

10 December 2024

## Unaudited results for the half year and second quarter ended 31 October 2024

<u>Performance</u> <sup>1</sup>	<u>Second quarter</u>			<u>First half</u>		
	<u>2024</u> \$m	<u>2023</u> \$m	<u>Growth</u> <sup>2</sup> %	<u>2024</u> \$m	<u>2023</u> \$m	<u>Growth</u> <sup>2</sup> %
Revenue	2,941	2,877	2%	5,695	5,573	2%
Rental revenue	2,725	2,585	5%	5,265	4,960	6%
EBITDA	1,410	1,354	4%	2,698	2,583	4%
Operating profit	796	799	- %	1,484	1,502	-1%
Adjusted <sup>3</sup> profit before taxation	682	697	-2%	1,255	1,312	-4%
Profit before taxation	653	666	-2%	1,197	1,250	-4%
Adjusted <sup>3</sup> earnings per share	116.2¢	118.3¢	-2%	213.6¢	225.8¢	-5%
Earnings per share	111.3¢	113.0¢	-2%	203.7¢	215.3¢	-5%

### Half year highlights

- Group rental revenue up 6%<sup>2</sup>; revenue up 2%<sup>2</sup>; US rental revenue up 5%; revenue up 1%
- Operating profit of \$1,484m (2023: \$1,502m), with \$77m lower gains on disposal
- Adjusted<sup>3</sup> profit before taxation of \$1,255m (2023: \$1,312m)
- Adjusted<sup>3</sup> earnings per share of 213.6¢ (2023: 225.8¢)
- \$1.7bn of capital invested in the business (2023: \$2.5bn)
- Free cash inflow<sup>1</sup> of \$420m (2023: outflow of \$355m)
- Net debt to EBITDA leverage<sup>2</sup> of 1.7 times (2023: 1.8 times)
- Interim dividend of 36¢ per share (2023: 15.75¢); rebalanced interim/final split
- Commencing a share buyback programme of up to \$1.5bn over the next 18 months
- Proposed move to a US primary listing
- Full-year guidance revised to reflect latest expectations
- Our outlook is positive and we look to Sunbelt 4.0 and the future with confidence

<sup>1</sup> Throughout this announcement we refer to a number of alternative performance measures which provide additional useful information. The directors have adopted these to provide additional information on the underlying trends, performance and position of the Group. The alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies' alternative performance measures but are defined and reconciled in the Glossary of Terms on page 35.

<sup>2</sup> Calculated at constant exchange rates applying current period exchange rates.

<sup>3</sup> Adjusted results are stated before amortisation.

## **Ashtead's chief executive, Brendan Horgan, commented:**

We launched our Sunbelt 4.0 strategic growth plan in April and the business is focused on executing against our five actionable components: Customer, Growth, Performance, Sustainability and Investment. I want to thank all our team members for the hard work and professionalism they exhibit every day as we deliver on this strategy and our commitment to provide exceptional service to our customers, safely.

Group rental revenue increased 6% and revenue was up 2% in the half year. In North America, the strength of mega projects and hurricane response efforts have more than offset the lower activity levels in local commercial construction markets. These local construction markets have been affected by the prolonged higher interest rate environment. However, underlying demand continues to be strong and we expect this segment to recover as interest rates stabilise. As expected, lower used equipment sales and a higher increase in depreciation and interest costs, resulted in adjusted profit before taxation of \$1,255m (2023: \$1,312m).

The investments in and expansion of the business over Sunbelt 3.0 and into Sunbelt 4.0 are enabling us to take advantage of the diverse opportunities that we see while maintaining discipline and balance sheet strength that affords us considerable flexibility and optionality. In the period we invested \$1.7bn in capital across existing locations and greenfields and \$53m on two bolt-ons, adding a total of 47 new locations in North America. We now expect capital expenditure for the year to be \$550m lower than our previous guidance at the mid-point, as we flex our plans to reflect market conditions. Illustrating the cash generative nature of our model, this lower level of capital expenditure means our guidance for free cash flow increases to c.\$1.4bn. Accordingly, with this strong free cash flow and leverage towards the middle of our target range of 1.0 to 2.0 times net debt to EBITDA, we are commencing a share buyback programme of up to \$1.5bn over the next 18 months.

Principally as a result of local commercial construction market dynamics in the US, we now guide to Group rental revenue growth for the full year in the range of 3-5% and hence, full year profit lower than our previous expectations. We remain in a position of strength, with the operational flexibility and financial capacity to capitalise on the ongoing structural growth opportunities we see for the business and enhance returns to shareholders as we follow our Sunbelt 4.0 plan and the Board looks to the future with confidence.

### Contacts:

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Brendan Horgan and Michael Pratt will hold a conference call for equity analysts to discuss the results and outlook at 10am on Tuesday, 10 December 2024. The call will be webcast live via the Company's website at [www.ashtead-group.com](http://www.ashtead-group.com) and a replay will be available via the website shortly after the call concludes. A copy of this announcement and the slide presentation used for the call are available for download on the Company's website. The usual conference call for bondholders will begin at 3pm (10am EST).

Analysts and bondholders have already been invited to participate in the analyst and bondholder calls but any eligible person not having received details should contact the Company's PR advisers, H/Advisors Maitland (Audrey Da Costa) at +44 (0)20 7379 5151.

### Forward-looking statements

*This announcement contains forward-looking statements. These have been made by the directors in good faith using information available up to the date on which they approved this report. The directors can give no assurance that these expectations will prove to be correct. Due to the inherent uncertainties, including both business and economic risk factors underlying such forward-looking statements, actual results may differ materially from those expressed or implied by these forward-looking statements. Except as required by law or regulation, the directors undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.*

## First half trading results

	<u>Revenue</u>		<u>EBITDA</u>		<u>Profit<sup>1</sup></u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Canada in C\$m	<u>508.0</u>	<u>446.2</u>	<u>235.3</u>	<u>190.5</u>	<u>111.3</u>	<u>80.4</u>
UK in £m	<u>371.1</u>	<u>358.7</u>	<u>109.4</u>	<u>102.2</u>	<u>36.5</u>	<u>32.7</u>
US	4,844.2	4,792.1	2,402.1	2,331.4	1,431.8	1,481.1
Canada in \$m	371.5	331.5	172.1	141.5	81.4	59.7
UK in \$m	478.8	449.8	141.1	128.1	47.1	41.0
Group central costs	<u>-</u>	<u>-</u>	<u>(17.4)</u>	<u>(17.7)</u>	<u>(17.9)</u>	<u>(18.3)</u>
	<u>5,694.5</u>	<u>5,573.4</u>	<u>2,697.9</u>	<u>2,583.3</u>	1,542.4	1,563.5
Financing costs					<u>(287.5)</u>	<u>(251.7)</u>
<b>Adjusted profit before tax</b>					<b>1,254.9</b>	<b>1,311.8</b>
Amortisation					<u>(57.9)</u>	<u>(61.3)</u>
Profit before taxation					1,197.0	1,250.5
Taxation charge					<u>(307.5)</u>	<u>(309.1)</u>
Profit attributable to equity holders of the Company					<u>889.5</u>	<u>941.4</u>
<u>Margins</u>						
US			49.6%	48.7%	29.6%	30.9%
Canada			46.3%	42.7%	21.9%	18.0%
UK			29.5%	28.5%	9.8%	9.1%
Group			47.4%	46.3%	27.1%	28.1%

<sup>1</sup> Segment result presented is adjusted operating profit.

Group revenue for the first half increased 2% to \$5,695m (2023: \$5,573m). This revenue growth resulted in EBITDA increasing 4% to \$2,698m (2023: \$2,583m), but with lower used equipment sales and after higher depreciation and interest costs, adjusted operating profit decreased 1% to \$1,542m (2023: \$1,563m) and adjusted profit before tax was \$1,255m (2023: \$1,312m). The higher increase in the depreciation charge relative to revenue growth reflects lower utilisation of a larger fleet and the ongoing impact of life cycle fleet inflation, contributing to the decline in operating profit. In addition, increased financing costs due to higher average debt levels resulted in adjusted profit before tax being 4% lower than the comparative period.

In the US, rental only revenue of \$3,570m (2023: \$3,380m) was 6% higher than the prior year, driven by both volume and rate improvement. Organic growth (same-store and greenfields) was 4%, while bolt-ons since 1 May 2023 contributed 2% of rental only revenue growth. In the first half, our General Tool business grew 2%, while our Specialty businesses grew 15%, demonstrating the benefits of our strategy of growing our Specialty businesses and broadening our end markets. Rental revenue increased 5% to \$4,518m (2023: \$4,299m). We estimate that hurricane response efforts contributed \$55 - 60m to rental revenue in the period. This hurricane impact, in part, mitigated further weakening in the local commercial construction market. US total revenue, including new and used equipment, merchandise and consumable sales, increased 1% to \$4,844m (2023: \$4,792m). As expected, this reflects a lower level of used equipment sales than last year when we took advantage of improving fleet deliveries and strong second-hand markets to catch up on deferred disposals.

Canada's rental only revenue increased 21% to C\$374m (2023: C\$310m). Markets relating to the major part of the Canadian business are performing in a manner similar to the US with volume growth and rate improvement. In addition, following settlement of the Writers Guild of America and Screen Actors Guild strikes, activity in the Specialty Film & TV business has recovered, although it is below pre-strike levels, which is likely to be the new normal. Rental revenue increased 20% to C\$459m (2023: C\$382m), while total revenue was C\$508m (2023: C\$446m).

The UK business generated rental only revenue of £248m, up 3% on the prior year (2023: £239m). Rental only revenue growth has been driven by both rate and volume improvement. Rental revenue increased 6% to £319m (2023: £301m), while total revenue increased 3% to £371m (2023: £359m).

We invested in the infrastructure of the business during Sunbelt 3.0 to support the growth of the business now and into the future. Our intention is to leverage this infrastructure during Sunbelt 4.0 as we look to improve operating performance. This, combined with our focus on the cost base and lower scaffold erection and dismantling revenue, contributed to US rental revenue drop through to EBITDA of 64% for the period. This resulted in an EBITDA margin of 49.6% (2023: 48.7%). Lower used equipment sales and weaker second-hand values resulted in lower gains on sale of \$23m (2023: \$91m). This, combined with higher depreciation on a larger fleet, contributed to segment profit decreasing by 3% to \$1,432m (2023: \$1,481m) with a margin of 29.6% (2023: 30.9%).

Our Canadian business continues to develop and invest to expand its network and broaden its markets. This, combined with the recovery in the Film & TV business, contributed to an EBITDA margin of 46.3% (2023: 42.7%) and a segment profit of C\$111m (2023: C\$80m) at a margin of 21.9% (2023: 18.0%).

In the UK, the focus remains on delivering operational efficiency and long-term, sustainable returns in the business. While we continue to improve rental rates, this remains an area of focus. The UK generated an EBITDA margin of 29.5% (2023: 28.5%) and a segment profit of £36m (2023: £33m) at a margin of 9.8% (2023: 9.1%).

Overall, Group adjusted operating profit decreased to \$1,542m (2023: \$1,563m). After increased financing costs of \$287m (2023: \$252m), reflecting higher average debt levels, Group adjusted profit before tax was \$1,255m (2023: \$1,312m). After a tax charge of 26% (2023: 25%) of the adjusted pre-tax profit, adjusted earnings per share were 213.6¢ (2023: 225.8¢).

Statutory profit before tax was \$1,197m (2023: \$1,250m). This is after amortisation of \$58m (2023: \$61m). Included within the total tax charge is a tax credit of \$14m (2023: \$15m) which relates to the amortisation of intangibles. As a result, basic earnings per share were 203.7¢ (2023: 215.3¢).

### **Capital expenditure and acquisitions**

Capital expenditure for the first half was \$1,679m gross and \$1,402m net of disposal proceeds (2023: \$2,526m gross and \$2,093m net). As a result, the Group's rental fleet at 31 October 2024 at cost was \$18bn and our average fleet age was 46 months (2023: 47 months) on an original cost basis.

We invested \$53m (2023: \$705m) in two bolt-on acquisitions during the half year, as we continue to both expand our footprint and diversify our end markets. Further details are provided in Note 16.

For the full year, we now expect gross capital expenditure lower than our previous guidance at \$2.5 - 2.7bn as we flex our plans to reflect market conditions.

### **Return on Investment**

The Group return on investment was 15% (2023: 18%). In the US, return on investment (excluding goodwill and intangible assets) for the 12 months to 31 October 2024 was 21% (2023: 26%), while in Canada it was 12% (2023: 14%). The reduction in US and Canada return on investment reflects principally the impact of lower utilisation of a larger fleet. In the UK, return on investment (excluding goodwill and intangible assets) was 7% (2023: 7%). Return on investment excludes the impact of IFRS 16.

## **Cash flow and net debt**

The Group generated free cash flow of \$420m (2023: outflow of \$355m) during the period, which is after capital expenditure payments of \$1,824m (2023: \$2,506m).

Net debt at 31 October 2024 was \$10,945m (2023: \$10,644m). Excluding the effect of IFRS 16, net debt at 31 October 2024 was \$8,203m (2023: \$8,149m), while the ratio of net debt to EBITDA was 1.7 times (2023: 1.8 times) on a constant currency basis. The Group's target range for net debt to EBITDA is 1.0 to 2.0 times, excluding the impact of IFRS 16. Including the effect of IFRS 16, the ratio of net debt to EBITDA was 2.2 times (2023: 2.2 times) on a constant currency basis.

At 31 October 2024, availability under the senior secured debt facility was \$2,571m with an additional \$6,907m of suppressed availability – substantially above the \$450m level at which the Group's entire debt package is covenant free.

In November 2024, the Group amended and extended its asset-based senior bank facility, with \$4.75bn now committed until November 2029. Pricing has been amended and is based on the applicable interest rate plus 125bps to 137.5bps (125bps to 150bps previously), depending on availability. The applicable interest rate is based on SOFR for US dollar loans, CORRA for Canadian dollar loans and SONIA for Sterling loans. Other principal terms and conditions remain unchanged. This ensures the Group's debt package continues to be well structured and flexible, enabling us to optimise the opportunity presented by end market conditions. The Group's debt facilities are now committed for an average of six years at a weighted average cost of 5%.

## **Dividend**

Our policy is to provide a progressive dividend, which considers both profitability and cash generation, and results in a dividend that is sustainable across the cycle. This, combined with the Board's decision to rebalance the split between the interim and final dividend, to broadly one third interim, two thirds final, has resulted in the Board increasing the interim dividend to 36¢ per share (2023: 15.75¢ per share). This will be paid on 7 February 2025 to shareholders on the register on 10 January 2025.

The dividend is declared in US dollars but will be paid in sterling unless shareholders elect to receive their dividend in US dollars. Those shareholders who wish to receive their dividend in US dollars and have not yet made an election may do so by contacting Equiniti on +44 (0) 371 384 2085. The last day for election for the proposed interim dividend is 24 January 2025.

## **Capital allocation**

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. As we execute on Sunbelt 4.0, we expect a number of years of strong earnings and free cash flow generation. Given this outlook, we have the opportunity to enhance returns to shareholders, while maintaining leverage towards the middle of our target range of 1.0 to 2.0 times net debt to EBITDA (excluding the IFRS 16). We are therefore commencing a new share buyback programme of up to \$1.5bn over the next 18 months.

## **Proposed move to a US primary listing**

Today, the Group has announced separately a proposal to move the Group's primary listing to the US over the next 12-18 months.

Further details are available at [www.ashtead-group.com/investors/regulatory-news](http://www.ashtead-group.com/investors/regulatory-news).

## **Current trading and outlook**

Principally as a result of local commercial construction market dynamics in the US, we now guide to Group rental revenue growth for the full year in the range of 3-5% and hence, full year profit lower than our previous expectations. We remain in a position of strength, with the operational flexibility and financial capacity to capitalise on the ongoing structural growth opportunities we see for the business and enhance returns to shareholders as we follow our Sunbelt 4.0 plan and the Board looks to the future with confidence.

	<u>Previous guidance</u>	<u>Current guidance</u>
Rental revenue <sup>1</sup>		
- US	4 to 7%	2 to 4%
- Canada	15 to 19%	15 to 19%
- UK	3 to 6%	3 to 6%
- Group	5 to 8%	3 to 5%
Capital expenditure (gross) <sup>2</sup>	\$3.0 – 3.3bn	\$2.5 – 2.7bn
Free cash flow <sup>2</sup>	c. \$1.2bn	c. \$1.4bn

<sup>1</sup> Represents change in year-over-year rental revenue at constant exchange rates

<sup>2</sup> Stated at C\$1=\$0.75 and £1=\$1.27

## **Directors' responsibility statement**

We confirm that to the best of our knowledge:

- a) the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'; and
- b) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year) and Disclosure and Transparency Rules 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board

Alan Porter  
Company secretary

9 December 2024

## CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 OCTOBER 2024

	<u>2024</u>			<u>2023</u>		
	Before <u>amortisation</u> \$m	<u>Amortisation</u> \$m	<u>Total</u> \$m	Before <u>amortisation</u> \$m	<u>Amortisation</u> \$m	<u>Total</u> \$m
<b><u>Second quarter - unaudited</u></b>						
<b>Revenue</b>						
Rental revenue	2,724.8	-	2,724.8	2,584.5	-	2,584.5
Sale of new equipment, merchandise and consumables	90.1	-	90.1	100.4	-	100.4
Sale of used rental equipment	<u>125.9</u>	<u>-</u>	<u>125.9</u>	<u>192.4</u>	<u>-</u>	<u>192.4</u>
	<u>2,940.8</u>	<u>-</u>	<u>2,940.8</u>	<u>2,877.3</u>	<u>-</u>	<u>2,877.3</u>
<b>Operating costs</b>						
Staff costs	(634.7)	-	(634.7)	(635.1)	-	(635.1)
Other operating costs	(784.7)	-	(784.7)	(743.1)	-	(743.1)
Used rental equipment sold	<u>(111.2)</u>	<u>-</u>	<u>(111.2)</u>	<u>(145.0)</u>	<u>-</u>	<u>(145.0)</u>
	<u>(1,530.6)</u>	<u>-</u>	<u>(1,530.6)</u>	<u>(1,523.2)</u>	<u>-</u>	<u>(1,523.2)</u>
<b>EBITDA*</b>	1,410.2	-	1,410.2	1,354.1	-	1,354.1
Depreciation	(584.8)	-	(584.8)	(523.7)	-	(523.7)
Amortisation of intangibles	<u>-</u>	<u>(29.2)</u>	<u>(29.2)</u>	<u>-</u>	<u>(31.0)</u>	<u>(31.0)</u>
<b>Operating profit</b>	825.4	(29.2)	796.2	830.4	(31.0)	799.4
Interest income	-	-	-	0.5	-	0.5
Interest expense	<u>(143.6)</u>	<u>-</u>	<u>(143.6)</u>	<u>(134.0)</u>	<u>-</u>	<u>(134.0)</u>
<b>Profit on ordinary activities before taxation</b>	681.8	(29.2)	652.6	696.9	(31.0)	665.9
Taxation	<u>(173.8)</u>	<u>7.2</u>	<u>(166.6)</u>	<u>(179.7)</u>	<u>7.8</u>	<u>(171.9)</u>
<b>Profit attributable to equity holders of the Company</b>	<u>508.0</u>	<u>(22.0)</u>	<u>486.0</u>	<u>517.2</u>	<u>(23.2)</u>	<u>494.0</u>
Basic earnings per share	<u>116.2¢</u>	<u>(4.9¢)</u>	<u>111.3¢</u>	<u>118.3¢</u>	<u>(5.3¢)</u>	<u>113.0¢</u>
Diluted earnings per share	<u>116.0¢</u>	<u>(5.0¢)</u>	<u>111.0¢</u>	<u>117.8¢</u>	<u>(5.3¢)</u>	<u>112.5¢</u>

\* EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders.

All revenue and profit is generated from continuing operations.



## CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2024

	<u>2024</u>			<u>2023</u>		
	Before amortisation \$m	Amortisation \$m	Total \$m	Before amortisation \$m	Amortisation \$m	Total \$m
<b>First half - unaudited</b>						
<b>Revenue</b>						
Rental revenue	5,265.3	-	5,265.3	4,960.4	-	4,960.4
Sale of new equipment, merchandise and consumables	181.7	-	181.7	196.8	-	196.8
Sale of used rental equipment	<u>247.5</u>	<u>-</u>	<u>247.5</u>	<u>416.2</u>	<u>-</u>	<u>416.2</u>
	<u>5,694.5</u>	<u>-</u>	<u>5,694.5</u>	<u>5,573.4</u>	<u>-</u>	<u>5,573.4</u>
<b>Operating costs</b>						
Staff costs	(1,268.0)	-	(1,268.0)	(1,253.3)	-	(1,253.3)
Other operating costs	(1,516.5)	-	(1,516.5)	(1,433.3)	-	(1,433.3)
Used rental equipment sold	<u>(212.1)</u>	<u>-</u>	<u>(212.1)</u>	<u>(303.5)</u>	<u>-</u>	<u>(303.5)</u>
	<u>(2,996.6)</u>	<u>-</u>	<u>(2,996.6)</u>	<u>(2,990.1)</u>	<u>-</u>	<u>(2,990.1)</u>
<b>EBITDA*</b>						
	2,697.9	-	2,697.9	2,583.3	-	2,583.3
Depreciation	(1,155.5)	-	(1,155.5)	(1,019.8)	-	(1,019.8)
Amortisation of intangibles	<u>-</u>	<u>(57.9)</u>	<u>(57.9)</u>	<u>-</u>	<u>(61.3)</u>	<u>(61.3)</u>
<b>Operating profit</b>	1,542.4	(57.9)	1,484.5	1,563.5	(61.3)	1,502.2
Interest income	-	-	-	1.0	-	1.0
Interest expense	<u>(287.5)</u>	<u>-</u>	<u>(287.5)</u>	<u>(252.7)</u>	<u>-</u>	<u>(252.7)</u>
<b>Profit on ordinary activities before taxation</b>	1,254.9	(57.9)	1,197.0	1,311.8	(61.3)	1,250.5
Taxation	<u>(321.9)</u>	<u>14.4</u>	<u>(307.5)</u>	<u>(324.5)</u>	<u>15.4</u>	<u>(309.1)</u>
<b>Profit attributable to equity holders of the Company</b>	<u>933.0</u>	<u>(43.5)</u>	<u>889.5</u>	<u>987.3</u>	<u>(45.9)</u>	<u>941.4</u>
Basic earnings per share	<u>213.6¢</u>	<u>(9.9¢)</u>	<u>203.7¢</u>	<u>225.8¢</u>	<u>(10.5¢)</u>	<u>215.3¢</u>
Diluted earnings per share	<u>212.9¢</u>	<u>(10.0¢)</u>	<u>202.9¢</u>	<u>224.6¢</u>	<u>(10.4¢)</u>	<u>214.2¢</u>

\* EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders.

All revenue and profit is generated from continuing operations.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 OCTOBER 2024

	<u>Unaudited</u>			
	Three months to 31 October		Six months to 31 October	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$m	\$m	\$m	\$m
Profit attributable to equity holders of the Company for the period	486.0	494.0	889.5	941.4
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Movement on equity instrument held at fair value	-	-	(25.5)	-
Tax on movement on equity instruments held at fair value	<u>2.7</u>	<u>-</u>	<u>2.7</u>	<u>-</u>
	<u>2.7</u>	<u>-</u>	<u>(22.8)</u>	<u>-</u>
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Foreign currency translation differences	(4.1)	(80.5)	9.7	(40.2)
Loss on cash flow hedge	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
	<u>(4.0)</u>	<u>(80.4)</u>	<u>9.8</u>	<u>(40.1)</u>
<b>Total other comprehensive loss for the period</b>	<u>(1.3)</u>	<u>(80.4)</u>	<u>(13.0)</u>	<u>(40.1)</u>
<b>Total comprehensive income for the period</b>	<u>484.7</u>	<u>413.6</u>	<u>876.5</u>	<u>901.3</u>

## CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 2024

	<u>Unaudited</u> 31 October		<u>Audited</u> 30 April
	<u>2024</u>	<u>2023</u>	<u>2024</u>
	\$m	\$m	\$m
<b>Current assets</b>			
Inventories	159.9	180.4	162.0
Trade and other receivables	2,052.9	2,007.4	1,850.2
Current tax asset	53.2	28.4	13.0
Cash and cash equivalents	<u>23.7</u>	<u>25.7</u>	<u>20.8</u>
	<u>2,289.7</u>	<u>2,241.9</u>	<u>2,046.0</u>
<b>Non-current assets</b>			
Property, plant and equipment			
- rental equipment	11,764.8	11,000.5	11,450.8
- other assets	<u>1,927.1</u>	<u>1,602.2</u>	<u>1,797.7</u>
	13,691.9	12,602.7	13,248.5
Right-of-use assets	2,493.7	2,310.0	2,425.6
Goodwill	3,234.7	3,144.1	3,211.5
Other intangible assets	427.3	550.8	485.9
Other non-current assets	171.9	162.5	189.3
Current tax asset	-	43.2	44.5
Net defined benefit pension plan asset	<u>-</u>	<u>18.2</u>	<u>-</u>
	<u>20,019.5</u>	<u>18,831.5</u>	<u>19,605.3</u>
<b>Total assets</b>	<u>22,309.2</u>	<u>21,073.4</u>	<u>21,651.3</u>
<b>Current liabilities</b>			
Trade and other payables	1,385.2	1,601.6	1,482.9
Current tax liability	25.7	8.0	10.1
Lease liabilities	286.6	254.9	273.8
Provisions	<u>45.6</u>	<u>41.6</u>	<u>42.5</u>
	<u>1,743.1</u>	<u>1,906.1</u>	<u>1,809.3</u>
<b>Non-current liabilities</b>			
Lease liabilities	2,496.4	2,272.6	2,406.8
Long-term borrowings	8,186.0	8,141.7	7,995.1
Provisions	79.7	71.9	75.4
Deferred tax liabilities	2,242.7	2,129.6	2,224.2
Other non-current liabilities	63.1	56.4	55.5
Net defined benefit pension plan liability	<u>0.4</u>	<u>-</u>	<u>0.4</u>
	<u>13,068.3</u>	<u>12,672.2</u>	<u>12,757.4</u>
<b>Total liabilities</b>	<u>14,811.4</u>	<u>14,578.3</u>	<u>14,566.7</u>
<b>Equity</b>			
Share capital	81.8	81.8	81.8
Share premium account	6.5	6.5	6.5
Capital redemption reserve	20.0	20.0	20.0
Own shares held by the Company	(818.7)	(783.4)	(818.7)
Own shares held by the ESOT	(35.2)	(43.5)	(43.5)
Cumulative foreign exchange translation differences	(253.8)	(286.1)	(263.5)
Retained reserves	<u>8,497.2</u>	<u>7,499.8</u>	<u>8,102.0</u>
<b>Equity attributable to equity holders of the Company</b>	<u>7,497.8</u>	<u>6,495.1</u>	<u>7,084.6</u>
<b>Total liabilities and equity</b>	<u>22,309.2</u>	<u>21,073.4</u>	<u>21,651.3</u>

Contingent consideration liabilities have been re-classified from current and non-current provisions to trade and other payables and other non-current liabilities in comparative periods.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 31 OCTOBER 2024**

	Share capital \$m	Share premium account \$m	Capital redemption reserve \$m	Own shares held by the Company \$m	Own shares held by the ESOT \$m	Cumulative foreign exchange translation differences \$m	Retained reserves \$m	Total \$m
<b>Unaudited</b>								
At 1 May 2023	81.8	6.5	20.0	(740.9)	(38.8)	(245.9)	6,925.3	6,008.0
Profit for the period	-	-	-	-	-	-	941.4	941.4
Other comprehensive income:								
Foreign currency translation differences	-	-	-	-	-	(40.2)	-	(40.2)
Loss on cash flow hedge	-	-	-	-	-	-	0.1	0.1
Total comprehensive income for the period	-	-	-	-	-	(40.2)	941.5	901.3
Dividends paid	-	-	-	-	-	-	(368.3)	(368.3)
Own shares purchased by the ESOT	-	-	-	-	(29.8)	-	-	(29.8)
Own shares purchased by the Company	-	-	-	(42.5)	-	-	-	(42.5)
Share-based payments	-	-	-	-	25.1	-	(0.5)	24.6
Tax on share-based payments	-	-	-	-	-	-	1.8	1.8
At 31 October 2023	<u>81.8</u>	<u>6.5</u>	<u>20.0</u>	<u>(783.4)</u>	<u>(43.5)</u>	<u>(286.1)</u>	<u>7,499.8</u>	<u>6,495.1</u>
Profit for the period	-	-	-	-	-	-	657.0	657.0
Other comprehensive income:								
Foreign currency translation differences	-	-	-	-	-	22.6	-	22.6
Loss on cash flow hedge	-	-	-	-	-	-	0.1	0.1
Remeasurement of the defined benefit pension plan	-	-	-	-	-	-	(22.6)	(22.6)
Tax on defined benefit pension scheme	-	-	-	-	-	-	5.6	5.6
Total comprehensive income for the period	-	-	-	-	-	22.6	640.1	662.7
Dividends paid	-	-	-	-	-	-	(68.3)	(68.3)
Own shares purchased by the ESOT	-	-	-	-	(0.1)	-	-	(0.1)
Own shares purchased by the Company	-	-	-	(35.3)	-	-	-	(35.3)
Share-based payments	-	-	-	-	0.1	-	22.8	22.9
Tax on share-based payments	-	-	-	-	-	-	7.6	7.6
At 30 April 2024	<u>81.8</u>	<u>6.5</u>	<u>20.0</u>	<u>(818.7)</u>	<u>(43.5)</u>	<u>(263.5)</u>	<u>8,102.0</u>	<u>7,084.6</u>
Profit for the period	-	-	-	-	-	-	889.5	889.5
Other comprehensive income:								
Foreign currency translation differences	-	-	-	-	-	9.7	-	9.7
Loss on cash flow hedge	-	-	-	-	-	-	0.1	0.1
Movement on equity instruments held at fair value	-	-	-	-	-	-	(25.5)	(25.5)
Tax on movement on equity instruments held at fair value	-	-	-	-	-	-	2.7	2.7
Total comprehensive income for the period	-	-	-	-	-	9.7	866.8	876.5
Dividends paid	-	-	-	-	-	-	(389.8)	(389.8)
Own shares purchased by the ESOT	-	-	-	-	(84.9)	-	-	(84.9)
Share-based payments	-	-	-	-	93.2	-	(79.9)	13.3
Tax on share-based payments	-	-	-	-	-	-	(1.9)	(1.9)
At 31 October 2024	<u>81.8</u>	<u>6.5</u>	<u>20.0</u>	<u>(818.7)</u>	<u>(35.2)</u>	<u>(253.8)</u>	<u>8,497.2</u>	<u>7,497.8</u>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2024

	Unaudited	
	2024	2023
	\$m	\$m
<b>Cash flows from operating activities</b>		
Cash generated from operations before changes in rental equipment	2,543.2	2,227.5
Payments for rental property, plant and equipment	(1,518.2)	(2,163.0)
Proceeds from disposal of rental property, plant and equipment	<u>214.8</u>	<u>327.5</u>
Cash generated from operations	1,239.8	392.0
Financing costs paid	(287.9)	(234.0)
Tax paid	<u>(256.0)</u>	<u>(187.6)</u>
<b>Net cash generated from/(used in) operating activities</b>	<u>695.9</u>	<u>(29.6)</u>
<b>Cash flows from investing activities</b>		
Acquisition of businesses	(58.8)	(676.1)
Financial asset investments	-	(5.0)
Payments for non-rental property, plant and equipment	(305.8)	(342.7)
Proceeds from disposal of non-rental property, plant and equipment	<u>29.9</u>	<u>17.4</u>
<b>Net cash used in investing activities</b>	<u>(334.7)</u>	<u>(1,006.4)</u>
<b>Cash flows from financing activities</b>		
Drawdown of loans	840.4	2,475.5
Redemption of loans	(657.1)	(942.4)
Repayment of principal under lease liabilities	(69.3)	(60.8)
Dividends paid	(387.4)	(367.7)
Purchase of own shares by the ESOT	(84.9)	(29.8)
Purchase of own shares by the Company	<u>-</u>	<u>(42.6)</u>
<b>Net cash (used in)/generated from financing activities</b>	<u>(358.3)</u>	<u>1,032.2</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	2.9	(3.8)
Opening cash and cash equivalents	20.8	29.9
Effect of exchange rate differences	<u>-</u>	<u>(0.4)</u>
<b>Closing cash and cash equivalents</b>	<u>23.7</u>	<u>25.7</u>
<u>Reconciliation of net cash flows to net debt</u>		
(Increase)/decrease in cash and cash equivalents in the period	(2.9)	3.8
Increase in debt through cash flow	<u>114.0</u>	<u>1,472.3</u>
Change in net debt from cash flows	111.1	1,476.1
Exchange differences	2.3	(44.4)
Debt acquired	18.6	96.7
Deferred costs of debt raising	4.8	3.8
New lease liabilities	<u>153.6</u>	<u>151.8</u>
Increase in net debt in the period	290.4	1,684.0
Net debt at 1 May	<u>10,654.9</u>	<u>8,959.5</u>
Net debt at 31 October	<u>10,945.3</u>	<u>10,643.5</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. General information

Ashtead Group plc ('the Company') is a company incorporated and domiciled in England and Wales and listed on the London Stock Exchange. The condensed consolidated interim financial statements as at, and for the six months ended 31 October 2024, comprise the Company and its subsidiaries ('the Group') and are presented in US dollars.

The condensed consolidated interim financial statements for the six months ended 31 October 2024 were approved by the directors on 9 December 2024.

The condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The statutory accounts for the year ended 30 April 2024 were approved by the directors on 17 June 2024 and have been mailed to shareholders and filed with the Registrar of Companies. The auditor's report on those accounts was unqualified, did not include a reference to any matter by way of emphasis and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial statements for the six months ended 31 October 2024 are unaudited but have been reviewed by the Group's auditors. Their report is on page 33.

Details of principal risks and uncertainties are given in the Review of Second Quarter, Balance Sheet and Cash Flow accompanying these condensed consolidated interim financial statements.

### 2. Basis of preparation

The condensed consolidated interim financial statements for the six months ended 31 October 2024 have been prepared in accordance with relevant UK-adopted International Accounting Standards ('IFRS'), including IAS 34, Interim Financial Reporting, the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and the accounting policies set out in the Group's Annual Report & Accounts for the year ended 30 April 2024.

In preparing the financial statements, the exchange rates used in respect of the pound sterling (£) and Canadian dollar (C\$) are:

	<u>Pound sterling</u>		<u>Canadian dollar</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Average for the three months ended 31 October	1.31	1.24	0.73	0.74
Average for the six months ended 31 October	1.29	1.25	0.73	0.74
At 30 April	1.25	1.26	0.73	0.74
At 31 October	1.29	1.21	0.72	0.72

The directors have adopted various alternative performance measures to provide additional useful information on the underlying trends, performance and position of the Group. The alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies' alternative performance measures but are defined within the Glossary of Terms on page 35.

The condensed consolidated interim financial statements have been prepared on the going concern basis. The Group's internal budgets and forecasts of future performance, available financing facilities and facility headroom (see Note 13), provide a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future and consequently the going concern basis continues to be appropriate in preparing the financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 3. Segmental analysis

#### Three months to 31 October 2024 (unaudited)

	<u>US</u> \$m	<u>Canada</u> \$m	<u>UK</u> \$m	Corporate <u>items</u> \$m	<u>Group</u> \$m
<b>Revenue</b>					
Rental revenue	2,343.6	173.9	207.3	-	2,724.8
Sale of new equipment, merchandise and consumables	61.0	9.2	19.9	-	90.1
Sale of used rental equipment	<u>104.6</u>	<u>7.0</u>	<u>14.3</u>	-	<u>125.9</u>
	<u>2,509.2</u>	<u>190.1</u>	<u>241.5</u>	-	<u>2,940.8</u>
Segment profit	<u>762.4</u>	<u>47.5</u>	<u>24.7</u>	(9.2)	825.4
Amortisation					(29.2)
Net financing costs					(143.6)
Profit before taxation					652.6
Taxation					(166.6)
Profit attributable to equity shareholders					<u>486.0</u>

#### Three months to 31 October 2023 (unaudited)

	<u>US</u> \$m	<u>Canada</u> \$m	<u>UK</u> \$m	Corporate <u>items</u> \$m	<u>Group</u> \$m
<b>Revenue</b>					
Rental revenue	2,251.0	146.3	187.2	-	2,584.5
Sale of new equipment, merchandise and consumables	69.1	12.3	19.0	-	100.4
Sale of used rental equipment	<u>160.6</u>	<u>13.2</u>	<u>18.6</u>	-	<u>192.4</u>
	<u>2,480.7</u>	<u>171.8</u>	<u>224.8</u>	-	<u>2,877.3</u>
Segment profit	<u>789.2</u>	<u>29.6</u>	<u>21.0</u>	(9.4)	830.4
Amortisation					(31.0)
Net financing costs					(133.5)
Profit before taxation					665.9
Taxation					(171.9)
Profit attributable to equity shareholders					<u>494.0</u>

#### Six months to 31 October 2024 (unaudited)

	<u>US</u> \$m	<u>Canada</u> \$m	<u>UK</u> \$m	Corporate <u>items</u> \$m	<u>Group</u> \$m
<b>Revenue</b>					
Rental revenue	4,518.0	336.0	411.3	-	5,265.3
Sale of new equipment, merchandise and consumables	121.6	18.7	41.4	-	181.7
Sale of used rental equipment	<u>204.6</u>	<u>16.8</u>	<u>26.1</u>	-	<u>247.5</u>
	<u>4,844.2</u>	<u>371.5</u>	<u>478.8</u>	-	<u>5,694.5</u>
Segment profit	<u>1,431.8</u>	<u>81.4</u>	<u>47.1</u>	(17.9)	1,542.4
Amortisation					(57.9)
Net financing costs					(287.5)
Profit before taxation					1,197.0
Taxation					(307.5)
Profit attributable to equity shareholders					<u>889.5</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 3. Segmental analysis (continued)

#### Six months to 31 October 2023 (unaudited)

	<u>US</u> \$m	<u>Canada</u> \$m	<u>UK</u> \$m	Corporate <u>items</u> \$m	<u>Group</u> \$m
<b>Revenue</b>					
Rental revenue	4,299.2	283.6	377.6	-	4,960.4
Sale of new equipment, merchandise and consumables	132.0	25.8	39.0	-	196.8
Sale of used rental equipment	<u>360.9</u>	<u>22.1</u>	<u>33.2</u>	<u>-</u>	<u>416.2</u>
	<u>4,792.1</u>	<u>331.5</u>	<u>449.8</u>	<u>-</u>	<u>5,573.4</u>
Segment profit	<u>1,481.1</u>	<u>59.7</u>	<u>41.0</u>	<u>(18.3)</u>	1,563.5
Amortisation					(61.3)
Net financing costs					<u>(251.7)</u>
Profit before taxation					1,250.5
Taxation					<u>(309.1)</u>
Profit attributable to equity shareholders					<u>941.4</u>

	<u>US</u> \$m	<u>Canada</u> \$m	<u>UK</u> \$m	Corporate <u>items</u> \$m	<u>Group</u> \$m
<b>At 31 October 2024 (unaudited)</b>					
Segment assets	<u>18,697.1</u>	<u>1,942.4</u>	<u>1,587.4</u>	<u>5.4</u>	22,232.3
Cash					23.7
Taxation assets					<u>53.2</u>
Total assets					<u>22,309.2</u>
<b>At 30 April 2024 (audited)</b>					
Segment assets	<u>18,148.4</u>	<u>1,901.0</u>	<u>1,517.1</u>	<u>6.5</u>	21,573.0
Cash					20.8
Taxation assets					<u>57.5</u>
Total assets					<u>21,651.3</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 4. Operating costs and other income

	2024			2023		
	Before amortisation \$m	Amortisation \$m	Total \$m	Before amortisation \$m	Amortisation \$m	Total \$m
<b>Three months to 31 October (unaudited)</b>						
<i>Staff costs:</i>						
Salaries	579.7	-	579.7	582.1	-	582.1
Social security costs	42.8	-	42.8	41.7	-	41.7
Other pension costs	12.2	-	12.2	11.3	-	11.3
	<u>634.7</u>	<u>-</u>	<u>634.7</u>	<u>635.1</u>	<u>-</u>	<u>635.1</u>
<i>Other operating costs:</i>						
Vehicle costs	200.9	-	200.9	182.6	-	182.6
Spares, consumables & external repairs	156.4	-	156.4	140.4	-	140.4
Facility costs	28.4	-	28.4	28.0	-	28.0
Other external charges	399.0	-	399.0	392.1	-	392.1
	<u>784.7</u>	<u>-</u>	<u>784.7</u>	<u>743.1</u>	<u>-</u>	<u>743.1</u>
<i>Used rental equipment sold</i>	111.2	-	111.2	145.0	-	145.0
<i>Depreciation and amortisation:</i>						
Depreciation of tangible assets	532.7	-	532.7	474.7	-	474.7
Depreciation of right-of-use assets	52.1	-	52.1	49.0	-	49.0
Amortisation of intangibles	-	29.2	29.2	-	31.0	31.0
	<u>584.8</u>	<u>29.2</u>	<u>614.0</u>	<u>523.7</u>	<u>31.0</u>	<u>554.7</u>
	<u>2,115.4</u>	<u>29.2</u>	<u>2,144.6</u>	<u>2,046.9</u>	<u>31.0</u>	<u>2,077.9</u>
	2024			2023		
	Before amortisation \$m	Amortisation \$m	Total \$m	Before amortisation \$m	Amortisation \$m	Total \$m
<b>Six months to 31 October (unaudited)</b>						
<i>Staff costs:</i>						
Salaries	1,158.1	-	1,158.1	1,147.2	-	1,147.2
Social security costs	85.8	-	85.8	83.0	-	83.0
Other pension costs	24.1	-	24.1	23.1	-	23.1
	<u>1,268.0</u>	<u>-</u>	<u>1,268.0</u>	<u>1,253.3</u>	<u>-</u>	<u>1,253.3</u>
<i>Other operating costs:</i>						
Vehicle costs	381.4	-	381.4	344.6	-	344.6
Spares, consumables & external repairs	293.7	-	293.7	281.9	-	281.9
Facility costs	55.9	-	55.9	56.6	-	56.6
Other external charges	785.5	-	785.5	750.2	-	750.2
	<u>1,516.5</u>	<u>-</u>	<u>1,516.5</u>	<u>1,433.3</u>	<u>-</u>	<u>1,433.3</u>
<i>Used rental equipment sold</i>	212.1	-	212.1	303.5	-	303.5
<i>Depreciation and amortisation:</i>						
Depreciation of tangible assets	1,051.1	-	1,051.1	922.8	-	922.8
Depreciation of right-of-use assets	104.4	-	104.4	97.0	-	97.0
Amortisation of intangibles	-	57.9	57.9	-	61.3	61.3
	<u>1,155.5</u>	<u>57.9</u>	<u>1,213.4</u>	<u>1,019.8</u>	<u>61.3</u>	<u>1,081.1</u>
	<u>4,152.1</u>	<u>57.9</u>	<u>4,210.0</u>	<u>4,009.9</u>	<u>61.3</u>	<u>4,071.2</u>



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 5. Amortisation

Amortisation relates to the write-off of intangible assets over their estimated useful economic life. The Group believes this item should be disclosed separately within the consolidated income statement to assist in the understanding of the financial performance of the Group. Adjusted profit and earnings per share are stated before amortisation of intangibles.

	<u>Unaudited</u>			
	Three months to 31 October		Six months to 31 October	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$m	\$m	\$m	\$m
Amortisation of intangibles	29.2	31.0	57.9	61.3
Taxation	<u>(7.2)</u>	<u>(7.8)</u>	<u>(14.4)</u>	<u>(15.4)</u>
	<u>22.0</u>	<u>23.2</u>	<u>43.5</u>	<u>45.9</u>

### 6. Net financing costs

	<u>Unaudited</u>			
	Three months to 31 October		Six months to 31 October	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$m	\$m	\$m	\$m
<i>Interest income:</i>				
Net income on the defined benefit pension plan asset	-	0.2	-	0.4
Other interest	<u>-</u>	<u>0.3</u>	<u>-</u>	<u>0.6</u>
	<u>-</u>	<u>0.5</u>	<u>-</u>	<u>1.0</u>
<i>Interest expense:</i>				
Bank interest payable	33.9	42.7	68.7	82.0
Interest payable on senior notes	69.8	57.5	139.7	104.5
Interest payable on lease liabilities	36.2	31.2	71.7	61.1
Non-cash unwind of discount on liabilities	1.3	0.5	2.6	1.0
Amortisation of deferred debt raising costs	<u>2.4</u>	<u>2.1</u>	<u>4.8</u>	<u>4.1</u>
	<u>143.6</u>	<u>134.0</u>	<u>287.5</u>	<u>252.7</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 7. Taxation

The tax charge for the period has been determined by applying the expected effective tax rates in each jurisdiction for the year as a whole, based on the tax rates in force as at 31 October 2024 of 25% in the US (2023: 25%), 26% in Canada (2023: 26%) and 25% in the UK (2023: 25%). This results in a blended effective rate for the Group as a whole of 26% (2023: 25%) for the period.

The tax charge of \$322m (2023: \$324m) on the adjusted profit before taxation of \$1,255m (2023: \$1,312m) can be explained as follows:

	<u>Unaudited</u>	
	Six months to 31 October	
	<u>2024</u>	<u>2023</u>
	\$m	\$m
Current tax		
- current tax on income for the period	298.9	186.8
- adjustments to prior year	<u>0.1</u>	<u>2.8</u>
	<u>299.0</u>	<u>189.6</u>
Deferred tax		
- origination and reversal of temporary differences	23.0	151.7
- adjustments to prior year	<u>(0.1)</u>	<u>(16.8)</u>
	<u>22.9</u>	<u>134.9</u>
Tax on adjusted profit	<u>321.9</u>	<u>324.5</u>
Comprising:		
- US	303.6	315.0
- Canada	13.8	7.8
- UK	<u>4.5</u>	<u>1.7</u>
	<u>321.9</u>	<u>324.5</u>

In addition, the tax credit of \$14m (2023: \$15m) on amortisation of \$58m (2023: \$61m) consists of a current tax credit of \$7m (2023: \$6m) relating to the US, \$0.3m (2023: \$0.1m) relating to Canada and \$nil (2023: \$nil) relating to the UK and a deferred tax credit of \$4m (2023: \$5m) relating to the US, \$2m (2023: \$3m) relating to Canada and \$1m (2023: \$1m) relating to the UK.

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 did not agree with the decision and lodged a formal appeal with the General Court of the European Union. The Group's appeal was stayed while the appeals put forward by the UK Government and ITV plc proceeded.

On 8 June 2022 the General Court of the European Union dismissed the appeals put forward by the UK Government and ITV plc. However, they appealed the decision to the Court of Justice of the European Union. The Court of Justice of the European Union held a hearing on the case in January 2024 and the Advocate-General's opinion was published in April 2024, proposing that the Court of Justice of the European Union set aside the judgement of the General Court and annul the decision made by the European Commission. On 19 September 2024, the Court of Justice of the European Union followed the recommendation of the Advocate-General's opinion and annulled the European Commission decision.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 7. Taxation (continued)

Despite the UK Government appealing the European Commission's decision, His Majesty's Revenue & Customs ('HMRC') was required to assess the tax liability which would arise if the decision was not appealed successfully. Accordingly, HMRC issued a charging notice stating that the tax liability due was £36m, including interest payable. The Group appealed the charging notice but had to settle the amount assessed on it, including interest, in line with HMRC requirements. As a result of the Court of Justice of the European Union decision to annul the European Commission decision, the Group has no liability in relation to this matter and the entire amount paid is recoverable from HMRC.

The £36m (\$46m at October 2024 exchange rates) paid has been recognised as a current asset on the balance sheet. It has been re-classified from non-current assets based on an expectation that amounts will be repaid by HMRC during the next 12 months.

### 8. Earnings per share

Basic and diluted earnings per share for the three and six months ended 31 October 2024 have been calculated based on the profit for the relevant period and the weighted average number of ordinary shares in issue during that period (excluding shares held by the Company and the ESOT over which dividends have been waived). Diluted earnings per share is computed using the result for the relevant period and the diluted number of shares (ignoring any potential issue of ordinary shares which would be anti-dilutive). These are calculated as follows:

	<u>Unaudited</u>			
	Three months to 31 October		Six months to 31 October	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit for the financial period (\$m)	<u>486.0</u>	<u>494.0</u>	<u>889.5</u>	<u>941.4</u>
Weighted average number of shares (m) - basic	<u>436.9</u>	<u>437.2</u>	<u>436.7</u>	<u>437.3</u>
- diluted	<u>437.8</u>	<u>439.3</u>	<u>438.3</u>	<u>439.6</u>
Basic earnings per share	<u>111.3¢</u>	<u>113.0¢</u>	<u>203.7¢</u>	<u>215.3¢</u>
Diluted earnings per share	<u>111.0¢</u>	<u>112.5¢</u>	<u>202.9¢</u>	<u>214.2¢</u>

Adjusted earnings per share (defined in any period as the earnings before exceptional items and amortisation for that period divided by the weighted average number of shares in issue in that period) may be reconciled to the basic earnings per share as follows:

	<u>Unaudited</u>			
	Three months to 31 October		Six months to 31 October	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Basic earnings per share	111.3¢	113.0¢	203.7¢	215.3¢
Amortisation of intangibles	6.6¢	7.1¢	13.2¢	14.0¢
Tax on amortisation	<u>(1.7¢)</u>	<u>(1.8¢)</u>	<u>(3.3¢)</u>	<u>(3.5¢)</u>
Adjusted earnings per share	<u>116.2¢</u>	<u>118.3¢</u>	<u>213.6¢</u>	<u>225.8¢</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 9. Dividends

During the period, a final dividend in respect of the year ended 30 April 2024 of 89.25¢ (2023: 85.0¢) per share was paid to shareholders resulting in a cash outflow of \$387m (2023: \$368m). In addition, the directors have declared an interim dividend in respect of the year ending 30 April 2025 of 36¢ (2023: 15.75¢) per share to be paid on 7 February 2025 to shareholders who are on the register of members on 10 January 2025.

### 10. Property, plant and equipment

<u>Net book value</u>	<u>2024</u>		<u>2023</u>	
	<u>Rental equipment</u> \$m	<u>Total</u> \$m	<u>Rental equipment</u> \$m	<u>Total</u> \$m
At 1 May	11,450.8	13,248.5	9,649.1	11,041.1
Exchange differences	9.5	10.1	(43.7)	(50.5)
Reclassifications	0.6	-	(0.4)	-
Additions	1,373.7	1,679.4	2,185.8	2,525.8
Acquisitions	26.0	28.5	291.8	309.2
Disposals	(201.3)	(223.5)	(289.1)	(300.1)
Depreciation	(894.5)	(1,051.1)	(793.0)	(922.8)
At 31 October	<u>11,764.8</u>	<u>13,691.9</u>	<u>11,000.5</u>	<u>12,602.7</u>

### 11. Right-of-use assets

<u>Net book value</u>	<u>2024</u>			<u>2023</u>		
	<u>Property leases</u> \$m	<u>Other leases</u> \$m	<u>Total</u> \$m	<u>Property leases</u> \$m	<u>Other leases</u> \$m	<u>Total</u> \$m
At 1 May	2,390.5	35.1	2,425.6	2,184.8	21.2	2,206.0
Exchange differences	(1.1)	0.9	(0.2)	(9.6)	(0.7)	(10.3)
Additions	113.1	3.9	117.0	154.1	11.0	165.1
Acquisitions	18.6	-	18.6	53.6	-	53.6
Remeasurement	44.1	-	44.1	39.6	-	39.6
Disposals	(6.5)	(0.5)	(7.0)	(46.6)	(0.4)	(47.0)
Depreciation	(100.3)	(4.1)	(104.4)	(94.0)	(3.0)	(97.0)
At 31 October	<u>2,458.4</u>	<u>35.3</u>	<u>2,493.7</u>	<u>2,281.9</u>	<u>28.1</u>	<u>2,310.0</u>

### 12. Lease liabilities

	31 October <u>2024</u> \$m	30 April <u>2024</u> \$m
Current	286.6	273.8
Non-current	<u>2,496.4</u>	<u>2,406.8</u>
	<u>2,783.0</u>	<u>2,680.6</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 13. Borrowings

	31 October <u>2024</u> \$m	30 April <u>2024</u> \$m
<b>Non-current</b>		
First priority senior secured bank debt	2,035.3	1,848.0
1.500% senior notes, due August 2026	548.2	547.8
4.375% senior notes, due August 2027	597.1	596.6
4.000% senior notes, due May 2028	596.5	596.0
4.250% senior notes, due November 2029	595.7	595.3
2.450% senior notes, due August 2031	744.9	744.6
5.500% senior notes, due August 2032	739.4	738.8
5.550% senior notes, due May 2033	743.7	743.4
5.950% senior notes, due October 2033	744.3	744.1
5.800% senior notes, due April 2034	<u>840.9</u>	<u>840.5</u>
	<u>8,186.0</u>	<u>7,995.1</u>

The senior secured bank debt is secured by way of fixed and floating charges over substantially all the Group's property, plant and equipment, inventory and trade receivables and is now committed until November 2029 (see Note 17). The senior notes are guaranteed by Ashtead Group plc and all its principal subsidiary undertakings.

Our debt facilities are committed for the long term, with an average maturity of five years and a weighted average interest cost (including non-cash amortisation of deferred debt raising costs) of 5%.

There is one financial performance covenant under the first priority senior credit facility. That is the fixed charge ratio (comprising EBITDA before exceptional items less 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 twelve months) which, must be equal to, or greater than, 1.0. This covenant does not apply when availability exceeds \$450m. At 31 October 2024, availability under the senior secured bank facility was \$2,571m (\$2,771m at 30 April 2024), with an additional \$6,907m of suppressed availability, meaning that the covenant did not apply at 31 October 2024 and is unlikely to apply in forthcoming quarters.

#### Fair value of financial instruments

Financial assets and liabilities are measured in accordance with the fair value hierarchy and assessed as Level 1, 2 or 3 based on the following criteria:

- Level 1: fair value measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

#### *Fair value of derivative financial instruments*

At 31 October 2024, the Group had no derivative financial instruments. The embedded prepayment options included within the senior notes are either closely related to the host debt contract or immaterial and hence, are not accounted for separately. These loan notes are carried at amortised cost.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 13. Borrowings (continued)

#### *Fair value of non-derivative financial assets and liabilities*

The table below provides a comparison, by category of the carrying amounts and the fair values of the Group's non-derivative financial assets and liabilities.

		At 31 October 2024		At 30 April 2024	
		<u>Book</u> <u>value</u> \$m	<u>Fair</u> <u>value</u> \$m	<u>Book</u> <u>value</u> \$m	<u>Fair</u> <u>value</u> \$m
Long-term borrowings					
- first priority senior secured bank debt	Level 1	2,035.3	2,035.3	1,848.0	1,848.0
- 1.500% senior notes	Level 1	550.0	517.9	550.0	498.1
- 4.375% senior notes	Level 1	600.0	590.7	600.0	571.5
- 4.000% senior notes	Level 1	600.0	577.7	600.0	559.9
- 4.250% senior notes	Level 1	600.0	571.1	600.0	549.9
- 2.450% senior notes	Level 1	750.0	623.4	750.0	596.5
- 5.500% senior notes	Level 1	750.0	748.6	750.0	719.9
- 5.550% senior notes	Level 1	750.0	747.8	750.0	719.2
- 5.950% senior notes	Level 1	750.0	768.1	750.0	739.7
- 5.800% senior notes	Level 1	<u>850.0</u>	<u>861.2</u>	<u>850.0</u>	<u>828.3</u>
Total long-term borrowings		8,235.3	8,041.8	8,048.0	7,631.0
Discount on issue of debt		(13.2)	-	(14.0)	-
Deferred costs of raising finance		<u>(36.1)</u>	<u>-</u>	<u>(38.9)</u>	<u>-</u>
		<u>8,186.0</u>	<u>8,041.8</u>	<u>7,995.1</u>	<u>7,631.0</u>
Other financial instruments <sup>1</sup>					
Contingent consideration	Level 3	24.7	24.7	31.4	31.4
Financial asset investments	Level 3	31.5	31.5	57.0	57.0
Cash and cash equivalents	Level 1	<u>23.7</u>	<u>23.7</u>	<u>20.8</u>	<u>20.8</u>

<sup>1</sup> The Group's trade and other receivables and trade and other payables, excluding contingent consideration, are not shown in the table above. The carrying amounts of these financial assets and liabilities approximate their fair values.

Contingent consideration is a Level 3 financial liability. Future anticipated payments to vendors in respect of contingent consideration are initially recorded at fair value which is the present value of the expected cash outflows of the obligations. The obligations are dependent upon the future financial performance of the businesses acquired. The fair value is estimated based on internal financial projections prepared in relation to the acquisition with the contingent consideration discounted to present value using a discount rate in line with the Group's cost of debt. The movement since 30 April 2024 can be attributed to \$6m of payments (see Note 15) and \$2m released, offset by \$1m of discount unwind and foreign exchange differences.

Financial asset investments are measured at fair value and are Level 3 financial assets. These assets are measured at fair value through other comprehensive income. Their fair values are estimated based on the latest transaction price and any subsequent investment-specific adjustments. During the period, one of the Group's investments failed to secure additional funding and commenced Chapter 7 bankruptcy proceedings in August 2024. As a result, the Group has estimated the fair value of its investment as \$nil and consequently recognised a movement in the fair value of the equity investment of \$25m through other comprehensive income.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 14. Share capital

Ordinary shares of 10p each:

	31 October 2024 Number	30 April 2024 Number	31 October 2024 \$m	30 April 2024 \$m
Issued and fully paid	<u>451,354,833</u>	<u>451,354,833</u>	<u>81.8</u>	<u>81.8</u>

At 31 October 2024, 14.1m (April 2024: 14.1m) shares were held by the Company (\$819m; April 2024: \$819m) and a further 0.5m (April 2024: 0.9m) shares were held by the Company's Employee Share Ownership Trust (\$35m; April 2024: \$43m).

### 15. Notes to the cash flow statement

#### a) Cash flow from operating activities

	Six months to 31 October	
	2024 \$m	2023 \$m
Operating profit	1,484.5	1,502.2
Depreciation	1,155.5	1,019.8
Amortisation	<u>57.9</u>	<u>61.3</u>
EBITDA	2,697.9	2,583.3
Profit on disposal of rental equipment	(35.4)	(112.7)
Profit on disposal of other property, plant and equipment	(8.6)	(11.7)
Decrease in inventories	0.8	-
Increase in trade and other receivables	(185.0)	(258.6)
Increase in trade and other payables	59.4	3.9
Exchange differences	0.8	(1.3)
Other non-cash movement	<u>13.3</u>	<u>24.6</u>
Cash generated from operations before changes in rental equipment	<u>2,543.2</u>	<u>2,227.5</u>

#### b) Analysis of net debt

Net debt consists of total borrowings and lease liabilities less cash and cash equivalents. Borrowings exclude accrued interest. Non-US dollar denominated balances are translated to US dollars at rates of exchange ruling at the balance sheet date.

	1 May 2024 \$m	Cash flow \$m	Non-cash movements				31 October 2024 \$m
			Exchange movement \$m	Debt acquired \$m	New lease liabilities \$m	Other movements \$m	
Long-term borrowings	7,995.1	183.3	2.8	-	-	4.8	8,186.0
Lease liabilities	<u>2,680.6</u>	<u>(69.3)</u>	<u>(0.5)</u>	<u>18.6</u>	<u>153.6</u>	-	<u>2,783.0</u>
Total liabilities from financing activities	10,675.7	114.0	2.3	18.6	153.6	4.8	10,969.0
Cash and cash equivalents	(20.8)	(2.9)	-	-	-	-	(23.7)
Net debt	<u>10,654.9</u>	<u>111.1</u>	<u>2.3</u>	<u>18.6</u>	<u>153.6</u>	<u>4.8</u>	<u>10,945.3</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 15. Notes to the cash flow statement (continued)

	1 May <u>2023</u> \$m	Cash flow \$m	Non-cash movements				31 October <u>2023</u> \$m
			Exchange movement \$m	Debt acquired \$m	New lease liabilities \$m	Other movements \$m	
Long-term borrowings	6,595.1	1,533.1	(33.4)	43.1	-	3.8	8,141.7
Lease liabilities	<u>2,394.3</u>	<u>(60.8)</u>	<u>(11.4)</u>	<u>53.6</u>	<u>151.8</u>	<u>-</u>	<u>2,527.5</u>
Total liabilities from financing activities	8,989.4	1,472.3	(44.8)	96.7	151.8	3.8	10,669.2
Cash and cash equivalents	<u>(29.9)</u>	<u>3.8</u>	<u>0.4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25.7)</u>
Net debt	<u>8,959.5</u>	<u>1,476.1</u>	<u>(44.4)</u>	<u>96.7</u>	<u>151.8</u>	<u>3.8</u>	<u>10,643.5</u>

Details of the Group's cash and debt are given in Notes 12 and 13 and the Review of Second Quarter, Balance Sheet and Cash Flow accompanying these condensed consolidated interim financial statements.

#### c) Acquisitions

	Six months to 31 October	
	<u>2024</u> \$m	<u>2023</u> \$m
Cash consideration paid:		
- acquisitions in the period	53.1	655.5
- contingent consideration	<u>5.7</u>	<u>20.6</u>
	<u>58.8</u>	<u>676.1</u>

During the period, two businesses were acquired with cash paid of \$53m (2023: \$656m), after taking account of net cash acquired of \$nil (2023: \$3m). Further details are provided in Note 16.

Contingent consideration of \$6m (2023: \$21m) was paid relating to prior year acquisitions.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 16. Acquisitions

The Group undertakes bolt-on acquisitions to complement its organic growth strategy. During the period, the following acquisitions were completed:

- i) On 21 May 2024, Sunbelt US acquired the business and assets of RentalMax, LLC ('RentalMax'). RentalMax is a general tool business operating in Illinois.
- ii) On 25 June 2024, Sunbelt Canada acquired the business and assets of Wave Equipment Ltd. ('Wave'). Wave is a general tool business operating in Ontario.

The following table sets out the fair value of the identifiable assets and liabilities acquired by the Group. The fair values have been determined provisionally at the balance sheet date.

	Fair value to the Group \$m
<b>Net assets acquired</b>	
Trade and other receivables	1.9
Property, plant and equipment	
- rental equipment	26.0
- other assets	2.5
Right-of-use assets	18.6
Deferred tax	0.1
Creditors	(1.9)
Lease liabilities	<u>(18.6)</u>
	<u>28.6</u>
Consideration:	
- cash paid and due to be paid (net of cash acquired)	<u>52.6</u>
Goodwill	<u>24.0</u>

The goodwill arising can be attributed to the key management personnel and workforce of the acquired businesses, the benefits through advancing our clusters and leveraging cross-selling opportunities, and to the synergies and other benefits the Group expects to derive from the acquisitions. The synergies and other benefits include elimination of duplicate costs, improving utilisation of the acquired rental fleet, using the Group's financial strength to invest in the acquired business and drive improved returns through a semi-fixed cost base and the application of the Group's proprietary software to optimise revenue opportunities. \$24m of the goodwill is expected to be deductible for income tax purposes.

The gross value and the fair value of trade receivables at acquisition was \$2m.

Due to the operational integration of acquired businesses post-acquisition, in particular due to the merger of some stores, the movement of rental equipment between stores and investment in the rental fleet, it is not practical to report the revenue and profit of the acquired businesses post-acquisition. The revenue and operating profit of these acquisitions from 1 May 2024 to their date of acquisition was not material.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 17. Events after the balance sheet date

In November 2024, the Group amended and extended its asset-based senior bank facility, with \$4.75bn now committed until November 2029. Pricing has been amended and is based on the applicable interest rate plus 125bps to 137.5bps (125bps to 150bps previously), depending on availability. The applicable interest rate is based on SOFR for US dollar loans, CORRA for Canadian dollar loans and SONIA for Sterling loans. Other principal terms and conditions remain unchanged. The Group's debt facilities are now committed for an average of six years at a weighted average cost of 5%.

On 3 December 2024, Sunbelt UK acquired the entire share capital of JLL Group ('JLL'). JLL is a specialty business.

The initial accounting for this acquisition is incomplete given the proximity to the year end. Had this acquisition taken place on 1 May 2024, its contribution to revenue and operating profit would not have been material.

## REVIEW OF SECOND QUARTER, BALANCE SHEET AND CASH FLOW

### Second quarter

	<u>Revenue</u>		<u>EBITDA</u>		<u>Profit<sup>1</sup></u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Canada in C\$m	<u>259.6</u>	<u>233.2</u>	<u>127.9</u>	<u>97.3</u>	<u>64.8</u>	<u>40.2</u>
UK in £m	<u>184.8</u>	<u>181.0</u>	<u>55.9</u>	<u>52.2</u>	<u>18.9</u>	<u>16.9</u>
US	2,509.2	2,480.7	1,252.5	1,226.7	762.4	789.2
Canada in \$m	190.1	171.8	93.6	71.6	47.5	29.6
UK in \$m	241.5	224.8	73.0	64.8	24.7	21.0
Group central costs	<u>-</u>	<u>-</u>	<u>(8.9)</u>	<u>(9.0)</u>	<u>(9.2)</u>	<u>(9.4)</u>
	<u>2,940.8</u>	<u>2,877.3</u>	<u>1,410.2</u>	<u>1,354.1</u>	825.4	830.4
Financing costs					<u>(143.6)</u>	<u>(133.5)</u>
<b>Adjusted profit before tax</b>					<b>681.8</b>	<b>696.9</b>
Amortisation					<u>(29.2)</u>	<u>(31.0)</u>
Profit before taxation					<u>652.6</u>	<u>665.9</u>
<u>Margins as reported</u>						
US			49.9%	49.5%	30.4%	31.8%
Canada			49.2%	41.7%	25.0%	17.3%
UK			30.2%	28.8%	10.2%	9.3%
Group			48.0%	47.1%	28.1%	28.9%

<sup>1</sup> Segment result presented is operating profit before amortisation.

Group revenue for the quarter increased 2% to \$2,941m (2023: \$2,877m). Adjusted profit before tax for the quarter decreased to \$682m (2023: \$697m).

US rental only revenue in the quarter was 4% higher than a year ago. This consisted of our General Tool business which was 1% higher than last year while our Specialty businesses were 14% higher than a year ago.

Canada's rental only revenue increased 20% to C\$194m (2023: C\$162m), while total revenue was C\$260m (2023: C\$233m). Following settlement of the Writers Guild of America and Screen Actors Guild strikes, activity in the Specialty Film & TV business has recovered, although it is below pre-strike levels, which is likely to be the new normal.

The UK generated rental only revenue in the quarter of £124m (2023: £119m), 4% higher than the prior year. Total revenue increased 2% to £185m (2023: £181m).

Group adjusted operating profit decreased 1% to \$825m (2023: \$830m). After financing costs of \$144m (2023: \$134m), Group adjusted profit before tax was \$682m (2023: \$697m). After amortisation of \$29m (2023: \$31m), statutory profit before taxation was \$653m (2023: \$666m).

## Balance sheet

### Property, plant and equipment

Capital expenditure in the first half totalled \$1,679m (2023: \$2,526m) with \$1,374m invested in the rental fleet (2023: \$2,186m). Expenditure on rental equipment was 82% of total capital expenditure with the balance relating to the delivery vehicle fleet, property improvements and IT equipment.

Capital expenditure by division was:

	2024			2023
	<u>Replacement</u>	<u>Growth</u>	<u>Total</u>	<u>Total</u>
Canada in C\$m	<u>61.4</u>	<u>116.3</u>	<u>177.7</u>	<u>163.7</u>
UK in £m	<u>53.3</u>	<u>25.7</u>	<u>79.0</u>	<u>116.4</u>
US	579.4	562.4	1,141.8	1,918.1
Canada in \$m	44.9	85.1	130.0	121.7
UK in \$m	<u>68.8</u>	<u>33.1</u>	<u>101.9</u>	<u>146.0</u>
Total rental equipment	<u>693.1</u>	<u>680.6</u>	1,373.7	2,185.8
Delivery vehicles, property improvements & IT equipment			<u>305.7</u>	<u>340.0</u>
Total additions			<u>1,679.4</u>	<u>2,525.8</u>

In the US, \$562m of rental equipment capital expenditure was spent on growth while \$579m was invested in replacement of existing fleet. The growth proportion is estimated based on the assumption that replacement capital expenditure in any period is equal to the original cost of equipment sold. In a period of inflation, this understates replacement capital expenditure and overstates growth capital expenditure. Life cycle inflation is c. 20%.

The average age of the Group's serialised rental equipment, which constitutes the substantial majority of our fleet, at 31 October 2024 was 46 months (2023: 47 months) on an original cost basis. The US fleet had an average age of 45 months (2023: 46 months), the Canadian fleet had an average age of 51 months (2023: 53 months) and the UK fleet had an average age of 51 months (2023: 50 months).

	<u>Rental fleet at original cost</u>			<u>LTM rental</u>	<u>LTM dollar</u>
	<u>31 October 2024</u>	<u>30 April 2024</u>	<u>LTM average</u>	<u>revenue</u>	<u>utilisation</u>
Canada in C\$m	<u>1,875</u>	<u>1,751</u>	<u>1,754</u>	<u>843</u>	<u>48%</u>
UK in £m	<u>1,155</u>	<u>1,130</u>	<u>1,141</u>	<u>608</u>	<u>53%</u>
US	15,653	15,057	15,152	8,540	56%
Canada in \$m	1,345	1,274	1,289	619	48%
UK in \$m	<u>1,484</u>	<u>1,414</u>	<u>1,456</u>	<u>776</u>	<u>53%</u>
	<u>18,482</u>	<u>17,745</u>	<u>17,897</u>	<u>9,935</u>	

Dollar utilisation was 56% in the US (2023: 60%), 48% for Canada (2023: 50%) and 53% for the UK (2023: 52%). The decrease in US dollar utilisation is due to principally lower physical utilisation while Canadian dollar utilisation reflects both lower physical utilisation and the remaining drag from the Film & TV business.

### Trade receivables

Receivable days at 31 October 2024 were 48 days (2023: 49 days). The bad debt charge for the last twelve months ended 31 October 2024 as a percentage of total turnover was 0.8% (2023: 0.4%). Trade receivables at 31 October 2024 of \$1,710m (2023: \$1,682m) are stated net of allowances for bad debts and credit notes of \$151m (2023: \$119m), with the provision representing 8% (2023: 7%) of gross receivables.

## Trade and other payables

Group payable days were 47 days at 31 October 2024 (2023: 45 days) with capital expenditure related payables totalling \$374m (2023: \$635m). Payment periods for purchases other than rental equipment vary between seven and 60 days and for rental equipment between 30 and 120 days.

## Cash flow and net debt

	Six months to 31 October		LTM to 31 October	Year to 30 April
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>
	\$m	\$m	\$m	\$m
<b>EBITDA</b>	<b><u>2,697.9</u></b>	<b><u>2,583.3</u></b>	<b><u>5,007.2</u></b>	<b><u>4,892.6</u></b>
<b>Cash inflow from operations before changes in rental equipment</b>	2,543.2	2,227.5	4,856.7	4,541.0
<i>Cash conversion ratio*</i>	94.3%	86.2%	97.0%	92.8%
Replacement rental capital expenditure	(930.6)	(1,115.5)	(1,936.1)	(2,121.0)
Payments for non-rental capital expenditure	(305.8)	(342.7)	(648.7)	(685.6)
Rental equipment disposal proceeds	214.8	327.5	719.0	831.7
Other property, plant and equipment disposal proceeds	29.9	17.4	60.0	47.5
Tax paid	(256.0)	(187.6)	(314.2)	(245.8)
Financing costs	<u>(287.9)</u>	<u>(234.0)</u>	<u>(567.0)</u>	<u>(513.1)</u>
<b>Cash inflow before growth capex</b>	<b>1,007.6</b>	<b>692.6</b>	<b>2,169.7</b>	<b>1,854.7</b>
Growth rental capital expenditure	<u>(587.6)</u>	<u>(1,047.5)</u>	<u>(1,178.3)</u>	<u>(1,638.2)</u>
<b>Free cash flow</b>	<b>420.0</b>	<b>(354.9)</b>	<b>991.4</b>	<b>216.5</b>
Business acquisitions	(58.8)	(676.1)	(258.3)	(875.6)
Business disposals	-	-	1.9	1.9
Financial asset investments	-	(5.0)	(10.0)	(15.0)
<b>Total cash generated/(absorbed)</b>	<b>361.2</b>	<b>(1,036.0)</b>	<b>725.0</b>	<b>(672.2)</b>
Dividends	(387.4)	(367.7)	(455.8)	(436.1)
Purchase of own shares by the ESOT	(84.9)	(29.8)	(85.0)	(29.9)
Purchase of own shares by the Company	-	(42.6)	(35.8)	(78.4)
<b>Increase in net debt due to cash flow</b>	<b><u>(111.1)</u></b>	<b><u>(1,476.1)</u></b>	<b><u>148.4</u></b>	<b><u>(1,216.6)</u></b>

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

Cash inflow from operations before the net investment in the rental fleet was \$2,543m (2023: \$2,228m). The conversion ratio for the period was 94% (2023: 86%).

Total payments for capital expenditure (rental equipment and other PPE) during the first half were \$1,824m (2023: \$2,506m). Disposal proceeds received totalled \$245m (2023: \$345m), giving net payments for capital expenditure of \$1,579m in the period (2023: \$2,161m). Financing costs paid totalled \$288m (2023: \$234m) while tax payments were \$256m (2023: \$188m). Financing costs paid typically differ from the charge in the income statement due to the timing of interest payments in the period and non-cash interest charges.

Accordingly, the period saw a free cash flow of \$420m (2023: outflow of \$355m) and, after acquisition and investment related expenditure of \$59m (2023: \$681m), a cash flow of \$361m (2023: outflow of \$1,036m), before returns to shareholders.

## Net debt

	31 October		30 April
	<u>2024</u>	<u>2023</u>	<u>2024</u>
	\$m	\$m	\$m
First priority senior secured bank debt	2,035.3	2,838.5	1,848.0
1.500% senior notes, due 2026	548.2	547.3	547.8
4.375% senior notes, due 2027	597.1	596.1	596.6
4.000% senior notes, due 2028	596.5	595.6	596.0
4.250% senior notes, due 2029	595.7	595.0	595.3
2.450% senior notes, due 2031	744.9	744.2	744.6
5.500% senior notes, due 2032	739.4	738.3	738.8
5.550% senior notes, due 2033	743.7	743.1	743.4
5.950% senior notes, due 2033	744.3	743.6	744.1
5.800% senior notes, due 2034	<u>840.9</u>	-	<u>840.5</u>
Total external borrowings	8,186.0	8,141.7	7,995.1
Lease liabilities	<u>2,783.0</u>	<u>2,527.5</u>	<u>2,680.6</u>
Total gross debt	10,969.0	10,669.2	10,675.7
Cash and cash equivalents	(23.7)	(25.7)	(20.8)
Total net debt	<u>10,945.3</u>	<u>10,643.5</u>	<u>10,654.9</u>

Net debt at 31 October 2024 was \$10,945m with the increase since 30 April 2024 reflecting the cash outflow set out above and additional lease commitments as we continue our greenfield and bolt-on expansion. The Group's EBITDA for the twelve months ended 31 October 2024 was \$5,007m. Excluding the impact of IFRS 16, the ratio of net debt to EBITDA was 1.7 times (2023: 1.8 times) on a constant currency and a reported basis as at 31 October 2024. Including the impact of IFRS 16, the ratio of net debt to EBITDA was 2.2 times (2023: 2.2 times) as at 31 October 2024.

## Principal risks and uncertainties

Risks and uncertainties in achieving the Group's objectives for the remainder of the financial year, together with assumptions, estimates, judgements and critical accounting policies used in preparing financial information remain broadly unchanged from those detailed in the 2024 Annual Report and Accounts on pages 36 to 41.

The principal risks and uncertainties facing the Group are:

- economic conditions - 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 industry is cyclical and typically lags the general economic cycle by between 12 and 24 months.

The economic uncertainties resulting from the impact of pandemics is considered as part of this risk.

- competition - the already competitive market could become even more competitive and we could suffer increased competition from large national competitors or smaller regional 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.

- cyber security - 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.

- health and safety - 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.
- people and culture - retaining and attracting good people is key to delivering superior performance and customer service and maintaining and enhancing our culture.

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. Furthermore, it is important that our remuneration policies reflect the Group's North American focus and enable us to retain and enhance our strong leadership team.

- environmental - as part of Sunbelt 4.0, the Group has made a long-term commitment to reduce its Scope 1 and 2 carbon intensity by 50% by 2034, compared to a baseline of 2024, on a journey to Net Zero by 2050. Failure to achieve these goals could adversely impact the Group and its stakeholders.

In terms of the Group's assessment of the broader environmental impacts of our activities, we also consider the upstream and downstream impacts of our operations and note that a significant part of our Scope 3 emissions arises from our rental fleet, which today 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.

- laws and regulations - breaches of laws or regulations governing the Group's activities could result in criminal prosecution, substantial claims and loss of reputation.

Further details, including actions taken to mitigate these risks, are provided within the 2024 Annual Report & Accounts.

Our business is subject to significant fluctuations in performance from quarter to quarter as a result of seasonal effects. Commercial construction activity tends to increase in the summer and during extended periods of mild weather and to decrease in the winter and during extended periods of inclement weather. Furthermore, due to the incidence of public holidays in the US, Canada and the UK, there are more billing days in the first half of our financial year than the second half leading to our revenue normally being higher in the first half. On a quarterly basis, the second quarter is typically our strongest quarter, followed by the first and then the third and fourth quarters.

In addition, the current trading and outlook section of the interim statement provides commentary on market and economic conditions for the remainder of the year.

## OPERATING STATISTICS

	<u>Number of rental stores</u>			<u>Staff numbers</u>		
	31 October		30 April	31 October		30 April
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>
US	1,220	1,157	1,186	18,658	20,032	19,245
Canada	140	129	135	2,259	2,337	2,306
UK	188	192	190	4,427	4,358	4,384
Corporate office	<u>-</u>	<u>-</u>	<u>-</u>	<u>28</u>	<u>22</u>	<u>23</u>
Group	<u>1,548</u>	<u>1,478</u>	<u>1,511</u>	<u>25,372</u>	<u>26,749</u>	<u>25,958</u>



# **INDEPENDENT REVIEW REPORT TO ASHTEAD GROUP PLC REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

## **Our conclusion**

We have reviewed Ashtead Group plc's condensed consolidated interim financial statements (the 'interim financial statements') in the unaudited results for the half year of Ashtead Group plc for the six month period ended 31 October 2024 (the 'period').

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the consolidated income statement for the period ended 31 October 2024;
- the consolidated statement of comprehensive income for the period then ended;
- the consolidated balance sheet as at 31 October 2024;
- the consolidated statement of changes in equity for the period then ended;
- the consolidated cash flow statement for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the unaudited results for the half year of Ashtead Group plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

## **Basis for conclusion**

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ('ISRE (UK) 2410'). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the unaudited results for the half year and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

## **Conclusions relating to going concern**

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

## **Responsibilities for the interim financial statements and the review**

### Our responsibilities and those of the directors

The unaudited results for the half year, including the interim financial statements, are the responsibility of, and have been approved by the directors. The directors are responsible for preparing the unaudited results for the half year in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the unaudited results for the half year, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the unaudited results for the half year based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**PricewaterhouseCoopers LLP**

Chartered Accountants

London

9 December 2024

## GLOSSARY OF TERMS

The glossary of terms below sets out definitions of terms used throughout this announcement. Included are a number of alternative 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. The directors use these measures, which are common across the industry, for planning and reporting purposes. These measures are also used in discussions with the investment analyst community and credit rating agencies. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs and should not be considered superior to or a substitute for IFRS measures.

Term	Closest equivalent statutory measure	Definition and purpose																																				
Drop through	None	<p>Calculated as the change in rental revenue which converts into EBITDA (excluding gains from sale of new equipment, merchandise and consumables and used equipment).</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2024 \$m</th> <th style="text-align: right;">2023 \$m</th> <th style="text-align: right;">Change</th> </tr> </thead> <tbody> <tr> <td><b>US</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Rental revenue</td> <td style="text-align: right;">4,518</td> <td style="text-align: right;">4,299</td> <td style="text-align: right;">219</td> </tr> <tr> <td>EBITDA</td> <td style="text-align: right;">2,402</td> <td style="text-align: right;">2,331</td> <td></td> </tr> <tr> <td>Gains</td> <td style="text-align: right;">(77)</td> <td style="text-align: right;">(146)</td> <td></td> </tr> <tr> <td>EBITDA excluding gains</td> <td style="text-align: right;"><u>2,325</u></td> <td style="text-align: right;"><u>2,185</u></td> <td style="text-align: right;">140</td> </tr> <tr> <td><b>Drop through</b></td> <td></td> <td></td> <td style="text-align: right;"><b>64%</b></td> </tr> </tbody> </table> <p>This measure is utilised by the Group to demonstrate the change in profitability generated by the Group as a result of the change in rental revenue in the period.</p>		2024 \$m	2023 \$m	Change	<b>US</b>				Rental revenue	4,518	4,299	219	EBITDA	2,402	2,331		Gains	(77)	(146)		EBITDA excluding gains	<u>2,325</u>	<u>2,185</u>	140	<b>Drop through</b>			<b>64%</b>								
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Free cash flow	Net cash generated from operating activities	<p>Net cash generated from operating activities less non-rental net property, plant and equipment expenditure. Non-rental net property, plant and equipment expenditure comprises payments for non-rental capital expenditure less disposal proceeds received in relation to non-rental asset disposals.</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2024 \$m</th> <th style="text-align: right;">2023 \$m</th> </tr> </thead> <tbody> <tr> <td>Net cash generated from operating activities</td> <td style="text-align: right;">696</td> <td style="text-align: right;">(30)</td> </tr> <tr> <td>Payments for non-rental property, plant and equipment</td> <td style="text-align: right;">(306)</td> <td style="text-align: right;">(343)</td> </tr> <tr> <td>Proceeds from disposal of non-rental property, plant and equipment</td> <td style="text-align: right;">30</td> <td style="text-align: right;">18</td> </tr> <tr> <td><b>Free cash flow</b></td> <td style="text-align: right;"><b>420</b></td> <td style="text-align: right;"><b>(355)</b></td> </tr> </tbody> </table> <p>This measure shows the cash retained by the Group prior to discretionary expenditure on acquisitions and returns to shareholders.</p>		2024 \$m	2023 \$m	Net cash generated from operating activities	696	(30)	Payments for non-rental property, plant and equipment	(306)	(343)	Proceeds from disposal of non-rental property, plant and equipment	30	18	<b>Free cash flow</b>	<b>420</b>	<b>(355)</b>																					
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Leverage	None	<p>Leverage calculated at constant exchange rates uses the period end exchange rate for the relevant period and is determined as net debt divided by last 12-month ('LTM') EBITDA.</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">2024</th> <th colspan="2">2023</th> </tr> <tr> <th>Excluding IFRS 16</th> <th>Including IFRS 16</th> <th>Excluding IFRS 16</th> <th>Including IFRS 16</th> </tr> </thead> <tbody> <tr> <td><b>Net debt (\$m)</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>As reported and at constant currency</td> <td><u>8,203</u></td> <td><u>10,945</u></td> <td><u>8,149</u></td> <td><u>10,644</u></td> </tr> <tr> <td><b>EBITDA (\$m)</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>As reported</td> <td>4,740</td> <td>5,007</td> <td>4,512</td> <td>4,749</td> </tr> <tr> <td>Retranslation effect</td> <td>(4)</td> <td>(5)</td> <td>(10)</td> <td>(11)</td> </tr> <tr> <td>At constant currency</td> <td><u>4,736</u></td> <td><u>5,002</u></td> <td><u>4,502</u></td> <td><u>4,738</u></td> </tr> <tr> <td><b>Leverage</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>As reported</td> <td>1.7</td> <td>2.2</td> <td>1.8</td> <td>2.2</td> </tr> <tr> <td>At constant currency</td> <td><b>1.7</b></td> <td><b>2.2</b></td> <td><b>1.8</b></td> <td><b>2.2</b></td> </tr> </tbody> </table> <p>This measure is used to provide an indication of the strength of the Group's balance sheet and is widely used by investors and credit rating agencies. It also forms part of the remuneration targets of the Group and has been identified as one of the Group's key performance indicators.</p>		2024		2023		Excluding IFRS 16	Including IFRS 16	Excluding IFRS 16	Including IFRS 16	<b>Net debt (\$m)</b>					As reported and at constant currency	<u>8,203</u>	<u>10,945</u>	<u>8,149</u>	<u>10,644</u>	<b>EBITDA (\$m)</b>					As reported	4,740	5,007	4,512	4,749	Retranslation effect	(4)	(5)	(10)	(11)	At constant currency	<u>4,736</u>	<u>5,002</u>	<u>4,502</u>	<u>4,738</u>	<b>Leverage</b>					As reported	1.7	2.2	1.8	2.2	At constant currency	<b>1.7</b>	<b>2.2</b>	<b>1.8</b>	<b>2.2</b>
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Return on Investment ('Rol')	None	<p>LTM adjusted operating profit divided by the LTM average of the sum of net tangible and intangible fixed assets, plus net working capital but excluding net debt and tax. Rol is calculated excluding the impact of IFRS 16.</p> <p>Rol is used by management to help inform capital allocation decisions within the business and has been identified as one of the Group's key performance indicators. It also forms part of the remuneration targets of the Group.</p> <p>A reconciliation of Group Rol is provided below:</p> <table border="1"> <thead> <tr> <th></th> <th>2024 \$m</th> <th>2023 \$m</th> </tr> </thead> <tbody> <tr> <td>Adjusted operating profit</td> <td>2,754</td> <td>2,807</td> </tr> <tr> <td>IFRS 16 impact</td> <td>(64)</td> <td>(55)</td> </tr> <tr> <td>Adjusted operating profit (excluding IFRS 16)</td> <td><u>2,690</u></td> <td><u>2,752</u></td> </tr> <tr> <td>Average net assets</td> <td><u>17,753</u></td> <td><u>15,074</u></td> </tr> <tr> <td>Return on investment</td> <td>15%</td> <td>18%</td> </tr> </tbody> </table> <p>Rol for the businesses is calculated in the same way, but excludes goodwill and intangible assets:</p> <table border="1"> <thead> <tr> <th></th> <th>US \$m</th> <th>Canada C\$m</th> <th>UK £m</th> </tr> </thead> <tbody> <tr> <td>Adjusted operating profit</td> <td>2,584</td> <td>169</td> <td>62</td> </tr> <tr> <td>IFRS 16 impact</td> <td>(52)</td> <td>(13)</td> <td>(2)</td> </tr> <tr> <td>Adjusted operating profit (excluding IFRS 16)</td> <td><u>2,532</u></td> <td><u>156</u></td> <td><u>60</u></td> </tr> <tr> <td>Average net assets, excluding goodwill and intangibles</td> <td>12,102</td> <td>1,305</td> <td>821</td> </tr> <tr> <td>Return on investment</td> <td>21%</td> <td>12%</td> <td>7%</td> </tr> </tbody> </table>		2024 \$m	2023 \$m	Adjusted operating profit	2,754	2,807	IFRS 16 impact	(64)	(55)	Adjusted operating profit (excluding IFRS 16)	<u>2,690</u>	<u>2,752</u>	Average net assets	<u>17,753</u>	<u>15,074</u>	Return on investment	15%	18%		US \$m	Canada C\$m	UK £m	Adjusted operating profit	2,584	169	62	IFRS 16 impact	(52)	(13)	(2)	Adjusted operating profit (excluding IFRS 16)	<u>2,532</u>	<u>156</u>	<u>60</u>	Average net assets, excluding goodwill and intangibles	12,102	1,305	821	Return on investment	21%	12%	7%												
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Other terms used within this announcement include:

- **Adjusted:** adjusted results are results stated before exceptional items and the amortisation of acquired intangibles. A reconciliation is shown on the income statement.
- **Availability:** represents the headroom on a given date under the terms of our \$4.5bn asset-backed senior bank facility, taking account of current borrowings.

- **Capital expenditure:** represents additions to rental equipment and other property, plant and equipment (excluding assets acquired through a business combination).
- **Cash conversion ratio:** represents cash flow from operations before changes in rental equipment as a percentage of EBITDA. Details are provided within the Review of Second Quarter, Balance Sheet and Cash Flow section.
- **Dollar utilisation:** dollar utilisation is trailing 12-month rental revenue divided by average fleet size at original (or 'first') cost measured over a 12-month period. Dollar utilisation has been identified as one of the Group's key performance indicators. Details are shown within the Review of Second Quarter, Balance Sheet and Cash Flow section.
- **EBITDA and EBITDA margin:** EBITDA is earnings before interest, tax, depreciation and amortisation. A reconciliation of EBITDA to profit before tax is shown on the income statement. EBITDA margin is calculated as EBITDA divided by revenue. Progression in EBITDA margin is an important indicator of the Group's performance and this has been identified as one of the Group's key performance indicators.
- **Exceptional items:** those items of income or expense which the directors believe should be disclosed separately by virtue of their significant size or nature and limited predictive value to enable a better understanding of the Group's financial performance. Excluding these items provides readers with helpful additional information on the performance of the business across periods and against peer companies. It is also consistent with how business performance is reported to the Board and the remuneration targets set by the Company.
- **Fleet age:** original cost weighted age of serialised rental assets. Serialised rental assets constitute the substantial majority of our fleet.
- **Fleet on rent:** quantity measured at original cost of our rental fleet on rent. Fleet on rent has been identified as one of the Group's key performance indicators.
- **Net debt:** net debt is total borrowings (bank, bonds) and lease liabilities less cash balances, as reported. This measure is used to provide an indication of the Group's overall level of indebtedness and is widely used by investors and credit rating agencies. An analysis of net debt is provided in Note 15.
- **Operating profit and operating profit margin:** Operating profit is earnings before interest and tax. A reconciliation of operating profit to profit before tax is shown on the income statement. Operating profit margin is calculated as operating profit divided by revenue. Progression in operating profit margin is an important indicator of the Group's performance.
- **Organic:** organic measures comprise all locations, excluding locations arising from a bolt-on acquisition completed after the start of the comparative financial period.
- **Rental only revenue:** rental revenue excluding loss damage waiver, environmental fees, erection and dismantling revenue and revenue from rental equipment delivery and collection.
- **Same-store:** same-stores are those locations which were open at the start of the comparative financial period.
- **Segment profit:** operating profit before amortisation and exceptional items by segment.
- **Suppressed availability:** represents the amount on a given date that the asset base exceeds the facility size under the terms of our \$4.5bn asset-backed senior bank facility.