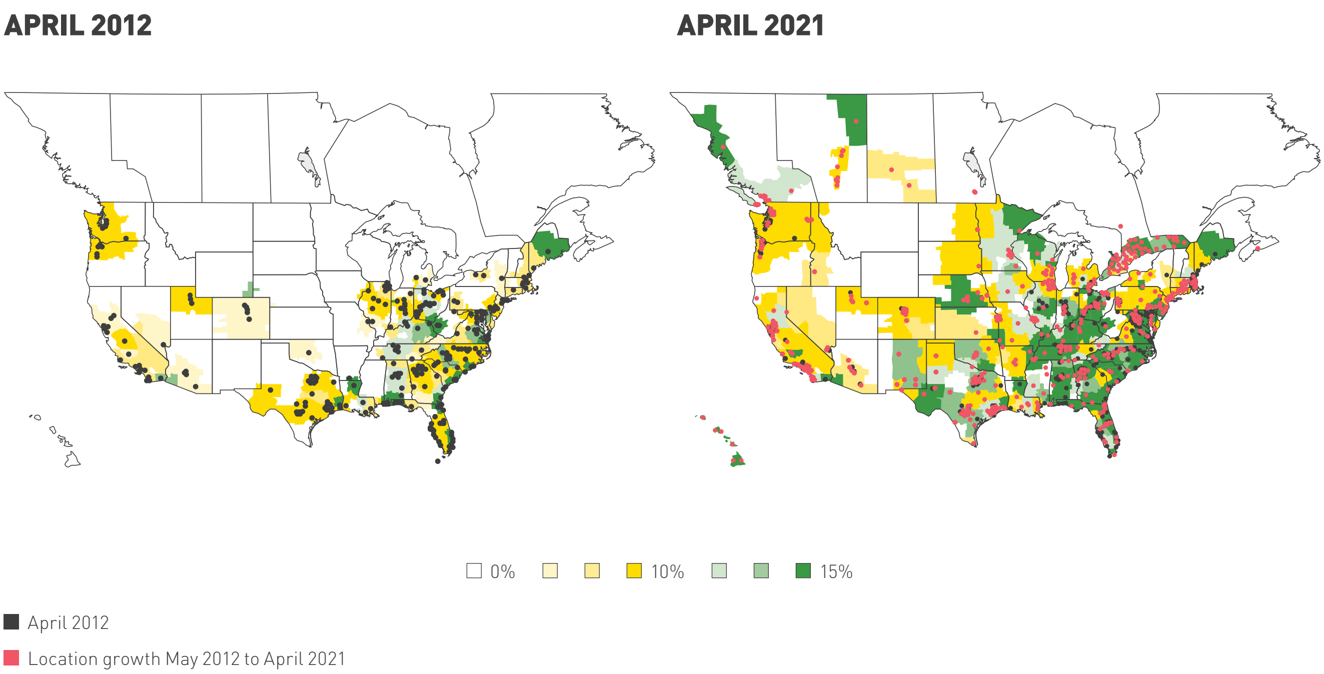
We plan to open 126 General Tool greenfield locations whose location has been determined based on our experience and analytics down to the zip code level. This analysis includes our assessment of current market share, fleet per capita, customer statistics, construction starts, proximity to existing locations,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

Our plans for Canada involve bringing our market share to our 2021 US level through 26 greenfield openings, across all provinces and advancing our clusters around Toronto which is the largest rental market. When we entered the Canadian market in 2014 we acquired six locations in Western Canada. In 2021 we have 60 General Tool locations and by 2024 we will have 86.

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

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

10 MARKET SHARE AND GROWTH STRATEGY



Source: IHS Markit/ARA: State of the Equipment Rental Industry, April 2021 and management estimates.

OUR CLUSTER APPROACH

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

A top 25 market cluster in the US has more than 15 stores, a top 26-50 market cluster more than 10 stores and a top 51-100 market more than four stores. We also include the smaller 101-210 markets within our cluster analysis. We have found that these smaller markets, while performing less well than others overall, often prove more resilient when times are less good. Our definition of a cluster in these markets is two or more stores. Creating clusters is also a key element of our expansion strategy in Canada which also helps us increase the Specialty business element of what we can provide for customers. With the advanced technology we have in place, we are able to analyse local market data very accurately. This allows us to find similarities between certain US and Canadian centres, and model our growth plans accordingly. The more customers get to know and trust us, the faster we are able to grow.

We focus on ensuring our clusters meet the multiple needs of local customers even if that means some stores may appear superficially to perform less well than others. The interaction of the stores in a cluster is what gives us real competitive advantage. We find that having a blend of locations is highly desirable and we like to mix up the large equipment locations with smaller General Tool stores. The addition of Specialty stores serves to really differentiate us from competitors in the area.

This enables us to broaden and diversify our customer base and our end markets, as we extend our reach within a market. Average revenue per store is not a relevant measure with which to evaluate the success of individual clusters or even the business as a whole. The value is in the mix.

Our cluster market approach has been particularly effective in sustaining the performance of the business and servicing customers during the COVID-19 pandemic. Having clusters has meant we are better able to service our customers across a broad range of equipment needs. We have been close to where customers need us to be with the full range of equipment they require.

11 OPPORTUNITY TO BUILD OUT FURTHER CLUSTERS, SUNBELT US

Rental market	Top 25	26–50	51–100	100–210
Rental market %	57%	19%	16%	8%
Cluster definition	>15	>10	>4	>1
Clustered	13 markets	8 markets	10 markets	13 markets

Source: Management information.

2 AMPLIFY SPECIALITY

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

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

In North America we will invest in fleet to enable existing location growth as well as continuing our greenfield openings and bolt-on acquisitions. We will scale the less developed business lines and identify and develop new white space opportunities.

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

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

In the UK we plan to make targeted fleet investment, accelerate Specialty growth through cross-selling and also identify and develop new opportunities. In the UK we are already seeing growth in cross-referrals as a result of Project Unify to bring together all our UK businesses as Sunbelt UK.

3 ADVANCE TECHNOLOGY

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

We have a robust technology infrastructure which supports our proprietary systems with the aim of continuous improvement to enable The Perfect Rental™. With c. 65% of orders placed today for delivery within 24 hours, our goal is to enable our sales force to say 'Yes' confidently, through the use of our proprietary cloud-based sourcing decision engine, Chronos. Although Chronos is operational in all our locations across North America, we continue to make the system ever smarter and more flexible, such that it can deliver improvements in procurement opportunities, service operations, logistics and our management of resources. During the Sunbelt 3.0 period we will be focused specifically on increasing order capture, improving time utilisation, improving rental rates and enhancing dynamic pricing.

THE PERFECT RENTAL™

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

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

4 LEAD WITH ESG

A major update to our strategy is the inclusion, for the first time, of ESG as an actionable component. Responsible sustainability has always been important to the Group but now we are embedding it formally into our strategy for the benefit of our people, customers, suppliers, communities and investors as well as optimising the structural benefits ESG brings to rental. This is an important element in what we mean by ambition with purpose for Sunbelt 3.0. We believe there are enormous benefits to the environment from rental versus ownership at all stages of the business life cycle, supply chain, operations, customer use and end of life of equipment. It is far better for the environment for many customers to rent one piece of well-maintained and safe equipment only when they need it, than for many customers to each purchase said piece of equipment, use it a few times, fail to maintain it properly and then throw it away when it becomes obsolete or just no longer needed. Our rental equipment is also amongst the greenest available. We are making a commitment to reduce our Scope 1 and 2 carbon intensity by 35% by 2030 and by 15% over the three years of Sunbelt 3.0. This will come from environmental efficiencies in our transportation fleet principally, as well as the facilities we operate.

From a social perspective, our people have always been first on the priority list and that has been ever more evident during COVID-19. Ours is a culture committed to employee safety, engagement, diversity and inclusion, and providing a Leading / Living Wage. Putting our people first allows them to give us enormous competitive advantage. Our skilled and secure workforce is instrumental to the Group's long-term success and we preserved our committed workforce during COVID-19 so that we were ready for the recovery when it came. As mentioned elsewhere, we have not made any team members redundant as a result of the impact of COVID-19 and have not sought assistance from government support programmes such as the UK's Coronavirus Job Retention Scheme and similar schemes in Canada.

As an essential service provider we support our customers and communities whether that be investing in the communities in which our people reside, first responder participation for COVID-19 testing and vaccination sites, or natural disaster response such as hurricane relief. You can read more about our ESG strategy in our Responsible business report on pages 54 to 73 and about governance in the Corporate governance report on page pages 82 to 88.

5 DYNAMIC CAPITAL ALLOCATION

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

Our consistently applied policy continues with the following allocation priorities:

- Organic growth investment in existing locations and greenfield sites
- Bolt-on acquisitions
- Returns to shareholders – progressive dividend policy and share buybacks to maintain target leverage range

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

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

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 this cyclical upturn has enabled us to establish a smooth, well distributed fleet profile across the age bands which provides significant flexibility across the economic cycle. Traditionally, rental companies have only generated cash in a downturn when they reduce capital expenditure and age their fleet. In the upturn, they consume cash as they replace their fleets and then seek to grow. We have changed this dynamic through this cycle with our scale and strong margins. We have been in a phase where we continued to grow the business in the latter part of the last cycle and were highly cash generative. This cash generation increased in 2020/21 as we reduced capital expenditure and generated free cash flow of £1.4bn. As a consequence, our leverage is at the bottom of our target range of 1.5 to 2.0 times net debt to EBITDA (excluding IFRS 16) which provides the Group with significant flexibility, security and a platform for growth as we look to improving markets.

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

CULTURAL ELEMENTS

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


2
ACTIONABLE COMPONENT
AMPLIFY SPECIALTY
SUNBELT RENTALS
2055

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

- TARGETED FLEET INVESTMENT SUPPLEMENTED BY GREENFIELD OPENINGS
- SCALING LESS DEVELOPED BUSINESSES
- IDENTIFICATION AND DEVELOPMENT OF WHITE SPACE OPPORTUNITIES
- BOLT-ON M&A

9
EXISTING SPECIALTY BUSINESS LINES DELIVERED THROUGH 342 LOCATIONS

c.$2.4bn
PROJECTED SPECIALTY REVENUE IN FY 2024

172
GREENFIELD LOCATIONS PLANNED DURING SUNBELT 3.0

72%
OF REVENUE COMES FROM CUSTOMERS THAT RENT FROM GENERAL TOOL AND ONE OR MORE SPECIALTY BUSINESS LINES

KEY PERFORMANCE INDICATORS

MEASURING OUR PERFORMANCE

At Group level, we measure the performance of the business using a number of key performance indicators ('KPIs'). These help to ensure that we are delivering against our strategic priorities as set out on page 24. Several of these KPIs (adjusted EPS, return on investment and leverage) influence the remuneration of our executive team (see page 95).

During the year, we have reviewed our KPIs to ensure that they remain appropriate for the Group. As a result, we have added carbon intensity due to our increased focus on environmental matters so that we can clearly track our performance for the Group as a whole. We have removed physical utilisation as this has become less relevant to understanding the performance of the business as we continue to broaden our fleet, particularly with the growth in Specialty. Furthermore, physical utilisation is a component of dollar utilisation which remains a Group KPI.

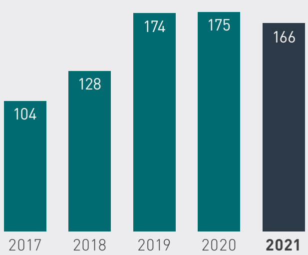
Certain KPIs are more appropriately measured for each of our operating businesses, whereas other KPIs are best measured for the Group as a whole.

Link to strategic priority

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

ADJUSTED EPS (P)

5 R



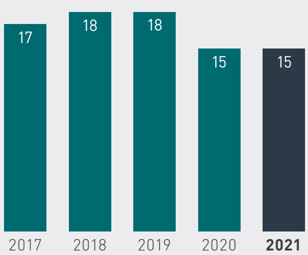
Calculation
Adjusted Group profit after taxation divided by the weighted average number of shares in issue (excluding shares held by the Company and the ESOT).

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

2021 performance
Adjusted EPS was 166p per share in 2020/21.

RETURN ON INVESTMENT ('ROI') (%)

1 2 5 R



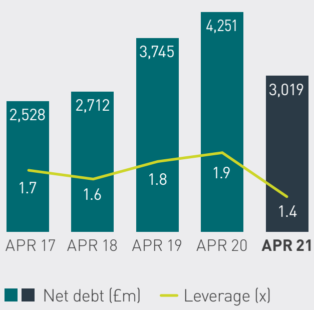
Calculation
Adjusted operating profit divided by the sum of net tangible and intangible fixed assets, plus net working capital but excluding net debt and tax.

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

2021 performance
Our RoI was 15% for the year ended 30 April 2021, reflecting the impact of the COVID-19 pandemic.

NET DEBT AND LEVERAGE AT CONSTANT EXCHANGE RATES

5 R



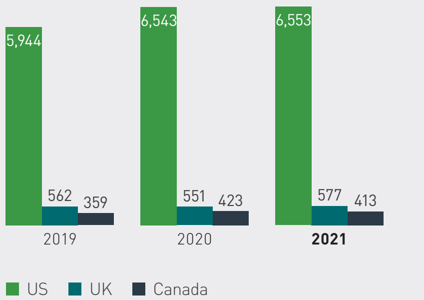
Calculation
Net debt is total debt less cash balances, as reported, and leverage is net debt divided by adjusted EBITDA, calculated at constant exchange rates (balance sheet rate).

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

2021 performance
Excluding lease liabilities arising under IFRS 16, net debt at 30 April 2021 was £3,019m and leverage was 1.4 times.

FLEET ON RENT ($M/£M/C$M)

1 2 3



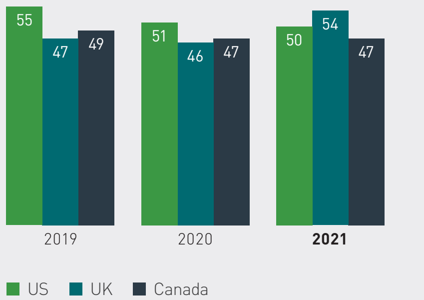
Calculation
Fleet on rent is measured as the daily average of the original cost of our itemised equipment on rent.

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

2021 performance
In the US, fleet on rent remained broadly constant, in Canada, fleet on rent decreased by 2%, while in the UK it increased by 5%. The US market reduced by 9%, the Canadian market by 11% and the UK market by 16%.

DOLLAR UTILISATION (%)

1 2 3



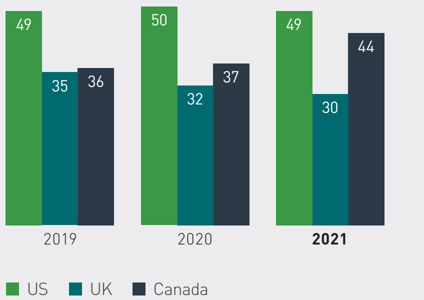
Calculation
Dollar utilisation is rental revenue divided by average fleet at original (or 'first') cost measured over a 12-month period.

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

2021 performance
Dollar utilisation was 50% in the US, 47% in Canada and 54% in the UK. These reductions in the US and Canada reflect the impact of the COVID-19 pandemic while the UK reflects the work done for the Department of Health.

ADJUSTED EBITDA MARGINS (%)

1 2 3 5



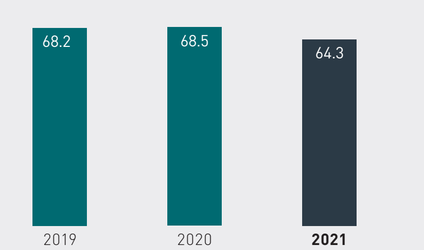
Calculation
Adjusted EBITDA as a percentage of total revenue.

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

2021 performance
EBITDA margins in 2020/21 were 49% in the US, 30% in the UK and 44% in Canada.

CARBON INTENSITY (TCO_2E/£M)

4



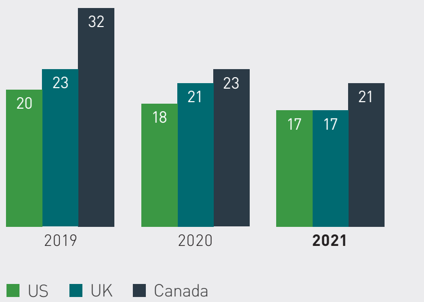
Calculation
Carbon intensity is calculated as emissions per £m of revenue (tCO_2e/£m), calculated at constant exchange rates.

Target
To reduce our carbon intensity by 35% by 2030 with reference to 2018 as a base year.

2021 performance
Our carbon emission intensity ratio was 64.3 (2020: 68.5).

STAFF TURNOVER (%)

4



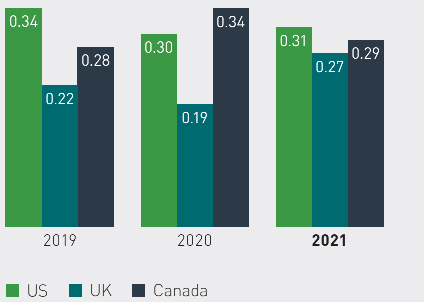
Calculation
Staff turnover is calculated as the number of leavers in a year (excluding redundancies) divided by the average headcount during the year.

Target
Our aim is to keep employee turnover below historical levels to enable us to build on the skill base we have established.

2021 performance
Turnover levels have reduced across the business. Voluntary employee turnover is discussed on page 61. Our well-trained, knowledgeable staff remain targets for our competitors.

SAFETY

4



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

Target
Continued reduction in accident rates.

2021 performance
The RIDDOR reportable rates were 0.31 in the US, 0.27 in the UK and 0.29 in Canada.

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

PRINCIPAL RISKS AND UNCERTAINTIES

MANAGING OUR RISK

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

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

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

- in relation to North America, the chief financial officer, the head of central operations, the Sunbelt North American board member to whom the risk team reports, the head of safety, health and environment and one of the operational executive vice presidents;
- in relation to the UK, the chief financial officer, who chairs the UK business risk committee;
- the Group's managing director of ESG; and
- UK and US counsel.

Risk management framework

GROUP RISK COMMITTEE

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

AUDIT COMMITTEE

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

BOARD

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

RISK IDENTIFICATION

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

ASSESSMENT OF LIKELIHOOD AND IMPACT

- Financial, operational and regulatory impacts considered.

RISK APPETITE DETERMINED

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

MITIGATING CONTROLS IMPLEMENTED

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

GROUP RISK REGISTER

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

RISK APPETITE DETERMINED

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

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

The role of managing director of ESG is a new one for the Group and demonstrates the increased profile of our ESG priorities going forward.

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

In addition, consideration is given to ensure that risks have been appropriately assessed in relation to risk rating. Our risk appetite is reflected in our rating of risks and ensures the appropriate focus is placed on the correct risks.

The Board takes a view of the prospects of the business through the cycle and, given the inherent cyclicality in the business, tends to operate with a low risk appetite.

The Group Risk Committee priorities this year included:

- assessment of the Group Risk Register, including identification and prioritisation of business risks;
- consideration of business continuity plans, in particular in light of the lessons learnt from the impact of the COVID-19 pandemic;
- health and safety, together with continuous improvement through training and awareness;
- driver safety, training and compliance;
- assessment of the environmental impact of the Group;
- monitoring of compliance with laws and regulations; and
- performance standards audits.

Next financial year we plan to:

- continue our safety initiatives, focused on serious injury and fatality ('SIF') protocols and driver programmes;
- focus on the continuing development of our IT environment, in particular in relation to cyber security; and
- continue the development of our ESG initiatives, including the publication of a Group Sustainability Report.

Set out below are the principal business risks that could impact the Group's business model, future performance, solvency or liquidity and information on how we mitigate them. Our risk profile evolves as we move through the economic cycle and commentary on how risks have changed is included below.

PRINCIPAL RISKS

Set out below are the principal business risks that could impact the Group's business model, future performance, solvency or liquidity and information on how we mitigate them. Our risk profile evolves as we move through the economic cycle and commentary on how risks have changed is included below.

Change in risk in 2020/21

↑	Increased risk
→	Constant risk
↓	Decreased risk

Link to strategic priority

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

Economic conditions

↓ 1 2 5

Potential impact

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

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

Mitigation

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

Change

Despite the ongoing impact of the COVID-19 pandemic, the performance of the Group in recent months together with the success of the vaccine roll-out programme in our major markets and planned stimulus packages mean that we expect the economy to be supportive of our business and as such have reduced the likelihood rating of an adverse economic event to 'medium'. Nevertheless, we remain cognisant of market dynamics and uncertainties to ensure that the Group is positioned to respond to changes in economic conditions.

Competition

→ 1 2 5

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

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

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

Change
Our competitive position continues to improve. We have grown faster than our larger competitors and the market, and continue to take market share from our smaller, less well financed competitors. We have a 11% market share in the US, a 7% market share in Canada and 9% in the UK.

Financing

→ 5

Potential impact
Debt facilities are committed for a finite period of time and thus must be renewed before they mature. Our loan agreements also contain conditions (known as covenants) with which we must comply.

Mitigation
- Maintain conservative (1.5 to 2.0 times excluding the impact of IFRS 16), net debt to EBITDA leverage which helps minimise our refinancing risk.
- Maintain long debt maturities.
- Use of an asset-based senior facility means none of our debt contains quarterly financial covenants when availability under the facility exceeds $410m.

Change
At 30 April 2021, our facilities were committed for an average of five years, leverage was at 1.4 times and availability under the senior debt facility was $3,011m.

Cyber security

→ 3

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

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

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

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

In relation to business continuity, our plans have been subject to continued review and update during the year and our disaster recovery plans are tested regularly. Our broader business continuity plans have been tested extensively as a result of the COVID-19 pandemic and were proven robust and enabled the business to operate uninterrupted throughout. We will review these plans over the coming year to ensure they reflect the lessons learnt from the last year.

Health and safety

4

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

Mitigation
- Maintain appropriate health and safety policies and procedures regarding the need to comply with laws and regulations and to reasonably guard our employees against the risk of injury.
- Induction and training programmes reinforce health and safety policies.
- Programmes to support our customers exercising their responsibility to their own workforces when using our equipment.
- Maintain appropriate insurance coverage. Further details are provided on page 48.

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

Additional measures were introduced to protect our team members, customers and communities as a result of the impact of COVID-19 including:

- restricted travel and meetings;
- remote working where possible;
- reinforced health protection protocols and implemented social distancing;
- provided touchless signature at the point of equipment pick-up or delivery;
- implemented curbside pick-up and drop-off.

In terms of reportable incidents, the RIDDOR reportable rate was 0.31 (2020: 0.30) in the US, 0.29 (2020: 0.34) in Canada and 0.27 (2020: 0.19) in the UK. Further details are provided in our Responsible business report.

People

1 2 4

Potential impact
Retaining and attracting good people is key to delivering superior performance and customer service.

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

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

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

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

Our early decision at the onset of COVID-19 to not make any team members redundant as a result of the pandemic provided job security and enabled them to focus on serving our customers. In addition, we provided paid time off for team members quarantining as a result of COVID-19.

The establishment of diversity and inclusion programmes across the business to enhance our efforts to attract and retain the best people.

Environmental

→ 4

Potential impact

At the recent Capital Markets Day, the Group made a long-term commitment to reduce its carbon intensity by 35% by 2030, with a near-term commitment to reduce its carbon intensity by 15% by 2024, and set out a roadmap to achieve this. Failure to do so could adversely impact the Group and its stakeholders.

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

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

Mitigation

- Policies and procedures in place at all our stores regarding the need to adhere to local laws and regulations.
- Procurement policies reflect the need for the latest available emissions management and fuel efficiency tools in our fleet.
- Monitoring and reporting of carbon emissions.

Change

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

The appointments of a Group Managing Director of ESG and a VP of Environmental, Social and Governance for Sunbelt North America has further heightened our focus on this area.

In 2020/21 our carbon emission intensity ratio reduced to 64.3 (2020: 68.5). Further detail is provided on page 67.

As we implement our Sunbelt 3.0 strategy, we will continue to enhance our reporting in this area, including the development of further KPIs across a range of environmental areas. We have committed to reducing our carbon intensity by 35% by 2030 and 15% by the end of Sunbelt 3.0.

Laws and regulations

→ 3 4

Potential impact

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

Mitigation

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

Change

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

Our whistle-blowing arrangements are well established and the company secretary reports matters arising to the Audit Committee and the Board during the course of the year. Further details as to the Group's whistle-blowing arrangements are provided on page 73.

During the year over 1,250 people in the US, 155 people in Canada and 607 people in the UK underwent induction training and additional training programmes were undertaken in safety.

Emerging risks

In addition to the principal risks identified above, the Board considers what emerging risks may also impact the Group. In identifying emerging risks, the Board has considered both third-party risk analysis as well as internal views of emerging trends which may impact the business. As a result of this analysis, the Board specifically considered climate-related matters and emerging technologies, including battery-led technologies and autonomous machines. The Board believes climate-related matters are addressed through our environmental risk and our commitment to reduce our carbon intensity. On balance, the Board believes that the impact from climate change and emerging technologies will increase the demand for rental and continue the shift from ownership to rental.

ASSESSMENT OF PROSPECTS AND VIABILITY

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

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

Period of assessment

The Board discusses regularly the factors affecting the Group's prospects and the risks it faces in optimising the opportunity presented in its markets. The principal risks, which the Board concluded could affect the business are set out on the preceding pages. The Group's risks are ongoing in nature and therefore could crystallise at any time, rather than being linked to a specific timeframe. While the Board has no reason to believe the Group will not be viable over a longer period, the period over which the Board considers it possible to form a reasonable expectation as to the Group's longer-term viability, is the three-year period to 30 April 2024. This also aligns with the duration of the business plan prepared annually and reviewed by the Board. We believe this provides a reasonable degree of confidence over this longer-term outlook.

Assessment of viability

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

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

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

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

Viability statement

Based on the foregoing, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 30 April 2024.

3

ADVANCE TECHNOLOGY

> **When we focus on positive impacts to our customers… we can confidently expect positive business outcomes to follow.**

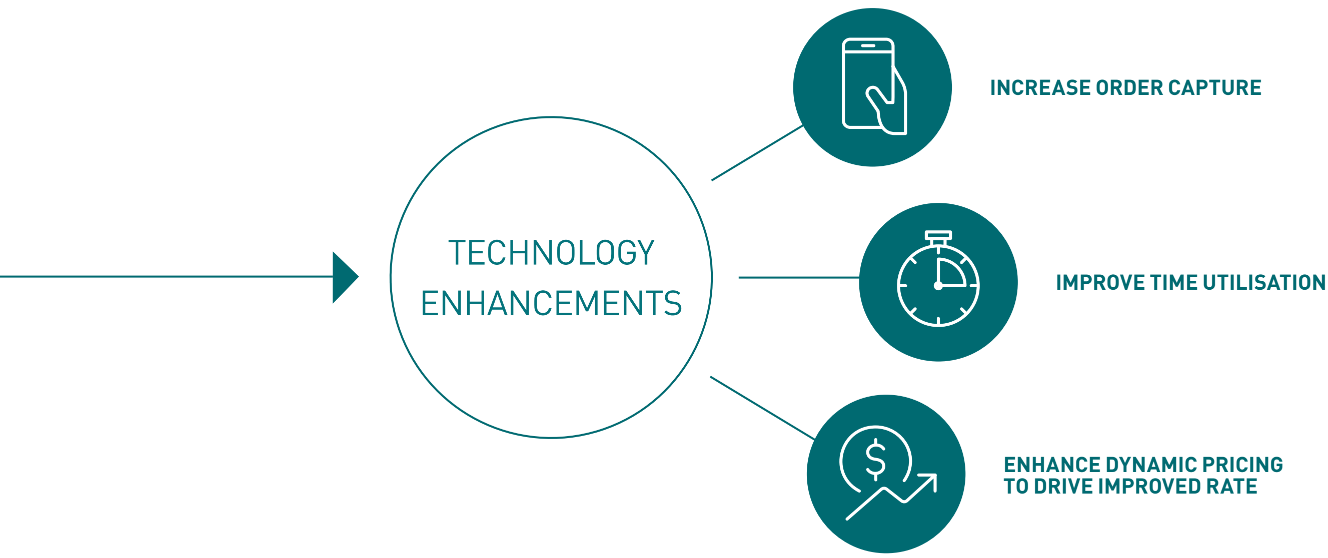
Make the move from industry-leading technology platform, to a leader among the broader industrial and service sector; further improving our customer value proposition and capturing the benefits of scale across the Group.

LEVERAGE EXPERIENCE, CULTURE AND DATA

TECHNOLOGY-DRIVEN ECOSYSTEM

ADVANCE OMNI-CHANNEL EXPERIENCE

SUSTAINABLE AND SCALABLE



STAKEHOLDER ENGAGEMENT

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

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

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

At a board level, Board members are encouraged to engage with our stakeholders directly, for example through meeting with individual employees during site visits or through investor meetings, such as those to obtain remuneration policy feedback or through attendance at the Group's annual general meeting. In addition, the Board receives feedback from management as to stakeholder views. This occurs in a number of ways including through board reports, investor feedback reports from our brokers and employee survey reports. An example of board level engagement has been illustrated in the case study on page 43 focusing on the development and launch of the Group's new strategic plan, Sunbelt 3.0.

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

EMPLOYEES

Definition
- Existing and prospective employees, including apprentices.

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

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

Further details are provided on pages 56 to 65.

Our response to engagement
- Employee reward and benefit structure which recognises the contribution our employees make to the success of the business
- Employee policies which ensure our people are treated fairly
- Ensuring safety remains a cornerstone of our culture
- Establishment of diversity and inclusion taskforces

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

CUSTOMERS

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

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

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

Our response to engagement
- Continued investment in fleet
- Investment in new market offerings to broaden our rental offering
- Continued investment in customer-focused technology solutions

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

BOARD LEVEL ENGAGEMENT – CASE STUDY

SUNBELT 3.0 STRATEGY
Stakeholders most impacted:
- Employees
- Customers
- Investors
- Communities

Consideration:
After detailed consideration by the Board throughout the year, the strategy was launched at our Capital Markets Day in April 2021, followed by a more granular launch to our team members where they had the opportunity to raise questions of senior leadership.

While providing opportunities for growth and expansion, the Group was clear from the outset that Sunbelt 3.0 should provide benefit for all our stakeholders and this was an important factor in the overall development of the strategy.

For example:
- our commitment to lead with ESG will enable us to embrace responsible sustainability and take advantage of the environmental opportunities presented by rental; and
- our focus on technology will improve the value provided to our customers, who are already beginning to see the benefits through our Chronos equipment supply optimisation tool.

Underpinning our strategy is our commitment to invest in our people, promoting a culture of entrepreneurialism with scale and bringing Availability, Reliability and Ease to our customers.

SUPPLIERS

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

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

Nature of engagement
- Dedicated account managers for major suppliers
- Central procurement teams manage supplier relationships

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

Relevant KPIs
- Payment practices statistics

COMMUNITIES

Definition
- Local communities to our operations
- Families of employees

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

Nature of engagement
- Nationwide programmes in addition to local community initiatives entered into by individual depots
- Responding to community needs for emergency relief

Further details are provided on pages 70 to 72.

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

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

INVESTORS

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

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

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

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

Relevant KPIs
- Returns to shareholders

SECTION 172 STATEMENT

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

The Board of directors of Ashtead Group plc considers that it has, both individually and collectively, acted in good faith in a way which would most likely promote the success of the Company for the benefit of the members as a whole, and in doing so have had regard (amongst other matters) to factors (a) to (f) as set out in s172(1) of the Companies Act 2006 for the decisions taken during the year ended 30 April 2021. In making this statement, the directors have considered the following matters:

- **the likely consequences of any decision in the long-term:** the Board oversaw the development of the next phase of the Group's strategy, Sunbelt 3.0, as disclosed on page 43, during the year and concluded that it will support the long-term success of the Company. Shorter-term expectations in supporting that strategy are approved by the Board as part of the annual budgeting process, against which the performance of the Group is then monitored. Decisions taken during the year are made in the context of the Group's strategy in order to ensure that they are consistent with that strategy, and in line with the Group's capital allocation policy which is designed to support long-term value generation for all stakeholders as detailed on page 29;

- **the interests of the Company's employees:** our people are critical to the success of our business and a core component of our business model. We endeavour to recruit the best people, train them well and look after them so that they provide the best possible service for our customers and remain with us for the long-term. The Board has ultimate responsibility for ensuring the Group's decisions consider the interests of our employees. This has never been more apparent than during our response to the COVID-19 pandemic. We have looked to the longer-term and no team members have been laid off as a result of COVID-19, while in the shorter-term we allowed additional paid time off for team members quarantining as a result of COVID-19. Further details and examples of our activities with employees are provided on pages 42 to 43 of the Strategic report and pages 56 to 65 of the Responsible business report;

- **the need to foster the Company's business relationships with suppliers, customers and others:** managing the Company's relationships with suppliers and customers is critical in ensuring the Company delivers on its strategy. We dedicate account teams to our national customers to ensure that we maintain an ongoing dialogue while local customers are managed at a store level to enable us to respond at all levels of the organisation appropriately. Further details and examples of our activities with suppliers and customers are provided on pages 42 and 43 of the Strategic report;

- **the impact of the Company's operations on the community and the environment:** the Group seeks to have a positive impact on the communities in which it operates and minimise the environmental impact of our operations. This has been evident this year, both through our support for the response to the COVID-19 pandemic and efforts in response to hurricanes and the Texas 'Deep Freeze' in the US. Examples of our community initiatives and the environmental steps we take are provided in further detail on pages 66 to 72 of the Responsible business report;

- **the desirability of the Company maintaining a reputation for high standards of business conduct:** the Group regularly reviews and updates, where appropriate, its business conduct and ethics policies and ensures that these are communicated to employees, are readily available to employees, customers and suppliers and that appropriate training is undertaken by relevant employees on a regular basis to reinforce the Group's policies. The Group business ethics and conduct policy is approved by the Board and available on the Group's website, while employee specific policies are provided in the employee handbooks. Further details are provided on page 73 of the Responsible business report; and

- **the need to act fairly as between members of the Company:** the Company always seeks to ensure that its communications are transparent and its actions are in accordance with the Group's stated strategic aims to promote the long-term success of the Company. On pages 83 and 84 within the Corporate governance report we detail how we engage with our shareholders, including both institutional investors and private investors.

FINANCIAL REVIEW

TRADING RESULTS[1]

	Revenue		EBITDA		Profit[2]	
	2021	2020	**2021**	2020	**2021**	2020
US in $m	**5,417.5**	5,489.9	**2,634.5**	2,721.0	**1,444.6**	1,560.0
Canada in C$m	**500.9**	420.7	**218.9**	157.0	**97.8**	54.5
US in £m	**4,105.7**	4,335.7	**1,996.6**	2,149.0	**1,094.8**	1,232.1
UK	**635.1**	469.2	**192.8**	148.6	**60.9**	36.4
Canada in £m	**290.3**	248.7	**126.8**	92.8	**56.7**	32.2
Group central costs	**–**	–	**(14.8)**	(14.6)	**(15.6)**	(15.4)
	5,031.1	5,053.6	**2,301.4**	2,375.8	**1,196.8**	1,285.3
Interest expense					**(199.3)**	(224.5)
Profit before amortisation, exceptional items and tax					**997.5**	1,060.8
Amortisation					**(61.5)**	(61.7)
Exceptional items					**–**	(16.3)
Profit before taxation					**936.0**	982.8
Taxation					**(238.6)**	(243.1)
Profit attributable to equity holders of the Company					**697.4**	739.7
Margins						
US			**48.6%**	49.6%	**26.7%**	28.4%
UK			**30.4%**	31.7%	**9.6%**	7.8%
Canada			**43.7%**	37.3%	**19.5%**	13.0%
Group			**45.7%**	47.0%	**23.8%**	25.4%

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

OUR FINANCIAL PERFORMANCE

Group revenue of £5,031m was 3% higher than the prior year at constant exchange rates (2020: £5,054m). Our performance relative to the prior year improved as we progressed through the year, with all our geographies delivering year-over-year growth in the fourth quarter. The lower activity levels, particularly in the first half of the year, had a significant impact on profit in the year as a large proportion of our costs are fixed in the short term. This profit impact reflects, in part, our decision to not make team members redundant as a result of COVID-19 and ensure we had a committed workforce ready to take advantage of improving market conditions, when the recovery came. As a result, adjusted profit before tax for the year was £998m (2020: £1,061m).

Although COVID-19 impacted the Group's performance adversely, it highlighted the benefits of our strategy to broaden and diversify our end markets, which has contributed to this resilient performance. This has provided the foundation for the launch of the next phase of our strategy, Sunbelt 3.0, again underpinned with long-term growth being driven by organic investment (same-store and greenfield) supplemented by bolt-on acquisitions.

In the US, rental only revenue of $3,976m was only 2% lower than the prior year (2020: $4,065m), representing a strong market outperformance and demonstrating the benefits of our strategy of growing our Specialty businesses and broadening our end markets. In the year, our Specialty businesses grew 13% while the General Tool business declined 4%. US total revenue, including new and used equipment, merchandise and consumable sales, decreased 1% to $5,418m (2020: $5,490m).

The UK business generated rental only revenue of £362m, an increase of 10% on a comparable basis (2020: £349m). This was a strong performance as the breadth of our product offering and commitment of our team members enabled us to provide essential support to the Department of Health in its COVID-19 response efforts. Total revenue increased 35% to £635m (2020: £469m) reflecting the higher level of ancillary and sales revenue associated with the work for the Department of Health, which accounted for c. 29% of UK revenue in the year.

Canada's rental only revenue increased 27% on a reported basis. Excluding the contribution from William F. White ('WFW'), rental only revenue of the legacy business declined only 2% and returned to growth in the fourth quarter (18%). Canadian total revenue was C$501m (2020: C$421m).

In all our markets we took action to reduce operating costs and eliminate discretionary expenditure. However, our broad customer base ensures there continues to be good opportunities to grow the business and we focused on disciplined investment as the Group returned to growth towards the end of the year. We took early decisions not to make any team members redundant as a result of COVID-19 or seek assistance from any government support programmes but to continue investment in the business, including our technology platform and our rental fleet. As a result, in the US, 50% of the rental revenue decline dropped through to EBITDA. This contributed to a reported EBITDA margin of 49% (2020: 50%) and a 7% decrease in operating profit to $1,445m (2020: $1,560m) at a margin of 27% (2020: 28%).

Last financial year we launched Project Unify in the UK with the objective of improving operational efficiency and returns in the business. This has resulted in significant investment in the operational infrastructure of the business which, when combined with the impact of COVID-19, contributed to an EBITDA margin of 30% (2020: 32%). Operating profit of £61m (2020: £36m) at a margin of 10% (2020: 8%) reflected these factors and a property impairment charge of c. £10m as we reshape the business to drive operational improvement.

Canada is in a growth phase as we invest to expand its network and develop the business. In December 2019 we acquired WFW, which serves the film and TV production industries. While WFW contributed virtually no revenue in the first quarter, it bounced back strongly from September onwards generating record levels of revenue for the business and an operating profit of C$29m at a 23% margin. The legacy Canadian business, excluding WFW, increased its EBITDA margin to 43% (2020: 38%) and generated an operating profit of C$69m (2020: C$56m) at a 18% margin (2020: 15%). This performance reflects a strong focus on operational efficiency and the cost base.

Overall, Group adjusted operating profit decreased to £1,197m (2020: £1,285m), down 3% at constant exchange rates. After financing costs of £199m (2020: £224m), Group profit before amortisation of intangibles and taxation was £998m (2020: £1,061m).

Statutory profit before taxation was £936m (2020: £983m). This is after amortisation of £62m (2020: £62m) and, in the prior year, an exceptional interest cost of £16m.

TAXATION

Tax charge for the year

The adjusted tax charge for the year was £254m (2020: £262m), representing an effective rate of 25% (2020: 25%) of adjusted pre-tax profit of £998m (2020: £1,061m). The cash tax charge was 34%.

The exceptional tax credit of £15m (2020: £19m) relates to a tax credit in relation to the amortisation of intangibles and exceptional items.

Tax strategy and governance

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

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

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

The Group is committed in having a transparent and constructive working relationship with the tax authorities including using tax clearances to obtain agreement in advance from tax authorities prior to undertaking transactions.

Legislative changes

We continue to monitor developments in the OECD's work on Base Erosion and Profit Shifting ('BEPS') to ensure continued compliance in an ever-changing environment. While we do not expect our tax arrangements to be materially impacted by any legislative changes arising from the BEPS recommendations, we continue to follow the developments closely.

Following its state aid investigation, in April 2019 the European Commission announced its decision that the Group Financing Exemption in the UK controlled foreign company ('CFC') legislation constitutes state aid in some circumstances. In common with the UK Government and other UK-based international companies, the Group does not agree with the decision and has therefore lodged a formal appeal with the General Court of the European Union. Despite the UK Government appealing the European Commission's decision, Her Majesty's Revenue & Customs ('HMRC') is required to make an assessment of the tax liability which would arise if the decision is not successfully appealed and collect that amount from taxpayers. HMRC has issued a charging notice stating that the tax liability it believes to be due on this basis is £36m, including interest payable. The Group has appealed the charging notice and has settled the amount assessed on it, including interest, in line with HMRC requirements. The £36m paid has been recognised as a non-current asset on the balance sheet. On successful appeal in whole or in part, all or part of the amount paid in accordance with the charging notice would be returned to the Group. If either the decision reached by the European Commission or the charging notice issued by HMRC are not successfully appealed, we have estimated the Group's maximum potential liability to be £36m as at 30 April 2021, including any interest payable. Based on the current status of proceedings, we have concluded that no provision is required in relation to this matter.

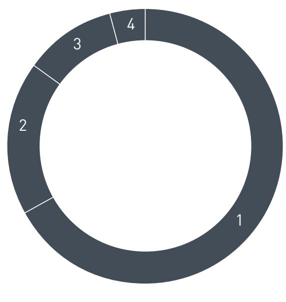
Total tax contribution

For the year ended 30 April 2021, total taxes paid by the Group were £954m, comprising taxes borne by the Group of £436m and taxes collected on behalf of tax authorities of £518m.

Taxes borne by type

As a profitable group, the majority of taxes borne by the Group relate to taxes paid on profits. The £294m net tax paid on profits (as shown in the consolidated cash flow statement for the year ended 30 April 2021) is lower than the £316m current tax charge for the year (as shown in Note 7 to the consolidated financial statements). This is primarily due to overpayments made in relation to prior years being offset against the current year liability.

TAXES BORNE BY TYPE OF TAX



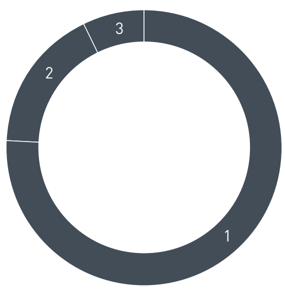
1	Profit	£294m	67%
2	People	£77m	18%
3	Property	£48m	11%
4	Product	£17m	4%
		£436m	100%

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

Taxes collected of £518m comprise £299m of net sales taxes on the products and services we provide to customers and £219m in relation to taxes withheld on behalf of our employees.

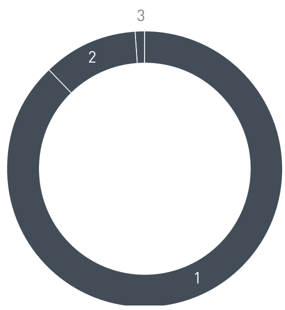
Taxes by jurisdiction
The Group's operations are based in the locations and jurisdictions necessary to best serve our customers and the Group pays tax in accordance with relevant tax laws and regulations in those jurisdictions. As with the split of the Group's profits, the majority of taxes borne and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

TAXES COLLECTED ON BEHALF OF TAX AUTHORITIES BY JURISDICTION



1	US	£395m	76%
2	Canada	£90m	17%
3	Europe	£33m	7%
		£518m	100%

TAX BORNE BY THE GROUP BY JURISDICTION



1	US	£383m	88%
2	Canada	£47m	11%
3	Europe	£6m	1%
		£436m	100%

EARNINGS PER SHARE
Adjusted earnings per share were 166.0p (2020: 175.0p) while basic earnings per share decreased to 155.7p (2020: 162.1p). Details of these calculations are included in Note 8 to the consolidated financial statements.

RETURN ON INVESTMENT
Despite the adverse impact of COVID-19, return on investment (excluding goodwill and intangible assets) in the US for the 12 months to 30 April 2021 was 20% (2020: 21%). In the UK, reflecting improvement as a result of Project Unify and increased volumes supporting the Department of Health, return on investment (excluding goodwill and intangible assets) increased to 10% (2020: 5%). We expect returns in the UK to continue to improve, based on the strategic plans for the business. In Canada, return on investment (excluding goodwill and intangible assets) was 16% (2020: 9%). This reflects the improved performance of the legacy business and the impact of the acquisition of WFW in December 2019. As we develop the potential of the market, we expect returns to improve further. For the Group as a whole, return on investment (including goodwill and intangible assets) was 15% (2020: 15%). Return on investment excludes the impact of IFRS 16.

BALANCE SHEET
Fixed assets
Capital expenditure in the year totalled £718m (2020: £1,483m) with £613m invested in the rental fleet (2020: £1,274m). Expenditure on rental equipment was 85% of total capital expenditure with the balance relating to the delivery vehicle fleet, property improvements and IT equipment. Capital expenditure by division is shown in Table 01 below.

As a result of the impact of COVID-19 on market activity, all capital expenditure in the US in 2021 has been classified as replacement capital expenditure. Capital expenditure in the UK and Canada included growth expenditure to meet customer needs. The growth proportion is estimated on the basis of the assumption that replacement capital expenditure in any period is equal to the original cost of equipment sold.

The average age of the Group's serialised rental equipment, which constitutes the substantial majority of our fleet, at 30 April 2021 was 41 months (2020: 36 months) on a net book value basis. The US fleet had an average age of 41 months (2020: 36 months), the UK fleet had an average age of 39 months (2020: 43 months) and the Canadian fleet had an average age of 38 months (2020: 33 months).

Our operating model, and short delivery lead times, allow us to flex our capital spend quickly. This was seen with our response to the COVID-19 pandemic when we reduced our planned spend for 2020/21 significantly, in only a few weeks. As the Group returns to growth, and in line with Sunbelt 3.0, we have a range for 2021/22 capital expenditure of £1.37bn to £1.54bn.

01 CAPITAL EXPENDITURE

	2021			2020
	Replacement	**Growth**	**Total**	Total
US in $m	**575.6**	**–**	**575.6**	1,451.9
Canada in C$m	**60.5**	**18.1**	**78.6**	116.4
US in £m	**436.2**	**–**	**436.2**	1,151.1
UK	**91.7**	**39.9**	**131.6**	56.7
Canada in £m	**35.1**	**10.4**	**45.5**	66.5
Total rental equipment	**563.0**	**50.3**	**613.3**	1,274.3
Delivery vehicles, property improvements and IT equipment			**104.8**	208.7
Total additions			**718.1**	1,483.0

02 FLEET AND UTILISATION

	Rental fleet at original cost			LTM rental revenue	LTM dollar utilisation
	30 April 2021	30 April 2020	LTM average		
US in $m	**9,827**	10,102	9,940	4,933	50%
Canada in C$m	**938**	921	925	436	47%
US in £m	**7,098**	8,010	7,533	3,738	50%
UK	**914**	874	885	482	54%
Canada in £m	**551**	526	536	253	47%
	8,563	9,410	8,954	4,473	

The original cost of the Group's rental fleet and dollar utilisation for the year ended 30 April 2021 are shown in Table 02 above.

Dollar utilisation was 50% in the US (2020: 51%), 54% for the UK (2020: 46%) and 47% for Canada (2020: 47%). The increase in UK dollar utilisation reflects the significant increase in activity levels and associated ancillary services to support the Department of Health.

Trade receivables

Receivable days at 30 April 2021 were 42 days (2020: 49 days). Trade receivables at 30 April 2021 of £724m (2020: £776m) are stated net of allowances for bad debts and credit notes of £53m (2020: £100m), with the provision representing 7% (2020: 13%) of gross receivables. We increased the allowance for bad debts and credit notes last year as a result of the onset of the COVID-19 pandemic. However, our concern of significantly increased levels of irrecoverable receivables did not materialise and cash collections have remained strong throughout the year, particularly in the fourth quarter. Accordingly, we have released the majority of the additional provision established last year, resulting in an overall credit to the income statement as a percentage of total turnover of 0.2% (2020: charge of 1.2%).

Trade and other payables

Group payable days were 40 days at 30 April 2021 (2020: 55 days) with capital expenditure related payables totalling £97m (2020: £106m). This reduction in payable days reflects the Group's efforts to ensure suppliers are paid promptly and in accordance with agreed terms. Payment periods for purchases other than rental equipment vary between seven and 60 days and for rental equipment between 30 and 120 days.

Provisions

Provisions of £83m (2020: £93m) relate to the provision for insured risk, provision for vacant property as well as acquisition related contingent consideration. The Group's business exposes it to the risk of claims for personal injury, death or property damage resulting from the use of the equipment it rents and from injuries caused in motor vehicle accidents in which its vehicles are involved. The Group carries insurance covering a wide range of potential claims at levels it believes are sufficient to cover existing and future claims.

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

Pensions

The Group operates a number of pension plans for the benefit of employees, for which the overall charge included in the financial statements was £22m (2020: £20m). Amongst these, the Group has one defined benefit pension plan which was closed to new members in 2001 and closed to future benefit accrual in October 2020. All our ongoing pension plans are defined contribution plans.

The Group's defined benefit pension plan, measured in accordance with the accounting standard IAS 19, Employee Benefits, was £4m in surplus at 30 April 2021 (2020: £12m in deficit). The investment return on plan assets was £16m higher than the expected return while a net actuarial loss of £2m arose, predominantly due to increases in the inflation assumptions. Overall, there was a net remeasurement of the defined benefit pension plan of £14m which was recognised in the statement of comprehensive income for the year. In addition, a curtailment gain of £2m was recognised in the income statement following the closure of the plan to future accrual.

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

Contingent liabilities

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

CASH FLOW

Cash inflow from operations before payment of exceptional costs and the net investment in the rental fleet was £2,287m (2020: £2,430m). The conversion ratio for the year was 99% (2020: 102%) which reflects the strong cash collections seen throughout the year.

Total payments for capital expenditure (rental equipment and other PPE) during the year were £724m (2020: £1,574m). Disposal proceeds received totalled £305m (2020: £259m), giving net payments for capital expenditure of £419m in the period (2020: £1,315m). Financing costs paid totalled £193m (2020: £197m) while tax payments were £294m (2020: £113m). Financing costs paid typically differ from the charge in the income statement due to the timing of interest payments in the year and non-cash interest charges. The increased tax payments reflect the impact of lower levels of capital expenditure this year which, in the US, are deductible in full as incurred.

Accordingly, the Group generated free cash flow of £1,382m (2020: £792m) and, after acquisition-related expenditure of £143m, a net cash inflow of £1,239m (2020: £339m), before returns to shareholders.

CAPITAL STRUCTURE AND ALLOCATION

The Group's capital structure is kept under regular review. Our operations are financed by a combination of debt and equity. We seek to minimise the cost of capital while recognising the constraints of the debt and equity markets. At 30 April 2021 our average cost of capital was approximately 12%.

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

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

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

The Group paused its greenfield opening, bolt-on and share buyback programmes in March 2020 as we took action to optimise our cash flow and strengthen further our liquidity position due to the uncertainty arising from the COVID-19 pandemic. We resumed greenfield openings towards the end of the first quarter, returned to bolt-ons in February 2021 and launched a new buyback programme in May 2021. Under this programme, the Group anticipates buying back up to £1bn in shares over the next two financial years. We commenced the programme at a run rate of £75m a quarter.

Dividends

We have a progressive dividend policy such that, with consideration to both profitability and cash generation, the dividend is at a level that is sustainable across the cycle. Our intention has always been to increase the dividend as profits increase and be able to maintain it when profits decline. However, in a year of slightly lower profit but strong cash generation and a strong balance sheet, the Board is recommending an increased final dividend of 35.0p per share (2020: 33.5p) making 42.15p for the year (2020: 40.65p). If approved at the forthcoming Annual General Meeting, the final dividend will be paid on 21 September 2021 to shareholders on the register on 20 August 2021.

03 CASH FLOW

	Year to 30 April	
	2021 £m	2020 £m
EBITDA before exceptional items	**2,301.4**	2,375.8
Cash inflow from operations before exceptional items and changes in rental equipment	**2,287.1**	2,430.4
Cash conversion ratio*	**99.4%**	102.3%
Replacement rental capital expenditure	**(571.5)**	(650.2)
Payments for non-rental capital expenditure	**(104.8)**	(208.2)
Rental equipment disposal proceeds	**291.6**	246.6
Other property, plant and equipment disposal proceeds	**13.8**	12.0
Tax (net)	**(293.8)**	(113.2)
Financing costs	**(193.1)**	(196.9)
Cash inflow before growth capex and payment of exceptional costs	**1,429.3**	1,520.5
Growth rental capital expenditure	**(47.6)**	(716.0)
Exceptional costs	**–**	(12.4)
Free cash flow	**1,381.7**	792.1
Business acquisitions	**(142.5)**	(453.1)
Total cash generated	**1,239.2**	339.0
Dividends	**(182.1)**	(186.7)
Purchase of own shares by the Company	**–**	(448.6)
Purchase of own shares by the ESOT	**(12.5)**	(17.6)
Increase in net debt due to cash flow	**1,044.6**	(313.9)

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

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

Net debt

Chart 04 shows how debt and leverage, measured at constant April 2021 exchange rates, has changed over the cycle. Since 2010, we have stepped up our capital expenditure as rental markets improved. As a result, net debt has increased in absolute terms over the period principally due to acquisitions, dividends and share buybacks with free cash flow being broadly sufficient to fund substantially all the increased capital expenditure. Since 2013 we have been operating within our net debt to EBITDA leverage target range of 1.5 to 2.0 times (excluding IFRS 16). Furthermore, our overall balance sheet strength continues to improve with the second-hand value of our fleet exceeding our total debt by £1.7bn.

In greater detail, closing net debt at 30 April 2021 is set out on Table 05.

The Group has arranged its financing such that, at 30 April 2021, 97% of its debt was denominated in US (and Canadian) dollars so that there is a natural partial offset between its dollar-denominated net assets and earnings and its dollar-denominated debt and interest expense.

Net debt at 30 April 2021 was £4,190m with the decrease since 30 April 2020 reflecting the net cash inflow set out above and a benefit from stronger sterling (£343m). The Group's EBITDA for the year ended 30 April 2021 was £2,301m. Excluding the impact of IFRS 16, the ratio of net debt to EBITDA was 1.4 times (2020: 1.9 times) on a constant currency and a reported basis as at 30 April 2021. Including the impact of IFRS 16, the ratio of net debt to EBITDA was 1.9 times at 30 April 2021 (2020: 2.3 times).

Our debt package is well structured for our business across the economic cycle. We retain substantial headroom on facilities which are committed for the long-term, with an average of five years remaining at 30 April 2021. The weighted average interest cost of these facilities (including non-cash amortisation of deferred debt raising costs) is less than 4%.

Debt facilities

The Group's principal debt facilities are discussed below.

First priority senior secured credit facility
At 30 April 2021, $4.1bn was committed by our senior lenders under the asset-based senior secured revolving credit facility ('ABL facility') until December 2023. The amount utilised was $1,294m (including letters of credit totalling $52m). The ABL facility is secured by a first priority interest in substantially all of the Group's assets. Pricing for the $4.1bn revolving credit facility is based on leverage and average availability according to a grid, varying from LIBOR plus 125bp to LIBOR plus 175bp and at 30 April 2021, the borrowing rate was LIBOR plus 125bp.

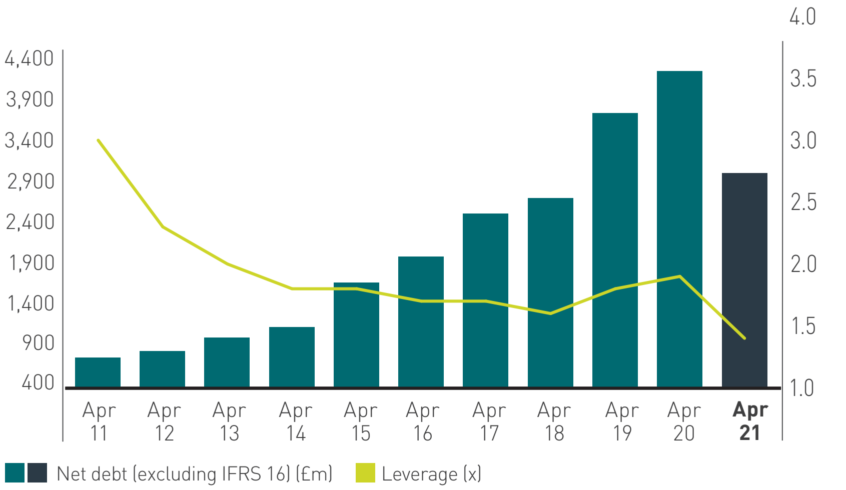
The only financial performance covenant under the asset-based first priority senior bank facility is a fixed charge ratio (comprising LTM EBITDA before exceptional items less LTM net capital expenditure paid in cash over the sum of scheduled debt repayments plus cash interest, cash tax payments and dividends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

This covenant does not, however, apply when availability (the difference between the borrowing base and facility utilisation) exceeds $410m. At 30 April 2021 availability under the bank facility was $3,011m ($2,363m at 30 April 2020, including cash on the balance sheet), with an additional $2,054m of suppressed availability meaning that the covenant was not measured at 30 April 2021 and is unlikely to be measured in forthcoming quarters.

Senior notes
At 30 April 2021 the Group, through its wholly owned subsidiary Ashtead Capital, Inc., had five series of senior notes outstanding, each with a nominal value of $600m. The 4.125% notes are due on 15 August 2025, the 5.250% notes are due on 1 August 2026, the 4.375% notes are due on 15 August 2027, the 4.000% notes are due on 1 May 2028 and the 4.250% notes are due on 1 November 2029.

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

04 NET DEBT AND LEVERAGE



05 NET DEBT

	2021 £m	2020 £m
First priority senior secured bank debt	**885.0**	2,141.9
4.125% senior notes, due 2025	**429.6**	470.8
5.250% senior notes, due 2026	**428.6**	469.6
4.375% senior notes, due 2027	**429.0**	470.2
4.000% senior notes, due 2028	**428.6**	469.9
4.250% senior notes, due 2029	**428.5**	469.8
Total external borrowings	**3,029.3**	4,492.2
Lease liabilities	**1,179.7**	1,112.2
	4,209.0	5,604.4
Cash and cash equivalents	**(19.2)**	(241.4)
Total net debt	**4,189.8**	5,363.0

06 MINIMUM CONTRACTED DEBT COMMITMENTS

	Payments due by year ending 30 April						
	2022 £m	2023 £m	2024 £m	2025 £m	2026 £m	Thereafter £m	Total £m
Bank and other debt	–	–	885.0	–	–	–	885.0
4.125% senior notes	–	–	–	–	433.4	–	433.4
5.250% senior notes	–	–	–	–	–	433.4	433.4
4.375% senior notes	–	–	–	–	–	433.4	433.4
4.000% senior notes	–	–	–	–	–	433.4	433.4
4.250% senior notes	–	–	–	–	–	433.4	433.4
	–	–	855.0	–	433.4	1,733.6	3,052.0
Deferred costs of raising finance	–	–	–	–	(3.8)	(18.9)	(22.7)
Cash at bank and in hand	(19.2)	–	–	–	–	–	(19.2)
Net debt	(19.2)	–	855.0	–	429.6	1,714.7	3,010.1

Minimum contracted debt commitments

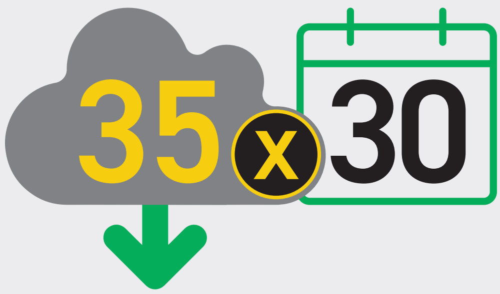
Table 06 summarises the maturity of the Group's borrowings at 30 April 2021 by year of expiry.

Except for the Group's lease commitments, details of which are provided in Note 18 to the financial statements, £37m ($52m) of standby letters of credit issued at 30 April 2021 under the first priority senior debt facility relating to the Group's insurance programmes and £2m of performance bonds granted by Sunbelt, we have no material commitments that we could be obligated to pay in the future which are not included in the Group's consolidated balance sheet.

CURRENT TRADING AND OUTLOOK

We have shown that our business can perform in both good times and more challenging ones. We enter the new financial year with clear momentum, strong positions in all our markets, supported by high quality fleet, a strong financial position and our exciting new Sunbelt 3.0 strategic plan, positioning us well to respond to market conditions and capitalise on opportunities. We will invest to drive long-term sustainable growth and returns and strengthen the business. The benefit we derive from the diversity of our products, services and end markets, our investment in technology and ongoing structural change, enhanced by the environmental and social aspects of ESG, enables the Board to look to the future with confidence.

4 LEAD WITH ESG



OUR LONG-TERM COMMITMENT, BY 2030
REDUCE OUR CARBON INTENSITY BY 35%

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

Social – our people

Our people are the key ingredient that makes our business possible.

We report on how we recruit, train, develop, retain and reward the very best people, and ensure a diverse, equal opportunities workforce.

+ See more on page 56

Social – our communities

Our communities are an extension of our people and their families. We strive to always have a positive impact.

We report on how we contribute to our communities through job creation, community initiatives and investment, and emergency response.

+ See more on page 70

Environment

As we grow, so also does our impact on the environment and we want to limit any negative effects as much as possible.

We report on how we use resources efficiently, control of hazardous substances, reduction of waste, our greener fleet and our GHG emissions.

+ See more on page 66

Governance

We want to be sure we comply with regulations, but most importantly, just do the right thing.

We report on maintaining regulatory compliance, our anti-corruption and bribery efforts, our modern slavery and human trafficking policy, training and supply chain sustainability and diversity.

+ See more on page 73

RESPONSIBLE BUSINESS REPORT

BEING RESPONSIBLE IS PART OF OUR DNA

We are passionate about our people, the environment and the communities in which we live and work, but responding to the COVID-19 pandemic has brought our innate sense of responsibility to the fore more than at any other time and how we have responded is a natural extension of how we do business every day. We care deeply about making the best impact possible on all our stakeholders and we are proud of the impact we have had in helping our people, customers, suppliers and communities through this most difficult of times.

In April 2021, we announced our new strategic plan, Sunbelt 3.0, and for the first time our ESG priorities are embedded in our strategy. While these priorities have long been important components of how we work, we are ensuring that we are transparent about the targets we want to achieve. Ultimately our ESG efforts enable us to deliver on our promises and expand the trust that makes our business tick; trust that the equipment we provide will arrive on time and do what we say it will; trust that it will be well maintained and compliant with all health and safety requirements; trust that we are endeavouring to source the most environmentally friendly equipment as we can; trust that everyone involved in the rental process has been treated fairly, kept safe and well-rewarded; trust that we are not just taking from the communities in which we find ourselves, but are giving back real social value that can be measured.

BEING A RESPONSIBLE BUSINESS

Our goal is for our responsible business plan to be transparent, challenging and beneficial to everyone with which we interact. We have analysed our commitments into four key areas: the environment; our communities; our people; and governance. Following an analysis of what is material to the business in each of these areas, we have then divided each area into individual segments which focus on the specific commitments we are making. In this Responsible business report we focus on the environmental, social and corporate behaviour aspects of our work. More detail on governance can be found in our Corporate governance report on commencing on page 78.

The world is changing and the impact of technological advancements, climate change and unprecedented events such as the COVID-19 pandemic require ever greater attention and action. As part of Sunbelt 3.0, we are reinforcing ESG at the heart of how we operate, while unlocking the structural benefits ESG will bring to rental.

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

As we look to formalise our ESG objectives, we are also cognisant of the ways the Group can help advance the United Nations ('UN') Sustainable Development Goals ('SDGs'). In doing so,we have identified the eight goals which we believe we can make the most contribution to through our focus on recruitment and training, focus on diversity and inclusion, the development of our products and management of our operations.

In embedding our ESG priorities into our new strategic plan, we recognise the recommendations of the Task Force on Climate-Related Financial Disclosures ('TCFD') as well as the priorities of the UN SDGs. We are committed to meeting the TCFD recommendations in full by 2022 and have outlined on page 69 our achievements to date and where ongoing work remains.

Our commitment to ESG is clear and we intend to expand further on the areas detailed in this Responsible business report within our first Sustainability report, which will be published by April 2022. Here we will map the Group's activities and metrics to existing reporting frameworks such as the Sustainability Accounting Standards Board ('SASB') and Global Reporting Initiative ('GRI') standards, in addition to setting out our road map to science-based targets. We have engaged The Carbon Trust to assist in this process.

HOW WE MONITOR OUR WORK

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

Included on the Group Risk Committee is the Group's managing director of ESG, a new role for the Group and one which demonstrates the increased profile of our ESG priorities going forward.

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

OUR PEOPLE

HEALTH AND SAFETY

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

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

How we monitor performance

We monitor health and safety by the number of reported incidents that occur during our work. We track and analyse all incidents and 'near misses' to enable us to identify recurrent issues and implement preventative improvements. The importance of health and safety is reflected in the fact that the number of reportable accidents is one of our group-wide KPIs (see page 33).

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

This year the US had 1,459 reported incidents relative to an average workforce of 13,526 (2020: 1,585 incidents relative to an average workforce of 13,946), Canada had 239 incidents relative to an average workforce of 1,409 (2020: 190 incidents relative to an average workforce of 1,219) and the UK had 192 incidents relative to an average workforce of 3,725 (2020: 225 incidents relative to an average workforce of 3,814). For the purposes of our internal tracking, the term incident does not necessarily mean that an employee was hurt or injured. Rather it represents an event that we want to track and report for monitoring and learning purposes under our health and safety management

01 RECORDABLE ACCIDENTS

		2021		2020	
		OSHA	**RIDDOR**	OSHA	RIDDOR
US	Recordable accidents	**194**	**114**	211	115
	Incident rate	**1.07**	**0.31**	1.10	0.30
Canada	Recordable accidents	**29**	**8**	25	8
	Incident rate	**2.12**	**0.29**	2.15	0.34
UK	Recordable accidents	**n/a**	**21**	n/a	15
	Incident rate	**n/a**	**0.27**	n/a	0.19

EMPLOYEE SPOTLIGHT

Douglas McLuckie has been with the Group for 14 years and has a background in strategic risk management and governance having previously been the head of risk management for Sunbelt UK. He brings a wealth of experience in showcasing the benefits associated with sustainability and the circular economy, of which our business is a prime illustration. He is responsible for the on-going development, execution and reporting of the Group's ESG strategy. Douglas was the founding Chairman of the European Rental Association (ERA) sustainability committee where he co-authored a 'Framework for good practice relating to sustainability in the rental industry'.

Douglas McLuckie
Managing Director of ESG

policies. We continue to focus on timelier reporting of every incident or first aid event that occurs.

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

We remain committed to continuing to reduce these rates as much as possible and continue to see progress across the businesses. However in the UK, the recordable accidents and incident rate has been impacted in the current year by the inclusion of four historical industrial disease cases relating to the UK trackway business.

Safety initiatives

COVID-19 has tested our excellent health and safety reputation and reinforced it massively. Operationally, we have changed the way we work to ensure our team members remained protected while continuing to work across our store network, ensuring we met the needs of our customers and communities. Aligning with government guidance and recommendations, we enhanced equipment and facility cleaning protocols, installed barriers to ensure social distancing in our stores and implemented curbside service to reduce customer traffic in our locations. We created additional training and videos for our teams related to face coverings and respirators, proper removal and disposal of gloves, and disinfecting equipment. Like most organisations, we removed all but essential travel and stopped international travel, and moved online for meetings and training, etc.

In the absence of travel and face-to-face meetings, we introduced virtual Wellness visits to discuss local matters, training and the response to COVID-19 to ensure we maintained dialogue with our team members and could respond in an agile manner to employee feedback.

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

ENGAGE FOR LIFE

As well as our COVID-19 protocols, we have core safety processes across all our stores. In North America these include:

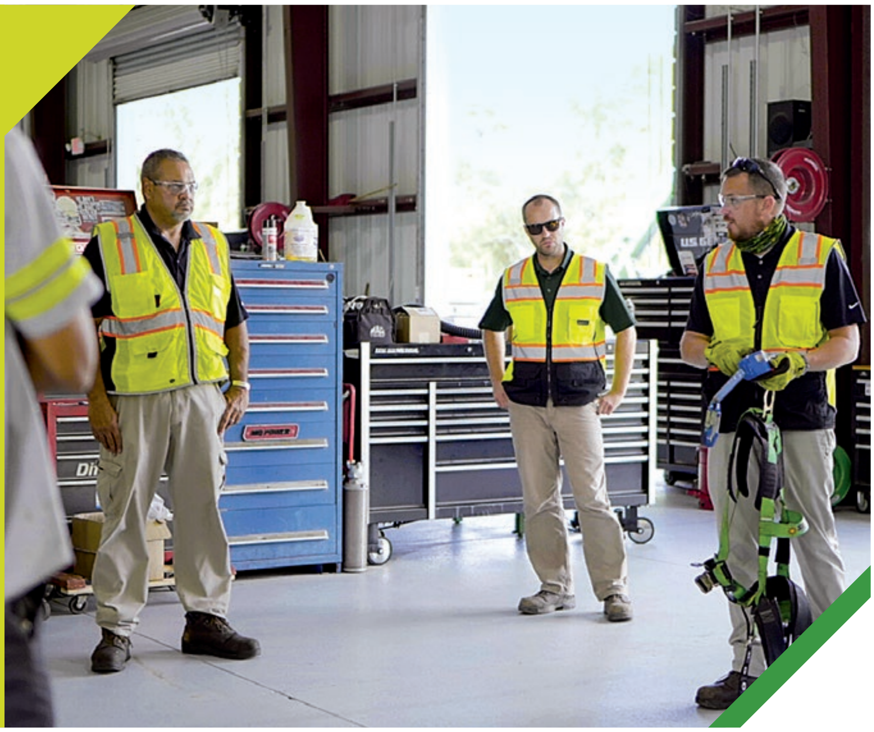
- the near miss programme, which provides insights into our exposures across our businesses;
- the pre-task planning programme ('Take 10 Programme'), which requires everyone to take at least 10 seconds to think through the job they are about to do using a pre-task planning checklist. Examples of tasks/jobs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

HEALTH, SAFETY AND ENVIRONMENT WEEK

We continued with our tradition of holding an internal Health, Safety and Environment Week ('HSE week') albeit we adapted our activities in light of COVID-19 restrictions using a combination of activities in-store and online videos and other communications.

In the US, we used this opportunity to continue our efforts in eliminating or reducing safety incidents. Our focus on Stuff That Can Hurt ('STCH') is aimed at reducing soft tissue, or ergonomic-related injuries. We also used Safety Week 2020 to highlight learning as an organisation.

In the UK, HSE week included a 'Search for a Safety Hero' from each business unit in order to promote safety value champions across the business.



In addition, the US senior leadership team's weekly safety meetings provide focus towards developing solutions that can be replicated across the Group. We hold annual safety weeks, and continued this under COVID-19, designed to increase awareness of the importance of safety across the business.

Similar safety processes operate in the UK. We run the Work Safe Home Safe campaign to ensure staff also take responsibility for their own safety and Sunbelt UK managers undertake the five-day IOSH ('Institution of Occupational Safety and Health') Managing Safely course.

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

Other new safety initiatives during the year included:

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

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

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

Driver and vehicle safety

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

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

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

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

We drive over 310m miles each year, so giving our drivers the solid training on defensive driving principles is critical to having safe outcomes on the road.

Working on safety with our customers and suppliers

Being a responsible business means sharing and promoting our safety culture with our customers and suppliers whenever possible. For example, we have dedicated aerial work platform, forklift and earth moving operator trainers who train customers and we offer customised training programmes to fulfil their needs. We work with customers' safety teams to develop customised training courses, sometimes for a specific jobsite and participate in training days for major customers, demonstrating safe use of equipment and running training seminars. This is in addition to the routine safety briefings that accompany equipment rental. We now offer dedicated full-time safety trainers for our customers in 50 markets across North America and have 18 accredited training centres in the UK.

Our customer training covers a broad range of topics including:

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

Train the trainer
- Mobile elevating work platforms
- Forklifts
- Earth moving equipment
- Fall protection

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

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

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

VEHICLE TECHNOLOGY SUPPORTING SAFETY

We will be equipping all Class 8 trucks in North America with the collision mitigation technology often available in personal vehicles, with the first vehicles entering our fleet during 2021. A Class 8 truck is a vehicle with a gross weight vehicle rating exceeding 33,000lbs. In our fleet, these include HGVs, or tractor-trailers, as well as some rollback vehicles. The safety system is designed to try and prevent a collision or decrease its severity in the moments before it occurs, using a forward collision warning system, adaptive cruise control, lane departure warning system and/or an automatic braking system.

HUMAN CAPITAL

Labour management

We know that a skilled and committed workforce is fundamental to our success. Our labour management policies are designed to ensure we take the very best care of our people. For example, we took decisions very early on in the COVID-19 pandemic to prioritise our employees, ensuring that we were able to continue treating everyone fairly and with respect. We made clear our absolute commitment to them and quickly communicated that we would not make any team members redundant or put them on furlough. That immediately removed any job-related fear and allowed them to carry on doing the very best they always do for our customers and communities.

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

Career development and training

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

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

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

Carl Pierce
Senior Trainer

EMPLOYEE SPOTLIGHT

Carl Pierce has a passion for helping others succeed, and for Sunbelt Rentals. Over the course of his 25-year career, he has been able to influence and help develop talented leaders across the organisation. After serving 10 years in the United States Air Force, Carl joined the Sunbelt Rentals team in Greer, South Carolina and progressed quickly from Inside Sales Representative to Branch Manager. With a desire to share his knowledge and experience, he joined the Talent Development and Education team as an Operations Leadership Trainer two years ago and has worked tirelessly to develop Sunbelt's front-line leaders and help them grow their careers. In his new role as Senior Trainer, Operations Leadership, Carl is responsible for leading the effort to strengthen the Sunbelt culture, build core leadership skills, and improve operational processes through people development.

In the UK we held over 9,000 employee training days last year through a wide range of courses. In order to identify training needs when recruiting, we have developed a series of competence forms and adopted the OSAT (On Site Assessment and Training) programme. Each employee has their skills mapped against the qualification framework through assessment and any skill-gaps are filled through training. Through this process we can be sure of developing the skills and qualifying the experience of our workforce. To evaluate the effectiveness of our training, we issue all delegates with feedback forms and these are evaluated and actioned as required. Because of COVID-19, the majority of our usually classroom-based training was conducted online.

JUMPSTART MANAGER IN TRAINING PROGRAMME

The 52-week Manager in Training programme in North America exposes future leaders to our company culture, the cohesive functions of a store team, and the skills and responsibilities required by a store manager. The trainees work side-by-side with store managers to understand the rental industry by:

- building leadership skills through structured interactions to gain valuable insight about teams they will lead;
- participating in guided on-the-job experiences;
- interacting with others through mentoring and social learning;
- completing stretch assignments and special projects; and
- attending formal learning events.

We have a similar programme for sales staff. This year's cohort attended a virtual graduation.

Reward and benefits

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

We provide a comprehensive package of benefits ensuring they represent affordable and smart choices for employees. Each benefit offering has been designed to work with another, providing a financial safety net that serves those employees in need, as well as providing us all with a proper sense of security. In the US we offer robust and comprehensive medical coverage and, despite the growing costs of healthcare, member contribution rates were not increased. By continuing to promote wellness, we intend to maintain a fair and balanced health plan that is considered one of the best in our industry. Our retirement plans are well received with a 95% enrolment rate in our US 401(k) plan and 92% of UK employees participating in the pension plan. Our employees are excited to be here, and we want to help them prepare for their future, whatever it holds.

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

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

SPECIAL BENEFIT PROVISIONS UNDER COVID-19

To assist, reassure and thank our people for their efforts during COVID-19, $14m in appreciation bonuses was paid to 12,500 US, UK and Canadian skilled trade team members.

We implemented additional paid time off for employees dealing with the consequences of COVID-19.

As part of this policy we made the following payments:

- paid $7m to c. 5,700 team members for 300,000+ hours in North America; and
- paid £4m+ to c. 2,300 team members in the UK.

Staff turnover

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

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

In North America, our voluntary staff turnover is 14% (total staff turnover is 18%) with two-thirds of this turnover arising from people with less than two years' service. Although staff turnover is slightly lower in the UK, the overall picture is similar. Voluntary staff turnover is 12% (total staff turnover is 17%) and around half of voluntary staff turnover arises from people with less than two years' experience.

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

Employee satisfaction

Getting ongoing feedback on how our staff are feeling and then making any changes necessary, is crucial to maintaining a happy and fulfilled workforce. We pride ourselves on having a strong culture, with a strong sense of purpose amongst our team members who take their responsibilities to assist customers and communities seriously. There is also a strong sense of pride in a job well done such as when we are helping people get back to normal after a natural disaster. Last year we held our first North American-wide employee survey, Express Yourself, following on from the success of our first UK survey the previous year. We were delighted with the results, which showed a high degree of employee satisfaction even given the very difficult circumstances our staff were having to deal with both personally and at work.

In North America, the Express Yourself survey received a remarkable 88% participation rate with an 89% engagement score. In the UK, participation in this year's survey was 72% with an 80% engagement rating. Key findings were that the majority of team members reported a sense of pride, would recommend Sunbelt to family, that their managers care about safety and that they trust their manager to do a good job. We are analysing all the results from the survey and taking action accordingly. We plan to associate all action taken specifically with the survey to reinforce that we have listened and are taking action directly as a result of staff feedback.

Cheryl Black
Senior Vice President, Culture and Engagement

EMPLOYEE SPOTLIGHT

As part of our programme to reinforce and develop further our ESG efforts, we have sought to place even greater emphasis on diversity and inclusion. Cheryl Black is our new Senior Vice President of Culture and Engagement. She has been with Sunbelt for 21 years, starting out in payroll, working on the integration of numerous acquisitions and building the HR team from 20 to 150. Cheryl will lead our new Diversity and Inclusion Task Force, initially focusing on the US and Canada, and then also joining up with our efforts in the UK. She is passionate about ensuring the workplace remains inclusive for all so that we can continue to attract and retain the best talent.

IF THEY CAN DO IT, SO CAN I!

As part of our efforts to publicise the opportunities available to women and other under-represented groups within our business, we have begun to promote images and interviews with role models within our organisation, in order to produce a culture of 'if they can do it, so can I!' An example of this was our activities in connection with International Women's Day 2021, where we engaged with the call to #ChooseToChallenge, and created a fun video showing the range and diversity of women in the business, from apprentices to directors.

SOCIAL OPPORTUNITIES

Diversity

Providing equal opportunities for all our staff is a priority for Ashtead. Our recruitment comes predominantly from the areas immediately around our facilities thereby providing opportunities for local people and a positive impact on their community. We make every reasonable effort to give disabled applicants and existing employees who become disabled, opportunities for work, training and career development in keeping with their aptitudes and abilities. We do not discriminate against any individual on the basis of a protected status, such as sex, colour, race, religion, native origin or age.

DIVERSITY & INCLUSION

In the current year, we have sought to reinforce our diversity focus through the establishment of a Diversity and Inclusion Task Force in North America, drawing from a diverse group of 14 team members across the organisation to design and implement a new diversity and inclusion strategy. We had over 300 applicants for this important initiative which reflects our collective desire for a more engaging and empowered workplace when it comes to diversity and inclusion. It is being headed up by Cheryl Black, our new Senior Vice President of Culture and Engagement.

In the UK, we have set up a similar group as part of 'Let's Talk Belonging' with Equality, Diversity and Inclusion ambassadors from across the UK taking part in forums to explore the concept of 'belonging' and what this means on a day-to-day basis. Subsequent to this, we have engaged with an external third party in order to carry out a full assessment on our approach to equality, diversity and inclusion.

In the US we are required by law to monitor ethnicity in our workforce and we maintain a diverse workforce with 28% of the US workforce identifying themselves as being non-white. We also gather ethnicity data as part of the recruitment process in the UK and monitor our diversity. We are committed to providing opportunities for people from all ethnic groups and in both geographies we have good representation from ethnic minorities across the organisation. The Group continued a group-wide focus on equality, diversity and inclusion, in order to make sure its workforce represents society as best as it can and is representative of the communities in which it works.

We are also working to increase gender diversity at all levels of the business. However, our workforce as a whole reflects the nature of our business, the industry in which we operate and the markets we serve with just 10% of the Group's workforce being female. A significant proportion of our workforce are fitter engineers and HGV drivers, virtually all of whom have been male historically. Therefore, while across our workforce we seek to promote increasing proportions of women in the business, and we have seen success in some areas of our business such as within professional functions, sales and customer service, we recognise that some roles have historically attracted fewer women.

02 WORKFORCE BY GENDER

	Male	Female	Female %
Board directors	5	3	38%
Senior management	29	6	17%
All staff	16,847	1,985	11%

03 PAY GAP

	Pay gap
US	3%
UK	5%
Canada	7%

Nevertheless, whilst our industry has traditionally had many more men than women, we do have women at all levels of the Group, from the Board to store level. While three members of our Board (38%) are female and we have women on our senior management teams and as store managers and sales executives, we realise we have work to do to increase the number of women at the very top of our executive functions.

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

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

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

Employee wellbeing

We believe in treating our staff well and rewarding them for the effort they put in on our behalf. It is crucial that our workforce is a healthy one and we work hard to look after our people and help them look after themselves. When our staff are on top form, they provide the best service to our customers. We are also there to help when they find themselves in difficulties.

Needless to say we have prioritised the health and well-being of our staff and their families during the COVID-19 pandemic. We set up a daily screening app in North America that required employees to evaluate their exposure risk prior to coming to work.

We have shielded vulnerable team members, adapted our environments to become COVID-19 secure and adjusted working patterns to ensure we have still been able to deliver for our customers as an essential services provider, without compromising anybody's health. At the end of February 2021 we launched our own mobile and permanent lateral flow testing units in the UK.

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

LET'S TALK MENTAL HEALTH

The 'Let's Talk' wellbeing programme started in 2020, announcing our first wellbeing initiatives for our team members. We started with 'Let's Talk Mental Health', where we advertised for 60 volunteers to undertake a two-day professional Mental Health First Aider England course ('MHFA England'). We were thrilled with the response with over 200 people offering to get involved. The training of 60 team members took place and once lockdown restrictions lift we will be holding more. We also felt the third lockdown was particularly tough on UK team members. In January 2021, it was cold, dark and wet, and more difficult to be motivated to take time to get into the fresh air. We wanted team members to know #ItsOkToNotBeOK and so the senior team wrote and recorded a video, empowering people to take breaks and know we encouraged them to look after their mental health. As part of the UK Health, Safety and Environment week we created another video, introducing our newly trained Mental Health First Aiders.

EMPLOYEE SPOTLIGHT

Alyssa Billings has been in the construction industry for over 12 years and currently leads a General Tool store in Fife, Washington as well as being a member of our Diversity and Inclusion Task Force. When Alyssa was at college she began working for a small flooring company and quickly found that she enjoyed many aspects of construction and decided to remain in the industry after graduating. At Sunbelt, Alyssa enjoys partnering with contractors and seeing our work create or transform buildings whilst promoting safety and building her team.

Alyssa Billings
Branch Manager

ENVIRONMENT

Protecting the environment has always been an important element of how we work. But we have not talked about what we do as much as we could. That is all changing with our new strategic plan, Sunbelt 3.0, because we have added our goal to lead by way of ESG as one of our five actionable components to enhance transparency regarding our commitments and achievements. Our biggest commitment in this area is to decrease our carbon intensity by 35% by the year 2030, with a shorter-term goal to reduce our carbon intensity by 15% by 2024.

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

We are committed to providing the very latest, low and even zero carbon emissions equipment available. We also increasingly help our customers work in more environmentally friendly ways. For example, through the provision of battery powered generators to serve as temporary back-up power. We provide solar-powered light towers which provide light for up to 60 hours before they need a charge, to allow work to continue after dark without carbon emissions. Our ground protection helps minimise the environmental impact of foot and vehicle traffic, creating a buffer that, being washable unlike wooden mats which can absorb mould and contaminants, is also safely transferable.

INVESTING IN GREEN TECHNOLOGY FOR OUR CUSTOMERS

Network Rail's High Output ('HO') operations keep the UK railways running, carrying out 70% of track renewal work in a 24-hour cycle, from getting the systems ready in their compounds, to preparing the track by removing lineside equipment, starting up the machines and bringing back used materials. Work is carried out all through the night, both at the compounds and on the track. We worked with Network Rail to source suitable solutions to provide more environmentally friendly lighting equipment. The team identified the TL55 Solar, the UK's first solar lighting tower. It represents an eco-breakthrough in solar powered mobile lighting. With both battery and mains supply, it provides up to 500 hours run time from the battery, or indefinite run time on solar power. These towers are now fully operational at the HO sites, providing powerful lighting to enable the teams to carry out their work safely, whilst emitting zero emissions and operating silently, reducing noise disturbance levels. As they do not use fuel, the lighting towers also bring a significant reduction in operating costs. We now have the largest available UK fleet of Prolectric solar lighting towers.

We already offer the most comprehensive range of green equipment available in the market but we are committed to working closely with all our suppliers to help them develop the most environmentally sustainable equipment that we can then buy. Customers can also opt to use less toxic biodegradable hydraulic oil for use in equipment operated in sensitive areas, for example. We also have industry-leading availability of natural gas generators and hybrid light towers.

Focusing on environmental impact helps assist our customers who are increasingly seeking ways to reduce their own carbon footprint and enables us to reduce our impact and costs. It also helps our staff feel good about where they work and helps to build good relationships with the communities around our stores. We are leading the rental industry through innovation and industry events such as our ground-breaking Sunfest, a virtual UK rental industry trade show hosted by us and focusing on sustainability which was held for the first time in 2020.

CLIMATE CHANGE

Like any other business, climate change has the potential to impact ours greatly. For example, adverse weather events or natural disasters could negatively affect economies and disrupt our business day-to-day. However, unlike many other companies, climate change is more of an opportunity for Ashtead than a risk.

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

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

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

We provide more environmentally friendly equipment when possible such as:

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

Greenhouse gas emissions

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

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

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

In the UK, we collect data from all Scope 1 and 2 vendors and hence, there is no estimation involved. In the US and Canada, due to the size of our operation, we collect data from the significant vendors and then use this to estimate emissions attributable to the balance. At April 2021, approximately 8% of the Sunbelt North American emissions balance was estimated.

We have historically opted not to report Scope 3 emissions due to the difficulty in gathering accurate and reliable information. We are now embarking on a project with The Carbon Trust to identify and measure our Scope 3 emissions so we can monitor these and report on them in the future. The majority of these arise through our customers' use of our equipment on their sites and projects and the embedded carbon in our supply chain.

While we are focused on reducing our carbon emissions, they are likely to increase as we grow until technological advancements reduce reliance on the diesel engine. Thus, at this stage, our key performance metric is carbon intensity as we look to mitigate our environmental impact. Our level of GHG emissions varies with our activity levels which are reflected in our revenue levels. Accordingly, we have concluded that the most appropriate intensity ratio for Ashtead is revenue intensity. Our intensity metric is therefore an indication of emissions per millions of pounds of revenue (tCO_2e/£m).

	2021	2020
Emissions intensity ratio – emissions per £m of revenue (tCO_2e/£m)	**64.3**	66.1

The majority of our revenue is in US dollars and so the reported ratio is affected by the exchange rate. On a constant currency basis ('using this year's exchange rates'), our intensity ratio has reduced from 68.5 to 64.3.

04 GREENHOUSE GAS EMISSIONS

		2021		2020	
		UK	**Total**	UK	Total
Scope 1	tCO_2e/year*	**30,610**	**288,438**	31,646	296,128
Scope 2	tCO_2e/year*	**2,409**	**30,532**	2,856	36,399
Total	tCO_2e/year*	**33,019**	**318,970**	34,502	332,527
Energy consumption used to calculate emissions	mWh	**139,912**	**1,266,179**	143,055	1,303,858

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

WASTE

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

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

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

We monitor and manage our water consumption. We work to ensure that process water is collected (and treated as required) and disposed of appropriately.

We are working to set specific goals for the reduction of waste to landfill and water usage.

INVESTING IN GREENER FLEET

We have a wide-ranging 'green' rental fleet and are always investing in greener equipment, including:

Wacker Neuson electric dumper – This emission-free dumper is the ideal choice for material handling support, especially in built-up areas where exhaust or noise emissions can be an issue. Four-wheel drive and articulated joints mean it is very stable for work on uneven or steep terrain.

JCB electric excavator – This has exactly the same structure, canopy, dig end, hydraulics and controls as the diesel model and performs in exactly the same way. The only difference is that it is battery powered, producing zero CO_2 emissions, needing zero fossil fuel and creating zero noise.

Hybrid and electric articulating boom lifts – These are far more economical than a standard model, using an electric motor and battery technology for zero emissions and no noise.

ENVIRONMENTAL OPPORTUNITIES

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

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

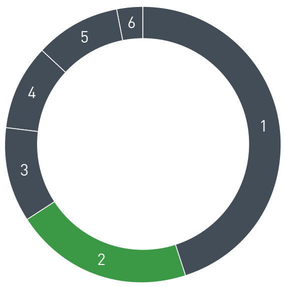
Secondly, the more extreme weather events associated with climate change lead to the kind of damage and clean-up operations in which we are highly experienced. Our disaster response capability is one of the specialty areas in which we truly excel and are well known. While not linked directly to climate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

Fleet composition

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

The chart below shows the composition of our fleet today, with c. 20% being alternative sources consisting of battery, electric, hydraulic, solar or hybrid technology and we expect this to increase going forward as alternative technologies become available. Even today, our second largest category of fleet is electric scissor lifts.

GROUP FLEET COMPOSITION



1 Off-road diesel: tier 4 final 45%
2 Alternative sources 21%
3 Off-road diesel: other 11%
4 Off-road diesel: tier 4 interim 10%
5 Gas 10%
6 Other 3%

Alternative fuels

We are building partnerships with suppliers to introduce alternative energy and fuel solutions for our customers. HVO (hydrotreated vegetable oil) fuel is manufactured from 100% renewable and sustainable waste, ethically sourced and derived from raw materials. HVO is a 'drop in' fuel that can replace diesel with no changes required to the engine or operational infrastructure. It is legal for road and non-road use and offers significant reductions in noxious exhaust emissions. We launched this alternative fuel to our UK customers hiring equipment with combustion engines, which would normally have burnt fossil-fuel-based red diesel.

HVO has been proven to create a 90% reduction in net carbon emissions (CO_2e) on-site. Several of our UK national customers have already made the switch.

Company vehicles

Driving over 310m miles a year delivering and servicing equipment and serving customers means that any steps we take to reduce the environmental impact of our vehicle fleet are important. Additional vehicle efficiency steps taken include the use of:

- telematics on vehicles to monitor engine idling and driving efficiency;
- a telematics dashboard to enable tracking of fuel usage and CO_2 emissions by location and individual asset, enabling better operational and cost saving decisions;
- speed limiting devices on all three-axle vehicles in the US, resulting in fuel savings and increased safety;
- technology to optimise delivery routes;
- tyre pressure monitors to optimise fuel efficiency;

- fuel efficient tyres and tyre inflation systems to reduce rolling resistance in the US;
- improved design to increase fuel efficiency of the delivery and service fleet; and
- reducing exhaust emissions.

We also continue to make fleet efficiency gains. The Fleet Operator Recognition Scheme is an accreditation scheme that aims to improve vehicle fleet activity throughout the UK. The overarching scheme encompasses all aspects of safety, fuel efficiency, economical operation and vehicle emissions, with the UK having successfully retained its Gold status for the fifth year running covering 147 of its depots.

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

- we offer eco-site solutions and co-located on-site facilities, to keep equipment and expertise as close to projects as possible, minimising trips to and from our depots to replenish plant and equipment;
- we hire smart energy management systems to help customers optimise energy consumption;
- we are committed to developing our 'site of the future' offering. Today we can already build eco-site solutions, powered and lit by solar and hybrid equipment, operating electric plant and tools;
- over the past two years we have invested over £20m in the UK alone and our current vehicle fleet comprises 382 HGVs (67% already Euro 6 compliant) and 1,382 LCVs, (50% already Euro 6 compliant);
- our planned transport replacement plan will ensure that the entire UK fleet is Euro 6 compliant by mid-2022; and
- within three years we will convert all new orders for light duty fleet to nearly 100% environmentally responsible vehicles in the US.

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

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ('TCFD')

In line with our focus on ESG, we have provided the following disclosure to demonstrate our progress with regard to the recommendations of the TCFD. We are committed to meeting the TCFD recommendations in full and will report these in our 2022 Annual Report.

Governance

The Board is ultimately responsible for the progress made against our strategic ESG objectives with Brendan Horgan, the Group's chief executive, leading initiatives in the business on a day-to-day basis.

The Board, in maintaining its responsibility, is assisted in this function by the Group Risk Committee. Michael Pratt, the Group's chief financial officer, is the Chair of the Risk Committee.

Further information on the governance mechanisms in place around climate-related objectives can be found on page 55.

Strategy and risk management

The inclusion of ESG as a core part of our Sunbelt 3.0 strategy demonstrates the importance of climate-related risks and opportunities on the Group's business.

The process for identifying, assessing and managing climate-related risks is the same for all principal risks and is described on page 34. As part of our risk assessment process, we define short-term as up to three years, medium-term as three to five years and long-term as greater than five years.

We have identified environmental matters, including climate-related risks, as part of the principal risks affecting the Group over the short, medium and long-term.

The shift to a low carbon economy brings about changing customer expectations and the need to comply with those laws and regulations governing environmental protection. Specifically for the Group, our current fleet composition is significantly reliant on diesel engines which we will replace over time as alternative fuel sources become available.

Climate-related matters also present significant opportunities for the Group as discussed on pages 68 and 69. For example, responding to the increased severity and frequency of extreme weather events such as hurricanes places a significant demand on emergency response teams.

Metrics and targets

Our main KPI associated with environmental risk is that of carbon intensity. Performance in the current year and progress compared to the prior year can be found on page 33. We will also introduce metrics and targets during the next financial year to monitor and measure our impact in relation to waste and water usage.

Our Scope 1 and 2 GHG emissions are disclosed on page 67 and we are working with The Carbon Trust to map the Group's Scope 3 emissions.

When launching our Sunbelt 3.0 strategy, we committed to reducing carbon intensity by 35% by 2030. In achieving this target we set out a roadmap covering:

- **Near-term:** including greener vehicle transition and route optimisation/dynamic telematics;
- **Medium-term:** step changes on vehicle procurement and renewable energy generation; and
- **Long-term:** migration to alternative energy sources.

The work with The Carbon Trust will enable the Group to develop science-based targets.

OUR COMMUNITIES

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

COMMUNITY ENGAGEMENT

Working with local charities is important to us. We also have a huge impact on both our own communities and those further afield through our disaster relief work with communities in distress from a wide range of factors. We are a first responder when it comes to natural disasters, restoring communities and conducting massive clean-up operations after storms and floods, for example. Our community first responder participation has never been more important than during the COVID-19 pandemic, and you can read more about our response, including our involvement in setting up testing and vaccination sites on page 11.

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

The following are some examples of our engagement with communities in the US and Canada during the year, with similar examples across the UK.

HABITAT FOR HUMANITY

Habitat for Humanity is a not-for-profit organisation that helps families build and improve affordable housing. This is the first year we have partnered with the organisation in Canada, providing $2,500 to each of 10 different build sites in four different provinces in in-kind equipment rental. The organisation believes that affordable housing plays a critical role in strong and stable communities.

TEXAS STATE UNIVERSITY

We are working with Texas State University to provide scholarships for both veterans and students from under-represented minorities. We provide a general programme discretionary fund and sponsorship of student organisations. We also donated two forklift rentals, one when its agriculture programme's forklift needed repair and the other to support its regional COVID-19 Collection Station development project. One of our employees, Sheyla Meza, did an internship with our help at Texas State and then went through our Jumpstart programme.

RECRUITMENT

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

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

UK apprenticeship programme

The UK's apprenticeship programme continues to win awards for being one of the most successful and highly valued schemes in the equipment rental industry. We took on 14 trainees this year and we plan to recruit a similar number of apprentices in the coming year. Our apprentice programmes take between one and three years to complete and usually include outside training and a formal NVQ qualification, in addition to on-the-job training. We have six apprentice streams – plant maintenance, customer service, driver, electro technical, mechanical engineering and civil engineering. Our apprentice scheme also has an impressive 90% completion rate compared to the industry rate of c. 65%.

EMPLOYEE SPOTLIGHT

UK APPRENTICE CASE STUDY

Wilbert Fields is an apprentice driver working as part of the North West transport team. He differs from many of our apprentices who tend to join us after school or in the early years of their career. Wilbert is 58 years of age and joined the apprenticeship scheme to fulfil his ambition to embark on a career as a HGV driver. He is a superb employee to have in the transport team due to his versatility, as he drives a number of different vehicles for us. Wilbert is completing a LGV (large goods vehicle) driver apprenticeship and as a mature apprentice, has brought a valuable skill set to the business.

Wilbert Fields
Apprentice Driver

Walking With The Wounded

Our UK and US businesses are now working together on our veteran recruitment strategy, pooling our collective experience and resources. In the UK we also began strategic recruitment with Walking With The Wounded, working with their network of employment advisers across the UK. We are already receiving great feedback on this initiative:

"I am delighted that a veteran being supported by Walking With The Wounded has been accepted for one of your Traffic Management roles. He is beside himself and couldn't be more grateful for the opportunity." Walking With The Wounded Employment Adviser, March 2021

"X was successful at the second interview. Please pass my thanks on to the team, they have gone above and beyond to support him. He was living on the streets until 2020, I can't explain how grateful he is to have been given this opportunity." Walking With The Wounded Employment Adviser, March 2021

We know we are making a huge difference to these veterans who likewise make a huge difference to our business with their experience and dedication.

Military recruitment

In the US we have been designated as a 'top-50' military-friendly employer, but we are no longer satisfied to be one in a pack. By launching a series of high-profile campaigns supporting our veterans, while still upholding our tradition of attending military job fairs, we intend to be a true leader in veteran employment. From soldiers and sailors to airmen and marines, these veterans choose us because they believe in the way we do business. We leverage the Power of Sunbelt by using principles like teamwork, integrity, loyalty and respect to help our customers and our employees lead better lives. In 2020, we were named one of the nation's top Military Friendly® Employers by VIQTORY, a service-disabled, veteran-owned small business that connects the military community to civilian employment, as well as providing educational and entrepreneurial opportunities. Our military recruitment campaigns include acknowledging veterans in our current workforce, as well as expanding our work with the Gary Sinise Foundation and participating in media events, such as 'Military Makeover'. With these combined efforts, Sunbelt US is determined to be the employer of choice for military veterans.

In the UK, we work in partnership with British Forces Resettlement Services ('BFRS'), a social enterprise created to help the armed forces community with their transition into civilian life. BFRS works with service leavers to provide them with the skills and opportunities they need to successfully resettle after leaving the armed forces.

CHARITIES

Gary Sinise Foundation

As Sunbelt Rentals in the US continues its commitment to veteran and community support, we are thrilled to enter the sixth year of our partnership with the Gary Sinise Foundation ('the Foundation'), which honours America's defenders, military veterans, first responders, their families and those in need. The Foundation does this through the creation and implementation of unique programmes designed to entertain, educate, inspire, strengthen and build communities.

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

We supply the necessary equipment for each of the R.I.S.E. programme's projects to the contractors working on the home builds, at no charge. We also donate a portion of rental proceeds from co-branded Gary Sinise Foundation equipment and organise various localised fundraising efforts. In 2020 we contributed more than $1.2m in monetary and in-kind equipment donations to the Foundation. Our goal is to bring heightened awareness to the Foundation's work through continued fundraising and outreach initiatives in an effort to help positively impact the lives of veterans, defenders, and first responders.

American Red Cross

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

UK charity partners

In the UK, we work with a number of charities including The Prince's Trust, Teach First and CRASH.

The Prince's Trust supports 11-30 year olds who are unemployed, struggling at school and at risk of exclusion, in or leaving care, facing issues such as homelessness or mental health problems, or who have been in trouble with the law.

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

CRASH is the construction industry's charity that helps homelessness and hospice organisations with their construction projects. 2020 represented the 10th year in which we have been a Patron of the charity throughout which our expertise and products have helped a number of homelessness and hospice projects.

GOVERNANCE

CORPORATE BEHAVIOUR

Business ethics

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

Ethics training

Senior employees across the Group receive regular business ethics training to ensure they are aware of their obligations and responsibilities with regard to competing fairly, the UK Bribery Act and, in the US, the Foreign Corrupt Practices Act. This takes place every two years in North America with 2020/21 being a year of training, while in the UK, it is undertaken annually. Anti-corruption and bribery policies are maintained and reviewed on a regular basis with relevant guidance incorporated into our employee handbooks and available on our intranet pages.

Whistle-blowing

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

Supply chain

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

In the UK, the Group has entered into a partnership with the Slave-Free Alliance in order to strengthen further the actions taken in relation to the risks of modern slavery. Specifically in the coming year, the UK will work with the Slave-Free Alliance to review its approach to addressing the risk of modern slavery in its supply chain. If appropriate, this partnership may be broadened to encompass the Group's businesses in North America.

Cyber security

As the world continues to move online, even more so because of COVID-19, at least in the short to medium-term, awareness, monitoring and adaptability to cyber security issues is ever more crucial for us. We are prioritising the monitoring of any potential cyber security vulnerabilities and working to ensure business continuity under all potential scenarios. For more on the cyber security risk, see page 36.

CYBER SECURITY MONTH

November 2020 saw the annual 'cyber security month' within the Group in order to highlight the importance of cyber security both in the workplace and at home. Various campaigns were run throughout the month including the importance of password protections, how to spot and report potential phishing attacks and how to keep 'cyber safe' at home. This underpinned further training and communications to employees, reinforced by phishing campaigns.

BEING A RESPONSIBLE BUSINESS

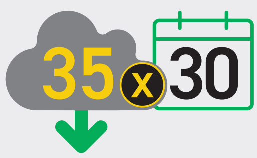
At the outset of this report, we highlighted that being responsible is part of our DNA.

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

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

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

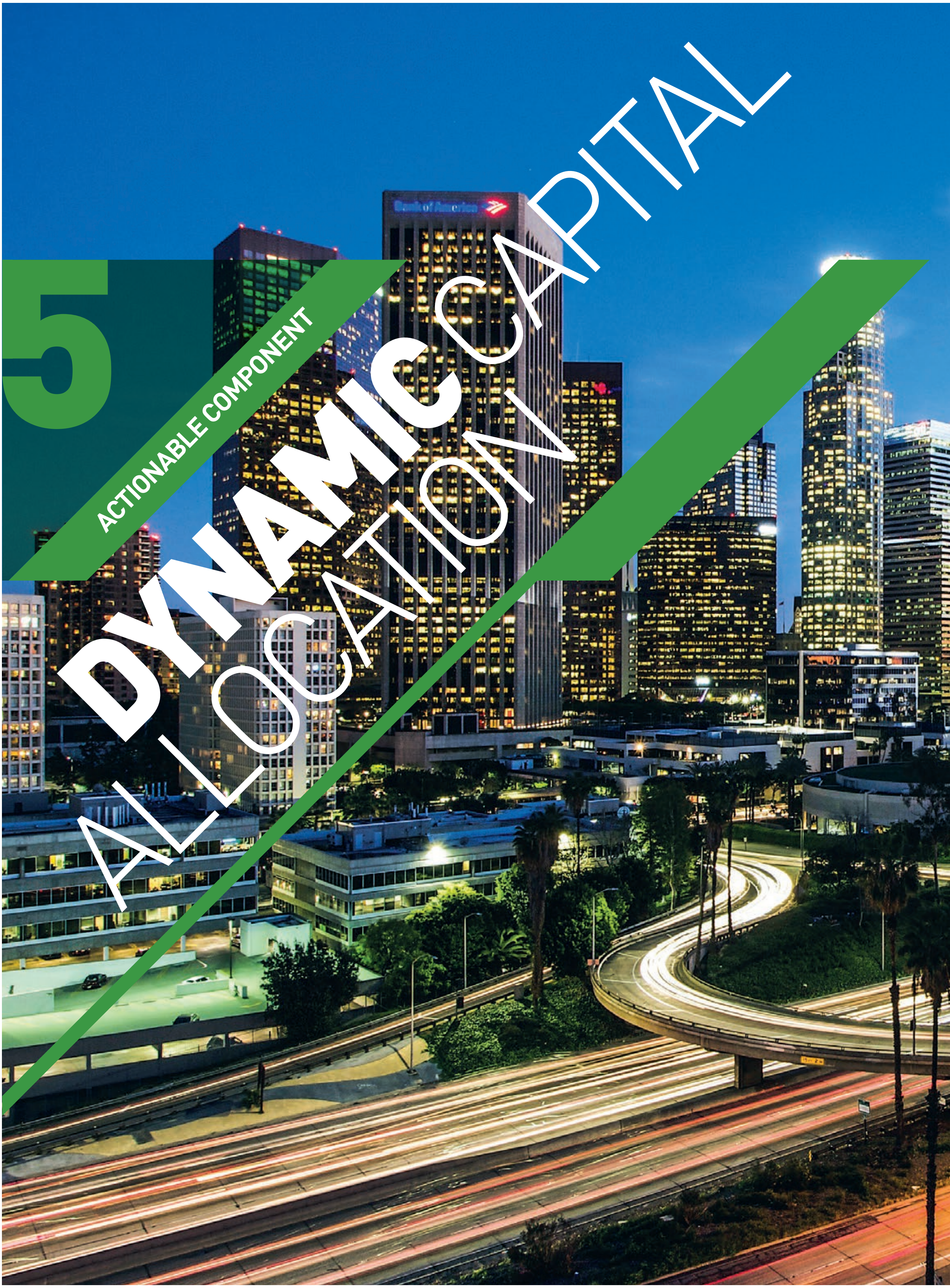
This is the right thing to do for our stakeholders and will ensure the long-term sustainable success of the Group.



5

ACTIONABLE COMPONENT

DYNAMIC CAPITAL ALLOCATION



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

ORGANIC GROWTH INVESTMENT IN EXISTING STORES AND GREENFIELDS

BOLT-ON M&A

RETURNS TO SHAREHOLDERS

- PROGRESSIVE DIVIDEND POLICY
- BUYBACKS TO MAINTAIN DEBT TO EBITDA WITHIN TARGET LEVERAGE RANGE OF 1.5 TIMES TO 2.0 TIMES EBITDA (PRE-IFRS 16)

A CLEAR CAPITAL ALLOCATION POLICY

Under Project 2021....

Organic growth investment in existing stores and greenfields

£6.1bn
capital expenditure spend

Bolt-on M&A

£1.8bn
on bolt-on acquisitions

Returns to shareholders

£790m
paid in dividends

£1.1bn
spent on share buybacks

UNDERPINNED BY NET DEBT TO EBITDA LEVERAGE OF 1.5 TO 2.0 TIMES

NON-FINANCIAL INFORMATION STATEMENT

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

ENVIRONMENTAL MATTERS

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

Further details of our policies, including disclosure of carbon emission and energy usage data, is provided on pages 66 to 69.

Related principal risks: see 'environmental' risk on page 38.

EMPLOYEES

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

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

Further details of our policies, including details on our safety programmes, training and recruitment activities, is provided on pages 56 to 65.

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

SOCIAL MATTERS

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

Further details of our contribution to society is provided on pages 70 to 72.

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

HUMAN RIGHTS

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

Further details of our policies is provided on page 73. Our business ethics and conduct policy, modern slavery and human trafficking policy and modern slavery and human trafficking statement are available on our website.

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

ANTI-CORRUPTION AND ANTI-BRIBERY

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

Further details of our policies, including details on training required to be undertaken by our employees, is provided on page 73.

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

OTHER MATTERS

In addition, information required in relation to the Group's business model, principal risks, including those which relate to the matters above, and key performance indicators are provided on pages 18 to 23 and 32 to 39 of the Annual Report.

APPROVAL OF THE STRATEGIC REPORT

The Strategic report set out on pages 1 to 76 was approved by the Board on 14 June 2021 and has been signed on its behalf by:

BRENDAN HORGAN
Chief executive
14 June 2021

MICHAEL PRATT
Chief financial officer
14 June 2021