

A STRONG YEAR OF TRANSITION

Dear Shareholder

I am delighted to report another year of strong performance as we continue to execute on our strategic priorities which were embedded in our Sunbelt 3.0 plan. The continued success of our business is only possible because of the knowledge and commitment of a highly engaged workforce who deliver outstanding service to our customers every day of the year. So, thank you to all our team members in the business who proudly represent Sunbelt.

Strategic progress

A key theme in our Sunbelt 3.0 strategy was to continue to expand our North American footprint to meet a growing market demand as the structural change from ownership to rental accelerated. We also recognised that there is an opportunity to extend our product offerings as the demand for rental grows in non-construction markets. I am delighted to report that during the last three years we have added 401 new locations in North America through 231 greenfield locations and 170 through bolt-on acquisitions. This has expanded our North American footprint significantly. We have also been successful in expanding our Specialty lines of business through a series of acquisitions adding adjacent products to existing sectors as well as new markets such as temporary structures and temporary fencing.

Sunbelt 4.0, announced in April 2024, builds on the success of 3.0, leveraging the investments made in the last three years as well as having five new actionable components which provide a clear roadmap for continued growth in the

business. These five new actionable components, described later in this Annual Report, are underpinned by our foundational elements for success which are People, Platform and Innovation. I look forward to reporting our progress in next year's Annual Report.

A sustainable business model

Health and safety will always be our first priority in all aspects of our day-to-day life at Ashtead. Our Engage for Life programme has now been running for several years and has helped embed safety into the daily lives of our team members. I am delighted to report that we had our safest year ever in terms of our total recordable incident rate, an achievement of which our team members are extremely proud.

Sustainability is a key component in our 4.0 strategic plan, and we are committed to delivering long-term sustainable value for our people, customers, communities and shareholders as a thriving and growing business. Our business model is inherently sustainable as we provide rental equipment to the 'many' rather than the 'many' buying and disposing of equipment they use for their own purpose.

We announced with Sunbelt 4.0 a new Scope 1 and 2 carbon intensity reduction target and a Scope 1 and 2 Net Zero target by 2050. We have a clear roadmap to help us achieve this objective, including investment in the latest and most advanced transportation fleet. In addition, we are investing in advanced rental fleet, with early access to sustainable products from our key suppliers, including battery energy storage systems which enable a more efficient use of our power fleet.

Financing

Our balance sheet remains strong with net debt of \$10.7 billion (2023: \$9.0 billion) at 30 April 2024. Our net debt to EBITDA leverage was 1.7x at 30 April 2024 compared to 1.6x in the prior year (excluding IFRS 16). During the year we accessed the debt markets to further strengthen our balance sheet and to ensure we have appropriate financial flexibility. Following the issue of these notes, our debt facilities are committed for an average of six years at a weighted average cost of 5%.

We continue to deploy capital in accordance with our capital allocation policy. During the year we returned \$78m to shareholders through buybacks. At our Capital Markets Day in April 2024, we announced a revised target leverage range of 1.0 to 2.0 times net debt to EBITDA (pre IFRS 16) which will provide enhanced flexibility and optionality to allocate capital in accordance with our long-term priorities.

PAUL WALKER
Chair



Board

I would like to extend my thanks to Lindsley Ruth who is leaving the Board at our AGM in September 2024. Lindsley has made a terrific contribution to the Board as well as providing advice and support to executives in the business. I would also like to thank Eric Watkins, who retired in April this year as company secretary and general counsel. Eric has made a significant contribution to the business and the development of the Board over many years. I am delighted to welcome Roy Twite to the Board who was appointed as a non-executive director in June 2024. Roy is the chief executive officer of IMI plc and brings significant business experience to the Board. I would also like to welcome Alan Porter who is our new company secretary.

I was delighted that the Board was able to attend our Powerhouse event in Atlanta in April 2024 when we announced our Sunbelt 4.0 strategy. My Board colleagues and I very much enjoyed this opportunity to meet and engage with team members, customers, suppliers and shareholders. It truly was a memorable event.

Dividends

We continue to have a progressive dividend policy which is designed to ensure sustainability through the economic cycle. In recognition of our strong operating performance and outlook for the Company the Board are proposing a 5% increase in the final dividend to 89.25¢. The final dividend will be paid, if approved at the AGM, on 10 September 2024 to shareholders on the register on 9 August 2024.

In addition, the Group intends to rebalance the split between its interim and final dividend to align with normal market practices, and pay a greater proportion of the Group's dividend as part of the interim dividend, commencing with the interim dividend for 2024/25.

Outlook

Our business continues to perform well, and our recently announced Sunbelt 4.0 strategic plan will drive future growth as well as benefitting from the strong fundamentals that have been created and developed in the business over many years.

Our balance sheet remains strong, and with a well-defined and proven go-to-market strategy as well as an outstanding workforce, we are well positioned for continued growth in the business.



PAUL WALKER
Chair, 17 June 2024

HIGHLIGHTS OF THE YEAR

+12%

Revenue up 12%¹,
rental revenue up 10%¹

\$4,311m

\$4,311m of capital invested in the
business (2023: \$3,772m)

\$2,654m

Group operating profit of \$2,654m
(2023: \$2,522m)

\$905m

\$905m spent on bolt-on acquisitions
(2023: \$1,146m) and 66 greenfield
locations opened in North America

\$2,230m

Group adjusted pre-tax profit of \$2,230m
(2023: \$2,273m)

\$216m

\$216m of free cash flow generation
(2023: \$531m)

386.5¢

Adjusted earnings per share of 386.5¢
(2023: 388.5¢)

1.7x

Net debt to EBITDA leverage^{1,2} of 1.7 times
(2023: 1.6 times)

365.8¢

Earnings per share of 365.8¢
(2023: 368.4¢)

89.25¢

Proposed final dividend of 89.25¢, making
105.0¢ for the full year (2023: 100.0¢)

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