Offering Memorandum

$1,300,000,000

Ashtead Capital, Inc.

$550,000,000 1.500% Senior Notes due 2026
$750,000,000 2.450% Senior Notes due 2031

Interest payable February 12 and August 12

Issue price (2026 Notes): 99.741% plus accrued interest from the Issue Date
Issue price (2031 Notes): 99.745% plus accrued interest from the Issue Date

We are offering $550,000,000 of our 1.500% Senior Notes due 2026 (the "2026 Notes") and $750,000,000 of our 2.450% Senior Notes due 2031 (the "2031 Notes" and, together with the 2026 Notes, the "Notes"). The 2026 Notes will bear interest at the rate of 1.500% per year and the 2031 Notes will bear interest at the rate of 2.450% per year. The Notes will be governed by an indenture (the "Indenture") among the Issuer, the guarantors party thereto and BNY Mellon Corporate Trustee Services Limited, as Trustee. Interest on the Notes is payable on February 12 and August 12 of each year, beginning on February 12, 2022. The 2026 Notes will mature on August 12, 2026, and the 2031 Notes will mature on August 12, 2031. Ashtead Capital, Inc. (the "Issuer") may redeem the 2026 Notes, in whole or in part, at any time prior to July 12, 2026 (one month prior to the maturity date), at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed plus a "make-whole" premium calculated as described in this offering memorandum, plus accrued and unpaid interest, if any, to but excluding the date of redemption. In addition, at any time after July 12, 2026 (one month prior to the maturity date), the Issuer may redeem the 2026 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest, if any, to the date of redemption on the principal amount of the 2026 Notes to be redeemed. The Issuer may redeem the 2031 Notes, in whole or in part, at any time prior to May 12, 2031 (three months prior to the maturity date), at a redemption price equal to 100% of the principal amount of the 2031 Notes to be redeemed plus a "make-whole" premium calculated as described in this offering memorandum, plus accrued and unpaid interest, if any, to but excluding the date of redemption. In addition, at any time after May 12, 2031 (three months prior to the maturity date), the Issuer may redeem the 2031 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2031 Notes to be redeemed, plus accrued and unpaid interest, if any, to the date of redemption on the principal amount of the 2031 Notes to be redeemed.

Ashtead Group plc (the "Parent Guarantor"), the indirect parent company of the Issuer, and substantially all of the material direct and indirect subsidiaries of Ashtead Group plc (as specified in this offering memorandum under "General Information—The Guarantors and Persons Responsible") will fully and unconditionally guarantee the Notes as of the Issue Date (as hereinafter defined) on a senior unsecured basis.

The Notes and the related guarantees will rank senior in right of payment to all of the Issuer's and the guarantors' existing and future debt that is subordinated in right of payment to the Notes and the guarantees and rank, or will rank, equally in right of payment with all of the Issuer's and the guarantors' existing and future debt that is not subordinated in right of payment to the Notes and the guarantees, including the Existing Notes (as hereinafter defined). The Notes will be effectively subordinated to all of the Issuer's and the guarantors' existing and future secured debt, including the First Priority Senior Security Credit Facility, to the extent of the value of the collateral securing such debt, and structurally subordinated to all of the liabilities of our subsidiaries that do not guarantee the Notes.

Application will be made to the London Stock Exchange plc (the "London Stock Exchange") for the Notes to be admitted to trading on the International Securities Market (the "International Securities Market"). The International Securities Market is not a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, "MiFID II") or Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"). There is no assurance that the Notes will be listed and admitted to trading on the International Securities Market. References in this offering memorandum to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to trading on the International Securities Market.

The International Securities Market is a market designated for professional investors. Notes admitted to trading on the International Securities Market are not admitted to the Official List of the UK Listing Authority. The London Stock Exchange has not approved or verified the contents of this offering memorandum.

Each of S&P Global Ratings UK Limited ("S&P"), Fitch Ratings Ltd ("Fitch") and Moody's Investors Service Limited ("Moody's") (which provide ratings in relation to the Notes) is established in the United Kingdom and is registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended by Regulation (EU) No 462/2013, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "UK CRA Regulation"). As such, S&P, Fitch and Moody's are included in the list of registered credit rating agencies published by the Financial Conduct Authority on its website (https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras) in accordance with the UK CRA Regulation. S&P, Fitch and Moody's are not established or registered in the European Economic Area under Regulation (EU) No 462/2013 (the "EU CRA Regulation"), but credit ratings issued by S&P have been endorsed by S&P Global Ratings Europe Limited, credit ratings issued by Fitch have been endorsed by Fitch Ratings Ireland Limited and credit ratings issues by Moody's have been endorsed by Moody's Deutschland GmbH, each of which is an entity established in the European Economic Area and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation. No report of any rating agency is being incorporated by reference herein. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning credit rating agency. There is no guarantee that any rating of the Issuer and/or the Notes assigned by any such credit rating agency will be maintained by the Issuer following the date of this offering memorandum.

See "Risk Factors" beginning on page 11 to read about important factors you should consider before buying the Notes.

The Notes and the related guarantees have not been and will not be registered under the Securities Act, or any state securities laws and may not be offered, sold or delivered in the United States unless registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. The Notes are being offered and sold only to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to non-US persons outside the United States in accordance with Regulation S under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See "Notice to Investors" for a description of certain restrictions on transfers of the Notes.

The Notes will be made ready for delivery in book-entry form through the facilities of The Depository Trust Company ("DTC") for the account of its participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, S.A., on or about August 12, 2021 (the "Issue Date").

Joint Book-Running Managers

BofA Securities **Citigroup** **J.P. Morgan**

Wells Fargo Securities **NatWest Markets** **MUFG** **Truist Securities**

HSBC **Lloyds Bank Corporate Markets** **Barclays**

August 3, 2021

You should rely only on the information contained in this offering memorandum. Neither we nor any of the initial purchasers has authorized anyone to provide you with any information or represent anything about us, our financial results or this offering that is not contained in this offering memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by us or the initial purchasers.

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This offering memorandum will comprise admission particulars issued in compliance with the London Stock Exchange's International Securities Market Rulebook for the purpose of giving information with regard to the Issuer, the guarantors and the Notes.

The Issuer and each of the guarantors accept responsibility for all the information contained in these admission particulars and, having taken all reasonable care to ensure that such is the case, the information contained in these admission particulars is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

We are making this offering in reliance on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The Notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. Laws in certain jurisdictions may restrict the distribution of this offering memorandum and the offer and sale of the Notes. Persons into whose possession this offering memorandum or any of the Notes are delivered must inform themselves about, and observe, those restrictions. You must comply with all applicable laws and regulations in force in any applicable jurisdiction, and you must obtain any consent, approval or permission required for the purchase, offer or sale by you of the Notes under the laws and regulations in force in the jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we nor the initial purchasers will have any responsibility therefor.

We reserve the right to withdraw this offering of the Notes at any time. We and the initial purchasers also reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason and to allot to any prospective investor less than the full amount of Notes sought by such investor.

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the Notes described in this offering memorandum. Distribution of this offering memorandum to any other person than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this offering memorandum, agrees to the foregoing and to make no photocopies of this offering memorandum or any documents referred to in this offering memorandum.

The Notes and the related guarantees are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this offering memorandum entitled "Plan of Distribution" and "Notice to Investors." By purchasing the Notes, you will be deemed to have made acknowledgments, representations, warranties and agreements as set forth under "Notice to Investors" in this offering memorandum.

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the future.

The information set out in relation to sections of this offering memorandum describing clearing arrangements, including the section entitled "Book-Entry; Delivery and Form," is subject to any change in or reinterpretation of the rules, regulations and procedures of the DTC, Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") or Clearstream Banking, S.A. ("Clearstream Banking") currently in effect. While we accept responsibility for accurately summarizing the information concerning DTC, Euroclear and Clearstream Banking, we accept no further responsibility in respect of such information.

By receiving this offering memorandum, you acknowledge that (1) you have had an opportunity to request from us for review and that you have received all additional information you deem necessary to verify the accuracy and completeness of the information contained in this offering memorandum, (2) you have not relied on the initial purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes, (3) this offering memorandum relates to an offering that is exempt from registration under the Securities Act and (4) no person has been authorized to give information or to make any representations concerning us, this offering or the Notes described in this offering memorandum, other than as contained in this offering memorandum and information given by our duly authorized officers and employees in connection with an investor's examination of us and the terms of the offering of the Notes.

In making an investment decision, prospective investors must rely on their own examination of the Issuer and the guarantors and the terms of this offering, including the merits and risks involved. In addition, neither we nor the initial purchasers nor any of our or their respective representatives are making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this offering memorandum as legal, business or tax advice. You should consult your own advisors as to legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this offering memorandum, and you must obtain all applicable consents and approvals; neither we nor the initial purchasers shall have any responsibility for any of the foregoing legal requirements.

Neither the United States Securities and Exchange Commission ("SEC"), any state securities commission nor any other regulatory authority has approved or disapproved the securities nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us or to the initial purchasers.

In connection with the offering of Notes, the initial purchasers are not acting for anyone other than us and will not be responsible to anyone other than us for providing the protections afforded to their clients nor for providing advice in relation to the offering.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the Issuer in such jurisdiction.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This offering memorandum has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of the Notes. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended). Neither the Issuer, any of the guarantors nor any of the initial purchasers have authorized, nor do the Issuer, any of the guarantors or any of the initial purchasers authorize, the making of any offer of the Notes in circumstances in which an obligation arises for the Issuer, any of the guarantors or the initial purchasers to publish a prospectus for such offer. Neither the Issuer, the guarantors nor the initial purchasers have authorized, nor do we authorize, the making of any offer of securities through any financial intermediary, other than offers made by the initial purchasers, which constitute the final placement of the Notes.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This offering memorandum is for distribution only to, and is only directed at, persons who (i) are outside the United Kingdom (the "UK"), (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (iii) are high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. Recipients of this offering memorandum are not permitted to transmit it to any other person. The Notes are not being offered to the public in the UK.

This offering memorandum has been prepared on the basis that any offer of the Notes in the UK will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (as amended, the "UK Prospectus Regulation") from a requirement to publish a prospectus for offers of Notes. This offering memorandum is not a prospectus for the purpose of the UK Prospectus Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

UK MiFIR product governance / Professional investors and ECPs only target market: Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration any manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRESENTATION OF FINANCIAL DATA AND NON-IFRS MEASURES

Unless otherwise indicated, the financial information presented in this offering memorandum is the historical consolidated financial information of Ashtead Group plc and its subsidiaries (the "Group"). Ashtead Group plc is not the issuer of the Notes; however, it is the Parent Guarantor (as hereinafter defined) and is the parent entity of the consolidated group which includes the Issuer. In addition to Ashtead Group plc, substantially all of the material direct and indirect subsidiaries of Ashtead Group plc (other than the Issuer) will guarantee the Notes. The guarantors of the Notes will be: Ashtead Group plc; Ashtead Holdings PLC; Sunbelt Rentals Limited; Ashtead Financing Limited; Ashtead Holdings, LLC; Sunbelt Rentals, Inc.; Sunbelt Rentals Industrial Services, LLC; Accession Group Limited; Accession Holdings Limited; Eve Trakway Limited; Anglia Traffic Management Group Limited; ATM Traffic Solutions Limited; William F. White International Inc.; Sunbelt Rentals of Canada Inc.; Sunbelt Rentals Scaffold Services, Inc.; Ashtead US Holdings, Inc.; Ashtead Financing (Ireland) Unlimited Company; Sunbelt Rentals Scaffold Services, LLC; and Ashtead Canada Limited (collectively, the "guarantors"). The guarantors represent 99.9% of total combined assets as at April 30, 2021, and 100.0% of EBITDA for FY April 2021 of the Group. See "Overview—The Guarantors."

The consolidated financial statements of the Group are prepared on an annual basis with a fiscal year ending on April 30 of each year and have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") for FY April 2019 and FY April 2020 and as adopted pursuant to Regulation (EC) No 1606/2020 as it applies in the European Union for FY April 2021. This offering memorandum contains:

- the consolidated financial statements of the Group as at and for the year ended April 30, 2021 audited by Deloitte LLP and the independent auditor's report thereon; and

- the consolidated financial statements of the Group as at and for the year ended April 30, 2020 audited by Deloitte LLP and the independent auditor's report thereon.

Hereinafter, we have referred to the consolidated financial statements as the "Financial Statements."

The Financial Statements of the Group are presented in British pounds sterling. On July 27, 2021, the British pound sterling had appreciated against the dollar from its value on April 30, 2021, and the exchange rate was $1.3881 per £1.00. See "Risk Factors—Risks Relating to our Business—Currency." Foreign exchange and interest rate fluctuations may have a material impact on our business, financial condition and results of operations.

Certain amounts and percentages included in this offering memorandum have been rounded. Accordingly, in certain instances, the sum of the numbers in a column of a table may not exactly equal the total figure for that column.

The financial information included in this offering memorandum is not intended to comply with the applicable accounting requirements of the Securities Act and the related rules and regulations of the SEC which would apply if the Notes were being registered with the SEC.

The financial information included in this offering memorandum includes certain measures which are not accounting measures within the scope of IFRS. As used in this offering memorandum, the following terms have the following meanings which represent the primary non-IFRS measures contained herein:

Adoption of IFRS 16

We adopted IFRS 16, Leases ("IFRS 16") on May 1, 2019, which provides a new model for lease accounting under which lessees recognize a lease liability reflecting future lease payments and a right-of-use asset on the balance sheet for all lease contracts other than certain short-term leases and leases of low-value assets. Under IFRS 16 the Group recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated income statement, whereas under IAS 17, Leases ("IAS 17") operating leases previously gave rise to a straight-line expense included within other operating expenses. In addition, under IFRS 16 the Group separates the total amount of cash paid for leases that are on balance sheet into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement whereas under IAS 17 operating lease payments were presented as operating cash outflows.

We elected to apply IFRS 16 using the modified retrospective approach with no restatement of comparative figures. Significant judgements applied in the adoption of IFRS 16 included determining the lease term for those leases with termination or extension options and determining an incremental borrowing rate where the rate in the lease could not be determined readily.

As a result of the adoption of IFRS 16, the results for FY April 2021 and FY April 2020 are not directly comparable to the prior years, with the adoption of IFRS 16 resulting in higher EBITDA and operating profit but lower profit before exceptional items, amortization and tax than under the previous accounting standard. Further details as to the approach taken in the adoption of IFRS 16 and its financial impact are provided in notes 2 and 17 to our consolidated financial statements for the FY April 2020.

Change in presentational currency

Effective from May 1, 2021, the Group has decided to change its presentational currency from sterling to US dollars to allow for greater transparency in the Group's performance to investors and other stakeholders and reduced foreign exchange volatility given that c. 80% of the Group's revenue and c. 90% of the Group's operating profit originate in US dollars. As such, the Group will present its consolidated financial statements for the year ending 30 April 2022 in US dollars.

In accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, this change in presentation currency will be applied retrospectively. As such, we included selected historical financial information in US dollars within note 33 of our consolidated financial statements for FY April 2021 as this will form the basis of the comparative information to be included in the financial statements of the Group going forward and all published financial information for periods from May 1, 2021 onwards.

Within this document, where we present financial information in US dollars, we have therefore translated it in accordance with IFRS as if the Group had always presented its financial information in US dollars.

Results before exceptional items and amortization

In considering the financial performance of our business and segments, we analyze each of our primary financial measures in our consolidated income statement in two components, comprising firstly "Before exceptional items and amortization" and secondly, "Total" which is presented after exceptional items and amortization. Exceptional items and amortization are presented separately as they are considered to impact the comparability of the Group's financial performance from year to year and therefore allow management and investors to monitor financial performance on a consistent basis.

Exceptional items and amortization are presented in note 5 to the consolidated financial statements for FY April 2021 and the consolidated financial statements for FY April 2020. Where amounts have been included elsewhere in this offering memorandum, which are identified as "excluding exceptional items" or "before exceptional items," a reconciliation or reference to such reconciliation has been included to identify the nature and amounts of such exceptional items for your further analysis.

We believe that separately presenting financial performance in two components facilitates reading and interpreting financial performance between periods, as earnings and profit measures are more comparable because they exclude the effect of exceptional items and amortization, and exceptional items and amortization are more clearly understood if separately identified and analyzed. The presentation of these components of financial performance is in addition to, and is not a substitute for, the comparable measures presented in accordance with IFRS.

Management uses these adjusted financial measures as the basis for monitoring financial performance and in communicating financial performance to investors in external presentations and announcements of financial results. Internal financial reports, budgets and forecasts are also principally prepared on the basis of these adjusted financial measures. Management compensates for the limitations inherent in the use of these adjusted financial measures through the separate monitoring and disclosure of exceptional items and amortization as a component of the Group's overall financial performance.

EBITDA

"EBITDA" as presented in our historical Financial Statements and throughout this offering memorandum is defined as profit attributable to equity holders of the company before taxation, interest expense (including write-off and amortization of deferred finance costs and the expected increase in plan liabilities in respect of defined benefit pension plans), investment income (including the expected return on plan assets in respect of defined benefit pension plans), depreciation (including the impairment of property, plant and equipment and right-of-use assets) and amortization (including the impairment of intangibles). See the Notes to the "Summary Historical Consolidated Financial Data" for a reconciliation of EBITDA to "Profit attributable to equity holders of the company" for each period presented.

We also present a measure of EBITDA before exceptional items.

Lastly, we also present a measure of EBITDA for each of our business segments as included in note 3 to the consolidated financial statements for FY April 2021 and note 3 to the consolidated financial statements for FY April 2020, which are defined similarly to "EBITDA" in the paragraph above, but which have been calculated on a segment by segment basis and exclude exceptional items. For a reconciliation of EBITDA for each of our segments to total EBITDA, please refer to note 3 to the consolidated financial statements for FY April 2021 and note 3 to the consolidated financial statements for FY April 2020.

In addition to the measures of EBITDA identified above, we also present EBITDA margin, which is defined as EBITDA as a percentage of revenue.

EBITDA and EBITDA margin are not measures of performance or liquidity under IFRS and should not be considered by investors in isolation or as a substitute for a measure of profit, or as an indicator of our operating performance or cash flows from operating activities as determined in accordance with IFRS. We do not consider these non-IFRS financial measures to be a substitute for, or superior to, the information provided by IFRS financial measures. We have presented these supplemental non-IFRS measures because we believe they are helpful to investors and financial analysts in highlighting trends in our overall business. We encourage you to evaluate these items and the limitations for purposes of your analysis. Further, these measures of EBITDA may not be comparable to similarly titled measures disclosed by other companies.

Net debt

"Net debt" is defined as total short-term and long-term borrowings less cash and cash equivalents, and from May 1, 2019 includes the lease liability which arises following the adoption of IFRS 16 as detailed above. Net debt at April 30, 2021 and April 30, 2020 is therefore not directly comparable to net debt at previous reporting dates as it includes lease liabilities relating to leases which were previously classified as operating leases under IAS 17. The Group refers to net debt and debt, after excluding lease liabilities, as "net external borrowing debt" and "external borrowing debt," respectively, throughout this offering memorandum.

A reconciliation of net debt to amounts included in the consolidated balance sheet and consolidated cash flow statement for each respective year is set forth in the consolidated cash flow statement and/or note 26 to the consolidated financial statements for FY April 2021 and note 25 to the consolidated financial statements for FY April 2020. The Group uses net debt as a part of our internal debt analysis. We believe that net debt is a useful measure, as it indicates the level of borrowings after taking account of the most liquid financial assets within our business.

Free cash flow

We have also presented certain cash flow measures which we utilize as non-IFRS liquidity measures including "Cash inflow before growth capex and payment of exceptional costs," "Cash conversion ratio," "Free cash flow" and "Total cash generated/(absorbed)." For a reconciliation of these measures of cash flow to our cash flow from operations, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

These measures of cash flow are not measures of performance or liquidity under IFRS and should not be considered by investors in isolation or as a substitute for an indicator of our operating performance or cash flows from operating activities as determined in accordance with IFRS. We do not consider these non-IFRS financial measures to be a

substitute for, or superior to, the information provided by IFRS financial measures. We have presented these supplemental non-IFRS measures because we believe they are helpful to investors and financial analysts in our ability to fund capital expenditures and service our debt obligations. We encourage you to evaluate these items and the limitations for purposes of your analysis. Further, these measures of free cash flow may not be comparable to similarly titled measures disclosed by other companies.

Ratios and other measures derived from non-IFRS measures

We have also presented certain ratios and other measures in this offering memorandum which are derived from a combination of our principal non-IFRS measures and IFRS measures. Where such amounts have been presented a description of the amount and the measures from which it has been derived has been included.

NOTE ON DEFINED TERMS USED IN THIS OFFERING MEMORANDUM

The following terms used in this offering memorandum have the meanings assigned to them below:

"2025 Notes"	The 4.125% Second Priority Senior Secured Notes due August 15, 2025, issued on August 9, 2017.
"2026 Notes"	The 5.250% Second Priority Senior Secured Notes due August 1, 2026, issued on July 26, 2018
"2027 Notes"	The 4.375% Second Priority Senior Secured Notes due August 15, 2027, issued on August 9, 2017.
"2028 Notes"	The 4.000% Second Priority Senior Secured Notes due May 1, 2028, issued on November 4, 2019.
"2029 Notes"	The 4.250% Second Priority Senior Secured Notes due November 1, 2029, issued on November 4, 2019.
"Ashtead," "Ashtead Group," "Group," "we," "us" and "our"	Ashtead Group plc and, unless otherwise indicated or the context otherwise requires, its consolidated subsidiaries.
"Ashtead Group plc"	Ashtead Group plc on an unconsolidated basis.
"British pounds sterling," "pounds," "sterling" or "£"	Pounds sterling, the currency of the United Kingdom.
"Canadian dollars"	Canadian dollars, the currency of Canada.
"dollars" or "$"	US dollars, the currency of the United States of America.
"EBITDA"	Profit attributable to equity holders of the company before taxation, interest expense (including write-off and amortization of deferred finance costs and the expected increase in plan liabilities in respect of defined benefit pension plans), investment income (including the expected return on plan assets in respect of defined benefit pension plans), depreciation (including the impairment of property, plant and equipment and right-of-use assets) and amortization (including the impairment of intangibles).
"EEA"	European Economic Area
"Existing Notes"	The 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes and the 2029 Notes, collectively.
"First Priority Senior Secured Credit Facility"	Loan and Security Agreement, dated August 31, 2006, as amended by that First Amendment to Loan and Security Agreement, dated as of May 1, 2008, as further amended by that certain Second Amendment to Loan and Security Agreement, dated as of November 23, 2009, as further amended by that certain Third Amendment to Loan and Security Agreement, dated as of March 28, 2011, as further amended by that certain Fourth Amendment to Loan and Security Agreement, dated as of August 22, 2013, as further amended by that certain Fifth Amendment to Loan and Security Agreement, dated as of July 27, 2015, as further amended by that certain Sixth Amendment to Loan and Security Agreement, dated as of December 22, 2016, as further

	amended by that certain Seventh Amendment to Loan and Security Agreement, dated as of July 28, 2017, as further amended by that certain Eighth Amendment to Loan and Security Agreement, dated as of May 25, 2018, as further amended by that certain Ninth Amendment to Loan and Security Agreement, dated as of December 19, 2018, as further amended by that certain Tenth Amendment to Loan and Security Agreement, dated as of April 3, 2020, and as further amended by that certain Eleventh Amendment to the Loan and Security Agreement, dated as of April 24, 2020, among Ashtead Group plc and certain of its direct and indirect subsidiaries, Bank of America, N.A., as administrative agent and collateral agent, and the financial institutions named therein, as more fully described in "Description of Certain Indebtedness."
"FY April 2019," "FY April 2020" and "FY April 2021"	Ashtead Group's fiscal year ended April 30, 2019, April 30, 2020 and April 30, 2021, respectively.
"IFRS"	International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union for FY April 2019 and FY April 2020 and as adopted pursuant to Regulation (EC) No 1606/2020 as it applies in the European Union for FY April 2021.
"Indenture"	The indenture to be issued governing the Notes among the Issuer, Ashtead Capital, Inc., Ashtead Group plc and certain of its direct and indirect subsidiaries, the guarantors party thereto and BNY Mellon Corporate Trustee Services Limited, as Trustee and The Bank of New York Mellon, London Branch, as Paying Agent.
"Issuer"	Ashtead Capital, Inc.
"Notes"	The 1.500% Senior Notes due 2026 and the 2.450% Senior Notes due 2031.
"store"	The term we use to describe the sites through which we manage our operations. Each store has a manager, staff and a fleet of rental equipment. Stores are typically located at their own facility, which we either own or lease. At some of our larger owned or leased properties we may operate two or more stores. All references to the number of our stores are stated as of April 30, 2021, because we report the number of stores on a quarterly basis. Since April 30, 2021, there has been no material change to the total number of our stores.
"Sunbelt Canada"	Sunbelt Rentals of Canada Inc. and William F. White International Inc., both indirect wholly owned subsidiaries of Ashtead Group plc, through which we conduct our operations in Canada.
"Sunbelt Rentals"	The term we use to refer to our combined operations of Sunbelt US, Sunbelt Canada, and Sunbelt UK.
"Sunbelt UK"	Sunbelt Rentals Limited, an indirect wholly owned subsidiary of Ashtead Group plc through which we principally conduct our operations in the UK.

"Sunbelt US"	Sunbelt Rentals, Inc., an indirect wholly owned subsidiary of Ashtead Group plc through which we principally conduct our operations in the United States. In this offering memorandum, unless the context indicates otherwise, when we refer to "Sunbelt US," we are referring to Sunbelt Rentals, Inc. and its subsidiaries.
"Trustee"	BNY Mellon, Corporate Trustee Services Limited, in its capacity as trustee under the Indenture.
"UK"	United Kingdom
"US GAAP"	Accounting principles generally accepted in the United States of America.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum includes forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. These statements relate to our future prospects, developments and business strategies.

These forward-looking statements are identified by their use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will" and similar terms and phrases, including references to assumptions. These forward-looking statements include all matters that are not historical facts. These statements are contained in sections entitled "Overview," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Industry," "Business" and other sections of this offering memorandum.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Group's actual results of operations, financial condition and the development of the industry in which it operates may differ significantly from those predicted or suggested by the forward-looking statements contained in this offering memorandum. In addition, even if the Group's results of operations, financial condition and business and the development of the industry in which it operates are consistent with the forward-looking statements contained in this offering memorandum, those results or developments may not be indicative of results or developments in subsequent periods.

Factors that could cause actual results to differ materially from the Group's expectations are contained in cautionary statements in this offering memorandum and include, among other things, the following:

- the impact of pandemics, such as the recent COVID-19 outbreak, on the global markets and the equipment rental industry;
- our ability to obtain and/or renew financing;
- our ability to attract, hire and retain qualified personnel;
- our ability to successfully make acquisitions and integrate acquired companies;
- changes in general economic and business conditions in markets and countries where we have operations;
- currency and interest rate fluctuations;
- seasonality of our business;
- changes in the rental rates that we can charge for the equipment in our rental fleet or our services;
- changes in the construction and industrial markets;
- changes in political, social and economic conditions and local regulations;
- changes in the attitude of our customers towards renting, as compared with purchasing, equipment;
- changes in applicable accounting standards;
- changes in the mix of products offered in our rental fleet, industry capacity or competition;
- changes in environmental and safety regulations;
- changes in government spending or government policies;
- disruptions of established supply channels;
- the availability, terms and deployment of capital; and

- costs and availability of energy, and changes in transportation costs.

The foregoing factors and others described under "Risk Factors" should not be construed as exhaustive. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements. We urge you to read this offering memorandum, including the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," for a more complete discussion of the factors that could affect our future performance and the industry in which we operate.

Any forward-looking statements are only made as at the date of this offering memorandum and, except as required by law or the rules and regulations of any stock exchange on which the Notes are listed, we undertake no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this offering memorandum, including those set forth under "Risk Factors."

To the extent we have included prospective financial information in this offering memorandum, including guidance on future capital expenditures described under "Management's Discussion and Analysis of Financial Condition and Results of Operations— Balance Sheet—Property, Plant and Equipment," our independent auditors, Deloitte LLP, have not compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

OVERVIEW

The following overview highlights selected information from this offering memorandum. It is not complete and does not contain all of the information that you should consider before investing in the Notes. You should read this offering memorandum in its entirety, including the "Risk Factors" section and our consolidated Financial Statements and the Notes thereto. In addition, certain statements include forward-looking information that involves risks and uncertainties. See "Information Regarding Forward-Looking Statements."

Our business

We believe we are one of the largest international equipment rental companies, with a network of 1,126 stores in the United States ("US"), Canada and the United Kingdom ("UK") as of April 30, 2021. We conduct our equipment rental operations across all markets under the name "Sunbelt Rentals." We believe Sunbelt Rentals is the second largest equipment rental business in North America and the largest equipment rental company in the UK, in each case, by rental revenue. We offer for rent a wide range of equipment and during FY April 2021, we generated revenue of £5,031 million ($6,639 million) and EBITDA of £2,301 million ($3,037 million).

Our diversified customer base includes construction, industrial and homeowner customers, service, repair and facility management businesses, as well as government entities and specialist contractors. Our rental equipment fleet comprises an extensive range of general construction equipment, supplemented by product groups such as pumps, welding equipment, power generation equipment, mobile elevating work platforms, scaffolding, shoring equipment, temperature control equipment, temporary accommodation units, flooring equipment and temporary floor coverings and barriers. The original cost of our rental equipment fleet at April 30, 2021, was £8,563 million ($11,855 million). The average age of our serialized rental equipment, which constitutes the substantial majority of our fleet, at April 30, 2021, weighted on a net book value basis, was approximately 41 months.

In FY April 2021, 82% of our revenue was generated in the US, where we operate 861 stores in 46 states and the District of Columbia, 6% of our revenue was generated in Canada, where we operate 77 stores, and 12% of our revenue was generated in the UK, where we operate 188 stores.

Concurrent Redemptions of 2025 Notes and 2026 Notes

Prior to the closing of this offering, pursuant to the provisions of the indenture governing the 2025 Notes, we intend to deliver a notice to the holders of our 2025 Notes for the conditional redemption (the "2025 Notes Redemption") of all of the remaining outstanding principal amount of our 2025 Senior Notes. Additionally, prior to the closing of this offering, pursuant to the provisions of the indenture governing the 2026 Notes, we intend to deliver a notice to the holders of our 2026 Notes for the conditional redemption (the "2026 Notes Redemption") of all of the remaining outstanding principal amount of our 2026 Senior Notes.

The redemptions will be subject to certain conditions, including the closing of this offering. We cannot assure you that we will consummate the 2025 Notes Redemption or the 2026 Notes Redemption on the terms and at the time contemplated herein, if at all. This offering memorandum does not constitute an offer to purchase any 2025 Notes or 2026 Notes or a notice to redeem any or all of the 2025 Notes or the 2026 Notes.

The Issuer

The Issuer, Ashtead Capital, Inc., is incorporated under the laws of the state of Delaware. The Issuer was incorporated on July 13, 2006, and is an indirect, wholly owned subsidiary of Ashtead Group plc. The Issuer has its registered office at The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, at which the telephone number is (302) 777-0247. The Issuer was formed for the purpose of issuing a now-retired series of notes and, other than the issuance of the Existing Notes and the proposed issuance of the Notes, conducts, and is expected to conduct, no operations. Immediately following this offering, the Issuer will not have any liabilities other than the Notes, the Existing Notes and its guarantee of our First Priority Senior Secured Credit Facility.

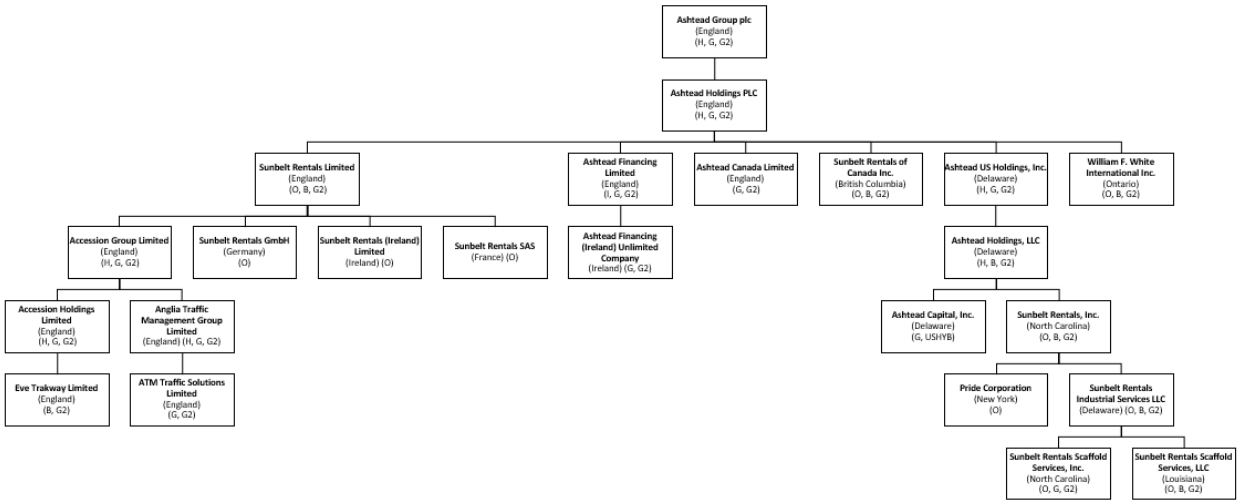
The Guarantors

Ashtead Group plc and substantially all of the material direct and indirect subsidiaries of Ashtead Group plc (other than the Issuer) guarantee the Existing Notes and will guarantee the Notes. The guarantors of the Existing Notes are, and the guarantors of the Notes will be: Ashtead Group plc; Ashtead Holdings PLC; Sunbelt Rentals Limited; Ashtead Financing Limited; Ashtead Holdings, LLC; Sunbelt Rentals, Inc.; Sunbelt Rentals Industrial Services, LLC; Accession Group Limited; Accession Holdings Limited; Eve Trakway Limited; Anglia Traffic Management Group Limited; ATM Traffic Solutions Limited; William F. White International Inc.; Sunbelt Rentals of Canada Inc.; Sunbelt Rentals Scaffold Services, Inc.; Ashtead US Holdings, Inc.; Ashtead Financing (Ireland) Unlimited Company; Sunbelt Rentals Scaffold Services, LLC; and Ashtead Canada Limited (collectively, the "guarantors"). The guarantors represent 99.9% of total combined assets as at April 30, 2021, and 100.0% of EBITDA for FY April 2021 of the Parent Guarantor and its consolidated subsidiaries.

Ashtead Group plc is a company with limited liability incorporated under the laws of England and Wales with registered number 1807982. Its head office is located at 100 Cheapside, London EC2V 6DT, England and its telephone number is +44(0) 20 7726 9700. For additional details on the guarantors, see "General Information—The Guarantors and Persons Responsible."

Summary corporate and financing structure

The following diagram summarizes our corporate and financing structure. Dormant and non-trading entities are omitted.



Company codes:	
B	Borrowing company (ABL facility)
G	Guarantor (ABL facility)
G2	Guarantor (2025, 2026, 2027, 2028 and 2029 senior notes)
O	Operating company
H	Holding company
I	Intercompany financing company
USHYB	US bond issuing company (2025, 2026, 2027, 2028 and 2029 senior notes)

The offering

The following summary contains basic information about the Notes. It may not contain all the information that is important to you. For a more complete understanding of the Notes, please see "Description of the Notes" and the subsections mentioned specifically in this summary.

Issuer	Ashtead Capital, Inc., a Delaware corporation.
Parent Guarantor	Ashtead Group plc, a public limited company incorporated under the laws of England and Wales (the "Parent Guarantor").
Notes Offered	$550,000,000 aggregate principal amount of 1.500% Senior Notes due 2026, and $750,000,000 aggregate principal amount of 2.450% Senior Notes due 2031, both governed by the Indenture.
Maturity Date	The 2026 Notes will mature on August 12, 2026. The 2031 Notes will mature on August 12, 2031.
Interest Payment Dates	Interest on the Notes will be payable in arrears on February 12 and August 12 of each year, commencing on February 12, 2022. Interest on the Notes will accrue from August 12, 2021.
Denomination	The Notes will have a minimum denomination of $200,000 and in integral multiples of $1,000 in excess thereof.
Guarantees	All amounts payable, including principal, premium, if any, and interest, under the Notes will be fully and unconditionally guaranteed on a senior unsecured basis by the Parent Guarantor and substantially all of the Parent Guarantor's material direct and indirect subsidiaries (other than the Issuer). The guarantors represent 99.9% of total combined assets as of April 30, 2021 and 100.0% of EBITDA for FY April 2021 of the Parent Guarantor and its consolidated subsidiaries. The Indenture also will provide that any subsidiary that guarantees debt will provide a guarantee of the Notes, subject to certain exceptions. See "Description of the Notes—The Guarantees." Claims in respect of the Notes will be structurally subordinated to the liabilities of any subsidiary of Ashtead Group plc which does not guarantee the Notes (other than the Issuer).
Ranking	The Notes will constitute the Issuer's senior unsecured obligations and will be: • senior in right of payment to all of the Issuer's existing and future debt that is subordinated in right of payment to the Notes; • equal in right of payment with all of the Issuer's existing and future debt that is not subordinated in right of payment to the Notes; and • effectively subordinated to all of the Issuer's existing and future secured debt, including the First Priority Senior Secured Credit Facility, to the extent of the value of the collateral securing such debt, and structurally subordinated to all of the liabilities of our subsidiaries that do not guarantee the Notes. The related guarantees will constitute the senior unsecured obligations of the guarantors and will be:

- senior in right of payment to all of such guarantor's existing and future debt that is subordinated in right of payment to such guarantee;

- equal in right of payment with all of such guarantor's existing and future debt that is not subordinated in right of payment to such guarantee; and

- effectively subordinated to all of the such guarantor's existing and future secured debt, including the First Priority Senior Secured Credit Facility, to the extent of the value of the collateral securing such debt.

At April 30, 2021, after excluding intercompany balances and intercompany guarantees:

- on an unconsolidated basis, the Issuer had total debt of £2,144 million ($2,969 million) and no trade payables or deferred taxes, other than expenses, if any, related to the offering of the Notes;

- on an unconsolidated basis, the Parent Guarantor had total debt of £6 million ($8 million) (excluding the guarantee of the Notes and the Existing Notes) and £7 million ($9 million) of trade and accrued payables; and

- on a consolidated basis, the Parent Guarantor, the Issuer and the guarantors had total debt of £4,209 million ($5,827 million), including lease liabilities of £1,180 million ($1,633 million), of which £3,029 million ($4,194 million) is external borrowing debt and senior debt represented by £885 million ($1,225 million) of borrowings outstanding under our First Priority Senior Secured Credit Facility (and we had £2,175 million ($3,011 million) of availability under the First Priority Senior Secured Credit Facility), £430 million ($595 million) is represented by the 2025 Notes, £429 million ($593 million) is represented by 2026 Notes, £429 million ($594 million) is represented by the 2027 Notes, £429 million ($593 million) is represented by the 2028 Notes and £428 million ($593 million) is represented by the 2029 Notes. See "Description of the Notes—Ranking of the Notes and the Guarantees."

On a pro forma basis, assuming issuance of the Notes and the redemption of the 2025 Notes and 2026 Notes, as of April 30, 2021, we would have had total external borrowing debt of approximately £3,064 million ($4,242 million), total external borrowing debt, as a percentage of total book capitalization, of approximately 48%, £429 million ($594 million) in outstanding 2027 Notes, £429 million ($593 million) in outstanding 2028 Notes, £428 million ($593 million) in outstanding 2029 Notes, £393 million ($544 million) in outstanding 2026 Notes, £537 million ($744 million) in outstanding 2031 Notes and approximately £847 million ($1,173 million) outstanding under our First Priority Senior Secured Credit Facility.

Optional Redemption ..... The 2026 Notes will be redeemable at our option, in whole or in part, at any time prior to July 12, 2026 (one month prior to the maturity date), at a redemption price equal to 100% of the principal amount to be redeemed plus a "make-whole" premium calculated as described in

	this offering memorandum, plus accrued and unpaid interest, if any, to but excluding the date of redemption. In addition, at any time after July 12, 2026 (one month prior to the maturity date), we may redeem the 2026 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest, if any, to the date of redemption on the principal amount of the 2026 Notes being redeemed. The 2031 Notes will be redeemable at our option, in whole or in part, at any time prior to May 12, 2031 (three months prior to the maturity date), at a redemption price equal to 100% of the principal amount to be redeemed plus a "make-whole" premium calculated as described in this offering memorandum, plus accrued and unpaid interest, if any, to but excluding the date of redemption. In addition, at any time after May 12, 2031 (three months prior to the maturity date), we may redeem the 2031 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2031 Notes to be redeemed, plus accrued and unpaid interest, if any, to the date of redemption on the principal amount of the 2031 Notes being redeemed.
Additional Amounts	The Issuer will make all payments with respect to the Notes and the guarantors will make all payments with respect to the guarantees free and clear of and without withholding or deduction for or on account of certain taxes, subject to certain exceptions as provided in the Indenture. In the event that any such withholding or deduction is made, the Issuer or the guarantors, as the case may be, will, except in certain limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted. See "Description of the Notes—Additional Amounts."
Redemption upon Changes in Withholding Taxes	The Issuer may redeem all, but not less than all, of the Notes at a redemption price of 100% of the principal amount, *plus* accrued and unpaid interest, if any, to the respective redemption date of each, if the Issuer, any guarantor, or any surviving entity would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances. For more information, see "Description of the Notes— Optional Redemption—Redemption upon Changes in Withholding Taxes."
Change of Control	If a "Change of Control Triggering Event" occurs, the Issuer or the Parent Guarantor will be required to offer to purchase the Notes at a purchase price equal to 101% of their aggregate principal amount, *plus* accrued and unpaid interest, if any, to the date of purchase. For a summary of what constitutes a Change of Control Triggering Event, see "Description of the Notes—Purchase of Notes upon a Change of Control Triggering Event."
Covenants	The Indenture will contain covenants for the benefit of the holders of the Notes that include, subject to important exceptions, restrictions on the ability of the Parent Guarantor, the Issuer and the Parent Guarantor's other subsidiaries to: • create liens on assets to secure debt;

	• enter into sale and leaseback transactions; and • sell all or substantially all of its properties and assets or merge or consolidate with or into another company. These covenants are subject to important exceptions and qualifications, which are described under "Description of the Notes—Certain Covenants."
Transfer Restrictions	We have not registered, and do not intend to register, the Notes under the Securities Act or any state securities law. You may only offer or sell Notes in a transaction exempt from or not subject to the registration requirements of the Securities Act. The Notes offered hereby are being offered and sold only to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to non-US persons outside the US in reliance on Regulation S under the Securities Act. See "Notice to Investors."
No Registration Rights.....	We do not intend to register the Notes under the US federal or state securities laws or under the securities laws of any other jurisdiction.
Tax Considerations	For a discussion of certain UK and US tax considerations of purchasing, owning and disposing of the Notes, see "Taxation."
Use of Proceeds.....	We intend to use the net proceeds from this offering, together with funds from our First Priority Senior Secured Credit Facility, to fund the redemption of our outstanding 2025 Notes and 2026 Notes, including the payments of premiums and accrued interest to the redemption date. See "Use of Proceeds."
Trustee.....	BNY Mellon Corporate Trustee Services Limited.
Paying Agent.....	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch.
Absence of Public Markets	The Notes will be new securities for which there will be no established trading markets. Accordingly, there can be no assurances as to the development or liquidity of any markets for the Notes.
Listing and Trading	Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the International Securities Market. There is no assurance that the Notes will be listed and admitted to trading on the International Securities Market.
Governing Law	The Indenture, the Notes and the related guarantees will be governed by New York law.
Risk Factors	Investing in the Notes involves substantial risks. See the "Risk Factors" section of this offering memorandum for a more complete description of risks that you should carefully consider before investing in the Notes.

Summary historical consolidated financial data

The following tables summarize our historical consolidated financial data and should be read in conjunction with the "Selected Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements and related notes included elsewhere in this offering memorandum. We have derived the consolidated financial data for FY April 2019, FY April 2020 and FY April 2021 from our consolidated financial statements included elsewhere in this offering memorandum.

We adopted IFRS 16, Leases ("IFRS 16") on May 1, 2019. We elected to apply IFRS 16 using the modified retrospective approach with no restatement of comparative figures. As a result of the adoption of IFRS 16, the results for FY April 2021 and FY April 2020 are not directly comparable to the prior years, with the adoption of IFRS 16 resulting in higher EBITDA and operating profit but lower profit before exceptional items, amortization and tax than under the previous accounting standard. Further details as to the approach taken in the adoption of IFRS 16 and its financial impact are provided in notes 2 and 17 to our consolidated financial statements for the FY April 2020.

The summary historical financial data as of each date and for each period presented are prepared in accordance with IFRS. These historical results are not necessarily indicative of results to be expected in any future period. Effective from May 1, 2021, the Group has decided to change its presentational currency from sterling to US dollars. US dollar amounts are presented as if the Group had reported in US dollars in for FY April 2021. See "Presentation of Financial Data and Non-IFRS Measures."

	Fiscal year ended April 30,			
	2019	2020[12]	2021[12]	2021[13]
	(in millions, except ratios and percentages and where indicated)			
Selected Consolidated Income Statement Data:				
Revenue	£ 4,499.6	£ 5,053.6	£ 5,031.1	$ 6,638.6
Staff costs	(1,019.4)	(1,172.3)	(1,137.9)	(1,501.5)
Depreciation and amortization[1]	(893.7)	(1,152.2)	(1,166.1)	(1,538.8)
Used rental equipment sold	(159.7)	(229.9)	(276.2)	(364.4)
Other operating costs	(1,213.9)	(1,275.6)	(1,315.6)	(1,735.9)
Total costs	(3,286.7)	(3,830.0)	(3,895.8)	(5,140.6)
Operating profit	1,212.9	1,223.6	1,135.3	1,498.0
Net financing costs[2]	(153.4)	(224.5)	(199.3)	(262.9)
Profit on ordinary activities before taxation	1,059.5	982.8	936.0	1,235.1
Profit on ordinary activities before exceptionals, amortization and taxation	1,110.2	1,060.8	997.5	1,316.3
Exceptionals and amortization[3]	(50.7)	(78.0)	(61.5)	(81.2)
Profit on ordinary activities before taxation	1,059.5	982.8	936.0	1,235.1
Taxation	(262.6)	(243.1)	(238.6)	(315.0)
Profit attributable to equity holders of the company	£ 796.9	£ 739.7	£ 697.4	$ 920.1
Selected Other Financial Data:				
EBITDA[4]	£ 2,106.6	£ 2,375.8	£ 2,301.4	$ 3,036.8
EBITDA margin[5]	46.8%	47.0%	45.7%	45.7%
Net financing costs, excluding exceptional items[2]	153.4	224.5	199.3	262.9
Lease liabilities	5.0	1,112.2	1,179.7	1,633.3
Total net external borrowing debt[6]	3,739.9	4,250.8	3,010.1	4,167.4
Total net debt[6]	3,744.9	5,363.0	4,189.8	5,800.7
Capital expenditures and disposal proceeds[7]				
Rental equipment capital expenditures	1,416.8	1,274.3	613.3	809.2
Other capital expenditures	170.4	208.7	104.8	138.3
Proceeds from used equipment sales	191.1	263.1	295.0	389.3
Proceeds from other asset sales	10.2	12.0	13.8	18.3
Total capital expenditures net of disposal proceeds	1,385.9	1,207.9	409.3	539.9
Original cost of fixed asset disposals[8]	515.3	759.7	924.6	1,220.0
Operating lease rental expense	94.7	—	—	—
Selected Consolidated Balance Sheet Data:				
Cash and cash equivalents	£ 12.8	£ 241.4	£ 19.2	$ 26.6
Rental equipment, net	5,413.3	5,890.1	4,990.2	6,908.9
Other property, plant and equipment assets, net	573.7	708.7	626.3	867.2
Goodwill	1,144.7	1,340.3	1,297.3	1,796.1
Total assets	8,357.5	10,532.6	9,272.7	12,838.0
Total equity attributable to equity holders of the company	2,800.5	2,972.2	3,268.7	4,525.5
Selected Consolidated Cash Flow Data:				
Net cash flow generated by/(used in):				
Operating activities	£ 526.7	£ 988.3	£ 1,472.7	$ 1,942.2
Payments for non-rental property, plant and equipment	(168.7)	(208.2)	(104.8)	(138.3)
Proceeds from disposal of non-rental property, plant and equipment	10.2	12.0	13.8	18.3
Acquisition of businesses	(591.3)	(453.1)	(142.5)	(195.1)

	Fiscal year ended April 30,			
	2019	2020[12]	2021[12]	2021[13]
Financing activities	216.5	(111.1)	(1,453.5)	(1,909.9)
Increase/(decrease) in cash and cash equivalents	£ (6.6)	£ 227.9	£ (214.3)	$ (282.8)
Selected Other Financial Ratios[9]:				
Ratio of total net external borrowing debt to EBITDA	1.8x	1.9x	1.4x	1.4x
Ratio of EBITDA to net financing costs excluding exceptional items	13.7x	10.6x	11.5x	11.5x
Total Revenue by Business Segment:				
Sunbelt US[10]	$ 4,988.9	$ 5,489.9	$ 5,417.5	$ 5,417.5
Sunbelt Canada[10]	C$ 344.0	C$ 420.7	C$ 500.9	C$ 500.9
Sunbelt US	£ 3,824.3	£ 4,335.7	£ 4,105.7	$ 5,417.5
Sunbelt Canada	200.2	248.7	290.3	383.0
Sunbelt UK	475.1	469.2	635.1	838.1
Total revenue	£ 4,499.6	£ 5,053.6	£ 5,031.1	$ 6,638.6
EBITDA by Business Segment[11]:				
Sunbelt US[10]	$ 2,453.5	$ 2,721.0	$ 2,634.5	$ 2,634.5
Sunbelt Canada[10]	C$ 124.1	C$ 157.0	C$ 218.9	C$ 218.9
Sunbelt US	£ 1,880.9	£ 2,149.0	£ 1,996.6	$ 2,634.5
Sunbelt Canada	72.2	92.8	126.8	167.4
Sunbelt UK	168.4	148.6	192.8	254.3
Group central costs	(14.9)	(14.6)	(14.8)	(19.4)
EBITDA	£ 2,106.6	£ 2,375.8	£ 2,301.4	$ 3,036.8

(1) Amounts represent the combination of depreciation (including the impairment of property, plant and equipment and right-of-use assets) and amortization (including the impairment of intangibles) as presented in our Financial Statements for each period. Depreciation consists of depreciation of all tangible fixed assets, including depreciation on our rental equipment. Amortization consists of amortization of our acquired and purchased intangible assets, excluding goodwill.

(2) Amounts represent the combination of investment income and interest expense as presented in our Financial Statements. Refer to note 6 to the consolidated financial statements for FY April 2021 and note 6 to the consolidated financial statements for FY April 2020 for an analysis of items included in these amounts.

(3) Refer to note 5 to the consolidated financial statements for FY April 2021 and note 5 to the consolidated financial statements for FY April 2020 for an analysis of the amounts which comprise exceptional items and amortization.

(4) EBITDA is defined as profit attributable to equity holders of the company before taxation, interest expense (including write-off and amortization of deferred finance costs and the expected increase in plan liabilities in respect of defined benefit pension plans), investment income (including the expected return on plan assets in respect of defined benefit pension plans) depreciation (including the impairment of property, plant and equipment and right-of-use assets) and amortization (including the impairment of intangibles). See "Presentation of Financial Data and Non-IFRS Measures" for disclosures related to and considerations related to the use of non-IFRS measures.

EBITDA can be reconciled to the profit attributable to equity holders of the company as follows:

	Fiscal Year Ended April 30,			
	2019	2020	2021	2021[13]
Profit attributable to equity holders of the company	£ 796.9	£ 739.7	£ 697.4	$ 920.1
Taxation	262.6	243.1	238.6	315.0
Investment income	(0.1)	—	—	—
Interest expense	153.5	240.8	199.3	262.9
Depreciation	843.0	1,090.5	1,104.6	1,457.6
Amortization of intangibles	50.7	61.7	61.5	81.2
EBITDA	2,106.6	2,375.8	2,301.4	3,036.8

(5) EBITDA margin is defined as EBITDA *divided by* revenue for each respective period. See **"**Presentation of Financial Data and Non-IFRS Measures**"** for disclosures related to and considerations related to the use of non-IFRS measures.

(6) Total net external borrowing consists of total long-term borrowings and short-term borrowings as reported in our consolidated financial statements, excluding lease liabilities. Total net debt consists of total long-term borrowings and short-term borrowings as reported in our

consolidated financial statements, including lease liabilities. See note 26 to the consolidated financial statements for FY April 2021 and note 25 to the consolidated financial statements for FY April 2020. See "Presentation of Financial Data and Non-IFRS Measures" for disclosures related to and considerations related to the use of non-IFRS measures.

(7) Capital expenditures consist of additions of tangible fixed assets as presented in note 13 to our consolidated financial statements for FY April 2021 and note 13 to our consolidated financial statements for FY April 2020. For additional information regarding our capital expenditures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet—Property, Plant and Equipment."

(8) Original cost of fixed asset disposals represents the initial cost of such fixed assets to the Group. Such amount does not take into account changes in the price of replacement equipment, and therefore may not be an accurate indication of the current cost of replacing old or obsolete equipment.

(9) Amounts represent non-IFRS ratios which have been calculated using amounts included elsewhere in the tables above. Refer to the calculations and reconciliations provided elsewhere to understand the components of these non-IFRS measures and the reasons for their use. See "Presentation of Financial Data and Non-IFRS Measures" for disclosures related to and considerations related to the use of non-IFRS measures. Excluding the impact of IFRS 16, the ratio of total net external borrowing debt to EBITDA was 1.4 times on a reported basis as at April 30, 2021.

(10) Revenue and EBITDA amounts presented in US dollars for Sunbelt US in FY April 2019, FY April 2020 and FY April 2021 and in Canadian dollars for Sunbelt Canada in FY April 2019, FY April 2020 and FY April 2021 represent the underlying results of Sunbelt US and Sunbelt Canada according to the books and records maintained in US and Canadian dollars and are used by the Group when consolidating the results of Sunbelt US and Sunbelt Canada into the Group consolidated financial statements.

(11) Amounts represent EBITDA for each of our business segments as included in note 3 to the consolidated financial statements for FY April 2020 and FY April 2021, which are defined similarly to "EBITDA" in note 3 above. See "Presentation of Financial Data and Non-IFRS Measures" for disclosures related to and considerations related to the use of non-IFRS measures.

(12) As a result of the adoption of IFRS 16 on May 1, 2019, the results for FY April 2021 and FY April 2020 are not comparable directly to the prior years with the adoption of IFRS 16 resulting in higher EBITDA and operating profit but lower profit before exceptional items, amortization and tax than under the previous accounting standard. Further details as to the approach taken in the adoption of IFRS 16 and its financial impact are provided in notes 2 and 17 to our consolidated financial statements for the FY April 2020.

(13) Effective from May 1, 2021, the Group has decided to change its presentational currency from sterling to US dollars to allow for greater transparency in the Group's performance to investors and other stakeholders and reduced foreign exchange volatility given that c. 80% of the Group's revenue and c. 90% of the Group's operating profit originate in US dollars. As such, the Group will present its consolidated financial statements for the year ending 30 April 2022 in US dollars. Within this document, where we present financial information in US dollars, we have therefore translated it in accordance with IFRS as if the Group had always presented its financial information in US dollars.

RISK FACTORS

An investment in the Notes involves a high degree of risk. You should carefully consider the following risks, together with other information provided to you in this offering memorandum, in deciding whether to invest in the Notes. The below risks include all risks we deem material currently known to us in relation to the Notes, to the Issuer of the Notes and to each of the guarantors of the Notes. The occurrence of any of the events discussed below could harm us. Any of the risks described below, individually or together, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects as well as the value of the Notes. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

This offering memorandum contains "forward-looking" statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in such forward-looking statements. Factors that might cause such differences include those discussed below. See "Information Regarding Forward-Looking Statements."

Risks relating to our business

Our business is highly competitive and competitive pressures could lead to a decrease in our market share or the prices we can charge.

The equipment rental industry is highly competitive and highly fragmented. Many of the markets in which we operate are served by numerous competitors, ranging from multinational equipment rental companies, like ourselves, to smaller multi-regional companies and small, independent businesses with a limited number of locations. The UK rental market is also comparatively more saturated with competitors than the US market. We may encounter increased competition from existing competitors or new market entrants in the future, particularly in the US, which could adversely affect our revenues and operating results by, among other things, decreasing our rental volumes, depressing prices that we can charge or increasing our costs to retain our employees.

Our revenue and operating results have varied historically from period to period and any unexpected periods of decline could result in an overall decline in our available cash flows, make it more difficult for us to make payments under the Notes, or could affect the trading value of the Notes.

Our revenue and operating results have varied historically from period to period and may continue to do so. We have identified below certain of the factors which may cause our revenue and operating results to vary:

- the impact and effects of public health crises, pandemics and epidemics, such as the recent outbreak of COVID-19;
- seasonal rental patterns, with rental activity tending to be lowest in the winter;
- the timing of expenditure for new equipment and the disposal of used equipment;
- changes in demand for our equipment or the prices we charge due to changes in economic conditions, competition or other factors;
- changes in the interest rates applicable to our variable rate debt, and the overall level of our debt;
- fluctuations in exchange rates or fuel costs;
- general economic conditions in the markets where we operate;
- the cyclical nature of our customers' businesses, particularly those operating in the commercial construction and industrial sectors;

- price changes in response to competitive factors;
- commodity price pressures and the resultant increase in the cost of fuel and steel to our equipment suppliers, which can result in increased equipment costs for us that we may not be able to pass through to our customers as price increases;
- other cost fluctuations, such as costs for employee-related compensation and healthcare benefits;
- labor shortages, work stoppages or other labor difficulties;
- potential enactment of new legislation affecting our operations or labor relations;
- timing of acquisitions and new location openings and related costs;
- possible unrecorded liabilities of acquired companies and difficulties associated with integrating acquired companies into our existing operations;
- our effectiveness in integrating acquired businesses and new locations; and
- possible write-offs or exceptional charges due to changes in applicable accounting standards, store reorganizations, obsolete or damaged equipment or the refinancing of our existing debt.

One or a number of these factors, in addition to the factors discussed above under "Information Regarding Forward-Looking Statements," could cause a decrease in the amount of our available cash flows, which would make it more difficult for us to make payments required by the Notes, or could affect the trading value of the Notes.

Our industry is cyclical in nature. An economic slowdown or decrease in general economic activity could cause weakness in our end markets and have adverse effects on our revenue and operating results.
A large portion of our customer base comes from the commercial construction and industrial sectors, which are cyclical in nature. In the past, weakness in our end markets has led to a decrease in the demand for our equipment and in the rates we realized. Such decreases adversely affected our operating results by causing our revenues to decline and, because certain of our costs are fixed, our operating margins to be reduced. A worsening of economic conditions, in particular with respect to our construction and industrial activities, could cause weakness in our end markets and adversely affect our revenues and operating results.

The following factors, among others, may cause weakness in our end markets, either temporarily or long-term:

- a decrease in expected levels of infrastructure spending by government entities in North America or the UK;
- uncertainty regarding global, regional and/or sovereign economic conditions;
- a lack of availability of credit;
- an increase in the cost of construction materials;
- an increase in interest rates;
- adverse weather conditions, which may temporarily affect a particular region; or
- an overcapacity in the businesses that drive the need for commercial construction or industrial equipment.

If we are unable to collect on contracts with customers, our operating results would be adversely affected.

One of the reasons some of our customers find it more attractive to rent equipment than own that equipment is the need to deploy their capital elsewhere. This has historically been particularly true in the construction industry.

However, some of our customers may have liquidity issues and ultimately may not be able to fulfill the terms of their rental agreements with us. If we are unable to manage credit risk issues adequately, or if a large number of customers should have financial difficulties at the same time, our credit losses could increase above historical levels and our operating results would be adversely affected. Further, delinquencies and credit losses generally can be expected to increase during economic slowdowns or recessions.

We are dependent on our relationships with key suppliers to obtain equipment and other supplies for our business on acceptable terms.

We have achieved significant cost savings through our centralization of equipment and non-equipment purchases. However, as a result, we depend on a smaller group of key suppliers. While we make every effort to evaluate our counterparties prior to entering into long-term and other significant procurement contracts, we cannot predict the impact on our suppliers of changes in the economic environment and other developments in their respective businesses. Insolvency, financial difficulties or other factors may result in our suppliers not being able to fulfill the terms of their agreements with us. Further, such factors may render suppliers unwilling to extend contracts that provide favorable terms to us, or may force them to seek to renegotiate existing contracts with us. Although we believe we have alternative sources of supply for the equipment and other supplies used in our business, termination of our relationship with any of our key suppliers could have a material adverse effect on our business, financial condition, results of operations and cash flows in the event that we were unable to obtain adequate equipment or supplies from other sources in a timely manner or at all.

If the average age of our rental fleet increases, our operating costs may increase and we may be unable to pass along such costs to customers, impacting our results of operations.

If our rental equipment ages, the costs of maintaining such equipment, if not replaced within a certain period of time, will likely increase. The costs of maintenance may materially increase in the future and could have a material adverse effect on our financial condition, results of operations and cash flows.

The costs of new equipment we use in our fleet may increase, requiring us to spend more for replacement equipment or preventing us from procuring equipment on a timely basis.

The cost of new equipment for use in our rental fleet could increase due to increased material costs to our suppliers or other factors beyond our control. Such increases could materially adversely impact our financial condition, results of operations and cash flows in future periods. Furthermore, changes in customer demand could cause certain of our existing equipment to become obsolete and require us to purchase new equipment at increased costs.

Our rental fleet is subject to residual value risk upon disposition, and may not sell at the prices or in the quantities we expect.

The market value of any given piece of rental equipment could be less than its depreciated value at the time it is sold. The market value of used rental equipment depends on several factors, including:

- the market price for comparable new equipment;
- wear and tear on the equipment relative to its age and the effectiveness of preventive maintenance;
- the time of year that it is sold;
- the supply of similar used equipment on the market;
- the existence and capacities of different sales outlets;
- the age of the equipment, and the amount of usage of such equipment relative to its age, at the time it is sold;
- worldwide and domestic demand for used equipment;

- the effect of advances and changes in technology in new equipment models; and

- general economic conditions.

We include in income from operations the difference between the sales price and the depreciated value of an item of equipment sold. Changes in our assumptions regarding depreciation could change our depreciation expense, as well as the gain or loss realized upon disposal of equipment. Sales of our used rental equipment at prices that fall significantly below our expectations and/or in lesser quantities than we anticipate could have a negative impact on our financial condition, results of operations and cash flows.

The nature of our business exposes us to various liability claims which may exceed the level of our insurance.

Our business exposes us to claims for personal injury, death or property damage resulting from the use of the equipment we rent and from injuries caused in motor vehicle accidents in which our vehicles are involved. We carry insurance covering a wide range of potential claims at levels we believe are sufficient to cover existing and future claims.

Our US liability insurance programs provide that we can recover our liability related to each and every valid claim in excess of $1.5 million in relation to general liability, claims, workers' compensation and motor vehicle claims. In the UK, our self-insured excess per claim is much lower than in the US and is typically £50,000 per claim or less. Our liability insurance coverage is limited to a maximum of £175 million per claim. Although we have not experienced any material losses that were not covered by insurance, our future claims may exceed the level of our insurance, and such insurance may not continue to be available at the same levels or on economically reasonable terms, or at all.

We have made acquisitions in the past which entail certain risks, as do any growth initiatives, including additional acquisitions or consolidations that we may pursue in the future.

We have historically achieved a portion of our growth through acquisitions, and we will continue to consider potential acquisitions on a selective basis. From time-to-time we have also approached, or have been approached, to explore consolidation opportunities with other public companies or large privately held companies.

It is possible that we will not realize the expected benefits from our acquisitions (whether historical or future) or that our existing operations will be adversely affected as a result of acquisitions. Acquisitions entail certain risks, including but not limited to:

- unrecorded or otherwise unknown liabilities of acquired companies, including failures in compliance, that we fail to discover during our due diligence investigations, that are not subject to indemnification or reimbursement by the seller, or that we have otherwise assumed the risk of;

- difficulty in assimilating the operations and personnel of the acquired companies within our existing operations or in maintaining uniform standards;

- expansion into businesses outside our core competencies that may not perform as expected or that customers may not value;

- loss of key employees of the acquired companies;

- the failure to achieve anticipated synergies; and

- strains on management and other personnel time and resources to evaluate, negotiate and integrate acquisitions.

We would expect to pay for any future acquisitions using cash, capital stock, or incurrence of and/or assumption of indebtedness. To the extent that our existing sources of cash are not sufficient in any instance, we expect we would need additional debt or equity financing. Each type of financing involves its own risks; for example, equity financing (including by way of convertible debt) may have a dilutive effect on our existing stockholders. Acquisitions involving

debt financing may create or magnify risks with respect to our leverage and debt service costs. Although the Indenture will restrict the amount of debt we may incur, it will permit us to acquire additional indebtedness. If one or more acquisitions results in our becoming substantially more leveraged on a consolidated basis, our flexibility in responding to adverse changes in economic, business or market conditions may be adversely affected, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We could be adversely affected by environmental and safety requirements, which could force us to incur significant capital and other operational costs and could subject us to reputational damage, fines or other penalties for non-compliance.

Our operations, like those of other companies engaged in similar businesses, require the handling, use, storage and disposal of certain regulated materials. As a result, we are subject to the requirements of UK, US, Canada, federal, state and provincial and various other applicable environmental and occupational health and safety laws and regulations. These laws regulate such issues as waste water, storm water, solid and hazardous wastes and materials and air quality. Under these laws, we may be liable for, among other things, the costs of investigating and remediating contamination at our sites as well as sites to which we sent hazardous wastes for disposal or treatment regardless of fault, and fines and penalties for non-compliance. Our operations generally do not raise significant environmental risks, but we use hazardous materials to clean and maintain equipment, dispose of solid and hazardous waste and waste water from equipment washing and store and dispense petroleum products from underground and above ground storage tanks located at certain of our locations.

We may not be at all times in complete compliance with all such requirements. We are subject to potentially significant fines or penalties, as well as reputational damage, if we fail to comply with any of these requirements. We have made and will continue to make capital and other expenditures in order to comply with these laws and regulations and we have purchased insurance to cover certain environmental liabilities. However, the requirements of these laws and regulations are complex, change frequently and could become more stringent in the future. It is possible that these requirements will change or that liabilities that are not covered by our insurance coverage will arise in the future in a manner that could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Based on the conditions currently known to us, we do not believe that any pending or likely remediation and compliance costs will have a material adverse effect on our business. We cannot be certain, however, as to the potential financial impact on our business if new adverse environmental conditions are discovered or environmental and safety requirements become more stringent. If we are required to incur environmental compliance or remediation costs that are not currently anticipated by us, our business could be adversely affected depending on the magnitude of the cost. See "Business—Environmental and Safety Matters."

Pandemics, such as the recent coronavirus outbreak, could have an adverse impact on the Company's operations, contractors and suppliers.

Pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns, such as the outbreak of SARS-CoV-2 first identified in December 2019 and its associated disease ("COVID-19"), together with any measures aimed at mitigating a further expansion thereof, such as restrictions on travel, imposition of quarantines, prolonged closures of workplaces or curfews or other social distancing measures, may have a continued material adverse effect on the global economy and international financial markets in general and on the markets in which Ashtead Group operates. The spread of COVID-19 has resulted in a sharp decline in global economic activities, at least temporarily. It has negatively impacted global financial markets and global economic growth expectations. If the COVID-19 pandemic does not continue to slow and the spread of COVID-19 is not contained, our business operations, including those of our suppliers, could be further delayed or interrupted. The early 2021 resurgence in cases of COVID-19 in certain markets in which we operate and other new outbreaks in various parts of the world at different times may further prolong the negative effects associated with the COVID-19 pandemic due to reinstated quarantines, closures and other social distancing measures which may hinder recovery of economic activities. In particular, the continued spread of COVID-19 and efforts to contain the virus could:

- impact customer demand for equipment rentals;
- reduce the availability and productivity of our employees;

- cause us to experience an increase in costs as a result of our emergency and business continuity measures, delayed payments from our customers and uncollectable accounts;

- impact our cost of, and ability to access, funds from financial institutions and capital markets on terms favorable to us, or at all; and

- cause other unpredictable events.

The situation surrounding COVID-19 remains fluid and the likelihood of an impact on us that could be material increases the longer the virus impacts activity levels in the locations in which we operate. In particular, a delay in wide distribution of a vaccine, or a lack of public acceptance of a vaccine, could lead people to continue to self-isolate and not participate in the economy at pre-pandemic levels for a prolonged period of time. Further, even if a vaccine is widely distributed and accepted, there can be no assurance that the vaccine will ultimately be successful in limiting or stopping the spread of COVID-19. Even after the COVID-19 pandemic subsides, the U.S. economy and other major global economies may experience a recession, and we anticipate our business and operations could be materially adversely affected by a prolonged recession in the U.S. and other major markets. Therefore, it remains difficult to predict the potential impact of the virus on our results of operations and financial position. In addition, to the extent that COVID-19 adversely affects our results of operations or financial position, it may also heighten the other risks described in this "Risk Factors" section.

We have operations throughout the US, the UK and Canada, which exposes us to the laws and regulations of numerous national, state, provincial and local jurisdictions, in addition to various requirements to which we are subject as a government contractor. Changes in applicable law, regulations or requirements, or our material failure to comply with any of them, can increase our costs and have other negative impacts on our business.

Our 861 stores in the US, 188 stores in the UK and 77 stores in Canada expose us to a host of different local regulations, in addition to legal, regulatory and contractual requirements we face as a government contractor. These laws and requirements address multiple aspects of our operations, such as worker safety, consumer rights, privacy, employee benefits and labor relations and may also impact other areas of our business, such as pricing. There are often different requirements in different jurisdictions. Changes in these requirements, or any material failure by our branches to comply with them, can increase our costs, negatively affect our reputation and our business, require significant management time and attention and generally otherwise impact our operations in adverse ways.

A prolonged labor dispute could hurt our business.

Approximately 6% of Sunbelt Rentals' employees in North America are represented by unions and/or covered by collective bargaining agreements. There can be no assurance that our non-unionized employees in North America, the UK or elsewhere will not become members of a union and/or become covered by a collective bargaining agreement, including through an acquisition of a business whose employees are subject to such an agreement. If we experience a prolonged labor dispute involving a significant number of our employees, our business would be adversely affected. Furthermore, our labor costs could increase as a result of the settlement of actual or threatened labor disputes. See "Business—Employees."

The United Kingdom's withdrawal from the European Union could have an adverse impact on our business.

The changes to the trading relationship between the UK and European Union ("EU") resulting from the UK's exit from the EU on January 31, 2020 (commonly referred to as "Brexit") may result in additional regulatory requirements for us to market our products and services in the UK and an increased cost of goods imported into and exported from the UK. Additional currency volatility could result in a weaker British pound sterling, which increases the cost of goods imported into the UK from sales to UK-based customers. Agreements regarding tariff, trade, regulatory and other aspects of the UK's future relationship with the EU and its member status were reached on December 24, 2020. The UK parliament approved the agreements on December 30, 2020, and they took provisional effect on January 1, 2021. The European Parliament approved the agreements on April 27, 2021, with the agreements and new rules entering into force as of May 1, 2021. Our business in the UK may be adversely impacted by ongoing uncertainty, fluctuations in currency exchange rates, changes in trade policies, or changes in tax, data privacy or other laws. Any

of these effects, among others, could materially and adversely affect our business, results of operations, and financial condition.

Currency and interest rate fluctuations may have a material impact on our business, financial condition and results of operations.

Although we are a UK-headquartered business, in FY April 2021 we derived 82% of our revenue as reported in pounds in our consolidated financial statements in US dollars from stores located in the US, and a significant amount of our assets, liabilities and costs are denominated in US dollars. Prior to changing our reporting currency to US dollars as of May 1, 2021, in order to include the results of operations of our US subsidiaries in our Financial Statements, we had to translate those results of operations to pounds at the applicable exchange rate, which continuously fluctuates. Going forward, we will remain exposed to currency fluctuations since we will have to translate the results of operations in Canada and the UK in our Financial Statements to US dollars at the applicable exchange rate. Fluctuations in the value of the US dollar with respect to the pound and Canadian dollar have had, and may continue to have, a significant impact on our financial condition and results of operations as reported. Currency fluctuations can also have a significant impact on our consolidated balance sheet when we translate the financial statements of our UK and Canadian subsidiaries into US dollars.

We are also exposed to interest rate risk on our floating rate debt (such as under our First Priority Senior Secured Credit Facility). Fluctuations in interest rates may affect our interest expense on existing debt and the cost of new debt financing. We periodically utilize interest rate swap agreements to manage and mitigate our exposure to changes in interest rates. However, during the year ended April 30, 2021, we had no such swap agreements outstanding. As such, our financial condition and results of operations may be materially adversely affected by increases in interest rates.

For a further discussion of these matters and the measures we have taken to seek to protect our business against these risks, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures About Market Risk."

If we determine that our goodwill has become impaired, we may incur impairment charges, which would negatively impact our operating results.

At April 30, 2021, we had £1,297 million ($1,796 million) of goodwill on our audited consolidated balance sheet. Goodwill represents the excess of cost over the fair value of net assets acquired in business combinations. We assess potential impairment of our goodwill at least annually. Impairment may result from significant changes in the manner of use of the acquired assets, negative industry or economic trends and/or significant underperformance relative to historical or projected operating results. An impairment of our goodwill may have a material adverse effect on our results of operations.

Turnover of members of our management and staff and our ability to attract and retain key personnel may affect our ability to efficiently manage our business and execute our strategy.

Our business depends on the quality of, and our ability to retain, our senior management and staff, and competition in our industry and the business world for top management talent is generally significant. Although we believe we generally have competitive pay packages, we can provide no assurance that our efforts to attract and retain senior management staff will be successful. Moreover, given the volatility in our stock price, it may be more difficult and expensive to recruit and retain employees, particularly senior management, through grants of equity-based awards. This in turn could place greater pressure on us to increase the cash component of our compensation packages, which may adversely affect our results of operations. In addition, the loss of services of certain members of our senior management could adversely affect our business until suitable replacements can be found. There may be a limited number of persons with the requisite skills to serve in these positions and we cannot assure you that we would be able to locate or employ such qualified personnel on terms acceptable to us or at all. In addition, we depend upon the quality of our staff personnel, including sales and customer service personnel who routinely interact with and fulfill the needs of our customers. Although we believe we have established competitive pay and benefit packages, as well as the right working environment for our staff, there is no assurance we can effectively limit staff turnover. A

significant increase in such turnover could negatively affect our business, financial condition, results of operations and cash flows.

Our business could be hurt if we are unable to obtain capital as required, resulting in a decrease in our revenue and cash flows.

We require capital for, among other purposes, purchasing rental equipment to replace existing equipment that has reached the end of its useful life and for growth resulting from establishing new rental locations or stores, completing acquisitions and refinancing existing debt. If the cash that we generate from our business, together with cash that we may borrow under our First Priority Senior Secured Credit Facility, is not sufficient to fund our capital requirements, we will require additional debt and/or equity financing. If such additional financing is not available to fund our capital requirements we could suffer a decrease in our revenue and cash flows that would have a material adverse effect on our business. Furthermore, our ability to incur additional debt is and will be contingent upon, among other things, the covenants contained in the Indenture, the indentures governing the Existing Notes and the First Priority Senior Secured Credit Facility, including limitations on the amount of senior debt that may be incurred. In addition our First Priority Senior Secured Credit Facility places restrictions on our, and our restricted subsidiaries', ability to pay dividends and make other restricted payments (subject to certain exceptions). We cannot be certain that any additional financing that we require will be available or, if available, will be available on terms that are satisfactory to us. If we are unable to obtain sufficient additional capital in the future, our business could be materially adversely affected.

Disruptions in our information technology systems could limit our ability to effectively monitor and control our operations and adversely affect our operating results.

Our information technology systems, including our point of sale information technology platforms, facilitate our ability to monitor and control our assets and operations and adjust to changing market conditions and customer needs. Any disruptions in these systems or the failure of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect our operating results by limiting our capacity to effectively record, monitor and control our assets and operations and adjust to changing market conditions in a timely manner. In addition, the security measures we employ to protect our systems may not detect or prevent all attempts to hack our systems, denial-of-service attacks, viruses, malicious software, employee error or malfeasance, phishing attacks, security breaches, disruptions during the process of upgrading or replacing computer software or hardware or integrating systems of acquired businesses or other attacks and similar disruptions that may jeopardize the security of information stored in or transmitted by the sites, networks and systems that we otherwise maintain, which include cloud-based networks and data center storage. We are continuously developing and enhancing our controls, processes, and practices designed to protect our systems, computers, software, data, and networks from attack, damage, or unauthorized access. This continued development and enhancement requires us to expend additional resources. However, we may not anticipate or combat all types of future attacks until after they have been launched. If any of these breaches of security occur or are anticipated in the future, we could be required to expend additional capital and other resources, including costs to deploy additional personnel and protection technologies, train employees and engage third-party experts and consultants. During the COVID-19 pandemic, we face increased cybersecurity risks due to our reliance on internet technology and the number of our employees who are working remotely, which could strain our technology resources or create additional opportunities for cybercriminals to exploit vulnerabilities.

In addition, because our systems sometimes contain information about individuals and businesses, our failure to appropriately safeguard the security of the data we hold, whether as a result of our own error or the malfeasance or errors of others, could harm our reputation or give rise to legal liabilities, leading to lower revenues, increased costs and other material adverse effects on our business and results of operations. Further, a cyber-security incident could lead to a loss of commercially sensitive data, a loss of data integrity within our systems or loss of financial assets through fraud. A cyber-attack or serious uncured failure in our systems could result in us being unable to deliver service to our customers.

Risks relating to our debt and the Notes

Our substantial debt could adversely affect our financial health and prevent us from fulfilling our obligations under the Notes.

We have a significant amount of debt and significant debt service obligations. At April 30, 2021, we had total debt of £4,209 million ($5,827 million), including lease liabilities of £1,180 million ($1,633 million), and £3,029 million ($4,194 million) of external borrowing debt. Total external borrowing debt, as a percentage of total book capitalization, was approximately 48% at April 30, 2021, represented by £430 million ($595 million) in outstanding 2025 Notes, £429 million ($593 million) in outstanding 2026 Notes, £429 million ($594 million) in outstanding 2027 Notes, £429 million ($593 million) in outstanding 2028 Notes, £428 million ($593 million) in outstanding 2029 Notes and £885 million ($1,225 million) outstanding under our First Priority Senior Secured Credit Facility (with £2,175 million ($3,011 million) of availability under our First Priority Senior Secured Credit Facility, with an additional £1,484 million ($2,054 million) of suppressed availability, meaning that the covenant did not apply at April 30, 2021, and is unlikely to apply in forthcoming quarters). On a pro forma basis, assuming issuance of the Notes, as of April 30, 2021, we would have had total external borrowing debt of approximately £3,064 million ($4,242 million), total debt, as a percentage of total book capitalization, of approximately 48%, £429 million ($594 million) in outstanding 2027 Notes, £429 million ($593 million) in outstanding 2028 Notes, £428 million ($593 million) in outstanding 2029 Notes, £393 million ($544 million) in outstanding 2026 Notes, £537 million ($744 million) in outstanding 2031 Notes and £847 million ($1,173 million) outstanding under our First Priority Senior Secured Credit Facility (and we would have had £2,212 million ($3,063 million) of availability under the First Priority Senior Secured Credit Facility). Our substantial debt could have important adverse consequences for us and to you as a holder of the Notes. For example, our substantial debt:

- will require us to dedicate a large portion of our cash flows from operations to fund payments on our debt, thereby reducing the availability of our cash flows to fund working capital, capital expenditures and other general corporate needs;
- will increase our vulnerability to adverse general economic or industry conditions or cycles;
- could limit our flexibility in planning for, or reacting to, changes in our business or the industry in which we operate;
- could limit our ability to raise additional debt or equity capital in the future;
- could restrict us from making strategic acquisitions or exploiting business opportunities;
- could make it more difficult for us to satisfy our obligations with respect to the Notes and our other debt; and
- could place us at a competitive disadvantage compared with our competitors that have less debt.

In addition, a portion of our debt bears interest at variable rates that are linked to changing market interest rates, which exposes us to interest rate risk. Interest rates are currently at historically low levels. If interest rates increase, our debt service obligations on the variable rate debt will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing the debt, will correspondingly decrease. At April 30, 2021, pre-tax profits would change by approximately £9 million for each one percentage point change in interest rates applicable to the variable rate debt and, after tax effects, equity would change by approximately £6 million. Although we from time to time may hedge a portion of our exposure to variable interest rates by entering into interest rate swaps, we cannot assure you that we will put such hedging in place in the future or that such hedging would be effective. As a result, an increase in market interest rates would increase our interest expense and our debt service obligations, which would exacerbate the risks associated with our leveraged capital structure. At April 30, 2021, we had £885 million ($1,225 million) of variable rate debt.

Despite currently expected levels of debt, we and our subsidiaries may be able to incur substantially more debt. This could further exacerbate the risks described above.

We may be able to incur substantial additional debt in the future. The Indenture will not contain restrictions on the incurrence of additional debt. If we incur any additional debt that ranks equally with the Notes, subject to collateral arrangements, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company. To the extent new debt is added to our current debt levels, the substantial leverage risks described above would increase.

Our ability to generate cash depends on many factors beyond our control, and we may not be able to generate sufficient cash to service our debt.

To service our debt, we will require a significant amount of cash. Our ability to pay interest or principal or refinance our debt, including the Notes, will depend upon prevailing economic conditions and our future operating performance, which will be affected by general economic, financial, competitive, regulatory and business factors, some of which may be beyond our control.

We anticipate that our operating cash flows, together with money we can borrow under our First Priority Senior Secured Credit Facility, will be sufficient to meet anticipated future operating expenses, working capital requirements and to fund capital expenditures. However, we cannot assure you that our business will generate sufficient cash flows from operations, that currently anticipated revenue growth and operating improvements will be realized or that future borrowings will be available to us under our First Priority Senior Secured Credit Facility (or any other credit facility we may enter into in the future) in amounts sufficient to enable us to service our debt, including the amounts outstanding under the Existing Notes and borrowed under our First Priority Senior Secured Credit Facility, each of which mature prior to the maturity of the Notes, or to fund our other liquidity needs. If we are unable to meet our debt service obligations or fund our other liquidity needs, we may be required to:

- reduce or delay capital expenditures;
- limit our growth;
- seek additional debt financing or equity capital;
- forego opportunities such as the acquisitions of other businesses;
- sell assets; or
- restructure or refinance our debt.

We cannot assure you that any of these strategies could be effected on favorable terms or at all. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

We expect to be able to repay the principal amount outstanding under the Notes when the Notes mature in 2026 and 2031. If we are unable to do so we expect to refinance such principal amount with new debt. We may, however, be unable to refinance such principal amount on terms satisfactory to us or at all.

The restrictive covenants associated with our debt may limit our ability to operate our business.

The instruments governing certain of our debt impose significant operating and financial restrictions on us. These restrictions limit, among other things, our ability and the ability of certain of our subsidiaries to:

- incur or assume additional debt;
- pay dividends or make distributions on Ashtead Group plc's capital stock or redeem, repurchase or retire for value Ashtead Group plc's capital stock or subordinated debt;

- make investments or loans or acquire other entities;
- issue or sell capital stock of restricted subsidiaries;
- engage in transactions with affiliates;
- create liens on assets;
- sell, assign, lease, consign or otherwise dispose of any assets or property;
- enter into sale and leaseback transactions;
- make payments on subordinated debt or amend or modify the terms of indentures or certain other debt documents;
- in the case of a subsidiary that is not a subsidiary guarantor, guarantee our debt, the Issuer's debt (other than the Notes) or debt of any other subsidiary;
- enter into new lines of business; and
- sell all or substantially all of its properties and assets or merge or consolidate with or into another company.

Our First Priority Senior Secured Credit Facility includes "springing" financial covenants which are tested only if excess availability under the credit facility is less than 10% of the total revolving commitments under the facility. Substantially all of our assets are subject to liens securing indebtedness under our First Priority Senior Secured Credit Facility. These restrictions could limit our ability to obtain future financing, make needed capital expenditures, withstand a downturn in our business, or otherwise conduct necessary corporate activities.

Our failure to comply with these restrictions could lead to a default under the terms of the relevant debt even if we were able to meet the related debt service obligations.

If there were an event of default under our First Priority Senior Secured Credit Facility, the indentures governing the Existing Notes or other debt, the holders of the affected debt could elect to accelerate such debt, declaring all of such debt to be immediately due and payable, which, in turn, could cause much of our other debt to become immediately due and payable. Upon such an event, we might not have sufficient funds available to satisfy such obligations, and we might be unable to obtain sufficient funds from alternative sources on terms favorable to us or at all. If the amounts outstanding under our First Priority Senior Secured Credit Facility were accelerated and we could not obtain sufficient funds to satisfy our obligations, our lenders could proceed against our assets and the stock and assets of our subsidiaries that guarantee the First Priority Senior Secured Credit Facility, the Existing Notes and the Notes.

The Issuer is dependent upon payments from our subsidiaries to meet its obligations under the Notes and there are currently no resources supporting a number of the guarantors' guarantees of the Notes other than those to which holders of the Notes already have access as direct creditors.

The Issuer's only asset is, and following this offering of Notes will be, intercompany loans of the proceeds of the offerings of the Existing Notes and the Notes to Sunbelt Rentals. The Issuer's ability to make payment on the Notes is dependent on Sunbelt Rentals generating sufficient cash to make payments on the loans, or on our other subsidiaries generating sufficient cash resources to make loans or contributions to Sunbelt Rentals or the Issuer to allow payments on the loans, the Notes or the Existing Notes, respectively. The ability of Sunbelt Rentals or our other subsidiaries to generate sufficient cash resources will depend on a number of factors, including competitive and economic conditions in the jurisdictions in which such subsidiaries operate. See, generally, "—Risks Relating to Our Business." Accordingly, you should only rely on the guarantees of the Notes to provide credit support in respect of payments on the Notes. Future borrowings by our subsidiaries may contain restrictions or prohibitions on the making of loans or contributions (or otherwise) by our subsidiaries to the Issuer.

Although the guarantors guarantee the Existing Notes, and will guarantee the Notes, in each case on a senior basis, a number of guarantors currently conduct no business and have no material assets. For example, Ashtead Group plc has no material assets other than the share capital of its subsidiary, Ashtead Holdings PLC, and has certain liabilities. Ashtead Group plc derives all of its operating income from and holds all its assets through its subsidiary, Ashtead Holdings PLC. Since all of the assets and the share capital owned by Ashtead Group plc have been pledged to secure Ashtead Group plc's guarantee of its obligations under the First Priority Senior Secured Credit Facility, there are currently no resources that will support Ashtead Group plc's guarantee of the Notes besides those to which holders of the Notes may have access as direct creditors.

The Notes will be effectively subordinated to our and our guarantors' secured debt to the extent of the value of the property securing that debt.

The Notes will not be secured by any of our or our guarantors' assets. As a result, the Notes and the guarantees will be effectively subordinated to our and our guarantors' secured debt with respect to the assets that secure that debt. As of April 30, 2021, after giving effect to this offering and the use of proceeds therefrom, we and the guarantors would have had $1,225 million of secured debt. As of April 30, 2021, we would also have had £2,175 million ($3,011 million) of availability under the First Priority Senior Secured Credit Facility.

Fraudulent transfer or fraudulent conveyance statutes may limit your rights as a holder of Notes.

The Issuer's obligations under the Notes as of the Issue Date will be guaranteed by Ashtead Group plc and substantially all of its material direct and indirect subsidiaries (other than the Issuer). The guarantees may be subject to review under the bankruptcy laws and insolvency laws or other similar creditor rights laws of the relevant jurisdiction in which each of the guarantors operates, and it is possible that creditors, liquidators, trustees or administrators of the guarantors or other parties in interest may challenge the guarantees as a fraudulent transfer or fraudulent conveyance, or as an analogous transaction or procedure in the relevant jurisdiction (in this regard, see "—Local insolvency laws may not be as favorable to you as those of another jurisdiction with which you may be familiar"). If so, such laws may permit a court, if it makes certain findings, to:

- avoid all or a portion of the guarantors' obligations under the guarantees;
- subordinate the guarantors' obligations under the guarantees to their other existing and future debt, entitling other creditors to be paid in full before any payment is made under the guarantees;
- direct that holders of the Notes return any amounts paid under a guarantee to the relevant guarantor or to a fund for the benefit of its creditors;
- limit the amount that will result in its guarantee not constituting a fraudulent transfer or fraudulent conveyance or improper corporate distribution; or
- take other action detrimental to you, including invalidating the guarantees.

Under such bankruptcy and fraudulent transfer or fraudulent conveyance laws, to take any of those actions, courts will typically need to find that, at the time the guarantees were issued, the guarantor:

- issued the guarantee of the Notes with the actual intent of hindering, delaying or defrauding current or future creditors; or
- received no, or significantly less than fair consideration or reasonably equivalent, value for incurring the debt represented by the guarantees and was insolvent or was rendered insolvent by reason of the issuance of the guarantee; was engaged, or about to engage, in a business or transaction for which the guarantor's remaining assets and capital were insufficient, or intended to incur, or should have believed the guarantor would incur, debts beyond its ability to pay as they matured.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is satisfied. A court may find that a guarantor did not receive reasonably

equivalent value or fair consideration for its guarantee if the guarantor did not benefit directly or indirectly from the issuance of the guarantees. Thus, if the guarantees were legally challenged, any guarantee could be subject to the claim that, since the guarantee was incurred for the Issuer's benefit, and only indirectly for the benefit of the guarantor, the obligations of the applicable guarantor were incurred for less than reasonably equivalent value or fair consideration.

Many of the foregoing terms are defined in or interpreted under those fraudulent transfer or fraudulent conveyance statutes.

Different jurisdictions define "insolvency" in various ways. However, a guarantor generally would be considered insolvent at the time it issued the guarantee if:

- its liabilities exceeded its assets, at a fair valuation;
- it could not pay its debts as they fell due; or
- the present saleable value of its assets was less than the amount required to pay its total existing debts and liabilities, including the probable liability related to contingent liabilities, as they became absolute or matured.

We cannot assure you (1) which standard a court would apply in order to determine whether a guarantor was "insolvent" as of the date the guarantees were issued; (2) that, regardless of the method of valuation, a court would not determine that a guarantor was insolvent or rendered insolvent on that date; (3) that a court would not determine, regardless of whether or not a guarantor was insolvent on the date the guarantees were issued, that the guarantees constituted fraudulent transfers or fraudulent conveyances on other grounds; (4) that any payments to the holders of the Notes (including under the guarantees) did not constitute preferences, fraudulent transfers or fraudulent conveyances on other grounds; or (5) that the issuance of the Notes and the guarantees would not be subordinated to our or any guarantor's other debt. Moreover, there can be no assurance as to what standard a court would apply in making a determination as to the liability, if any, of each guarantor. If a court were to void a guarantee, you would no longer have a claim against the guarantor. Sufficient funds to repay the Notes may not be available from other sources, including the remaining guarantors, if any.

Each guarantee will contain a provision intended to limit the guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its subsidiary guarantee to be a fraudulent transfer or fraudulent conveyance. This provision may not be effective as a legal matter to protect the guarantees from being voided under fraudulent transfer or fraudulent conveyance law, or may reduce or eliminate the guarantor's obligation to an amount that effectively makes the subsidiary guarantee worthless.

In addition, any payment by us pursuant to the Notes or by a guarantor under a guarantee made at a time we or such guarantor was found to be insolvent could be voided and required to be returned to us or such guarantor or to a fund for the benefit of our or such guarantor's creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give such insider or outsider party more than such creditors would have received in a distribution under the U.S. Bankruptcy Code in a hypothetical Chapter 7 liquidation.

Enforcing your rights as a holder of Notes or under the guarantees across multiple jurisdictions may prove difficult.

The Notes will be issued by Ashtead Capital, Inc., a company incorporated in Delaware. The Notes will be guaranteed by Ashtead Group plc, which is incorporated under the laws of England and Wales, and by substantially all of its material direct and indirect subsidiaries (other than the Issuer) as of the Issue Date, each of which is incorporated or organized under the laws of the US, England and Wales, Canada and Ireland.

If the Issuer cannot satisfy its obligations under the Notes, we cannot assure you that you would ever be repaid. In the event that any one or more of the Issuer or any of the guarantors experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions bankruptcy, insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Instead, in the event of a bankruptcy, insolvency or similar event, of one or more of the Issuer or the guarantors, proceedings could be initiated in, among other jurisdictions, the US,

the UK, Canada or Ireland. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the Notes and the guarantees may be subject to the insolvency and administrative laws of several jurisdictions, and there can be no assurance that you will be able to effectively enforce your rights in such complex bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of the Issuer's and the guarantors' jurisdictions of incorporation or organization may be materially different from, or be in conflict with, each other and those with which you may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the Notes and the guarantees in the relevant jurisdictions or limit any amounts that you may receive.

Furthermore, although we believe that the guarantees of these guarantors are enforceable (subject to any local law restrictions), there can be no assurance that the guarantors (as a debtor-in-possession), a trustee in bankruptcy or other third parties would not challenge these guarantees of the Notes and prevail in court.

Local insolvency laws may not be as favorable to you as those of another jurisdiction with which you may be familiar.

Ashtead Group plc and certain of the other guarantors are incorporated under the laws of England and Wales, and the Issuer and certain other guarantors are incorporated in the US. The insolvency laws of some of these jurisdictions may not be as favorable to your interests as the laws of jurisdictions with which you may be familiar.

The following is a brief description of certain aspects of insolvency law in England and the US, where the most significant guarantors are incorporated. In the event that any one or more of the Issuer or the guarantors experienced financial difficulty, it is not possible to predict with certainty the jurisdiction or jurisdictions in which insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

England and Wales

Ashtead Group plc and a number of the other guarantors are companies incorporated under the laws of England and Wales. Accordingly, insolvency or security proceedings with respect to these English companies may be based on English insolvency laws. English insolvency laws may also be relevant where non-English companies have assets or operations in England. For example, a US incorporated company, has been subject to English insolvency procedures on the basis that its "centre of main interests" was in fact based in England.

Ashtead Group plc and a number of the other guarantors incorporated under the laws of England and Wales have created a floating charge over all or substantially all of their assets. Where a floating charge over all or substantially all of a company's assets has been created on or after September 15, 2003, it is subject to the provisions of the Enterprise Act 2002 which, in general, prohibits the appointment of an administrative receiver under that charge. Such security can, in general, only be enforced through the appointment of an administrator. There are exceptions to the prohibition against appointing an administrative receiver, for example, where the security interest is taken in respect of certain transactions in the capital markets. This exception is broadly drafted but, among other things, requires that the security be in respect of a capital market arrangement and that the arrangement involve the issue of a capital market investment and a party to incur, or if at the time an agreement was entered into it was expected to incur, a debt of at least £50 million. The Enterprise Act 2002 also introduced the concept of ring-fencing a certain percentage of floating charge realizations for the benefit of unsecured creditors. This applies to 50% of the first £10,000 of floating charge realizations and 20% of the remainder over £10,000, with a maximum aggregate cap of £800,000 (except where the company's net property is available to be distributed to the holder of a first-ranking floating charge created before 6 April 2020, in which case the maximum aggregate cap is £600,000).

The relevant English insolvency statutes empower English courts to make an administration order in respect of an English company in certain circumstances. An administrator can be appointed by, among others, the company, its directors or the holder of a 'qualifying floating charge' and different procedures apply according to the identity of the appointer. Once appointed, the administrator must perform his functions with the objective of: (a) rescuing the

company as a going concern; (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first going into administration); or (c) realizing property in order to make a distribution to one or more secured or preferential creditors. The administrator must perform his or her functions in the interests of the company's creditors as a whole. He may only perform his functions in pursuit of the objective stated in (b) if, in the administrator's opinion, it is either not reasonably practicable to rescue the company, or the objectives described in (b) would achieve a better result for the company's creditors as a whole. The administrator may only perform his or her functions in pursuit of the objective stated in (c) if the administrator believes that it is not reasonably practicable to achieve the objectives stated in (a) or (b) and to do so would not unnecessarily harm the interests of the creditors of the company as a whole. During the administration, in general no proceedings or other legal process may be commenced or continued against the debtor, except with leave of the court or consent of the administrator. If either Ashtead Group plc, Ashtead Holdings PLC or any of the other UK guarantors were to enter into administration proceedings, it is possible that the obligations due under the Notes and the guarantee of the Notes by such guarantor may not be enforced while the relevant company was in administration.

In the event of a liquidation under English law of Ashtead Group plc and the other UK guarantors, the liabilities of Ashtead Group plc and the other UK guarantors to their respective unsecured creditors will be satisfied only after payment of all secured indebtedness (to the extent of the assets securing that indebtedness and subject to the ring-fencing of a certain percentage of floating charge restrictions for the benefit of unsecured creditors as described above) and after payment of all claims entitled to priority under English insolvency law. Currently, these debts entitled to priority may include (a) amounts owed in respect of unpaid contributions for occupational pension plans, (b) certain amounts owed to employees in respect of unpaid wages and holiday entitlements and (c) claims by HMRC for certain amounts of tax held by the company on behalf of employees or customers, including VAT, PAYE income tax, employee NI contributions and Construction Industry Scheme deductions. Further, all expenses (including the liquidator's remuneration) properly incurred in a winding-up are also payable out of the company's assets in priority to all other claims.

Any interest accruing under or in respect of the Notes in respect of any period after the commencement of liquidation proceedings would only be recoverable by holders of the Notes from any surplus remaining after payment of all other debts proved in the proceedings and accrued and unpaid interest up to the date of the commencement of the proceedings.

Under English insolvency law, a liquidator or administrator of either Ashtead Group plc or one of the other UK guarantors could apply to the court to set aside the issuance of its guarantee if such liquidator or administrator believed that issuance of such guarantee constituted a transaction at an undervalue. Under English insolvency law, the liquidator or administrator of a company may, among other things, apply to the court to set aside a transaction entered into by a company at an under value, if such company was insolvent (as defined in the UK Insolvency Act 1986, as amended) at the time of, or in consequence of, the transaction and enters into liquidation or administration within two years of entering into the transaction. A transaction might be considered to be at an undervalue and thus subject to be set aside if it involved a gift by a company, if a company received no consideration or if a company received consideration of significantly less value, in money or money's worth, than the consideration given by such company. Upon such application, a court can make such order as it thinks fit to restore the company to the position it would have been in had it not entered into the transaction. A court generally will not intervene, however, if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business, and that at the time it did so there were reasonable grounds for believing the transaction would benefit such company. We believe that the guarantees by Ashtead Group plc and the other UK guarantors will be provided in good faith for the purposes of continuing their business and that there were reasonable grounds for believing that the transaction would benefit Ashtead Group plc and the other UK guarantors. The provision of the guarantees by Ashtead Group plc and the other UK guarantors could, however, be challenged by a liquidator or administrator subsequently and a court might not support this analysis.

An administrator or liquidator may apply to the court for an order avoiding any action taken by the company within six months (two years if the person receiving the preference is connected with the company) before the company went into administration or liquidation which has the effect of putting a creditor, guarantor or surety of the company in a better position (in the event of the company going into insolvent liquidation) than if the action had not been taken. In order to be successful, it must be shown that the company was influenced by a desire to produce that result and provided that, at the time or as a result of the preference, the company was unable to pay its debts.

Where it can be shown that a transaction was at an undervalue and was made for the purposes of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim, which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a "victim" of the transaction and is not therefore limited to liquidators or administrators. There is no statutory time limit in the English insolvency legislation within which the challenge must be made and the relevant company does not need to be insolvent at the time of the transaction.

United States

The Issuer is a corporation incorporated under the laws of the state of Delaware. In addition, certain of the guarantors are incorporated or formed under the laws of various states of the US. US federal and state insolvency laws may be relevant upon the insolvency of any of these entities, and the application of these laws may affect the enforcement of, and the ability to recover funds under, the guarantees given by these guarantors. In addition, the Issuer or any guarantor may be able to obtain the protection of US bankruptcy laws by seeking bankruptcy or reorganization relief under the US federal Bankruptcy Code (the "Bankruptcy Code"), or creditors may involuntarily force the Issuer or any guarantor into bankruptcy, each as discussed below.

Corporate or limited liability company bankruptcy cases in the US are usually initiated under either chapter 7 or chapter 11 of the Bankruptcy Code. Chapter 7 of the Bankruptcy Code provides procedures for the orderly liquidation of a debtor's assets. Chapter 11 of the Bankruptcy Code provides protection for a debtor (often referred to as a "debtor in possession") while it reorganizes its obligations and capital structure or seeks to unwind in an order of liquidation. Generally speaking, chapter 11 of the Bankruptcy Code is more favorable to, and provides more autonomy and protection for, debtors than bankruptcy and insolvency procedures in many other jurisdictions. A bankruptcy case under chapter 11 may be initiated by the voluntary filing of a petition by the debtor entity or the involuntary filing of a petition against the debtor by one or more qualifying creditors of the debtor entity. Involuntary filings may be contested, including by the purported debtor. The right to file a petition is not limited to companies incorporated or formed in the US. Subject to certain specific exclusions, any person or entity that resides or has a domicile, a place of business or property in the US may be a debtor under the Bankruptcy Code. This includes companies or other entities organized under the laws of other jurisdictions that have a place of business or property in the US.

Following commencement of a bankruptcy case (whether under chapter 11 or chapter 7 of the Bankruptcy Code or another applicable chapter of the Bankruptcy Code or applicable state law provisions) the issuance of Notes by the Issuer and the granting of guarantees by the guarantors may be subject to review as a fraudulent transfer or fraudulent conveyance under the Bankruptcy Code or comparable provisions of state fraudulent transfers or fraudulent conveyance laws. Under applicable provisions of the Bankruptcy Code or comparable provisions of state fraudulent conveyance laws, such transactions may be set aside or rendered void if, among other things, the debtor which incurred the relevant indebtedness or issued the relevant guarantee (A) did so with actual intent to hinder, delay or defraud any entity to which the debtor was or became indebted, or (B) (i) received less than a reasonably equivalent value or fair consideration in exchange for such incurrence or issuance and (ii) (I) was insolvent on the date of such issuance or incurrence or became insolvent as a result thereof, (II) was engaged in business or a transaction, or was about to so engage, for which the property remaining with the entity was insufficient or unreasonably small capital, or (III) intended to incur, or believed that the debtor would incur, debts beyond its ability to pay as they matured.

The test of insolvency for the purposes of determining whether a transaction is a fraudulent transfer or fraudulent conveyance will vary depending on the applicable federal or state law, such that we cannot be certain as to the standards a court would use to determine whether the Issuer or the guarantors was solvent at the relevant time. Generally, an entity is considered insolvent if (i) the sum of its debts is greater than the value of all of its property at a fair valuation (exclusive of property transferred, concealed or removed with intent to hinder, delay or defraud such entity's creditors), or (ii) the present fair saleable value of its assets is less than the amounts that would be required to pay its probable liabilities on its existing debts, including contingent liabilities, as they become absolute and matured or (iii) it generally is not paying its debts as they become due.

We believe that the issuance of the Notes and the granting of the guarantees by the guarantors are not fraudulent transfers or fraudulent conveyances. There can be no assurance, however, that a court determining the merit of such issues would reach the same conclusion.

In order to emerge from bankruptcy as a reorganized entity, a debtor under a chapter 11 bankruptcy case must file with the Bankruptcy Court a written disclosure statement containing, among other things, information about its assets, liabilities and business affairs and a plan of reorganization which generally includes a classification of claims and proposals for how each class of claim will be treated on the reorganization or liquidation of the debtor. Claims will be classified by, among other things, their relative priority as determined by the Bankruptcy Court. Claims secured by a second lien are likely to be classified separately from and junior to those claims secured by a first lien on the same assets. The treatment of claims relating to the Notes or the guarantees may provide for payment of less than the full amount owing and/or payment in a form other than cash. Further, whether holders of the Notes are entitled to interest, fees and expenses on their claim that accrues during a bankruptcy will depend on, among other things, whether it is determined that the claims relating to the Notes are fully secured (after taking into account all claims secured by a first lien). Creditors whose claims are impaired (i.e., whose contractual rights are to be modified or who will be paid less than the full value of their claims under the plan) have a right to vote on the plan before the plan is confirmed by the Bankruptcy Court. A class of claims has accepted a plan if creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims in such class vote to accept the plan. However, even if a class does not vote to accept a plan, a debtor may still try to confirm the plan over the objecting class by showing that the treatment of the class is fair and equitable as set forth in the Bankruptcy Code.

Canada

Sunbelt Rentals of Canada Inc. is a company formed under the laws of the Province of British Columbia, Canada and William F. White International Inc. is a company formed under the laws of Ontario (collectively, the "Canadian Guarantors"). In the event of an insolvency of the Canadian Guarantors, insolvency proceedings may, therefore, be initiated in Canada and Canadian insolvency law would govern those proceedings either as a main proceeding or recognizing a foreign proceeding. The guarantees of the Canadian Guarantors may be subject to review under applicable Canadian federal bankruptcy, insolvency and winding-up laws and applicable provincial and territorial fraudulent conveyance, assignment and preference laws or comparable provisions of applicable laws if a bankruptcy, insolvency, arrangement or reorganization proceeding or lawsuit is commenced by or in respect of the Canadian Guarantors.

If a Canadian court were to find that the incurrence of the guarantees by the Canadian Guarantors was a transfer at undervalue, preference or other similar voidable transaction, the Canadian court could, among other things, have the guarantee set aside or voided. In the event that the guarantees granted by the Canadian Guarantors is set aside or voided, holders of the Notes offered hereby would cease to have a claim under such guarantee and would have a claim solely under the Notes and the remaining guarantees, if any. Any amounts obtained for transactions that have been avoided may have to be repaid. Further, the voidance of the guarantees granted by the Canadian Guarantors could result in an event of default with respect to our other debt that could result in acceleration of such debt.

In proceedings under Canadian federal bankruptcy and insolvency laws (the "Bankruptcy / Insolvency Proceedings"), creditors may be stayed from commencing proceedings or taking other action against a debtor company for the recovery of any pre-filing debt or obligation without approval from the court supervising the relevant Bankruptcy / Insolvency Proceedings.

Under Canadian federal bankruptcy and insolvency laws, a court may grant an order authorizing interim financing that may rank in priority to the claim of any other creditor of the debtor. In such a circumstance, the court must consider a number of factors, including whether any creditor affected by the proposed order may be materially prejudiced. The court may provide protections in the face of material prejudice. The Court may also grant an order permitting certain prior ranking charges for obligations arising in connection with the proceeding. However, these powers are discretionary, and we cannot predict whether, or to what extent, holders of the Notes offered hereby would be effected by the exercise of such discretion.

Not all of our subsidiaries will guarantee the Notes, and therefore, any claims you may have in respect of the Notes will be structurally subordinated to the liabilities of those subsidiaries.

Certain of our subsidiaries will not guarantee the Notes unless such subsidiaries guarantee other indebtedness and are required to guarantee the Notes under the Indenture. If any of such non-guarantor subsidiaries becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, holders of its indebtedness and its trade creditors generally

will be entitled to payment on their claims from the assets of such subsidiary before any of those assets would be made available to us. Consequently, your claims in respect of the Notes will be structurally subordinated to all of the existing and future liabilities, including trade payables, of any such non-guarantor subsidiaries. Subject to certain conditions, the Indenture does not prohibit us from having subsidiaries that are not guarantors in the future. See "Description of the Notes—Certain Covenants."

The non-guarantor subsidiaries accounted for less than 1% of Ashtead Group's EBITDA for the fiscal year ended April 30, 2021, for less than 1% of Ashtead Group's total assets as of April 30, 2021, and for less than 1% of Ashtead Group's total liabilities as of April 30, 2021.

We may be unable to repurchase the Notes as required upon a change of control.

If Ashtead Group experiences a "Change of Control," as such term is defined under the Indenture, we will be required to make an offer to purchase all outstanding Notes at 101% of their principal amount *plus* accrued and unpaid interest, if any, to the date of repurchase. However, we may be unable to do so because:

- we might not have enough available funds, particularly since a change of control could cause part or all of our other debt to become due; and

- the agreements governing our First Priority Senior Secured Credit Facility and other debt could prohibit us from repurchasing the Notes, unless we were able to obtain a waiver or refinance such debt.

There may not be or remain an active trading market for the Notes.

Application will be made for the Notes to be admitted to trading on the London Stock Exchange's International Securities Market. However, we cannot assure that the Notes will be listed and/or admitted to trading on any stock exchange. We have been informed by certain of the initial purchasers that they intend to make a market in the Notes after this offering is completed. However, the initial purchasers are not obligated to do so and may cease their market making at any time. In addition, the liquidity of the trading market in the Notes, and the market price quoted for the Notes, may be adversely affected by changes in the overall market for these types of notes and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. Historically, the market for non-investment grade debt, such as the Notes, has been subject to disruptions that have caused substantial price volatility. There can be no assurance that any market for the Notes would not be subject to similar disruptions. In addition, market making activity is subject to limits imposed by applicable laws and regulations. As a result, we cannot assure you that there will be or remain an active trading market for the Notes.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to our debt securities could cause the liquidity or market value of the Notes to decline significantly.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. In general, rating agencies base their ratings on many quantitative and qualitative factors, including, but not limited to, capital adequacy, liquidity, asset quality, business mix and quality of earnings, and, as a result, we may not be able to maintain our current credit ratings. Credit rating agencies continually review their ratings for the companies that they follow, including us. In addition, the issuance of the Notes, as well as the future incurrence of additional secured or additional unsecured indebtedness, may cause the rating agencies to reassess the ratings assigned to our debt securities. Any such action may lead to a downgrade of any rating assigned to the Notes. Actual or anticipated changes in our credit ratings could cause the liquidity or market value of the Notes to decline significantly.

The Notes have been rated by S&P Global Ratings, Fitch Ratings, Inc. and Moody's Investors Service, Ltd. There can be no assurance that these ratings will remain for any given period of time or that these ratings will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes in the Group's business, so warrant.

Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. Neither we nor any initial purchaser undertakes any obligation

to maintain the ratings or to advise holders of Notes of any changes in ratings. Each agency's rating should be evaluated independently of any other agency's rating.

Holders of the Notes will not be entitled to registration rights, and there are significant restrictions on your ability to transfer or resell the Notes.

The Notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws and the Issuer does not currently intend to register the Notes or to offer to exchange the Notes for notes registered under the Securities Act. The holders of the Notes will not be entitled to require the Issuer to register the Notes for resale or otherwise. Therefore, you may transfer or resell the Notes in the US only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. See "Notice to Investors."

If we are required by certain laws to withhold amounts from payments on the Notes, we would have to pay additional amounts to Note holders. Payment of those additional amounts could materially adversely affect us.

Under current law, we could be obliged to withhold UK tax with respect to payments of interest on the Notes, unless, among other things, the Notes are and remain listed on a stock exchange recognized by HM Revenue & Customs ("HMRC") or are admitted to trading on a multilateral trading facility operated by an EEA-regulated recognized stock exchange. Although we have applied to the London Stock Exchange for the Notes to be admitted to trading on the International Securities Market, there is no assurance that the Notes will be and will remain admitted to trading.

The audit reports of Deloitte LLP included in this offering memorandum include a statement limiting the persons that may rely on the audit work conducted by, and the audit reports prepared by, Deloitte LLP.

In respect of the audit reports relating to the annual financial statements reproduced herein, Deloitte LLP, in accordance with guidance issued by The Institute of Chartered Accountants in England and Wales, provide: "This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed."

Investors in the Notes should understand that these statements disclaim any liability to parties (such as purchasers of the Notes) other than the members of Ashtead Group plc with respect to those reports. In the context of the offering of the Notes, our independent auditors do not extend their duty of care to any party other than those to whom their reports were originally addressed.

The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the Securities Act or in a report filed under the US Securities Exchange Act of 1934, as amended (the "Exchange Act"). If a US court (or any other court) were to give effect to the language quoted above, the recourse that investors in the Notes may have against the independent auditors based on their reports or the consolidated financial statements to which they relate could be limited.

USE OF PROCEEDS

We estimate that the net proceeds from the issuance of the Notes will be approximately $930 million after deducting the initial purchasers' discount and the estimated expenses of the offering of the Notes. We intend to use the net proceeds from the issuance of the Notes, together with funds from our First Priority Senior Secured Credit Facility, to fund the redemption of our outstanding 2025 Notes and 2026 Notes, including the payments of premiums and accrued interest to the redemption date. The redemptions will be subject to certain conditions, including the closing of this offering. This offering memorandum does not constitute a notice of redemption.

Certain of the initial purchasers and/or their respective affiliates might own a portion of the 2025 Notes and/or 2026 Notes for their account and/or for the accounts of customers, and will therefore receive a portion of the proceeds from this offering to redeem the 2025 Notes and 2026 Notes. See "Plan of Distribution."

EXCHANGE RATES

The table below sets forth the period end, average, high and low closing mid-market exchange rates for pounds, expressed in US dollars per £1.00, as reported by the Bank of England, for the last five years.

	Period end	Average[(1)]	High	Low
Year Ended April 30,				
2017	1.2938	1.2903	1.4798	1.2065
2018	1.3776	1.3460	1.4328	1.2618
2019	1.3036	1.3041	1.3599	1.2527
2020	1.2613	1.2678	1.3343	1.1492
2021	1.3845	1.3282	1.4134	1.2126

(1) The average of the mid-market rates for pounds on the last business day of each month for which data is available during the applicable period.

The table below sets forth the period end, high and low exchange rates for each month during the six months prior to the date of this offering memorandum.

	Period end	High	Low
Month			
January 2021	1.3728	1.3742	1.3492
February 2021	1.3976	1.4134	1.3629
March 2021	1.3796	1.3991	1.3711
April 2021	1.3845	1.3984	1.3729
May 2021	1.4176	1.4211	1.3845
June 2021	1.3819	1.4180	1.3807

Our inclusion of these exchange rates is not meant to suggest that the pound amounts actually represent such US dollar amounts or that such amounts could have been converted into US dollars at such rate or any other rate. For a discussion of the impact of the exchange rate fluctuations on our financial condition and results of operations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations." We did not use the rates listed above in the preparation of our Financial Statements. Rather, for our consolidated income statement and consolidated cash flow statement we used Ashtead's average rate for the applicable period, which for FY April 2021 was $1.3195 per £1.00 and for FY April 2020 was $1.2662 per £1.00. For our consolidated balance sheet as at April 30, 2021, we used a rate of $1.3845 per £1.00, the closing mid-market rate for pounds, as reported by the Bank of England on April 30, 2021, and $1.2613 per £1.00, the closing mid-market rate for pounds, as reported by the Bank of England on April 30, 2020.

On July 27, 2021, the British pound sterling had appreciated against the dollar from its value on April 30, 2021, and the exchange rate was $1.3881 per £1.00. See "Risk Factors—Risks Relating to Our Business— Currency and interest rate fluctuations may have a material impact on our business, financial condition and results of operations."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, our Financial Statements included in this offering memorandum beginning on page F-1. The following discussion should also be read in conjunction with "Presentation of Financial Data and Non-IFRS Measures," "Summary Historical Consolidated Financial Data" and "Selected Historical Consolidated Financial Data." Except for the historical information contained herein, the discussions in this section contain forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those discussed below. See "Risk Factors" and "Information Regarding Forward-Looking Statements."

Overview

We believe we are one of the largest equipment rental groups, with a network of 1,126 stores in North America and the UK as of April 30, 2021. We conduct our equipment rental operations under the name "Sunbelt Rentals." We believe Sunbelt Rentals is the second largest equipment rental business in North America and the largest equipment rental company in the UK, in each case, by rental revenue. We offer for rent a wide range of equipment to a diverse customer base.

Our diversified customer base includes construction, industrial and homeowner customers, service, repair and facility management businesses, as well as government entities and specialist contractors. Our rental equipment fleet comprises an extensive range of general construction equipment, supplemented by product groups such as pumps, welding equipment, power generation equipment, mobile elevating work platforms, scaffolding, shoring equipment, temperature control equipment and temporary accommodation units.

In FY April 2021, 82% of our revenue was generated in the US, where we operate 861 stores in 46 states and the District of Columbia, 6% of our revenue was generated in Canada, where we operate 77 stores, and 12% of our revenue was generated in the UK, where we operate 188 stores.

We adopted IFRS 16, Leases ("IFRS 16") on May 1, 2019. We elected to apply IFRS 16 using the modified retrospective approach with no restatement of comparative figures. As a result of the adoption of IFRS 16, the results for FY April 2021 and FY April 2020 are not directly comparable to the prior years, with the adoption of IFRS 16 resulting in higher EBITDA and operating profit but lower profit before exceptional items, amortization and tax than under the previous accounting standard. Further details as to the approach taken in the adoption of IFRS 16 and its financial impact are provided in notes 2 and 17 to our consolidated financial statements for the FY April 2020.

Effective from May 1, 2021, the Group has decided to change its presentational currency from sterling to US dollars to allow for greater transparency in the Group's performance to investors and other stakeholders and reduced foreign exchange volatility given that c. 80% of the Group's revenue and c. 90% of the Group's operating profit originate in US dollars. As such, the Group will present its consolidated financial statements for the year ending 30 April 2022 in US dollars. Within this document, where we present financial information in US dollars, we have therefore translated it in accordance with IFRS as if the Group had always presented its financial information in US dollars.

For trends affecting our business and the markets in which we operate, see below and also "Risk Factors—Risks Relating to Our Business," "Industry," and "Business—Our Operations."

Factors affecting our results of operations

Seasonality and cyclicality

Our revenue and operating results are significantly dependent on activity in the commercial construction industry in the US, the UK and Canada. 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. This results in changes in demand for our rental equipment. In addition, the commercial construction industries in the US, the UK and Canada are cyclical industries with activity levels that tend to increase in line with GDP growth and decline during

an economic downturn. The seasonality and cyclicality of the equipment rental industry results in variable demand for our products and therefore, our revenue and operating results may fluctuate from period to period.

Currency translation and interest rate exposure

Historically, our reporting currency has been pounds sterling, the functional currency of the parent company. However, the majority of our assets, liabilities, revenue and costs are denominated in US dollars. Fluctuations in the value of the US dollar with respect to the pound sterling have had a significant impact on our financial condition and results of operations as reported in pounds. Effective from May 1, 2021, the Group has decided to change its presentational currency from sterling to US dollars to allow for greater transparency in the Group's performance to investors and other stakeholders and reduced foreign exchange volatility.

The Group has arranged its financing such that, at 30 April 2021, 97% of its debt was denominated in US (and Canadian) dollars so that there is a natural partial offset between its dollar-denominated net assets and earnings and its dollar-denominated debt and interest expense. At 30 April 2021, dollar-denominated debt represented approximately 61% of the value of dollar-denominated net assets (other than debt). Based upon the level of US operations and the US dollar-denominated debt balance, at 30 April 2021 a 1% change in the US dollar-pound exchange rate would have impacted our pre-tax profits by approximately £9 million and equity by approximately £34 million. At 30 April 2021, the Group had no outstanding foreign exchange contracts.

Accordingly, throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations section of this offering memorandum, we at times present the changes in our actual reported results in one period as compared with the equivalent prior period at constant exchange rates, which assumes that the US dollar amounts for both periods were consolidated and translated at the same exchange rate by applying the exchange rates for the most recent period to the results of the prior period. We have given this additional information because we believe it provides prospective investors with useful information in respect of underlying performance.

Fiscal year ended April 30, 2021 compared with fiscal year ended April 30, 2020

	Fiscal year ended April 30,		Percentage increase/ (decrease)
	2020	2021	
	(in millions)		
Consolidated Income Statement Data:			
Revenue	£ 5,053.6	£ 5,031.1	—%
Staff costs	(1,172.3)	(1,137.9)	(3)%
Used rental equipment sold	(229.9)	(276.2)	20%
Other operating costs	(1,275.6)	(1,315.6)	3%
EBITDA	2,375.8	2,301.4	(3)%
Depreciation and amortization	(1,152.2)	(1,166.1)	1%
Operating profit	1,223.6	1,135.3	(7)%
Interest expense	(240.8)	(199.3)	(17)%
Profit on ordinary activities before taxation	982.8	936.0	(5)%
Taxation	(243.1)	(238.6)	(2)%
Profit attributable to equity holders of the company	£ 739.7	£ 697.4	(6)%

Group revenue grew 3% at constant exchange rates to £5,031 million in FY April 2021, compared to £5,054 million in FY April 2020. Our performance relative to the prior year improved as we progressed through the year, with all our geographies delivering year-over-year growth in the fourth quarter. The lower activity levels, particularly in the first half of the year, had a significant impact on profit in the year as a large proportion of our costs are fixed in the short term. This profit impact reflects, in part, our decision to not make team members redundant as a result of COVID-19 and ensure we had a committed workforce ready to take advantage of improving market conditions, when

the recovery came. As a result, adjusted profit before tax for FY April 2021 was £998 million compared to £1,061 million for FY April 2020.

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

The following table presents the revenue, EBITDA and operating profit before exceptional items and amortization for our businesses in pounds for the periods indicated. In addition, the table presents revenue, EBITDA and operating profit before exceptional items and amortization for Sunbelt US in US dollars and Sunbelt Canada in Canadian dollars for the periods indicated.

	Revenue fiscal year ended April 30,		Percentage increase/ (decrease)	EBITDA fiscal year ended April 30,		Percentage increase/ (decrease)	Operating profit[1] fiscal year ended April 30,		Percentage increase/ (decrease)
	2020	2021		2020	2021		2020	2021	
	(in millions)			(in millions)			(in millions)		
Sunbelt US	$ 5,489.9	$5,417.5	(1)%	$2,721.0	$2,634.5	(3)%	$1,560.0	$1,444.6	(7)%
Sunbelt Canada	C$ 420.7	C$ 500.9	19%	C$157.0	C$218.9	39%	C$ 54.5	C$ 97.8	79%
Sunbelt US	£ 4,335.7	£4,105.7	(5)%	£2,149.0	£1,996.6	(7)%	£1,232.1	£1,094.8	(11)%
Sunbelt UK	469.2	635.1	35%	148.6	192.8	30%	36.4	60.9	67%
Sunbelt Canada	248.7	290.3	17%	92.8	126.8	37%	32.2	56.7	76%
Group central costs	—	—	nm	(14.6)	(14.8)	1%	(15.4)	(15.6)	1%
	£ 5,053.6	£5,031.1	—%	£2,375.8	£2,301.4	(3)%	£1,285.3	£1,196.8	(7)%
Interest expense							(224.5)	(199.3)	(11)%
Profit before taxation, exceptional items and amortization							1,060.8	997.5	(6)%
Exceptional items							(16.3)	—	nm
Amortization							(61.7)	(61.5)	—%
Profit before taxation							982.8	936.0	(5)%
Taxation							(243.1)	(238.6)	(2)%
Profit attributable to equity shareholders							£ 739.7	£ 697.4	(6)%
Margins[2]									
Sunbelt US				49.6%	48.6%		28.4%	26.7%	
Sunbelt UK				31.7%	30.4%		7.8%	9.6%	
Sunbelt Canada				37.3%	43.7%		13.0%	19.5%	
Group				47.0%	45.7%		25.4%	23.8%	

(1) Amounts presented for Sunbelt US, Sunbelt Canada and Sunbelt UK represent "segment result" as presented in note 3 of our consolidated financial statements for FY April 2021, as included elsewhere in this offering memorandum. The remaining components of this table have been extracted from our consolidated financial statements to reconcile such amounts to profit attributable to equity shareholders on a consolidated basis. See note 3 to our consolidated financial statements for further information on our operating segments.

(2) Margins for each of the items presented are calculated as a percentage of revenue for Sunbelt US, Sunbelt Canada, Sunbelt UK and the consolidated Group, respectively.

In the US, rental only revenue of $3,976 million in FY April 2021 was only 2% lower than the $4,065 million for FY April 2020, representing a strong market outperformance and demonstrating the benefits of our strategy of growing our specialty businesses and broadening our end markets. In FY April 2021, our specialty businesses grew 13% while the general tool business declined 4%. US total revenue, including new and used equipment, merchandise and consumable sales, decreased 1% for FY April 2021 to $5,418 million from $5,490 million for FY April 2020.

The UK business generated rental only revenue of £362 million in FY April 2021, an increase of 10% on a comparable basis to revenue of £349 million in FY April 2020. This was a strong performance as the breadth of our product offering and commitment of our team members enabled us to provide essential support to the Department of Health in its COVID-19 response efforts. Total revenue increased 35% in FY April 2021 to £635 million from £469 million in FY April 2020, reflecting the higher level of ancillary and sales revenue associated with the work for the Department of Health, which accounted for c. 29% of UK revenue for the year.

Canada's rental only revenue increased 27% on a reported basis. Excluding the contribution from William F. White ("WFW"), rental only revenue of the legacy business declined only 2% and returned to growth in the fourth quarter (18%). Canadian total revenue increased to C$501 million in FY April 2021 from C$421 million in FY April 2020. In all our markets we took action to reduce operating costs and eliminate discretionary expenditure. However, our broad customer base ensures there continues to be good opportunities to grow the business and we focused on disciplined investment as the Group returned to growth towards the end of the year. We took early decisions not to make any team members redundant as a result of COVID-19 or seek assistance from any government support programs but to continue investment in the business, including our technology platform and our rental fleet. As a result, in the US, 50% of the rental revenue decline in FY April 2021 dropped through to EBITDA. This contributed to a reported EBITDA margin of 49% for FY April 2021 as compared to 50% for FY April 2020 and a 7% decrease in operating profit for FY April 2021 to $1,445 million at a margin of 27% as compared to $1,560 million for FY April 2020 at a margin of 28%.

In FY April 2020, we launched Project Unify in the UK with the objective of improving operational efficiency and returns in the business. This has resulted in significant investment in the operational infrastructure of the business which, when combined with the impact of COVID-19, contributed to an EBITDA margin of 30% for FY April 2021 as compared to 32% for FY April 2020. Operating profit of £61 million for FY April 2021 at a margin of 10% as compared with £36 million for FY April 2020 at a margin of 8% reflected these factors and a property impairment charge of c. £10 million as we reshape the business to drive operational improvement.

Canada is in a growth phase as we invest to expand its network and develop the business. In December 2019 we acquired WFW, which serves the film and TV production industries. While WFW contributed virtually no revenue in the first quarter of FY April 2020, it bounced back strongly from September 2020 onwards generating record levels of revenue for the business and an operating profit of C$29 million at a 23% margin. The legacy Canadian business, excluding WFW, increased its EBITDA margin to 43% for FY April 2021 and generated an operating profit of C$69 million at an 18% margin as compared to 38% for FY April 2020 and an operating profit of C$56 million at a 15% margin. This performance reflects a strong focus on operational efficiency and the cost base.

Overall, Group adjusted operating profit decreased to £1,197 million for FY April 2021 from £1,285 million for FY April 2020, down 3% at constant exchange rates. After interest expense of £199 million in FY April 2021 as compared to £224 million in FY April 2020, Group profit before amortization of intangibles and taxation was £998 million in FY April 2021 as compared to £1,061 million in FY April 2020.

Group profit on ordinary activities before taxation was £936 million in FY April 2021 after amortization of £62 million, compared to a Group profit on ordinary activities before taxation of £983 million after amortization of £62 million and an exceptional interest cost of £16 million in FY April 2020. The adjusted tax charge for FY April 2021 was £254 million, representing an effective rate of 25% of adjusted pre-tax profit of £998 million, as compared with an adjusted tax charge of £262 million, representing an effective rate of 25% of adjusted pre-tax profit of £1,061 million, for FY April 2020. The cash tax charge was 34% in FY April 2021. The exceptional tax credit of £15 million in FY April 2021, as compared with £19 million in FY April 2020, relates to a tax credit in relation to the amortization of intangibles and exceptional items.

Fiscal year ended April 30, 2020 compared with fiscal year ended April 30, 2019

	Fiscal year ended April 30,		Percentage increase/ (decrease)
	2019	2020	
	(in millions)		
Consolidated Income Statement Data:			
Revenue	£ 4,499.6	£ 5,053.6	12%
Staff costs	(1,019.4)	(1,172.3)	15%
Used rental equipment sold	(159.7)	(229.9)	44%
Other operating costs	(1,213.9)	(1,275.6)	5%
EBITDA	2,106.6	2,375.8	13%
Depreciation and amortization	(893.7)	(1,152.2)	29%
Operating profit	1,212.9	1,223.6	1%
Net financing costs	(153.4)	(224.5)	46%
Profit on ordinary activities before taxation	1,059.5	982.8	(7)%
Taxation	(262.6)	(243.1)	(7)%
Profit attributable to equity holders of the company	£ 796.9	£ 739.7	(7)%

Group revenue for FY April 2020 increased 12% (9% at constant exchange rates) to £5,054 million as compared with £4,500 million for FY April 2019, with good growth in the US and Canadian markets. This industry-leading performance included a fourth quarter impacted by COVID-19, resulting in fourth quarter revenue only 2% higher (2% lower on a constant currency basis) than in FY April 2019. This sudden fall in activity levels had a significant impact on profit in the quarter as a large proportion of our costs are fixed in the short term. As a result, underlying profit before tax for FY April 2020 was £1,061 million as compared with £1,110 million for FY April 2019, or £1,091 million excluding the impact of IFRS 16.

The following table presents the revenue, EBITDA and operating profit before exceptional items and amortization for our businesses in pounds for the periods indicated. In addition, the table presents revenue, EBITDA and operating profit before exceptional items and amortization for Sunbelt US in US dollars and Sunbelt Canada in Canadian dollars for the periods indicated.

	Revenue fiscal year ended April 30,		Percentage increase/ (decrease)	EBITDA fiscal year ended April 30,		Percentage increase/ (decrease)	Operating profit[1] fiscal year ended April 30,		Percentage increase/ (decrease)
	2019	2020		2019	2020		2019	2020	
	(in millions)			(in millions)			(in millions)		
Sunbelt US	$4,988.9	$5,489.9	10%	$2,453.5	$2,721.0	11%	$1,545.0	$1,560.0	1%
Sunbelt Canada	C$344.0	C$420.7	22%	C$124.1	C$157.0	27%	C$54.8	C$54.5	(1)%
Sunbelt US	£3,824.3	£4,335.7	13%	£1,880.9	£2,149.0	14%	£1,184.3	£1,232.1	4%
Sunbelt UK	475.1	469.2	(1)%	168.4	148.6	(12)%	62.3	36.4	(42)%
Sunbelt Canada	200.2	248.7	24%	72.2	92.8	29%	31.9	32.2	1%
Group central costs	—	—	—	(14.9)	(14.6)	(2)%	(14.9)	(15.4)	3%
	£4,499.6	£5,053.6	12%	£2,106.6	£2,375.8	13%	£1,263.6	£1,285.3	2%
Net financing costs before exceptional items							(153.4)	(224.5)	46%
Profit before taxation, exceptional items and amortization							1,110.2	1,060.8	(4)%
Exceptional items							—	(16.3)	nm
Amortization							(50.7)	(61.7)	22%
Profit before taxation.							1,059.5	982.8	(7)%
Taxation							(262.6)	(243.1)	(7)%
Profit attributable to equity shareholders							£ 796.9	£ 739.7	(7)%
Margins[2]									
Sunbelt US				49.2%	49.6%		31.0%	28.4%	
Sunbelt UK				35.5%	31.7%		13.1%	7.8%	
Sunbelt Canada				36.1%	37.3%		15.9%	13.0%	
Group				46.8%	47.0%		28.1%	25.4%	

(1) Amounts presented for Sunbelt US, Sunbelt Canada and Sunbelt UK represent "segment result" as presented in note 3 of our consolidated financial statements for FY April 2020, as included elsewhere in this offering memorandum. The remaining components of this table have been extracted from our consolidated financial statements to reconcile such amounts to profit attributable to equity shareholders on a consolidated basis. See note 3 to our consolidated financial statements for further information on our operating segments.

(2) Margins for each of the items presented are calculated as a percentage of revenue for Sunbelt US, Sunbelt Canada, Sunbelt UK and the consolidated Group, respectively.

Rental only revenue growth was 10% for FY April 2020, driven by increased fleet on rent. This was a good performance after the last two years, which were impacted favourably by significant hurricane activity, whereas the 2019 hurricane season was much quieter and a fourth quarter adversely affected by the impact of COVID-19. US total revenue, including new and used equipment, merchandise and consumable sales, increased 10% from $4,989 million in FY April 2019 to $5,490 million in FY April 2020.

The UK business, which was rebranded Sunbelt Rentals UK with effect from June 1, 2020, generated rental only revenue of £349 million in FY April 2020, down 2% on the £357 million from FY April 2019, resulting from a 2% reduction in fleet on rent. The rate environment in the UK market remained competitive throughout the year. Total revenue decreased 1% from £475 million for FY April 2019 to £469 million for FY April 2020.

Canada's rental only revenue increased 30% in FY April 2020 from FY April 2019, including the benefit of recent acquisitions. On an organic basis, rental only revenue increased 8%. Total revenue was C$421 million in FY April 2020 as compared with C$344 million in FY April 2019.

In the US, while our growth continues to outpace the market, the relatively lower rate of growth compared with recent years put some pressure on drop-through, both in some of our mature stores and from the drag effect of greenfield openings and acquired stores. This was compounded in the fourth quarter by the impact of COVID-19, with a significant proportion of the revenue decline falling through to EBITDA. As a result, for the year, excluding the

impact of IFRS 16, 35% of FY April 2020 revenue growth dropped through to EBITDA. This contributed to a reported EBITDA margin of 50% for FY April 2020 and a 1% increase in operating profit to $1,560 million at a margin of 28%, as compared with a reported EBITDA margin of 50% for FY April 2019 with an operating profit of $1,545 million at a margin of 31%. Excluding the impact of IFRS 16, the EBITDA and operating profit margins were 48% and 28% respectively for FY April 2020.

The UK market remains competitive and after a period of sustained growth for the business, the focus had turned to operational efficiency and improving returns. The EBITDA margin of 32% for FY April 2020, as compared to 35% for FY April 2019, reflects the drag effect of the increased fleet disposals, the challenging rate environment, investment in the infrastructure of the business and, recently, the impact of COVID-19. Excluding the impact of the de-fleet exercise and the adoption of IFRS 16, the UK generated an EBITDA margin of 32% (2019: 35%). Operating profit of £36 million for FY April 2020 at a margin of 8%, as compared with £62 million at a margin of 13% for FY April 2019, also reflected these factors.

Canada is in a growth phase as it invests to expand its network and develop the business. Significant growth in the business was achieved while delivering a COVID-19-impacted 37% EBITDA margin and generating an operating profit of C$54 million at a margin of 13% for FY April 2020, as compared with a 36% EBITDA margin with an operating profit of C$55 million at a margin of 16% for FY April 2019. Excluding the impact of IFRS 16, the EBITDA and operating profit margins were 34% and 12%, respectively, in FY April 2020.

Group underlying operating profit increased to £1,285 million in FY April 2020 from £1,264 million in FY April 2019, down 1% at constant exchange rates. FY April 2020 net financing costs increased to £224 million from £153 million in FY April 2019, reflecting the impact of the adoption of IFRS 16, which resulted in an incremental interest charge of £45 million in FY April 2020, and higher average debt levels. As a result, Group profit for FY April 2020 before amortization of intangibles, exceptional items and taxation was £1,061 million as compared to £1,110 million in FY April 2019. Excluding the impact of IFRS 16, FY April 2020 group profit before exceptional items, amortization of intangibles and taxation was £1,091 million.

Group profit on ordinary activities before taxation was £983 million in FY April 2020, down from £1,059 million in FY April 2019. This is after amortization of £62 million in FY April 2020 as compared to £51 million in FY April 2019 and, in FY April 2020, an exceptional charge of £16 million ($21 million). The exceptional charge related to financing costs associated with the redemption of our $500 million 5.625% senior notes in November 2019.

The underlying tax charge for the year was £262 million in FY April 2020, down from £275 million in FY April 2019, representing an effective rate of 25% of underlying pre-tax profit of £1,061 million, as compared with 25% of underlying pre-tax profit of £1,110 million in FY April 2019. The cash tax charge was 9% for FY April 2020. The FY April 2020 exceptional tax credit of £19 million, as compared with £12 million in FY April 2019, relates to a tax credit in relation to the amortization of intangibles and exceptional items.

Balance sheet

Property, plant and equipment

Capital expenditure in the year totaled £718 million during FY April 2021 as compared to £1,483 million during FY April 2020, with £613 million invested in the rental fleet as compared with £1,274 million during FY April 2020.

Expenditure on rental equipment was 85% of total capital expenditure during FY April 2021, with the balance relating to the delivery vehicle fleet, property improvements and IT equipment. Capital expenditure by division was as follows:

	Fiscal Year ended April 30,			
			2021	2020
	Replacement	Growth	Total	Total
Sunbelt US ($m)[1]	$ 575.6	$ —	$ 575.6	$ 1,451.9
Sunbelt Canada (C$m)[1]	C$ 60.5	C$ 18.1	C$ 78.6	C$ 116.4
Sunbelt US (£m)	£ 436.2	£ —	£ 436.2	£ 1,151.1
Sunbelt UK	91.7	39.9	131.6	56.7
Sunbelt Canada	35.1	10.4	45.5	66.5
Total rental equipment	£ 563.0	£ 50.3	£ 613.3	£ 1,274.3
Delivery vehicles, property improvements and IT equipment			104.8	208.7
Total additions			£ 718.1	£ 1,483.0

(1) Amounts presented for Sunbelt US in US dollars and Sunbelt Canada in Canadian dollars represent the underlying results of Sunbelt US and Sunbelt Canada according to their books and records which are maintained in US dollars and Canadian dollars, respectively, and are used by the Group when consolidating the results of Sunbelt US and Sunbelt Canada into the Financial Statements.

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

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

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

The original cost of the Group's rental fleet and the dollar utilization as at April 30, 2021, is shown below:

	Rental fleet at original cost				
	April 30, 2021	April 30, 2020	LTM average	LTM, rental revenue	LTM dollar utilization
				(in millions)	
Sunbelt US[1]	$ 9,827	$ 10,102	$ 9,940	$ 4,933	50%
Sunbelt Canada[1]	C$ 938	C$ 921	C$ 925	C$ 436	47%
Sunbelt US	£ 7,098	£ 8,010	£ 7,533	£ 3,738	50%
Sunbelt UK	914	874	885	482	54%
Sunbelt Canada	551	526	536	253	47%
Total	£ 8,563	£ 9,410	£ 8,954	£ 4,473	

(1) Amounts presented for Sunbelt US in US dollars and Sunbelt Canada in Canadian dollars represent the underlying results of Sunbelt US and Sunbelt Canada according to their books and records which are maintained in US dollars and Canadian dollars respectively and are used by the Group when consolidating the results of Sunbelt US and Sunbelt Canada into the Financial Statements.

Dollar utilization is defined as rental revenue *divided by* average fleet at original (or "first") cost, and dollar utilization was 50% in the US, 54% for the UK and 47% for Canada in FY April 2021, as compared to 51% for the US, 46% for the UK and 47% for Canada in FY April 2020. The increase in UK dollar utilization reflects the significant increase in activity levels and associated ancillary services to support the Department of Health.

Trade receivables

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

Trade and other payables

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

Other provisions

Provisions of £83 million at April 30, 2021, as compared to £93 million at April 30, 2020, relate to the provision for self-insured retained risk under the Group's self-insurance policies, provisions for vacant property as well as acquisition related contingent consideration. The Group's business exposes it to the risk of claims for personal injury, death or property damage resulting from the use of the equipment it rents and from injuries caused in motor vehicle accidents in which its vehicles are involved. The Group carries insurance covering a wide range of potential claims at levels it believes are sufficient to cover existing and future claims.

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

Pensions

The Group operates a number of pension plans for the benefit of employees, for which the overall charge included in the financial statements was £22 million in FY April 2021, as compared to £20 million in FY April 2020. Amongst these, the Group has one defined benefit pension plan which was closed to new members in 2001 and closed to future benefit accrual in October 2020. All our ongoing pension plans are defined contribution plans.

The Group's defined benefit pension plan was, measured in accordance with the accounting standard IAS 19, Employee Benefits, £4 million in surplus at April 30, 2021, as compared to £12 million in deficit at April 30, 2020. The investment return on plan assets in FY April 2021 was £16 million better than the expected return which was offset by an actuarial loss of £3 million, predominantly arising due to increases in the inflation assumption applied. Overall, there was a net remeasurement of the defined benefit pension plan of £14 million which was recognized in the statement of comprehensive income for the year. In addition, a curtailment gain of £2 million was recognized in the income statement following the closure of the plan to future accrual.

Contingent liabilities

The Group is subject to periodic legal claims in the ordinary course of its business, none of which is expected to have a material impact on the Group's financial position. In addition, following its state aid investigation, in April 2019 the European Commission announced its decision that the Group Financing Exemption in the UK controlled foreign company ("CFC") legislation constitutes state aid in some circumstances. In common with the UK Government and other UK-based international companies, the Group does not agree with the decision and has therefore lodged a formal appeal with the General Court of the European Union. Despite the UK Government appealing the European

Commission's decision, Her Majesty's Revenue & Customs ("HMRC") is required to make an assessment of the tax liability which would arise if the decision is not successfully appealed and collect that amount from taxpayers. HMRC has issued a charging notice stating that the tax liability it believes to be due on this basis is £36 million, including interest payable. This represents the Group's maximum potential liability, including any interest payable, if either the decision reached by the European Commission or the charging notice issued by HMRC are not successfully appealed. The Group has appealed the charging notice but has settled the amount assessed on it, including interest, in line with HMRC requirements. On successful appeal against the European Commission decision or the charging notice, in whole or in part, all or part of the amount paid in accordance with the charging notice would be returned to the Group. Based on the current status of proceedings, we have concluded that no provision is required in relation to this matter. The £36 million paid has been recognized as a non-current asset on the balance sheet.

Liquidity and capital resources

Sources and uses of funds

Our principal existing sources of cash are (i) cash generated from operations, (ii) cash generated from sales of tangible fixed assets, primarily used rental equipment and (iii) borrowings available under our other borrowing facilities.

Our measures of free cash flow in FY April 2021 and FY April 2020 are summarized below:

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

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

Cash inflow for FY April 2021 from operations before payment of exceptional costs and the net investment in the rental fleet was £2,287 million as compared to £2,430 million in FY April 2020. The conversion ratio for FY April 2021 was 99% as compared with 102% in FY April 2020, reflecting the strong cash collections seen throughout the year.

Total payments for capital expenditure (rental equipment and other PPE) during FY April 2021 were £724 million as compared with £1,574 million in FY April 2020. Disposal proceeds received totaled £305 million, giving net payments for capital expenditure of £419 million in the period, as compared with proceeds of £259 million and net payments of £1,315 million in FY April 2020. In FY April 2021, financing costs paid totaled £193 million while tax

payments were £294 million, with financing costs and taxes paid of £197 million and £113 million, respectively, in FY April 2020. Financing costs paid typically differ from the charge in the income statement due to the timing of interest payments in the year and non-cash interest charges. The increased tax payments reflect the impact of lower levels of capital expenditure this year which, in the US, are deductible in full as incurred.

Accordingly, the Group generated free cash flow for FY April 2021 of £1,382 million and, after acquisition related expenditure of £143 million, a net cash inflow of £1,239 million, before returns to shareholders. In FY April 2020, the Group generated free cash flow of £792 million and net cash inflow of £339 million.

Net debt

	April 30, 2021	April 30, 2020
	(in millions)	
First priority senior secured bank debt	£ 885.0	£ 2,141.9
4.125% senior notes, due 2025	429.6	470.8
5.250% senior notes, due 2026	428.6	469.6
4.375% senior notes, due 2027	429.0	470.2
4.000% senior notes, due 2028	428.6	469.9
4.250% senior notes, due 2029	428.5	469.8
Total Long-term borrowings	3,029.3	4,492.2
Lease liabilities	1,179.7	1,112.2
	4,209.0	5,604.4
Cash and cash equivalents	(19.2)	(241.4)
Total net debt	£ 4,189.8	£ 5,363.0

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

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

The senior secured bank debt is secured by way of first priority fixed and floating charges over substantially all the Group's property, plant and equipment, inventory and trade receivables. See "Description of certain indebtedness" for further information regarding our outstanding debt instruments.

Certain contractual obligations and commercial commitments

External Borrowings

The table below provides certain information concerning the maturity profile of our external borrowings as at April 30, 2021. This table is prepared for illustrative purposes only and it does not give a complete picture of all our future contractual obligations.

	2022	2023	2024	2025	2026	Thereafter	Total
							(in millions)
Bank and other debt	£ —	£ —	£ 885.0	£ —	£ —	£ —	£ 885.0
4.125% senior secured notes	—	—	—	—	433.4	—	433.4
5.250% senior secured notes	—	—	—	—	—	433.4	433.4
4.375% senior secured notes	—	—	—	—	—	433.4	433.4
4.000% senior secured notes	—	—	—	—	—	433.4	433.4
4.250% senior secured notes	—	—	—	—	—	433.4	433.4
Subtotal	—	—	885.0	—	433.4	1,733.6	3,052.0
Deferred costs of raising finance	—	—	—	—	(3.8)	(18.9)	(22.7)
Cash at bank and in hand	(19.2)	—	—	—	—	—	(19.2)
Net external borrowings	(19.2)	—	885.0	—	429.6	1,714.7	3,010.1

Commercial commitments

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

Quantitative and qualitative disclosures about market risk

The Group's trading and financing activities expose it to various financial risks that, if left unmanaged, could adversely impact current or future earnings. Although not necessarily mutually exclusive, these financial risks are categorized separately according to their different generic risk characteristics and include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

It is the role of the Group treasury function to manage and monitor the Group's financial risks and internal and external funding requirements in support of the Group's corporate objectives. Treasury activities are governed by policies and procedures approved by the Board and monitored by the Finance and Administration Committee. In particular, the Board of directors or, through delegated authority, the Finance and Administration Committee, approves any derivative transactions. Derivative transactions are only undertaken for the purposes of managing interest rate risk and currency risk. The Group does not trade in financial instruments. The Group maintains treasury control systems and procedures to monitor liquidity, currency, credit and financial risks. Historically, the Group reported its financial results and paid dividends in pounds sterling.

The Group's activities expose it primarily to interest rate and currency risk. Interest rate risk is monitored on a continuous basis and managed, where appropriate, through the use of interest rate swaps whereas, the use of forward foreign exchange contracts to manage currency risk is considered on an individual non-trading transaction basis. The Group is not exposed to commodity price risk or equity price risk as defined in IFRS 7.

Interest rate risk

Management of fixed and variable rate debt

The Group has fixed and variable rate debt in issue with 71% of the drawn debt at a fixed rate as at April 30, 2021, excluding lease liabilities. The Group's accounting policy requires all borrowings to be held at amortized cost. As a result, the carrying value of fixed rate debt is unaffected by changes in credit conditions in the debt markets and there

is therefore no exposure to fair value interest rate risk. The Group's debt that bears interest at a variable rate comprises all outstanding borrowings under the senior secured credit facility. The interest rates currently applicable to this variable rate debt are LIBOR as applicable to the currency borrowed *plus* 125bps. The Group periodically utilizes interest rate swap agreements to manage and mitigate its exposure to changes in interest rates. However, during the year ended and as at April 30, 2021, the Group had no such swap agreements outstanding. The Group also may at times hold cash and cash equivalents which earn interest at a variable rate.

Net variable rate debt sensitivity

At April 30, 2021, based upon the amount of variable rate debt outstanding, the Group's pre-tax profits would change by approximately £9 million for each 1% change in interest rates applicable to the variable rate debt and, after tax effects, equity would change by approximately £6 million. The amount of the Group's variable rate debt may fluctuate as a result of changes in the amount of debt outstanding under the senior secured credit facility.

Currency exchange risk

Currency risk is limited to translation risk as there are no transactions in the ordinary course of business that take place between foreign entities. Historically, the Group's reporting currency has been pounds sterling. However, the majority of our assets, liabilities, revenue and costs are denominated in US dollars. The Group has arranged its financing such that, at April 30, 2021, 97% of its debt was denominated in US (and Canadian) dollars so that there is a natural partial offset between its dollar-denominated net assets and earnings and its dollar-denominated debt and interest expense. At April 30, 2021, dollar-denominated debt represented approximately 61% of the value of dollar-denominated net assets (other than debt). The Group's exposure to exchange rate movements on trading transactions is relatively limited. All Group companies invoice revenue in their respective local currency and generally incur expense and purchase assets in their local currency. Consequently, the Group does not routinely hedge either forecast foreign currency exposures or the impact of exchange rate movements on the translation of overseas profits into sterling. Where the Group does hedge, it maintains appropriate hedging documentation. Foreign exchange risk on significant non-trading transactions (e.g. acquisitions) is considered on an individual basis. Based upon the level of US operations and the US dollar-denominated debt balance, at April 30, 2021, a 1% change in the US dollar-pound exchange rate would have impacted our pre-tax profits by approximately £9 million and equity by approximately £34 million. At April 30, 2021, the Group had no outstanding foreign exchange contracts.

The Group's exposure to exchange rate movements on trading transactions is relatively limited. All Group companies invoice revenue in their respective local currency and generally incur expense and purchase assets in their local currency. Consequently, the Group does not routinely hedge either forecast foreign currency exposures or the impact of exchange rate movements on the translation of overseas profits into sterling. Where the Group does hedge, it maintains appropriate hedging documentation. Foreign exchange risk on significant non-trading transactions (e.g. acquisitions) is considered on an individual basis.

Credit risk and liquidity risk

For information regarding the credit risk and liquidity risk to which we are exposed, see Note 25 to our consolidated financial statements for FY April 2021.

OVERVIEW

The following overview highlights selected information from this offering memorandum. It is not complete and does not contain all of the information that you should consider before investing in the Notes. You should read this offering memorandum in its entirety, including the "Risk Factors" section and our consolidated Financial Statements and the Notes thereto. In addition, certain statements include forward-looking information that involves risks and uncertainties. See "Information Regarding Forward-Looking Statements."

Our business

We believe we are one of the largest international equipment rental companies, with a network of 1,126 stores in the United States ("US"), Canada and the United Kingdom ("UK") as of April 30, 2021. We conduct our equipment rental operations under the name "Sunbelt Rentals." We believe Sunbelt Rentals is the second largest equipment rental business in North America and that Sunbelt UK is the largest equipment rental company in the UK, in each case, by rental revenue. We offer for rent a wide range of equipment, and in FY April 2021, we generated revenue of £5,031 million ($6,639 million) and EBITDA of £2,301 million ($3,037 million).

Our diversified customer base includes construction, industrial and homeowner customers, service, repair and facility management businesses, as well as government entities and specialist contractors. Our rental equipment fleet comprises an extensive range of general construction equipment, supplemented by product groups such as pumps, welding equipment, power generation equipment, mobile elevating work platforms, scaffolding, shoring equipment, temperature control equipment, temporary accommodation units, flooring equipment and temporary floor coverings and barriers. The original cost of our rental equipment fleet at April 30, 2021, was £8,563 million ($11,855 million). The average age of our serialized rental equipment, which constitutes the substantial majority of our fleet, at April 30, 2021, weighted on a net book value basis, was approximately 41 months.

In FY April 2021, 82% of our revenue was generated in the US, where we operate 861 stores in 46 states and the District of Columbia, 6% of our revenue was generated in Canada, where we operate 77 stores, and 12% of our revenue was generated in the UK, where we operate 188 stores.

Our competitive advantages

We believe that we benefit from the following competitive advantages:

Geographical scale and customer diversity. We have significant geographical scale in the markets in which we operate. We believe Sunbelt Rentals is the second largest equipment rental business in North America by rental revenue and operates 861 stores in 46 states and the District of Columbia and 77 stores in Canada. Sunbelt UK is the largest equipment rental company in the UK by rental revenue and operates 188 stores throughout the UK.

In the US, we achieve scale through a "clustered market" approach of grouping large and small General Tool and Specialty rental locations in each of our developed markets. This approach allows us to provide a comprehensive product offering and convenient service to our customers wherever their job sites may be within these markets. Sunbelt Rentals has rental operations in 99 of the top 100 US markets. We are also present in 64 of the next 110 markets ranked by size. We estimate that we have an approximate 11% market share in the US and served over 650,000 customers during FY April 2021.

Recent years have seen a subtle shift from a store-focused to a whole-market approach—so we still deliver locally but we also gain the benefits of scale district-wide through initiatives such as centralized field service and coordination across the district of our delivery truck fleet.

In Canada, we have focused initially on expanding our presence in the Western and Eastern provinces, whilst achieving scale through a clustered market approach similar to the US. The businesses we acquired have strong positions in construction equipment, mobile elevating work platforms and general tools. We are expanding the range of products available to customers in all areas, including building up our specialty service offering. The specialty service offering was enhanced by the acquisition of William F. White in December 2019. In seven years, we have gone from six stores to 77 and now have a market share in the Canadian rental equipment market of approximately 7%.

In the UK, our strategy is focused on having sufficient stores to allow us to offer a full range of general tool and specialty equipment on a nationwide basis. We are migrating to a regional operating center model with a few, larger locations which are able to address all the needs of our customers in their respective markets, combined with smaller, local locations, not dissimilar to a cluster approach. The UK market remains fragmented and we have an approximate 9% market share and serve approximately 25,000 customers.

Our diversified customer base includes construction, industrial and homeowner customers, service, repair and facility management businesses, emergency response organizations, as well as government entities such as municipalities and specialist contractors. In our core construction market, our customers range from the large national and regional contractors to the small to mid-sized local contractor. In North America, we seek to run our business with a broad customer base and a particular focus on the local/mid-size customer segment. This gives us a balanced approach to the market. Furthermore, our focus on the local/mid-size customer segment gives us a strategic advantage over our major competitors, which have not focused on this segment, enabling Sunbelt Rentals to deliver industry leading revenue growth. In addition, our focus on specialty markets, which are typically characterized by low rental penetration and small local players, contributes to our growth as rental penetration increases and customers become accustomed to the quality of our offering.

During FY April 2021, our top ten customers accounted for less than 10% of our total revenue and no single customer, excluding the work undertaken during FY April 2021 to support the UK Government's response to COVID-19, accounted for more than 1% of our total revenues.

Our geographical scale and diversified customer base provide us with several benefits, which include:

- reducing the impact of localized economic fluctuations on our overall financial performance;
- reducing our dependence on any particular customer or group of customers; and
- enabling us to meet the needs of larger customers who increasingly demand wide geographical coverage across a broad range of equipment needs.

Extensive, high quality and standardized rental fleet. Our extensive and high quality rental fleet provides us with the ability to service a diverse customer base, to cross-market our products to our customers and to serve customers that require large quantities or different types of equipment.

While we have a broadly similar fleet to that of our peers, we differentiate our offering by emphasizing the specialty equipment types and services offered by our Power and HVAC, Pump Solutions, Scaffold Services, Climate Control and Air Quality, Oil and Gas, Flooring Solutions, Ground Protection, Trench Shoring and Industrial Resources divisions in North America. We also service a range of other applications such as industrial, events, facilities management and repair and maintenance. We believe the breadth of our equipment range offers the potential for higher returns. On a major long-term project, we often provide the full range of our equipment from small hand-held tools to larger dirt moving or aerial equipment.

Across our rental fleet, we aim generally to carry equipment from one or two suppliers in each product range and to limit the number of model types of each product. Having a standardized fleet results in lower costs because we obtain greater discounts by purchasing in bulk and reduce maintenance costs through more focused, and therefore reduced, training requirements for our staff. We are also able to share spare parts between stores, which helps to minimize the risk of over-stocking, and to transfer fleet between locations easily, which helps us achieve high levels of fleet utilization.

Significant purchasing power. As one of the largest participants in our industry, we purchase significant amounts of equipment, parts and other items from our suppliers. Our capital expenditures on rental equipment for the fiscal year ended April 30, 2021 were £613 million ($809 million). We believe that this level of capital expenditures enables us to negotiate favorable pricing, warranty and other terms with our vendors. As a result, we believe that we generally are able to purchase equipment at prices that are more favorable than those paid by the majority of our competitors.

We purchase equipment from vendors with superior reputations for product quality and reliability and maintain close relationships with these vendors to ensure excellent after-purchase service and support. However, we also maintain sufficient alternative sources of supply for the equipment we purchase in each product category.

Motivated local management teams. We believe that we have motivated local management teams due to our strong corporate culture, which primarily results from:

- the autonomy enjoyed by each of our management teams, subject to budgetary and other controls, which enable a focus on delivering customer service; and

- our reward and incentive programs, in which key members of our teams participate.

We believe our reward and incentive programs motivate our employees to maximize returns on investment and encourages them to build and reinforce relationships with our customers. We also believe our reward and incentive programs act as an incentive to promote cross selling between our General tool and Specialty businesses, control costs, optimize pricing and promote efficient fleet management, while, at the same time, building motivated and cohesive teams focused on profitability at both the local and district levels.

Experienced senior management team. Our senior operational management teams at Sunbelt Rentals and Sunbelt UK have each spent most of their careers in the equipment rental industry and on average have over 15 years of experience in the industry. Our senior management team presently is led by Brendan Horgan, our Chief Executive, who has served in his current position since May 2019. Prior to May 2019 he served as Chief Operating Officer from January 2018 and as the Chief Executive of Sunbelt and a director since January 2011. Mr. Horgan joined Sunbelt in 1996 and has held a number of senior management positions including chief sales officer. Mr. Horgan is chair of the Finance and Administration Committee. Michael Pratt is our chief financial officer and was appointed to the Board in April 2018. Mr. Pratt had been our Deputy Finance Director and Treasurer since 2012 having joined us in 2003 from PricewaterhouseCoopers.

Well-established brand. Sunbelt Rentals, with its distinctive logo, is well-established and well-recognized in the markets in which we operate. We believe that our customers associate the name with high quality equipment and customer service, which fosters loyalty and enables us to attract new, as well as retain repeat, customers in our markets as we grow the business.

Investing in the best systems. Our competitive advantage also depends on having the right computer systems and applications to allow our staff to deliver the highest standards of service. We make use of industry-leading applications of technology to further differentiate our service and capitalize on growth opportunities in the marketplace. Sunbelt Rentals' Command Center, including a mobile app, enables customers to manage all aspects of their account. They can track what equipment they have on rent, order new items from the entire range, request service or pick-up, extend their contract and see store locations.

Our sales representatives have access to all this information, as well as a powerful CRM tool, Accelerate, which enables them to find available equipment, customer contracts, preferences and potential needs, and all other information relevant to serving the customer.

These tools are enhanced further through the use of our proprietary cloud-based sourcing decision engine, Chronos. Developed with over 200 logic rules based on different variables and situations, Chronos creates automated workflows connected to and powering our point of sales and logistics systems which enable our sales representatives to focus more of their time on servicing customer needs.

Sunbelt UK has similar tools, with AXIS, its customer portal, enabling customers to manage all aspects of their account. It also provides a complete fleet management tool providing data on CO2 emissions, utilization rates, the movement of equipment on hire and fuel levels. There is significant data behind these applications which we reference to make efficiency gains, add depth to our growth strategy and provide more accurate forecasts.

In addition, Sunbelt UK's Logistic tool provides customers with real time delivery tracking through text message and app, contactless and paperless delivery and the ability to off-hire in the same manner, providing customers with instant

visibility of products on hire. Logistic is also used internally to create operational efficiencies, for example through providing visibility of our vehicle fleet to maximize utilization and create the most efficient delivery routes for drivers.

Our strategy

Our business will always be cyclical, but the continuing level of structural change in our markets, particularly in the US and Canada, combined with our proven strategy, makes us better able to capitalize on good economic environments and be more resilient to economic downturns.

Our strategy to optimize the opportunities presented by structural change is growth through same-store investment, greenfields and bolt-ons. From 2011 to 2021, we achieved 16% compound annual revenue growth in the US, of which two-thirds was from market share gain. We launched in April 2021 the next iteration of our strategic plan, Sunbelt 3.0, which follows our successful Project 2021, during which we doubled our revenue from £2,546 million in 2016 to £5,031 million in 2021, despite the impact of COVID-19. We are conservative in our approach to maintaining a stable and secure balance sheet throughout the cycle and this enables us to maintain the flexibility we require to manage changes to the business and its environment, as and when they occur. We have been able to make decisions based on the long-term prospects for the business without having to make short-term decisions that damage the fabric of it. The past year of dealing with COVID-19 has demonstrated perhaps more than any other, our ability to not only withstand difficult market conditions, but actually to flourish under them.

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

Actionable components

Grow General Tool and advance our clusters	Advance our clustered market approach through a proven playbook to meet demand and enable increased rental penetration in North America while optimizing our operational network in the UK
Amplify Specialty	Drive accelerated growth through recently realized Specialty scale, unique cross-selling capabilities, and demand in the early phases of rental penetration
Advance technology	Make the move from industry-leading technology platform, to a leader among the broader industrial and service sector; further improving our customer value proposition and capture the benefits of scale across the Group
Lead with ESG	Embracing responsible sustainability and success for our people, our customers, our communities and our investors; while unlocking structural benefits Environmental, Social and Corporate Governance ("ESG") will bring to rental across the Group
Dynamic capital allocation	Consistent application of our capital allocation policy to optimize capital deployment for the benefit of all stakeholders

Our goal in the long term is to achieve 20% market share in North America and continue to grow our share of the UK market. We believe these are realistic goals given the way the rental market continues to evolve and the way we do

business. Consistent implementation of our strategy across the economic cycle will ensure we are in a strong position at all times to take advantage of the opportunities presented.

Grow General Tool and advance our clusters

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

We plan to open 126 General Tool greenfield locations during Sunbelt 3.0 whose location has been determined based on our experience and analytics down to the zip code level. This analysis includes our assessment of current market share, fleet per capita, customer statistics, construction starts, proximity to existing locations, square footage under roof and the competitive landscape. Our greenfield openings will be biased towards the western part of the US where we have a lower market share. This organic growth strategy will be complemented by bolt-ons.

Our plans for Canada involve bringing our market share to our 2021 US level through 26 greenfield openings, across all provinces and advancing our clusters around Toronto which is the largest rental market. When we entered the Canadian market in 2014 we acquired six locations in Western Canada. At April 30, 2021, we had 60 General Tool locations.

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

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

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

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

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

we extend our reach within a market. Average revenue per store is not a relevant measure with which to evaluate the success of individual clusters or even the business as a whole. The value is in the mix.

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

Amplify Specialty

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

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

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

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

We are looking to grow our North American Specialty revenue from $1.5 billion in FY 2021 to c. $2.4 billion during the next three years through our ambitious plans to drive rental penetration and increase our market share across our businesses. We have a broad-based team identifying new rental product ideas for both existing and new businesses, and a culture that encourages ideas at all levels of the organization building entrepreneurialism with scale.

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

Advancing technology

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

We have a robust technology infrastructure which supports our proprietary systems with the aim of continuous improvement to enable The Perfect Rental™. With c. 65% of orders placed today for delivery within 24 hours, our goal is to enable our sales force to say “Yes” confidently, through the use of our proprietary cloud-based sourcing decision engine, Chronos. Although Chronos is operational in all our locations across North America, we continue to make the system ever smarter and more flexible, such that it can deliver improvements in procurement opportunities,

service operations, logistics and our management of resources. During the Sunbelt 3.0 period we will be focused specifically on increasing order capture, improving time utilisation, improving rental rates and enhancing dynamic pricing.

Lead with ESG

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

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

As an essential service provider we support our customers and communities whether that be investing in the communities in which our people reside, first responder participation for COVID-19 testing and vaccination sites, or natural disaster response such as hurricane relief.

Dynamic capital allocation

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

Our consistently applied policy continues with the following allocation priorities:

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

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

The maturity of our stores has a big impact on RoI. As stores mature, and the size and range of fleet increases, there is natural margin and returns progression. Stores that were greenfield sites only two years ago are now already adding

same-store growth. We are always focused on moving new and young stores up the maturity curve as there is scope for higher returns as they progress. This also means that we are now at a very different stage in our evolution in the current economic cycle relative to where we were in the last cycle. We have more stores and they are larger and more mature than at the peak of the last cycle, and are well placed to take advantage of growth opportunities and much better placed to weather downturns, when they arise, as we have seen over the last year.

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

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

Cultural elements

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

History

Ashtead Group plc is a company with limited liability incorporated under the laws of England and Wales. Our predecessor company, Ashtead Plant Hire Company Limited, was founded in 1947 and operated as a small plant hire subsidiary company within a privately owned UK construction group for 37 years until we acquired it in 1984. In 1990, we sought to broaden our base beyond the UK market and purchased Sunbelt Rentals, then a two-store business based in Charlotte, North Carolina. We grew our business significantly in the following decade through organic new-store openings and one significant acquisition in the southeastern US, and largely through acquisitions in the UK.

In June 2000, in order to provide a platform for Sunbelt Rentals' future growth nationwide across the US, we completed the acquisition of BET USA, Inc., the US equipment rental business of Rentokil Initial plc, for a total consideration of approximately $500 million. The BET acquisition doubled the revenue of our US business and gave us a market presence on the West Coast, Texas and the central states of the US.

In September 2006, we made a further transformational acquisition when we acquired NationsRent Companies, Inc. for approximately $1 billion. NationsRent's geographic reach in the US was largely complementary to our own, and, following integration into Sunbelt Rentals, Sunbelt Rentals became the national player in the US equipment rental market that it is today.

After a period during which we focused on integrating the former NationsRent operations into Sunbelt Rentals and on dealing with the impact of the recession during 2008-2010, Sunbelt Rentals has pursued an expansion strategy of same-store growth supplemented by greenfield openings and bolt-on acquisitions.

In November 2014, Sunbelt Rentals entered the Canadian market when we acquired GWG Rentals. Following expansion by way of a number of greenfields and small bolt-on acquisitions, we almost tripled the size of our Canadian business through the acquisition of CRS in August 2017. Subsequently, we have also added the William F. White business to our Canadian operations in December 2019, expanding our presence in the Lighting, Grip and Studio business.

We have added over 500 new locations in the US over the last ten years and increased our revenue in the US at a compound annual rate of 16%. A further 77 locations have been added in Canada. The greenfield openings and bolt-on acquisitions expand our general tool footprint and develop our specialty businesses. In addition, Sunbelt UK has increased same-store revenues and completed a number of small bolt-on acquisitions principally in the specialty areas of our business as it diversifies its rental offering.

Our customers

Our customers range in size and scale from multinational businesses, through strong local contractors to individual do-it-yourselfers. Our diversified customer base includes construction, industrial and homeowner customers, service, repair and facility management businesses, emergency response organizations, as well as government entities such as municipalities and specialist contractors. The nature of the business is such that it consists of a high number of low-value transactions.

A large portion of our customer base comes from the commercial construction and industrial sectors. Commercial construction rentals are geared towards contractors conducting new-build and repair and renovation work who rent a wide range of equipment from power tools to backhoes. Industrial rentals are geared towards businesses conducting routine plant maintenance as well as special projects that require welding equipment, power washing equipment, forklifts and other material handling equipment.

During FY April 2021, our top ten customers accounted for less than 10% of our total revenue and no single customer, excluding the work undertaken during FY April 2021 to support the UK Government's response to COVID-19, accounted for more than 1% of our total revenues.

Our competitors

The equipment rental industry in both North America and the UK is highly fragmented and competitive. Our competitors include large companies, regional competitors, small independent businesses and equipment vendors and dealers.

In North America, Sunbelt Rentals' largest national competitors are listed below.

United Rentals— the largest equipment rental company both in the US and worldwide based on revenues. United Rentals reported total revenue of $8,530 million in its fiscal year ended December 31, 2020.

Herc Rentals—offers a broad range of rental equipment and is Sunbelt Rentals' longest standing large competitor. Herc Rentals reported revenue of $1,781 million in its fiscal year ended December 31, 2020.

The UK equipment rental market is much more mature than the North American market, but still fragmented. We believe that the top four equipment rental companies in the UK accounted for approximately 28% of the total UK equipment rental market in FY April 2021. Our largest competitors in the UK market are listed below.

Speedy Hire plc—Speedy is a UK public company which provides tool hire and general equipment rental services in the UK. In its fiscal year ended March 31, 2021, Speedy reported revenue of £359 million.

HSS Hire Service Group—HSS rents small equipment and tools throughout the UK. In its fiscal year ended December 31, 2020, it reported revenue of £270 million.

Vp plc—VP rents small tools and unmanned plant equipment, mainly to the utilities, building and construction industries. In its fiscal year ended March 31, 2021 it reported revenue of £308 million.

For a more detailed discussion of the competitive landscape in North America and the UK, see "Industry—The US Equipment Rental Market" and "Industry—The UK Equipment Rental Market" above.

Our operations

We have a network of 1,126 stores in North America and the UK. In order to address the fact that different product groups require different marketing expertise, a number of our rental locations are run according to a "split store" approach where, in certain instances, there is more than one store operating from a single physical rental location. In FY April 2021, we derived 89% of our revenue from rental and rental related revenues, with the balance coming from sales of new merchandise, including sales of parts and a limited number of sales of new equipment, and sales of used rental equipment.

Sunbelt Rentals' 938 North American stores are comprised of 593 general equipment stores and 345 stores in its specialty areas. The general equipment business of Sunbelt US is organized into 2 territories, 13 operational regions and 64 districts in the US based on geographical location. The general equipment business of Sunbelt Canada is managed as 2 separate territories.

The Sunbelt North America specialty business includes a number of areas including Power and HVAC, Pump Solutions, Scaffold Services, Climate Control and Air Quality, Lighting, Grip and Studio, Industrial Tool, Flooring Solutions, Shoring Solutions and Ground Protection.

Sunbelt UK's general equipment operations are managed nationally through 3 divisions: rental solutions; engineered solutions; and specialist solutions. The rental solutions division represents the general equipment business of Sunbelt UK and is managed through 7 geographical regions. The engineered solutions and specialist solutions divisions represent Sunbelt UK's specialty businesses and include accommodation, formwork and falsework, climate control, temporary roadway and barriers, survey and traffic management.

Rental fleet composition

In North America, Sunbelt Rentals strives to offer the widest variety of specialized and non-specialized equipment in the industry and we believe that Sunbelt US' rental fleet is one of the most extensive fleets in the US market. The original cost of Sunbelt US' fleet, at April 30, 2021, was $9,827 million. At April 30, 2021, the average age of Sunbelt US' fleet on a net book value weighted basis was approximately 41 months overall. The table below sets out the composition of the Sunbelt US' fleet at April 30, 2021, by major category based on original cost.

Sunbelt US fleet breakdown	% of gross fleet	Original cost (in millions)
Mobile elevating work platforms	34%	3,355
Earth moving	13%	1,232
Scaffold	2%	224
Forklifts	21%	2,039
Pumps and power	11%	1,152
Other	19%	1,825
Total	100%	$ 9,827

The original cost of the Sunbelt Canada fleet was approximately C$938 million at April 30, 2021. The average age of Sunbelt Canada's fleet on a net book value weighted basis was approximately 38 months at April 30, 2021. The table below sets out the composition of the Sunbelt Canada's fleet at April 30, 2021, by major category based on original cost.

Sunbelt Canada fleet breakdown	% of gross fleet	Original cost (in millions)
Mobile elevating work platforms	31%	289
Earth moving	13%	126
Forklifts	10%	92
Pumps and power	8%	74
Lighting and grip	26%	242
Other	12%	115
Total	100%	C$ 938

We believe Sunbelt UK offers the widest range of non-operated rental equipment available from a single company in the UK. The original cost of its fleet, at April 30, 2021, was approximately £914 million ($1,266 million) and the average age of Sunbelt UK's fleet at April 30, 2021, was 39 months on a net book value weighted basis. The table below sets out the composition of the Sunbelt UK fleet at April 30, 2021, by major category based on original cost.

Sunbelt UK fleet breakdown	% of gross fleet	Original cost (in millions)
Mobile elevating work platforms	10%	89
Earth moving	14%	126
Pump and power	5%	41
Traffic	2%	17
Forklifts	10%	89
Panels, fencing and barriers	11%	104
Accommodation	16%	150
Formwork and Falsework	3%	23
Other	29%	275
Total	100%	£ 914

Suppliers

Sunbelt Rentals primarily buys new equipment from vendors with strong reputations for product quality and reliability.

In North America, the six largest equipment manufacturers from which Sunbelt Rentals purchases equipment, in terms of original cost of purchases, are Atlas Corp., Clark Equipment, JCB, JLG Industries, John Deere and Terex. These suppliers accounted for approximately 53% of Sunbelt Rentals North American capital expenditure on rental equipment in FY April 2021.

Sunbelt UK has continued to rationalize the number of suppliers from which it purchases new equipment. The six largest equipment manufacturers from which Sunbelt UK purchases equipment, in terms of original cost of purchases, are JCB, Leica, Pramac-Generac, Off Grid Energy, Thurston and Trime. These suppliers accounted for approximately 54% of Sunbelt UK's capital expenditures on rental equipment in FY April 2021.

We believe that Sunbelt Rentals has sufficient alternative sources of supply for the equipment it purchases in each of its product categories in each geography in which it operates.

Information technology

Sunbelt North America's complete digital eco-system begins with our online Command Center, including a mobile app, where customers can see and manage everything to do with their account. They can, among other things, track what equipment they have on rent, order new items from the entire available range, see what they've rented recently, request service or a pickup, extend their contract, see store locations or log their favorite equipment. Our sales representatives have access to all of this information, as well as a very powerful CRM tool, Accelerate, which enables them to find out where available equipment is located, customer contacts, preferences and potential needs, and all other information relevant to serving the customer.

These tools are enhanced further through the use of our proprietary cloud-based sourcing decision engine, Chronos. Developed with over 200 logic rules based on different variables and situations, Chronos creates automated workflows connected to and powering our point of sales and logistics systems which enable our sales representatives to focus more of their time on servicing customer needs.

Finally, our Vehicle Delivery Optimization System ("VDOS") is used by dispatchers to manage pickup and deliveries of equipment at job sites, and schedule drivers who are able to access it on their mobile phones. There are vast amounts of data behind each of these applications, which we reference to make efficiency gains, deliver improvements in procurement, service operations, logistics and our management of resources, add depth to our growth strategy and provide more accurate strategic forecasts.

Similar to Sunbelt in North America, Sunbelt UK has a range of technology based tools to enhance the customer experience and deliver operational efficiencies. Sunbelt UK offers its customers an interactive website where customers can find their nearest Sunbelt UK store and browse Sunbelt UK's range of rental equipment. In addition, Sunbelt UK also operates a customer extranet where customers can access their accounts on-line at any time and, tailor the presentation according to their preferences. Sunbelt UK utilizes a sophisticated point-of-sale invoicing and asset control computer system that links all Sunbelt UK stores and allows Sunbelt UK staff to manage and control the rental fleet effectively.

These tools are supported by Sunbelt UK's Logistic tool, which provides customers with real time delivery tracking through text message and app, contactless and paperless delivery and the ability to off-hire in the same manner, providing customers with instant visibility of products on hire. Logistic is also used internally to create operational efficiencies, for example through providing visibility of our vehicle fleet to maximize utilization and create the most efficient delivery routes for drivers.

Sales and marketing

Each of Sunbelt US, Sunbelt Canada and Sunbelt UK has a dedicated sales force focusing on establishing and expanding our national, regional and specialized equipment customers in various sectors. Our total sales force at April 30, 2021, comprised 1,973 people. In both North America and the UK, we have dedicated national account sales forces that are focused on building and reinforcing relationships with our larger customers, particularly those with a national or multi regional presence. Our sales force is further broken down into smaller product focused teams, which enhances the development of technical expertise.

In addition to the efforts of our sales force, we market our business through traditional outlets such as direct mail campaigns, print advertising, telemarketing and industry trade publications.

Staff, training and development

Developing quality rental equipment staff is a priority at Sunbelt Rentals and, we believe, is also an important way of maintaining employee morale and loyalty. Sunbelt Rentals maintain in-house training teams which during FY April 2021 offered a wide range of courses for a significant number of our employees, consisting over 9,000 employee training days in the UK alone.

Employees

Our worldwide workforce consisted of approximately 18,826 employees (full- and part-time) at April 30, 2021, of which approximately 15,032 were located in North America and approximately 3,794 were located in the UK. We have approximately 932 employees in the US who are members of the laborers', teamsters' or operating engineers' unions. We believe that, overall, our relations with our employees are good. Staff costs remain our largest individual cash cost and amounted to £1,138 million ($1,502 million) and £1,172 million ($1,484 million), or 42% and 44% of our operating costs, in FY April 2021 and FY April 2020, respectively.

Properties and lease arrangements

At April 30, 2021, we operated 1,126 stores in North America and the UK. We own 59 properties in North America and lease the remaining locations. We own 46 properties in the UK and hold a leasehold interest in the remaining locations.

Each of our locations typically includes offices for sales, administration and management, a customer showroom displaying rental equipment, an equipment service area, office accommodation and outdoor and indoor storage facilities for equipment. Each location offers a range of rental equipment dependent on the specializations of the store(s) based at the location.

We also lease our corporate headquarters in an office building in London, England, Sunbelt Rentals' corporate headquarters in an office building in Fort Mill, South Carolina and Sunbelt UK's corporate headquarters in an office building in Warrington, England. We do not consider any specific leased location to be material to our operations.

Environmental and safety matters

Our operations are subject to numerous laws governing environmental protection and occupational health and safety matters. These laws regulate such issues as wastewater, storm water, solid and hazardous wastes and materials and air quality. Under these laws, we may be liable for, among other things, the cost of investigating and remediating contamination at our sites as well as sites to which we sent hazardous wastes for disposal or treatment regardless of fault, and also fines and penalties for non-compliance. Our operations generally do not raise significant environmental risks, but we use hazardous materials to clean and maintain equipment, dispose of solid and hazardous waste and wastewater from equipment washing and store and dispense petroleum products from underground and above ground storage tanks located at certain of our locations.

Based on the conditions currently known to us, we do not believe that any pending or likely remediation and compliance costs will have a material adverse effect on our business. We cannot be certain, however, as to the potential financial impact on our business if new adverse environmental conditions are discovered or environmental and safety requirements become more stringent. If we are required to incur environmental compliance or remediation costs that are not currently anticipated by us, our business could be adversely affected depending on the magnitude of the cost.

Legal proceedings

We are a party to certain legal proceedings arising in the ordinary course of business, the results of which cannot be predicted with certainty.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer, the guarantors or the Ashtead Group is aware), during the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer's, the guarantors' or Ashtead Group's financial position or profitability.

MANAGEMENT

Directors and executive officers

The following table sets forth certain information with respect to our executive officers and members of Ashtead Group plc's Board of Directors as of the date of this offering memorandum.

Name	Age	Title
Executive Officers		
Brendan Horgan	47	Chief Executive of Ashtead Group plc and Chief Executive Officer of Sunbelt Rentals
Michael Pratt	57	Chief Financial Officer of Ashtead Group plc
Directors		
Paul Walker	64	Non-Executive Chairman
Brendan Horgan	47	Executive Director
Michael Pratt	57	Executive Director
Angus Cockburn	58	Senior Independent Non-Executive Director
Jill Easterbrook	50	Independent Non-Executive Director
Tanya Fratto	60	Independent Non-Executive Director
Lucinda Riches	60	Independent Non-Executive Director
Lindsley Ruth	50	Independent Non-Executive Director

Brendan Horgan, Chief Executive, Ashtead Group plc, was appointed as Chief Executive in May 2019. Prior to May 2019, Mr. Horgan served as Chief Operating Officer of Ashtead Group, plc from January 2018 and as the Chief Executive of Sunbelt Rentals since January 2011. Mr. Horgan joined Sunbelt Rentals in 1996 and has previously held a number of senior management positions including Chief Sales Officer and Chief Operating Officer. Mr. Horgan is chair of the Finance and Administration Committee. Mr. Horgan is a US citizen and lives in Charlotte, North Carolina.

Michael Pratt, Chief Financial Officer, Ashtead Group plc, was appointed as Chief Financial Officer and as a Director of Ashtead Group plc in April 2018. Mr. Pratt joined the Group in 2003 from PricewaterhouseCoopers and since 2012 has served as Deputy Finance Director and Treasurer. He is a Chartered Accountant. Mr. Pratt is a member of the Finance and Administration and Group Risk Committees. Mr. Pratt is a British citizen and lives in London.

Board composition

In addition to our executive officers Messrs. Horgan and Pratt, whose backgrounds we have described above, our board includes the following non-executive directors:

Paul Walker, Non-Executive Chairman, was appointed as a non-executive Director in July 2018 and non-executive Chairman September 2018. Mr. Walker is chair of the Nomination Committee and a member of the Finance and Administration Committee. Mr. Walker is also non-executive Chairman of RELX plc. Mr. Walker was previously Chief Executive of the Sage Group plc and has served on the boards of Diageo plc, Experian plc, Halma plc, Sophos Group plc and MyTravel Group plc. Mr. Walker is a British citizen and lives in Newcastle.

Angus Cockburn, Senior Independent Non-Executive Director, was appointed as a non-executive Director in October 2018 and senior independent non-executive Director in January 2019. Mr. Cockburn is chair of the Audit Committee and a member of the Remuneration and Nomination Committees. Mr. Cockburn is non-executive Chair of James Fisher and Sons plc and non-executive Director of Securities Trust of Scotland plc and Edrington Group Limited. Previously, Mr. Cockburn was Chief Financial Officer of Serco Group plc from October 2014 to April 2021. Additionally, Mr. Cockburn was Chief Financial Officer and Interim Chief Executive at Aggreko plc, senior independent Director of GKN plc and a non-executive Director of Howden Joinery Group PLC. Mr. Cockburn is a British citizen and lives in Edinburgh.

Jill Easterbrook, Independent Non-Executive Director, was appointed as a non-executive Director and member of the Audit, Remuneration and Nomination Committees in January 2020. Ms. Easterbrook is a non-executive director of Auto Trader Group plc and UP Global Sourcing Holdings plc, as well as non-executive chair of Headland Consultancy. Ms. Easterbrook formally held a number of senior positions with Tesco PLC and was the chief executive officer of JP Boden & Co. Ms. Easterbrook is a British citizen and lives in London.

Tanya Fratto, Independent Non-Executive Director, was appointed as a non-executive Director and a member of the Audit, Remuneration and Nomination Committees in July 2016. Ms. Fratto is a non-executive director of Smiths Group plc, Advanced Drainage Systems Inc., Mondi Limited and Mondi plc. Ms. Fratto was formerly president and chief executive officer of Diamond Innovations. Ms. Fratto is a US citizen and lives in Alabama.

Lucinda Riches, Independent Non-Executive Director, was appointed as a non-executive Director and a member of the Remuneration and Nomination Committees in June 2016 and chair of the Remuneration Committee and member of the Audit Committee in September 2016. Ms. Riches is a non-executive director of CRH plc and Greencoat UK Wind plc and senior independent director of ICG Enterprise Trust plc and The British Standards Institution. Ms. Riches was formerly global head of Equity Capital Markets and a member of the board of UBS Investment Bank. Ms. Riches is a British citizen and lives in London.

Lindsley Ruth, Independent Non-Executive Director, was appointed as a non-executive Director and a member of the Audit, Remuneration and Nomination Committees in May 2019. Mr. Ruth is Chief Executive Officer of Electrocomponents plc where he was appointed in April 2015. Mr. Ruth was formerly Executive Vice President of the Future Electronics Group of companies and has also held senior positions with TTI Inc. and Solectron Corporation. Mr. Ruth is a US citizen and lives in London.

As of the date of this offering memorandum, there are no current or potential conflicts of interest between each of the directors of Ashtead Group plc in his or her official capacity and his or her private interests or other duties.

The business address of the Board of Directors of Ashtead Group plc and each of Michael Pratt, Paul Walker, Angus Cockburn, Jill Easterbrook, Tanya Fratto, Lucinda Riches and Lindsley Ruth is 100 Cheapside, London EC2V 6DT, England. Brendan Horgan's business address is 2341 Deerfield Dr., Fort Mill, SC 29715, USA.

Board committees

Our Board of Directors has established an Audit Committee, a Remuneration Committee, a Nomination Committee and Group Risk Committee and a Finance and Administration Committee to carry out certain functions as described below. The following is a brief description of the committees of our Board of Directors.

Audit Committee

The Audit Committee of the Board of Directors is composed of Angus Cockburn (Chair), Jill Easterbrook, Tanya Fratto, Lucinda Riches and Lindsley Ruth. Eric Watkins is secretary to the Committee. The Audit Committee meets as and when required during the year to consider, among other things, quarterly and annual results, the external and internal audit plans and reports from the external auditor and internal operational auditors, the independence, objectivity and effectiveness of the external auditor and the level of audit and non-audit fees, the frequency and scope of internal audit, the Ashtead Group plc risk register and the work of the Ashtead Group plc Risk Committee, the effectiveness of Ashtead Group plc's internal controls and financial reporting policies and reports on matters referred through Ashtead Group plc's whistle blowing procedures.

Remuneration Committee

The Remuneration Committee of the Board of Directors is composed of Lucinda Riches (Chair), Angus Cockburn, Jill Easterbrook, Tanya Fratto and Lindsley Ruth. Eric Watkins is secretary to the Committee. The Remuneration Committee meets as and when required during the year to set the compensation packages for the executive Directors, to establish the terms and conditions of the executive Directors' employment and to set remuneration policy generally.

None of the Committee members has any personal financial interests, other than as shareholders, in the matters to be decided. None of the members of the Remuneration Committee is currently or has been at any time one of our

executive Directors or an employee. None of our executive Directors currently serves, or has served, as a member of the board of directors of any other company that has one or more executive directors serving on our Board of Directors or Remuneration Committee.

Nomination Committee

The Nomination Committee of the Board of Directors is composed of Paul Walker (Chair), Angus Cockburn, Jill Easterbrook, Tanya Fratto, Lucinda Riches and Lindsley Ruth. Eric Watkins is secretary to the Committee. The Nomination Committee meets as and when required to consider the structure, size and composition of our Board of Directors. The Committee's primary focus during the year remained succession planning and, in particular, the orderly replacement of the long-serving non-executive directors.

Finance and Administration Committee

The Finance and Administration Committee of the Board of Directors is composed of Brendan Horgan (Chair), Michael Pratt and Paul Walker. The Board of Directors has delegated authority to this Committee to deal with routine financial and administrative matters between Board of Directors meetings. The Committee meets as necessary to perform its role and has a quorum requirement of two members with certain matters requiring the participation of Paul Walker, non-executive Chairman of the Board of Directors, including, for example, the approval of material announcements to the London Stock Exchange.

Group Risk Committee

The Group Risk Committee of the Board of Directors is composed of Michael Pratt (Chairperson); the North American chief financial officer, head of control operations, the North American board member to whom the risk team reports, the head of safety, health and environment and one of the operational executive vice presidents; the UK chief financial officer; the Group's managing director of ESG; and US and UK counsel. The Group Risk Committee provides the Audit Committee, and through them the Board, with a comprehensive annual report on its activities including new legislative requirements, details of areas identified in the year as requiring improvement, and the status of actions being taken to make those improvements. It also facilitates the coordination of the environmental, health, safety and risk management activities of Sunbelt and Sunbelt UK so that best practice and new initiatives in one business can be shared with, and adopted by, the other.

Principal shareholders

The Issuer

As of April 30, 2021, the authorized share capital of the Issuer consisted of 1,000 shares, each with no par value. All of the issued share capital of the Issuer is beneficially owned by Ashtead Holdings, LLC.

Ashtead Group plc

As of April 30, 2021, the issued share capital of Ashtead Group plc was £45.1 million, consisting of 451,354,833 ordinary shares, each with a par value of 10 pence per share. The following shareholders have notified the Directors that they hold or are beneficially interested in 3% or more of Ashtead Group plc's ordinary share capital as of June 14, 2021.

Name	Percent
Abrams Bison Investments LLC	5%
BlackRock, Inc.	5%

The shareholders listed above have the same voting rights of one vote per share as other holders of ordinary shares.

DESCRIPTION OF CERTAIN INDEBTEDNESS

The following is a summary of our financing arrangements. This summary is qualified in its entirety by reference to the various documents governing the financing arrangements.

First priority senior secured credit facility

Set forth below is a summary of certain of the terms and conditions that govern our First Priority Senior Secured Credit Facility. This summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the terms and conditions of our First Priority Senior Secured Credit Facility and the agreements evidencing our First Priority Senior Secured Credit Facility.

The borrowers

Ashtead Holdings, LLC, Sunbelt Rentals, Inc., Sunbelt Rentals Scaffold Services, LLC, Sunbelt Rentals Limited, Eve Trakway Limited, Sunbelt Rentals Industrial Services LLC, William F. White International Inc. and Sunbelt Rentals of Canada Inc. are the borrowers under our First Priority Senior Secured Credit Facility.

The guarantors

Ashtead Group plc, Ashtead Holdings PLC, Ashtead Financing Limited, Ashtead Capital, Inc., Accession Group Limited, Accession Holdings Limited, ATM Traffic Solutions Limited, Anglia Traffic Management Group Limited, Sunbelt Rentals Scaffold Services, Inc., Ashtead Canada Limited, Ashtead US Holdings, Inc. and Ashtead Financing (Ireland) Unlimited Company are the guarantors under our First Priority Senior Secured Credit Facility. We are required to make any future material subsidiaries of Ashtead Group plc additional guarantors under our First Priority Senior Secured Credit Facility.

The facilities

Our First Priority Senior Secured Credit Facility, which is currently scheduled to mature in December 2023, consists of an asset-based senior secured revolving credit facility in an aggregate principal amount of $4.1 billion, of which up to $1 billion US dollar equivalent can be drawn in pounds sterling and $750 million US dollar equivalent can be drawn in Canadian dollars. The facility is non-amortizing.

Pricing for the revolving credit facility is based on availability according to a grid which varies, depending on availability and our total leverage ratio, from LIBOR *plus* 125 basis points to LIBOR *plus* 175 basis points (or from the base rate, based among other things on Bank of America's prime rate, *plus* 25 basis points to the base rate *plus* 75 basis points). As of April 30, 2021, our borrowing rate under the facility was LIBOR *plus* 125 basis points. We are able to elect for LIBOR loans interest periods of one week or one, two, three or six months. The applicable interest rate will rise by 2.0% per annum on any principal amount that is not paid when due, on the principal amount of all obligations under the facility upon the commencement by or against any borrower of an insolvency proceeding and with respect to the principal amount of any protective agent advances. Among other fees, the facility is also subject to a per annum unused line fee on the undrawn portion of the facility of 25 basis points, payable quarterly in arrears.

As the facility is asset-based, the maximum amount available to be borrowed (which includes drawings in the form of standby letters of credit) depends on asset values (receivables, inventory, rental equipment and real estate) which are subject to periodic independent appraisal. Our ability to borrow, repay and reborrow revolving loans and have letters of credit issued for our accounts is limited by, among other things, US, UK, and Canadian borrowing bases equal to specified percentages of, among other things, eligible accounts receivable, eligible inventory, eligible rental equipment and eligible real estate and is subject to other conditions to borrowing and limitations, including reserve requirements and limitations on the value of certain assets comprising the borrowing bases. $1,294 million was utilized under the facility at April 30, 2021, and the maximum amount which could be utilized on the facility at April 30, 2021, was $4.1 billion.

Covenants

Our First Priority Senior Secured Credit Facility also contains representations and warranties customary for facilities of this type. It contains a springing financial covenant to maintain a minimum fixed charge coverage ratio, which is the ratio of consolidated EBITDA *minus*, to the extent positive, consolidated net capital expenditures for the then ended four fiscal quarter period to fixed charges for such four fiscal quarter period. This financial covenant does not, however, apply when excess availability under the facility exceeds 10% of the facility size ($410 million). Available liquidity under the First Priority Senior Secured Credit Facility at April 30, 2021, was £2,175 million ($3,011 million) reflecting drawings under the facility at that date together with outstanding letters of credit of £37 million ($52 million). In addition, our First Priority Senior Secured Credit Facility contains certain restrictive or negative covenants, including negative covenants that restrict the ability of each borrower, each guarantor and any restricted subsidiary of the foregoing, subject to certain important exceptions, to, among other things:

(a) merge, reorganize, consolidate or amalgamate with any person or entity;

(b) make investments or loans or acquire any person or entity;

(c) create, incur, assume, guarantee or suffer to exist any debt;

(d) enter into, or be party to any transaction with, any affiliate or stockholder;

(e) create or suffer to exist any lien or encumbrance on any of its assets or property;

(f) make payments in connection with subordinated debt or amend or modify the terms of indentures or certain other debt documents;

(g) declare, pay or make distributions or dividends;

(h) sell, assign, lease, consign or otherwise dispose of any of its assets or property; or

(i) engage in any new business.

Our obligations under our First Priority Senior Secured Credit Facility are secured by a first priority security interest, subject to permitted liens and other limited exceptions, in substantially all tangible and intangible property of the borrowers and the guarantors at any time owned or acquired.

Each new material subsidiary of Ashtead Group plc is required to promptly provide security over its assets, subject to permitted liens and other limited exceptions.

Events of default

Our First Priority Senior Secured Credit Facility contains certain events of default, including, among other things:

(a) non-payment of any amount due;

(b) breach of any representation, warranty or other written statement made or furnished or when reaffirmed by any borrower or any guarantor, subject to certain cure rights;

(c) breaches of covenants;

(d) any event of default on the part of any obligor under any agreement relating to any debt in excess of $25 million if the payment or maturity of such debt may be accelerated or demand for payment may be made in consequence thereof;

(e) any borrower or guarantor shall cease to be solvent (on a consolidated basis);

(f) any action, case or proceeding is commenced by or against any borrower or guarantor, or any agreement of any borrower or guarantor, for (i) the entry of an order for relief under any chapter of the US Bankruptcy Code or other insolvency or debt adjustment law (whether state, federal or foreign), (ii) the appointment of a receiver, trustee, liquidator or other custodian for any borrower or guarantor or any part of its assets, (iii) an assignment or trust mortgage for the benefit of creditors of any borrower or guarantor or (iv) the liquidation, dissolution or winding up of the affairs of any borrower or guarantor;

(g) any "change of control" (as defined in the agreement evidencing our First Priority Senior Secured Credit Facility); and

(h) one or more judgments or orders for the payment of money (not covered by insurance) against any borrower or any guarantor in an amount (net of any applicable insurance recoveries) that exceeds, individually or in the aggregate, $25 million.

2025 Notes

On August 9, 2017, the Issuer issued $600 million of the 2025 Notes. The 2025 Notes are fully and unconditionally guaranteed on a senior unsecured basis by the Parent Guarantor and substantially all of the Parent Guarantor's material direct and indirect subsidiaries (other than the Issuer).

The 2025 Notes mature on August 15, 2025. Interest on the 2025 Notes accrues at a rate of 4.125% per annum and is payable on each February 15 and August 15.

The 2025 Notes rank senior in right of payment to all of the Issuer's existing and future debt that is subordinated in right of payment to the 2025 Notes and rank equally in right of payment with all of the Issuer's existing and future debt that is not subordinated in right of payment to the 2025 Notes, including the 2026 Notes, 2027 Notes, 2028 Notes and 2029 Notes. The guarantees of each of the guarantors of the 2025 Notes rank senior in right of payment to all of such guarantor's existing and future debt that is subordinated in right of payment to such guarantee and rank equally in right of payment with all of such guarantor's existing and future debt that is not subordinated in right of payment to such guarantee. The 2025 Notes are effectively subordinated to existing and future secured debt, including the First Priority Senior Security Credit Facility, to the extent of the value of the collateral securing such debt, and structurally subordinated to all of the liabilities of our subsidiaries that do not guarantee the 2025 Notes.

At any time prior to August 15, 2020, the Issuer may on one or more occasions redeem up to 40% of the aggregate principal amount of the 2025 Notes at a redemption price of 104.125% of their principal amount, *plus* accrued and unpaid interest, if any, to the applicable redemption date with the proceeds of one or more equity offerings; *provided* that: (i) at least 60% of the aggregate principal amount of Notes that were initially issued would remain outstanding immediately after the proposed redemption; and (ii) the redemption occurs within 180 days after the closing of such Equity Offering.

At any time prior to August 15, 2020, the Issuer may on one or more occasions redeem all or part of the 2025 Notes at a redemption price equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest, if any, to the redemption date and the greater of:

- 1.0% of the principal amount of such 2025 Notes being redeemed; and
- the excess of:
    - the present value at such redemption date of (x) the redemption price of such 2025 Notes being redeemed at August 15, 2020 (i.e., 103.094% of the principal amount of such 2025 Notes), *plus* (y) all required scheduled interest payments that would otherwise be due to be paid on such 2025 Notes during the period between the redemption date and August 15, 2020 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate, as defined in the indenture governing the 2025 Notes, at such redemption date *plus* 50 basis points; over
    - the outstanding principal amount of such 2025 Notes being redeemed.

On or after August 15, 2020, and prior to the maturity date for the 2025 Notes, the Issuer may on one or more occasions redeem all or a portion of the 2025 Notes at the following redemption prices if redeemed during the twelve-month period commencing on August 15 of the years set forth below:

Year	Redemption price
2020	103.094%
2021	102.063%
2022	101.031%
2023 and thereafter	100.000%

The Issuer may also redeem all, but not less than all, of the 2025 Notes at a redemption price of 100% of the principal amount thereof outstanding, *plus* accrued and unpaid interest, if any, to the redemption date, premium, if any, and all other additional amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise if the Issuer determines in good faith that it or any guarantor of the 2025 Notes is, or on the next date on which any amount would be payable in respect of the 2025 Notes would be, obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances.

The Issuer will make all payments with respect to the 2025 Notes and the guarantors will make all payments with respect to the guarantees of the 2025 Notes free and clear of and without withholding or deduction for or on account of certain taxes, subject to certain exceptions as provided in the indenture governing the 2025 Notes. In the event that any such withholding or deduction is made, the Issuer or the guarantors, as the case may be, will, except in certain limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted.

The indenture governing the 2025 Notes contains covenants for the benefit of the holders of the 2025 Notes that include, subject to important exceptions, restrictions on the ability of the Parent Guarantor, the Issuer and the Parent Guarantor's other subsidiaries to:

- create liens on assets to secure debt;
- enter into sale and leaseback transactions;
- in the case of a subsidiary that is not the Issuer or a subsidiary guarantor, guarantee our debt; and
- sell all or substantially all of its properties and assets or merge or consolidate with or into another company.

The indenture governing the 2025 Notes also provides that the Issuer or the Parent Guarantor will be required to make an offer to purchase the 2025 Notes at a purchase price equal to 101% of their aggregate principal amount (plus accrued and unpaid interest, if any, to the date of purchase) upon the occurrence of a "Change of Control," as defined in the indenture governing the 2025 Notes. In addition, the indenture governing the 2025 Notes requires that the Issuer or the Parent Guarantor offer to purchase all or a portion of the 2025 Notes at 100% of the principal amount, *plus* accrued and unpaid interest, if any, to the date of repurchase from the net cash proceeds of certain asset sales if those proceeds are not reinvested or used to repay certain indebtedness.

The indenture governing the 2025 Notes specifies a number of events of default, including, among others, a failure to make timely principal or interest payments or to perform the covenants contained in the indenture governing the 2025 Notes. If an event of default occurs and is continuing, the trustee under the indenture governing the 2025 Notes or the holders of a specified principal amount of the outstanding 2025 Notes may declare the principal amount of, premium, if any, and any additional amounts and accrued but unpaid interest on all of the 2025 Notes to be due and payable. An acceleration of the 2025 Notes may, under specified circumstances, be rescinded by the holders of a majority of the aggregate principal amount of the then outstanding 2025 Notes.

Prior to the closing of this offering, we intend to redeem the remaining $600 million of the 2025 Notes with a portion of the net proceeds of this offering of notes, pursuant to the 2025 Notes Redemption. See "Summary — Concurrent Redemptions of 2025 Notes and 2026 Notes."

2026 Notes

On July 26, 2018, the Issuer issued $600 million of the 2026 Notes. The 2026 Notes are fully and unconditionally guaranteed on a senior unsecured basis by the Parent Guarantor and substantially all of the Parent Guarantor's material direct and indirect subsidiaries (other than the Issuer).

The 2026 Notes mature on August 1, 2026. Interest on the 2026 Notes accrues at a rate of 5.250% per annum and is payable on each February 1 and August 1.

The 2026 Notes rank senior in right of payment to all of the Issuer's existing and future debt that is subordinated in right of payment to the 2026 Notes and rank equally in right of payment with all of the Issuer's existing and future debt that is not subordinated in right of payment to the 2026 Notes, including the 2025 Notes, 2027 Notes, 2028 Notes and 2029 Notes. The guarantees of each of the guarantors of the 2026 Notes rank senior in right of payment to all of such guarantor's existing and future debt that is subordinated in right of payment to such guarantee and rank equally in right of payment with all of such guarantor's existing and future debt that is not subordinated in right of payment to such guarantee. The 2026 Notes are effectively subordinated to existing and future secured debt, including the First Priority Senior Security Credit Facility, to the extent of the value of the collateral securing such debt, and structurally subordinated to all of the liabilities of our subsidiaries that do not guarantee the 2026 Notes.

At any time prior to August 1, 2021, the Issuer may on one or more occasions redeem up to 40% of the aggregate principal amount of the 2026 Notes at a redemption price of 105.250% of their principal amount, *plus* accrued and unpaid interest, if any, to the applicable redemption date with the proceeds of one or more equity offerings; *provided* that: (i) at least 60% of the aggregate principal amount of Notes that were initially issued would remain outstanding immediately after the proposed redemption; and (ii) the redemption occurs within 180 days after the closing of such Equity Offering.

At any time prior to August 1, 2021, the Issuer may on one or more occasions redeem all or part of the 2026 Notes at a redemption price equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest, if any, to the redemption date and the greater of:

- 1.0% of the principal amount of such 2026 Notes being redeemed; and
- the excess of:
    - the present value at such redemption date of (x) the redemption price of such 2026 Notes being redeemed at August 1, 2021 (i.e., 103.938% of the principal amount of such 2026 Notes), *plus* (y) all required scheduled interest payments that would otherwise be due to be paid on such 2026 Notes during the period between the redemption date and August 1, 2021 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate, as defined in the indenture governing the 2026 Notes, at such redemption date *plus* 50 basis points; over
    - the outstanding principal amount of such 2026 Notes being redeemed.

On or after August 1, 2021, and prior to the maturity date for the 2026 Notes, the Issuer may on one or more occasions redeem all or a portion of the 2026 Notes at the following redemption prices if redeemed during the twelve-month period commencing on August 1 of the years set forth below:

Year	Redemption price
2021	103.938%
2022	102.625%
2023	101.313%
2024 and thereafter	100.000%

The Issuer may also redeem all, but not less than all, of the 2026 Notes at a redemption price of 100% of the principal amount thereof outstanding, *plus* accrued and unpaid interest, if any, to the redemption date, premium, if any, and all other additional amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise if the Issuer determines in good faith that it or any guarantor of the 2026 Notes is, or on the next date on which any amount would be payable in respect of the 2026 Notes would be, obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances.

The Issuer will make all payments with respect to the 2026 Notes and the guarantors will make all payments with respect to the guarantees of the 2026 Notes free and clear of and without withholding or deduction for or on account of certain taxes, subject to certain exceptions as provided in the indenture governing the 2026 Notes. In the event that any such withholding or deduction is made, the Issuer or the guarantors, as the case may be, will, except in certain limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted.

The indenture governing the 2026 Notes contains covenants for the benefit of the holders of the 2026 Notes that include, subject to important exceptions, restrictions on the ability of the Parent Guarantor, the Issuer and the Parent Guarantor's other subsidiaries to:

- create liens on assets to secure debt;
- enter into sale and leaseback transactions;
- in the case of a subsidiary that is not the Issuer or a subsidiary guarantor, guarantee our debt; and
- sell all or substantially all of its properties and assets or merge or consolidate with or into another company.

The indenture governing the 2026 Notes also provides that the Issuer or the Parent Guarantor will be required to make an offer to purchase the 2026 Notes at a purchase price equal to 101% of their aggregate principal amount (plus accrued and unpaid interest, if any, to the date of purchase) upon the occurrence of a "Change of Control," as defined in the indenture governing the 2026 Notes. In addition, the indenture governing the 2026 Notes requires that the Issuer or the Parent Guarantor offer to purchase all or a portion of the 2026 Notes at 100% of the principal amount, *plus* accrued and unpaid interest, if any, to the date of repurchase from the net cash proceeds of certain asset sales if those proceeds are not reinvested or used to repay certain indebtedness.

The indenture governing the 2026 Notes specifies a number of events of default, including, among others, a failure to make timely principal or interest payments or to perform the covenants contained in the indenture governing the 2026 Notes. If an event of default occurs and is continuing, the trustee under the indenture governing the 2026 Notes or the holders of a specified principal amount of the outstanding 2026 Notes may declare the principal amount of, premium, if any, and any additional amounts and accrued but unpaid interest on all of the 2026 Notes to be due and payable. An acceleration of the 2026 Notes may, under specified circumstances, be rescinded by the holders of a majority of the aggregate principal amount of the then outstanding 2026 Notes.

Prior to the closing of this offering, we intend to redeem the remaining $600 million of the 2026 Notes with a portion of the net proceeds of this offering of notes, pursuant to the 2026 Notes Redemption. See "Summary — Concurrent Redemptions of 2025 Notes and 2026 Notes."

2027 Notes

On August 9, 2017, the Issuer issued $600 million of the 2027 Notes. The 2027 Notes are fully and unconditionally guaranteed on a senior unsecured basis by the Parent Guarantor and substantially all of the Parent Guarantor's material direct and indirect subsidiaries (other than the Issuer).

The 2027 Notes mature on August 15, 2027. Interest on the 2027 Notes accrues at a rate of 4.375% per annum and is payable on each February 15 and August 15.

The 2027 Notes rank senior in right of payment to all of the Issuer's existing and future debt that is subordinated in right of payment to the 2027 Notes and rank equally in right of payment with all of the Issuer's existing and future debt that is not subordinated in right of payment to the 2027 Notes, including the 2025 Notes, 2026 Notes, 2028 Notes and 2029 Notes. The guarantees of each of the guarantors of the 2027 Notes rank senior in right of payment to all of such guarantor's existing and future debt that is subordinated in right of payment to such guarantee and rank equally in right of payment with all of such guarantor's existing and future debt that is not subordinated in right of payment to such guarantee. The 2027 Notes are effectively subordinated to existing and future secured debt, including the First Priority Senior Security Credit Facility, to the extent of the value of the collateral securing such debt, and structurally subordinated to all of the liabilities of our subsidiaries that do not guarantee the 2027 Notes.

At any time prior to August 15, 2020, the Issuer may on one or more occasions redeem up to 40% of the aggregate principal amount of the 2027 Notes at a redemption price of 104.375% of their principal amount, *plus* accrued and unpaid interest, if any, to the applicable redemption date with the proceeds of one or more equity offerings; *provided* that: (i) at least 60% of the aggregate principal amount of Notes that were initially issued would remain outstanding immediately after the proposed redemption; and (ii) the redemption occurs within 180 days after the closing of such Equity Offering.

At any time prior to August 15, 2022, the Issuer may on one or more occasions redeem all or part of the 2027 Notes at a redemption price equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest, if any, to the redemption date and the greater of:

- 1.0% of the principal amount of such 2027 Notes being redeemed; and
- the excess of:
    - the present value at such redemption date of (x) the redemption price of such 2027 Notes being redeemed at August 15, 2022 (i.e., 102.188% of the principal amount of such 2027 Notes), *plus* (y) all required scheduled interest payments that would otherwise be due to be paid on such 2027 Notes during the period between the redemption date and August 15, 2022 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate, as defined in the indenture governing the 2027 Notes, at such redemption date *plus* 50 basis points; over
    - the outstanding principal amount of such 2027 Notes being redeemed.

On or after August 15, 2022, and prior to the maturity date for the 2027 Notes, the Issuer may on one or more occasions redeem all or a portion of the 2027 Notes at the following redemption prices if redeemed during the twelve-month period commencing on August 15 of the years set forth below:

Year	Redemption price
2022	102.188%
2023	101.458%
2024	100.729%
2025 and thereafter	100.000%

The Issuer may also redeem all, but not less than all, of the 2027 Notes at a redemption price of 100% of the principal amount thereof outstanding, *plus* accrued and unpaid interest, if any, to the redemption date, premium, if any, and all other additional amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise if the Issuer determines in good faith that it or any guarantor of the 2027 Notes is, or on the next date on which any amount would be payable in respect of the 2027 Notes would be, obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances.

The Issuer will make all payments with respect to the 2027 Notes and the guarantors will make all payments with respect to the guarantees of the 2027 Notes free and clear of and without withholding or deduction for or on account of certain taxes, subject to certain exceptions as provided in the indenture governing the 2027 Notes. In the event that any such withholding or deduction is made, the Issuer or the guarantors, as the case may be, will, except in certain limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted.

The indenture governing the 2027 Notes contains covenants for the benefit of the holders of the 2027 Notes that include, subject to important exceptions, restrictions on the ability of the Parent Guarantor, the Issuer and the Parent Guarantor's other subsidiaries to:

- create liens on assets to secure debt;
- enter into sale and leaseback transactions;
- in the case of a subsidiary that is not the Issuer or a subsidiary guarantor, guarantee our debt; and
- sell all or substantially all of its properties and assets or merge or consolidate with or into another company.

The indenture governing the 2027 Notes also provides that the Issuer or the Parent Guarantor will be required to make an offer to purchase the 2027 Notes at a purchase price equal to 101% of their aggregate principal amount (plus accrued and unpaid interest, if any, to the date of purchase) upon the occurrence of a "Change of Control," as defined in the indenture governing the 2027 Notes. In addition, the indenture governing the 2027 Notes requires that the Issuer or the Parent Guarantor offer to purchase all or a portion of the 2027 Notes at 100% of the principal amount, *plus* accrued and unpaid interest, if any, to the date of repurchase from the net cash proceeds of certain asset sales if those proceeds are not reinvested or used to repay certain indebtedness.

The indenture governing the 2027 Notes specifies a number of events of default, including, among others, a failure to make timely principal or interest payments or to perform the covenants contained in the indenture governing the 2027 Notes. If an event of default occurs and is continuing, the trustee under the indenture governing the 2027 Notes or the holders of a specified principal amount of the outstanding 2027 Notes may declare the principal amount of, premium, if any, and any additional amounts and accrued but unpaid interest on all of the 2027 Notes to be due and payable. An acceleration of the 2027 Notes may, under specified circumstances, be rescinded by the holders of a majority of the aggregate principal amount of the then outstanding 2027 Notes.

2028 Notes

On November 4, 2019, the Issuer issued $600 million of the 2028 Notes. The 2028 Notes are fully and unconditionally guaranteed on a senior unsecured basis by the Parent Guarantor and substantially all of the Parent Guarantor's material direct and indirect subsidiaries (other than the Issuer).

The 2028 Notes mature on May 1, 2028. Interest on the 2028 Notes accrues at a rate of 4.000% per annum and is payable on each May 1 and November 1.

The 2028 Notes rank senior in right of payment to all of the Issuer's existing and future debt that is subordinated in right of payment to the 2028 Notes and rank equally in right of payment with all of the Issuer's existing and future debt that is not subordinated in right of payment to the 2028 Notes, including the 2025 Notes, 2026 Notes, 2027 Notes and 2029 Notes. The guarantees of each of the guarantors of the 2028 Notes rank senior in right of payment to all of such guarantor's existing and future debt that is subordinated in right of payment to such guarantee and rank equally in right of payment with all of such guarantor's existing and future debt that is not subordinated in right of payment to such guarantee. The 2028 Notes are effectively subordinated to existing and future secured debt, including the First Priority Senior Security Credit Facility, to the extent of the value of the collateral securing such debt, and structurally subordinated to all of the liabilities of our subsidiaries that do not guarantee the 2028 Notes.

At any time prior to May 1, 2022, the Issuer may on one or more occasions redeem up to 40% of the aggregate principal amount of the 2028 Notes at a redemption price of 104.00% of their principal amount, *plus* accrued and unpaid interest, if any, to the applicable redemption date with the proceeds of one or more equity offerings; *provided* that: (i) at least 60% of the aggregate principal amount of Notes that were initially issued would remain outstanding immediately after the proposed redemption; and (ii) the redemption occurs within 180 days after the closing of such Equity Offering.

At any time prior to May 1, 2023, the Issuer may on one or more occasions redeem all or part of the 2028 Notes at a redemption price equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest, if any, to the redemption date and the greater of:

- 1.0% of the principal amount of such 2028 Notes being redeemed; and
- the excess of:
    - the present value at such redemption date of (x) the redemption price of such 2028 Notes being redeemed at May 1, 2023 (i.e., 102.000% of the principal amount of such 2028 Notes), *plus* (y) all required scheduled interest payments that would otherwise be due to be paid on such 2028 Notes during the period between the redemption date and May 1, 2023 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate, as defined in the indenture governing the 2028 Notes, at such redemption date *plus* 50 basis points; over
    - the outstanding principal amount of such 2028 Notes being redeemed.

On or after May 1, 2023, and prior to the maturity date for the 2028 Notes, the Issuer may on one or more occasions redeem all or a portion of the 2028 Notes at the following redemption prices if redeemed during the twelve-month period commencing on May 1 of the years set forth below:

Year	Redemption price
2023	102.000%
2024	101.333%
2025	100.667%
2026 and thereafter	100.000%

The Issuer may also redeem all, but not less than all, of the 2028 Notes at a redemption price of 100% of the principal amount thereof outstanding, *plus* accrued and unpaid interest, if any, to the redemption date, premium, if any, and all other additional amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise if the Issuer determines in good faith that it or any guarantor of the 2028 Notes is, or on the next date on which any amount would be payable in respect of the 2028 Notes would be, obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances.

The Issuer will make all payments with respect to the 2028 Notes and the guarantors will make all payments with respect to the guarantees of the 2028 Notes free and clear of and without withholding or deduction for or on account of certain taxes, subject to certain exceptions as provided in the indenture governing the 2028 Notes. In the event that any such withholding or deduction is made, the Issuer or the guarantors, as the case may be, will, except in certain limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted.

The indenture governing the 2028 Notes contains covenants for the benefit of the holders of the 2028 Notes that include, subject to important exceptions, restrictions on the ability of the Parent Guarantor, the Issuer and the Parent Guarantor's other subsidiaries to:

- create liens on assets to secure debt;
- enter into sale and leaseback transactions;
- in the case of a subsidiary that is not the Issuer or a subsidiary guarantor, guarantee our debt; and
- sell all or substantially all of its properties and assets or merge or consolidate with or into another company.

The indenture governing the 2028 Notes also provides that the Issuer or the Parent Guarantor will be required to make an offer to purchase the 2028 Notes at a purchase price equal to 101% of their aggregate principal amount (plus accrued and unpaid interest, if any, to the date of purchase) upon the occurrence of a "Change of Control," as defined in the indenture governing the 2028 Notes. In addition, the indenture governing the 2028 Notes requires that the Issuer or the Parent Guarantor offer to purchase all or a portion of the 2028 Notes at 100% of the principal amount, *plus* accrued and unpaid interest, if any, to the date of repurchase from the net cash proceeds of certain asset sales if those proceeds are not reinvested or used to repay certain indebtedness.

The indenture governing the 2028 Notes specifies a number of events of default, including, among others, a failure to make timely principal or interest payments or to perform the covenants contained in the indenture governing the 2028 Notes. If an event of default occurs and is continuing, the trustee under the indenture governing the 2028 Notes or the holders of a specified principal amount of the outstanding 2028 Notes may declare the principal amount of, premium, if any, and any additional amounts and accrued but unpaid interest on all of the 2028 Notes to be due and payable. An acceleration of the 2028 Notes may, under specified circumstances, be rescinded by the holders of a majority of the aggregate principal amount of the then outstanding 2028 Notes.

2029 Notes

On November 4, 2019, the Issuer issued $600 million of the 2029 Notes. The 2029 Notes are fully and unconditionally guaranteed on a senior unsecured basis by the Parent Guarantor and substantially all of the Parent Guarantor's material direct and indirect subsidiaries (other than the Issuer).

The 2029 Notes mature on November 1, 2029. Interest on the 2029 Notes accrues at a rate of 4.250% per annum and is payable on each May 1 and November 1.

The 2029 Notes rank senior in right of payment to all of the Issuer's existing and future debt that is subordinated in right of payment to the 2029 Notes and rank equally in right of payment with all of the Issuer's existing and future debt that is not subordinated in right of payment to the 2029 Notes, including the 2025 Notes, 2026 Notes, 2027 Notes and 2028 Notes. The guarantees of each of the guarantors of the 2029 Notes rank senior in right of payment to all of such guarantor's existing and future debt that is subordinated in right of payment to such guarantee and rank equally in right of payment with all of such guarantor's existing and future debt that is not subordinated in right of payment

to such guarantee. The 2029 Notes are effectively subordinated to existing and future secured debt, including the First Priority Senior Security Credit Facility, to the extent of the value of the collateral securing such debt, and structurally subordinated to all of the liabilities of our subsidiaries that do not guarantee the 2029 Notes.

At any time prior to November 1, 2022, the Issuer may on one or more occasions redeem up to 40% of the aggregate principal amount of the 2029 Notes at a redemption price of 104.250% of their principal amount, *plus* accrued and unpaid interest, if any, to the applicable redemption date with the proceeds of one or more equity offerings; *provided* that: (i) at least 60% of the aggregate principal amount of Notes that were initially issued would remain outstanding immediately after the proposed redemption; and (ii) the redemption occurs within 180 days after the closing of such Equity Offering.

At any time prior to November 1, 2024, the Issuer may on one or more occasions redeem all or part of the 2029 Notes at a redemption price equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest, if any, to the redemption date and the greater of:

- 1.0% of the principal amount of such 2029 Notes being redeemed; and
- the excess of:
    - the present value at such redemption date of (x) the redemption price of such 2029 Notes being redeemed at November 1, 2024 (i.e., 102.125% of the principal amount of such 2029 Notes), *plus* (y) all required scheduled interest payments that would otherwise be due to be paid on such 2029 Notes during the period between the redemption date and November 1, 2024 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate, as defined in the indenture governing the 2029 Notes, at such redemption date *plus* 50 basis points; over
    - the outstanding principal amount of such 2029 Notes being redeemed.

On or after November 1, 2024, and prior to the maturity date for the 2029 Notes, the Issuer may on one or more occasions redeem all or a portion of the 2029 Notes at the following redemption prices if redeemed during the twelve-month period commencing on November 1 of the years set forth below:

Year	Redemption price
2024	102.125%
2025	101.417%
2026	100.708%
2027 and thereafter	100.000%

The Issuer may also redeem all, but not less than all, of the 2029 Notes at a redemption price of 100% of the principal amount thereof outstanding, *plus* accrued and unpaid interest, if any, to the redemption date, premium, if any, and all other additional amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise if the Issuer determines in good faith that it or any guarantor of the 2029 Notes is, or on the next date on which any amount would be payable in respect of the 2029 Notes would be, obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances.

The Issuer will make all payments with respect to the 2029 Notes and the guarantors will make all payments with respect to the guarantees of the 2029 Notes free and clear of and without withholding or deduction for or on account of certain taxes, subject to certain exceptions as provided in the indenture governing the 2029 Notes. In the event that any such withholding or deduction is made, the Issuer or the guarantors, as the case may be, will, except in certain limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted.

The indenture governing the 2029 Notes contains covenants for the benefit of the holders of the 2029 Notes that include, subject to important exceptions, restrictions on the ability of the Parent Guarantor, the Issuer and the Parent Guarantor's other subsidiaries to:

- create liens on assets to secure debt;
- enter into sale and leaseback transactions;
- in the case of a subsidiary that is not the Issuer or a subsidiary guarantor, guarantee our debt; and
- sell all or substantially all of its properties and assets or merge or consolidate with or into another company.

The indenture governing the 2029 Notes also provides that the Issuer or the Parent Guarantor will be required to make an offer to purchase the 2029 Notes at a purchase price equal to 101% of their aggregate principal amount (plus accrued and unpaid interest, if any, to the date of purchase) upon the occurrence of a "Change of Control," as defined in the indenture governing the 2029 Notes. In addition, the indenture governing the 2029 Notes requires that the Issuer or the Parent Guarantor offer to purchase all or a portion of the 2029 Notes at 100% of the principal amount, *plus* accrued and unpaid interest, if any, to the date of repurchase from the net cash proceeds of certain asset sales if those proceeds are not reinvested or used to repay certain indebtedness.

The indenture governing the 2029 Notes specifies a number of events of default, including, among others, a failure to make timely principal or interest payments or to perform the covenants contained in the indenture governing the 2029 Notes. If an event of default occurs and is continuing, the trustee under the indenture governing the 2029 Notes or the holders of a specified principal amount of the outstanding 2029 Notes may declare the principal amount of, premium, if any, and any additional amounts and accrued but unpaid interest on all of the 2029 Notes to be due and payable. An acceleration of the 2029 Notes may, under specified circumstances, be rescinded by the holders of a majority of the aggregate principal amount of the then outstanding 2029 Notes.

Leases

Our lease obligations relate to our properties. The obligation represents the present value of expected future lease payments measured at the Group's incremental borrowing rate. At April 30, 2021, the Group's lease obligation recognized in the financial statements was £1,180 million ($1,633 million).

DESCRIPTION OF THE NOTES

In this "Description of the Notes," the word "Issuer" refers only to Ashtead Capital, Inc., and the words "Parent Guarantor" refer only to Ashtead Group plc and not to any of its Subsidiaries, except for the purpose of financial data determined on a consolidated basis. In addition, the words "Subsidiary Guarantors" refer to all existing Subsidiaries of Parent Guarantor that Guarantee the Notes and to any future Subsidiaries of the Parent Guarantor that guarantee the Notes. The word "Guarantors" refers to the Parent Guarantor and the Subsidiary Guarantors collectively. The Issuer and the Subsidiary Guarantors are each wholly owned direct or indirect subsidiaries of the Parent Guarantor. The definitions of certain other capitalized terms used in this description are set forth throughout the text or under "—Certain Definitions."

The Issuer will issue a series of notes due 2026 (the "2026 Notes") and a series of notes due 2031 (the "2031 Notes" and, together with the 2026 Notes, the "Notes") under an Indenture (the "Indenture") among the Issuer, the Guarantors and BNY Mellon Corporate Trustee Services Limited, as trustee.

The registered holder of a Note will be treated as its owner for all purposes. Only registered holders of the Notes or will have rights under the Indenture including, without limitation, with respect to enforcement and the pursuit of other remedies. The Notes will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and will therefore be subject to certain transfer restrictions.

The following description is a summary of the material terms of the Indenture. It does not, however, restate the Indenture in its entirety and where reference is made to particular provisions of the Indenture, such provisions, including the definitions of certain terms, are qualified in their entirety by reference to all of the provisions of the Notes and the Indenture. You should read the Indenture because it contains additional information and because the Indenture and not this description defines your rights as a holder of the Notes. A copy of the form of the Indenture may be obtained by requesting it from the corporate trust office of the trustee in London, England and from the Issuer at the address indicated under "Where You Can Find More Information."

The Issuer will make an application to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's International Securities Market. The Issuer can provide no assurance that this application will be accepted, and if accepted, will be maintained. It is not a condition to the issuance of the Notes that such application be accepted.

Brief description of the notes

The Notes will:

- be the Issuer's senior unsecured obligations;
- with respect to the 2026 Notes, mature on August 12, 2026, and with respect to the 2031 Notes, mature on August 12, 2031;
- be guaranteed on a senior basis by the Parent Guarantor and the Subsidiary Guarantors;
- rank as described below under "—Ranking of the Notes and the Guarantees"; and

The guarantees

The Guarantors will jointly and severally agree to guarantee the due and punctual payment of all amounts payable under the Notes, including principal, premium, if any, and interest payable under the Notes. The Indenture also will provide that any future Subsidiary of the Parent Guarantor that guarantees certain Indebtedness of the Issuer or any other Guarantor will provide a Guarantee of the Notes, subject to certain exceptions. The Parent Guarantor, however, will not be obligated to cause any of its Subsidiaries to become a Guarantor if the provision by such Subsidiary of a Guarantee would result in any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Parent Guarantor (including any "whitewash" or similar procedures that would

be required in order to enable such Guarantee to be provided in accordance with applicable law). Each Guarantee will be an unsecured senior obligation of each Guarantor.

The obligations of each Guarantor under its Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by such Guarantor by law or without resulting in its obligations under its Guarantee being voidable or unenforceable under applicable laws relating to fraudulent transfer, or under similar laws affecting the rights of creditors generally. Each Guarantor that makes a payment or distribution under its Guarantee will be entitled to contribution from each other Guarantor.

Release of the guarantees

The Indenture will provide that each Guarantee of a Guarantor will be automatically and unconditionally released and discharged upon:

(a) legal defeasance, covenant defeasance or satisfaction and discharge, the conditions for the occurrence of which are described in "—Legal Defeasance or Covenant Defeasance of the Indenture" and "Satisfaction and Discharge";

(b) any disposition of the Issuer or a Guarantor of all of the Capital Stock, or all or substantially all of the assets, of any such Subsidiary Guarantor or upon the merger, amalgamation or consolidation of any Subsidiary Guarantor with and into the Issuer or another Guarantor or upon the liquidation of such Subsidiary Guarantor following the transfer of all of its assets to the Issuer or another Guarantor; *provided* that such disposal or such merger, amalgamation or consolidation is made in compliance with the terms of the Indenture; and

(c) any such Subsidiary Guarantor no longer guaranteeing the Senior Secured Credit Facility or any other capital markets debt securities of the Issuer or any other Guarantor in an aggregate principal amount in excess of $70.0 million (including if such guarantees of such other Debt are released or deemed to be released concurrently) if such Guarantor would not then otherwise be required to guarantee the Notes pursuant to the Indenture.

Ranking of the notes and the guarantees

The notes

The Notes will:

- be the Issuer's senior unsecured obligations;
- rank senior in right of payment to all of the Issuer's existing and future indebtedness that is subordinated in right of payment to the Notes;
- rank equally in right of payment with each other and all of the Issuer's existing and future indebtedness that is not subordinated in right of payment to the Notes; and
- be effectively subordinated to all secured indebtedness of the Issuer, including the Senior Secured Credit Facility, to the extent of the value of the collateral securing such indebtedness, and structurally subordinated to all of the liabilities of our subsidiaries that do not guarantee the Notes.

The parent guarantor's guarantee

The Parent Guarantor's Guarantee of the Notes will:

- be the Parent Guarantor's senior unsecured obligation;

- rank senior in right of payment to any and all of the Parent Guarantor's existing and future indebtedness that is subordinated in right of payment to the Guarantee;

- rank equally in right of payment with all of the Parent Guarantor's existing and future indebtedness that is not subordinated in right of payment to the Guarantee; and

- be effectively subordinated to all secured indebtedness of the Parent Guarantor, including the Senior Secured Credit Facility, to the extent of the value of the collateral securing such indebtedness.

The subsidiary guarantors' guarantees

Each Subsidiary Guarantor's Guarantee will:

- be the Subsidiary Guarantor's senior unsecured obligation;

- rank senior in right of payment to all of such Subsidiary Guarantor's existing and future indebtedness that is subordinated in right of payment to the Guarantee;

- rank equally in right of payment with all of such Subsidiary Guarantor's existing and future indebtedness that is not subordinated in right of payment to the Guarantee; and

- be effectively subordinated to all secured indebtedness of a Subsidiary Guarantor, including the Senior Secured Credit Facility, to the extent of the value of the collateral securing such indebtedness.

At April 30, 2021, as adjusted to give effect to the offering of the Notes and the application of the net proceeds therefrom as described in "Use of Proceeds," and after excluding intercompany balances and intercompany guarantees:

- on an unconsolidated basis, the Issuer had total debt of £2,144 million ($2,969 million) and no trade payables or deferred taxes, other than expenses, if any, related to the offering of the Notes;

- on an unconsolidated basis, the Parent Guarantor had total debt of £6 million ($8 million) (excluding the guarantee of the Notes and the Existing Notes) and £7 million ($9 million) of trade and accrued payables; and

- on a consolidated basis, the Parent Guarantor, the Issuer and the Subsidiary Guarantors would have had total debt of £4,292 million ($5,938 million), including lease liabilities of £1,180 million ($1,633 million), of which £3,064 million ($4,242 million) is external borrowing debt and senior debt represented by £847 million ($1,173 million) of borrowings outstanding under the Senior Secured Credit Facility (and we had £2,212 million ($3,063 million) of availability under the Senior Secured Credit Facility), £429 million ($594 million) in outstanding 2027 Notes, £429 million ($593 million) in outstanding 2028 Notes, £428 million ($593 million) in outstanding 2029 Notes, £393 million ($544 million) in outstanding 2026 Notes and £537 million ($744 million) in outstanding 2031 Notes. See "—Ranking of the Notes and the Guarantees."

Principal, maturity and interest

The 2026 Notes will mature on August 12, 2026 and the 2031 Notes will mature on August 12, 2031 , unless redeemed prior thereto as described herein. The Issuer will issue the 2026 Notes in an initial aggregate principal amount of $550 million and the 2031 Notes in an initial aggregate principal amount of $750 million. The Issuer will be permitted to issue additional Notes of either series under the Indenture ("Additional Notes") from time to time. The Notes of either series offered hereby and the Additional Notes of such series that are actually issued will be treated as a single class for all purposes of the Indenture, including waivers, amendments, redemptions and offers to purchase. Such Notes and such Additional Notes may not, however, be fungible with the Notes for U.S. federal income tax purposes and bear a different CUSIP number. Unless the context otherwise requires, references to a series of "Notes" for all purposes of the Indenture and in this "Description of the Notes" include references to any Additional Notes of such series that are actually issued.

The 2026 Notes will bear interest at the rate per annum shown on the cover page of this offering memorandum and will be payable semi-annually in arrears on February 12 and August 12 of each year, commencing on February 12, 2022. Interest will be payable to the holders of record on each 2026 Note in respect of the principal amount thereof outstanding as of the immediately preceding January 28 or July 28, as the case may be. The 2031 Notes will bear interest at the rate per annum shown on the cover page of this offering memorandum and will be payable semi-annually in arrears on February 12 and August 12 of each year, commencing on February 12, 2022. Interest will be payable to the holders of record on each 2031 Note in respect of the principal amount thereof outstanding as of the immediately preceding January 28 or July 28, as the case may be. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months and will be paid on overdue principal and other overdue amounts at the same rate.

Form of notes

Each series of Notes will be issued on the date of the Indenture in denominations of $200,000 and in integral multiples of $1,000 in excess thereof.

Each series of Notes will initially be represented by one or more global notes (the "Global Notes"). The Global Notes will be registered in the name of DTC or its nominee. Ownership of interests in the Global Notes, referred to as "book-entry interests," will be limited to persons that have accounts with DTC or participants in DTC (including Euroclear and Clearstream Banking) or persons that may hold interests through such participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC, and participant in DTC, including Euroclear and Clearstream Banking, and their participants. The terms of the Indenture will provide for the issuance of certificated registered Notes in certain circumstances. See "Book-Entry; Delivery and Form."

Transfer

The Global Notes may be transferred in accordance with the Indenture. See "Book-Entry; Delivery and Form." The Notes will be subject to certain restrictions on transfer and certification requirements, as described under "Notice to Investors."

Payments on the notes; paying agent and registrar

The Issuer will maintain one or more paying agents (each, a "Paying Agent") for the Notes. The Bank of New York Mellon, London Branch will initially act as Paying Agent.

The Issuer will also maintain a registrar for each series of Notes (the "Registrar"). The initial Registrar for the Notes will be the Bank of New York Mellon SA/NV, Dublin Branch. The Issuer will also maintain a transfer agent. The initial transfer agent with respect to the Notes will be The Bank of New York Mellon SA/NV, Dublin Branch. The initial transfer agent will be The Bank of New York Mellon, London Branch, in London. The Registrar will maintain a register, outside the UK at all times, reflecting ownership of Definitive Registered Notes outstanding from time to time. The Paying Agent and Principal Paying Agent will make payments on Definitive Registered Notes on the behalf of the Issuer, and the transfer agent will facilitate transfer of Definitive Registered Notes on the behalf of the Issuer.

The Issuer may change a Paying Agent, the transfer agent or the Registrar without prior notice to the holders of the Notes. However, for so long as the Notes are listed on the International Securities Market of the London Stock Exchange and the rules of the London Stock Exchange so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or transfer agent in the manner required or otherwise permitted by such rules.

In addition, the Issuer or any of its affiliates may act as paying agent in connection with the Notes other than for the purposes of effecting a redemption described under "—Optional Redemption" or an offer to purchase the Notes described under "—Purchase of Notes upon a Change of Control Triggering Event." The Issuer will make payments on the Global Notes to the common depositary as the registered holder of the Global Notes. The Issuer will make all payments in same-day funds.

No service charge will be made for any registration of transfer, exchange or redemption of the Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection with any such registration of transfer or exchange.

Additional amounts

All payments that the Issuer or any Surviving Entity (as defined below under "—Certain Covenants—Consolidation, Merger and Sale of Assets") makes under or with respect to the Notes and that the Guarantors make under or with respect to the Guarantees will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charges (including, without limitation, penalties, interest and other similar liabilities related thereto) of whatever nature (collectively, "Taxes") imposed or levied by or on behalf of any jurisdiction in which the Issuer, any Guarantor or any Surviving Entity is incorporated, organized or otherwise resident for tax purposes or from or through which any of the foregoing makes any payment on the Notes or by or within any department or political subdivision or governmental authority of or in any of the foregoing having the power to tax (each, a "Relevant Taxing Jurisdiction"), unless the withholding or deduction is then required by law or by the interpretation or administration of law. If the Issuer, a Guarantor or any Surviving Entity is required to withhold or deduct any amount for or on account of Taxes of a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes, the Issuer, the Guarantor or such Surviving Entity, as the case may be, will pay additional amounts ("Additional Amounts") as may be necessary to ensure that the net amount received by each holder or beneficial owner of the Notes (including Additional Amounts) after such withholding or deduction will be not less than the amount the holder or beneficial owner would have received if such Taxes had not been required to be withheld or deducted.

Neither the Issuer, any Guarantor nor any Surviving Entity will, however, pay Additional Amounts in respect or on account of:

- any Taxes that are imposed or levied by a Relevant Taxing Jurisdiction by reason of the holder's or beneficial owner's present or former connection with such Relevant Taxing Jurisdiction (other than the mere receipt or holding of Notes or by reason of the receipt of payments thereunder or the exercise or enforcement of rights under any Notes, the Indenture or any Guarantee);

- any Taxes that are imposed or withheld by reason of the failure of the holder or beneficial owner of Notes, following the Issuer's written request addressed to the holder or beneficial owner or otherwise made available to the holder or beneficial owner (and made at a time that would enable the holder or beneficial owner acting reasonably to comply with that request) to comply with any certification, identification, information or other reporting requirements relating to such matters, whether required or imposed by statute, regulation or administrative practice of a Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction);

- any estate, inheritance, gift, sales, transfer, personal property or similar Taxes;

- any Tax which is payable otherwise than by deduction or withholding from payments made under or with respect to the Notes;

- any Tax imposed on or with respect to any payment by the Issuer or a Guarantor to the holder if such holder is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that Taxes would not have been imposed on such payment had such holder been the sole beneficial owner of such Note;

- any Tax that is imposed or levied by reason of the presentation (where presentation is required in order to receive payment) of such Notes for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever is later, except to the extent that the beneficial owner or holder thereof would have been entitled to Additional Amounts had the Notes been presented for payment on any date during such 30-day period;

- any Tax imposed under Sections 1471 through 1474 of the Code as of the Issue Date (or any amended or successor provision that is substantively comparable and not more onerous to comply with), any current or

future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code as of the Issue Date (or any amended or successor provision that is substantively comparable and not materially more onerous to comply with), or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code;

- any Tax that is imposed or levied on or with respect to a Note presented for payment on behalf of a holder or beneficial owner who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a member state of the European Union; or

- any withholding or deduction in respect of any Taxes imposed by the United States or any jurisdiction therein.

The Issuer, the Guarantors and any Surviving Entity will (i) make such withholding or deduction required by applicable law and (ii) remit the full amount deducted or withheld to the relevant taxing authority in accordance with applicable law.

At least 30 calendar days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Issuer, the Guarantors or any Surviving Entity will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), the Issuer will deliver to the trustee an Officer's Certificate stating that such Additional Amounts will be payable and the amounts so payable and will set forth such other information (other than the identities of holders and beneficial owners) necessary to enable the trustee or Paying Agent, as the case may be, to pay such Additional Amounts to holders and beneficial owners on the relevant payment date. The Issuer will provide the trustee with documentation reasonably satisfactory to the trustee evidencing payment of such Additional Amounts. The Issuer will promptly publish a notice in accordance with the provisions set forth in "—Notices" stating that such Additional Amounts will be payable and describing the obligation to pay such amounts.

Upon request, the Issuer, the Guarantors or any Surviving Entity will furnish to the trustee or a holder within a reasonable time certified copies of tax receipts evidencing the payment by the Issuer, the Guarantors or such Surviving Entity (as the case may be) of any Taxes imposed or levied by a Relevant Taxing Jurisdiction. If, notwithstanding the efforts of the Issuer, the Guarantors or such Surviving Entity to obtain such receipts, the same are not obtainable, then the Issuer, the Guarantors or such Surviving Entity will promptly provide the trustee or such holder with other evidence reasonably satisfactory to the trustee or holder of such payment by the Issuer, the Guarantors or such Surviving Entity.

The Indenture will further provide that if the Issuer or Guarantors or any Surviving Entity conduct business in any jurisdiction (an "Additional Taxing Jurisdiction") other than a Relevant Taxing Jurisdiction and, as a result, is required by the law of such Additional Taxing Jurisdiction to withhold or deduct any amount on account of the Taxes imposed by such Additional Taxing

Jurisdiction from payment under the Notes or any Guarantee, as the case may be, which would not have been required to be so withheld or deducted but for such conduct of business in such Additional Taxing Jurisdiction, the Additional Amounts provision described above shall be considered to apply as if references in such provision to "Taxes" included Taxes imposed by way of withholding or deduction by any such Additional Taxing Jurisdiction (or any political subdivision thereof or therein).

In addition, the Issuer, the Guarantors and any Surviving Entity will pay (i) any present or future stamp, issue, registration, court documentation, excise or property Taxes or other similar Taxes, including interest and penalties with respect thereto, imposed by any Relevant Taxing Jurisdiction in respect of the execution, issue, delivery or registration of the Notes, the Guarantees or the Indenture or any other document or instrument referred to thereunder and any such Taxes imposed by any jurisdiction as a result of, or in connection with, the enforcement of the Notes, the Guarantees or the Indenture or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes, and (ii) any stamp, court, or documentary Taxes (or similar charges or levies) imposed with respect to the receipt of any payments with respect to the Notes or the Guarantees. The Issuer, Guarantors and/or such Surviving Entity will not, however, be responsible for such amounts that are imposed on or result from a sale or other transfer or disposition by a holder or beneficial owner of a Note.

The preceding provisions will survive any termination, defeasance or discharge of the Indenture and shall apply mutatis mutandis to any jurisdiction in which any successor person to the Issuer or a Guarantor is organized, incorporated or otherwise resident for Tax purposes and any political subdivision or taxing authority or agency thereof or therein.

Whenever the Indenture or this "Description of the Notes" refers to, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any Note (including payments thereof made pursuant to any Guarantee), such reference includes the payment of Additional Amounts, if applicable.

Currency indemnity

The U.S. Dollar is the sole currency of account and payment for all sums payable under the Notes, the Guarantees and the Indenture. Any amount received or recovered in respect of the Notes or the Guarantees in a currency other than U.S. Dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of any of the Guarantors, the Issuer, any other Subsidiary or otherwise) by a holder of the Notes in respect of any sum expressed to be due to such holder from the Issuer or the Guarantors will constitute a discharge of their obligation only to the extent of the U.S. Dollar amount that the recipient is able to purchase with the amount so received or recovered in such other currency on the date of that receipt or recovery (or, if it is not possible to purchase U.S. Dollars on that date, on the first date on which it is possible to do so). If the U.S. Dollar amount to be recovered is less than the U.S. Dollar amount expressed to be due to the recipient under any Note, the Issuer and the Guarantors will indemnify the recipient against the cost of making any further purchase of U.S. Dollars in an amount equal to such difference. For the purposes of this paragraph, it will be sufficient for the holder of the Notes to certify that it would have suffered a loss had the actual purchase of U.S. Dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. Dollars on that date had not been possible, on the first date on which it would have been possible). These indemnities, to the extent permitted by law:

- constitute separate and independent obligations from the Issuer's and the Guarantors' other obligations;
- give rise to separate and independent causes of action;
- apply irrespective of any waiver granted by any holder of a Note; and
- will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

Optional redemption

2026 Notes

The Issuer may redeem the 2026 Notes in whole or in part, at the Issuer's option, upon not less than 10 nor more than 60 days' notice:

- at any time and from time to time prior to July 12, 2026 (one month prior to the Stated Maturity of the 2026 Notes) (the "2026 Notes Par Call Date") at a redemption price equal to the greater of (i) 100% of the principal amount of the 2026 Notes to be redeemed, and (ii) as determined by the Independent Investment Banker, the sum of the present values of the applicable Remaining Scheduled Payments (not including any portion of payments of interest accrued to the date of redemption) discounted to the date fixed for redemption (the "Redemption Date") on a semi-annual basis (assuming a 360 day year consisting of twelve 30 day months and a redemption on the 2026 Notes Par Call Date) at the Treasury Rate plus 15 basis points; and
- at any time and from time to time on or after the 2026 Notes Par Call Date, at a redemption price equal to 100% of the principal amount of the Notes being redeemed;

in each case, together with accrued and unpaid interest thereon, if any, to, but not including, the Redemption Date.

2031 Notes

The Issuer may redeem the 2031 Notes in whole or in part, at the Issuer's option, upon not less than 10 nor more than 60 days' notice:

- at any time and from time to time prior to May 12, 2031 (three months prior to the Stated Maturity of the 2031 Notes) (the "2031 Notes Par Call Date" and together with the "2026 Notes Par Call Date" each, a "Par Call Date") at a redemption price equal to the greater of (i) 100% of the principal amount of the 2031 Notes to be redeemed, and (ii) as determined by the Independent Investment Banker, the sum of the present values of the applicable Remaining Scheduled Payments (not including any portion of payments of interest accrued to the date of redemption) discounted to the Redemption Date on a semi-annual basis (assuming a 360 day year consisting of twelve 30 day months and a redemption on the 2031 Notes Par Call Date) at the Treasury Rate plus 20 basis points; and

- at any time and from time to time on or after the 2031 Notes Par Call Date, at a redemption price equal to 100% of the principal amount of the Notes being redeemed;

in each case, together with accrued and unpaid interest thereon, if any, to, but not including, the Redemption Date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by the Independent Investment Banker as having an actual or interpolated maturity comparable to the Par Call Date that would be utilized, at the time of selection and in accordance with customary financial practice.

"Comparable Treasury Price" means, with respect to any Redemption Date, (A) the average of the Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker for the applicable series of Notes obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Issuer to act as the "Independent Investment Banker".

"Reference Treasury Dealer" means each of BofA Securities, Inc., Citigroup Global Markets Inc. and J.P. Morgan Securities LLC and or their respective affiliates, which are primary U.S. Government securities dealers, and their respective successors and one other nationally recognized investment banking firm that is a Primary Treasury Dealer specified by the Issuer; provided, however, that if any of the foregoing or their affiliates shall cease to be a primary U.S. Government securities dealer in The City of New York (a "Primary Treasury Dealer"), the Issuer shall substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day in New York City preceding that Redemption Date.

"Remaining Scheduled Payments" means, with respect to each Note of a series to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the relevant Redemption Date but for such redemption as if the Notes matured on the applicable Par Call Date; provided, however, that if the Redemption Date is not an Interest Payment Date with respect to the applicable series of Notes, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to that Redemption Date.

"Treasury Rate" means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as at the third business day immediately preceding that Redemption Date or interpolated on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that Redemption Date.

Redemption upon changes in withholding taxes

The Issuer may, at its option, redeem the Notes of any series, as a whole but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the holders (which notice shall be irrevocable and given in accordance with the procedures described in "—Notices"), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon, if any, to, but not including, the redemption date, premium, if any, and all Additional Amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise, if the Issuer determines in good faith that the Issuer or any Guarantor is, or on the next date on which any amount would be payable in respect of the Notes of such series, would be obligated to pay Additional Amounts (as defined above under "—Additional Amounts") in respect of the Notes of such series pursuant to the terms and conditions thereof, which the Issuer or Guarantor, as the case may be, cannot avoid by the use of reasonable measures available to it (including making payment through a paying agent located in another jurisdiction), as a result of:

(a) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction (as defined above under "—Additional Amounts") affecting taxation which becomes effective on or after the date of the Indenture or, if the Relevant Taxing Jurisdiction has changed since the date of the applicable Indenture, the date on which the then current Relevant Taxing Jurisdiction became the Relevant Taxing Jurisdiction under the applicable Indenture (or, in the case of a successor person, after the date of assumption by the successor person of the obligations hereunder); or

(b) any change in the official application, administration, or interpretation of the laws, regulations or rulings of any Relevant Taxing Jurisdiction, (including a holding, judgment, or order by a court of competent jurisdiction), on or after the date of the applicable Indenture or, if the Relevant Taxing Jurisdiction has changed since the date of the applicable Indenture, the date on which the then current Relevant Taxing Jurisdiction became the Relevant Taxing Jurisdiction under the applicable Indenture (or, in the case of a successor person, after the date of assumption by the successor person of the obligations hereunder) (each of the foregoing clauses (a) and (b), a "Change in Tax Law").

Notwithstanding the foregoing, the Issuer may not redeem the Notes of such series under this provision if the Relevant Taxing Jurisdiction changes under the applicable Indenture and the Issuer is obligated to pay Additional Payments as a result of a Change in Tax Law of the then current Relevant Taxing Jurisdiction which, at the time the latter became the Relevant Taxing Jurisdiction under the applicable Indenture, was officially announced.

In the case of a Guarantor that becomes a party to the applicable Indenture after the Issue Date or a successor person (including a Surviving Entity), the Change in Tax Law must become effective after the date that such entity (or another person organized or resident in the same jurisdiction) first makes a payment on the Notes of such series. In the case of Additional Amounts required to be paid as a result of the Issuer conducting business in an Additional Taxing Jurisdiction (as defined above), the Change in Tax Law must become effective after the date the Issuer begins to conduct the business giving rise to the relevant withholding or deduction.

Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on with the Issuer, a Guarantor, or any Surviving Entity, would be obliged to make such payment of Additional Amounts or withholding if a payment in respect of the Notes of such series or Guarantee of the Notes of such series, as the case may be, were then due and (b) unless at the time such notice is given, the obligations to pay Additional Amounts remains in effect.

Prior to the publication or, where relevant, mailing of any notice of redemption pursuant to the foregoing, the Issuer will deliver to the trustee:

(a) an Officer's Certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing the conditions precedent to the right of the Issuer so to redeem have occurred (including that such obligation to pay such Additional Amounts cannot be avoided by the Issuer, such Guarantor or such Surviving Entity, as the case may be, taking reasonable measures available to it) and

(b) a written opinion of independent tax advisers of recognized standing qualified under the laws of the Relevant Taxing Jurisdiction and reasonably satisfactory to the trustee to the effect that the Issuer, such Guarantor or

such Surviving Entity, as the case may be, is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor person becomes a party to the Indenture.

Notice of optional redemption

The Issuer will publish a notice of any optional redemption of a series of Notes described above in accordance with the provisions of the Indenture described under "—Notices." If fewer than all the Notes of a series are to be redeemed at any time, the trustee will select such Notes by a method that complies with the requirements of the principal securities exchange, if any, on which such Notes are listed at such time or, if such Notes are not listed on a securities exchange, pro rata, by lot or by such other method as the trustee in its sole discretion shall deem fair and appropriate; *provided* that no such partial redemption shall reduce the portion of the principal amount of a Note to less than $200,000. Any redemption notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including the completion of an Equity Offering or other corporate transaction, and any redemption date can be extended until the satisfaction of such conditions.

Sinking fund; offers to purchase; open market purchases

The Issuer is not required to make any sinking fund payments with respect to the Notes. Under certain circumstances, however, the Issuer or the Parent Guarantor may be required to offer to purchase the Notes in accordance with the provisions of the Indenture described under "—Purchase of Notes upon a Change of Control Triggering Event." The Issuer, the Parent Guarantor and its Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise.

Purchase of notes upon a change of control triggering event

If a Change of Control Triggering Event with respect to a series of Notes occurs at any time, unless the Issuer has exercised its right to redeem all of such series of Notes as described under the caption "—Optional Redemption," then the Issuer or the Parent Guarantor must make an offer (a "Change of Control Offer") to each holder of such series of Notes to purchase such holder's Notes, in whole or in part, at a purchase price (the "Change of Control Purchase Price") in cash in an amount equal to 101% of the principal amount thereof, *plus* accrued and unpaid interest, if any, to, but not including, the date of purchase (the "Change of Control Purchase Date").

Within 30 days following any Change of Control Triggering Event, except to the extent the Issuer has exercised its rights to redeem all of such series of Notes as described above under the caption "—Optional Redemption," or, at the Issuer's option, prior to any Change of Control or Change of Control Triggering Event but after the public announcement of a transaction or transactions that constitute or may constitute a Change of Control, the Issuer or the Parent Guarantor will send, by first class mail, or otherwise deliver in accordance with the applicable procedures of The Depository Trust Company ("DTC"), a notice to each holder of such series of Notes or otherwise give notice in accordance with the applicable procedures of DTC, with a copy to the trustee, stating:

(i) the general circumstances and relevant facts regarding such Change of Control;

(ii) the Change of Control Purchase Price and the Change of Control Purchase Date, which will be a Business Day no earlier than 10 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under any applicable securities laws or regulations or such later time to satisfy the conditions to the consummation of the Change of Control if the notice is provided earlier than consummation of the Change of Control;

(iii) that any Note of such series accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Purchase Date unless the Change of Control Purchase Price is not paid;

(iv) that any Note of such series (or part thereof) not tendered will continue to accrue interest; and

(v) any other procedures that a holder of Notes of such series must follow to accept a Change of Control Offer or to withdraw such acceptance.

A Change of Control Offer may be made in advance of a Change of Control or Change of Control Triggering Event, and conditioned upon such Change of Control or Change of Control Triggering Event, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

The trustee will promptly authenticate and deliver a new Note or Notes equal in principal amount to any unpurchased portion of Notes surrendered, if any, to the holder of Notes in global form or to each holder of certificated Notes; *provided* that each such new Note will be in a principal amount that is at least $200,000, as the case may be, and integral multiples of $1,000 in excess thereof. The Issuer or the Parent Guarantor will publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

Notwithstanding anything to the contrary, neither the Issuer nor the Parent Guarantor shall be required to make a Change of Control Offer upon a Change of Control Triggering Event if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth herein applicable to a Change of Control Offer made by the Issuer or the Parent Guarantor and purchases all Notes of a particular series validly tendered and not withdrawn under such Change of Control Offer, (ii) a notice of redemption has been given for all of the Notes of a particular series pursuant to "—Optional Redemption" or (iii) if the Issuer, the Parent Guarantor or a third party has made, and not terminated, a tender offer for all of the Notes of a particular series in the manner and at the times applicable to a Change of Control Offer, at a tender offer purchase price in cash equal to at least 101% of the principal amount thereof on the date of purchase, *plus* accrued and unpaid interest, if any, and the Issuer, the Parent Guarantor or such third party purchases all Notes validly tendered and not withdrawn under such tender offer.

With respect to a series of Notes, if holders of not less than 90% of the aggregate principal amount of the outstanding Notes of such series (but less than 100% of the aggregate principal amount of the outstanding Notes of such series) accept a Change of Control Offer and the Issuer or another permitted entity purchases all of the Notes of such series held by such holders, we will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 10 days following the purchase pursuant to the Change of Control Offer described above, to redeem all of the Notes of such series that remain outstanding following such purchase at a redemption price equal to 101% of the aggregate principal amount of the Notes redeemed *plus* accrued and unpaid interest, if any, thereon to the date of redemption, subject to the right of the holders of record on relevant record dates to receive interest due on an interest payment date.

The Issuer and the Parent Guarantor will comply with applicable securities laws and regulations (including those of England and Wales) in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer and the Parent Guarantor will comply with such applicable securities laws and regulations and will not be deemed to have breached their obligations under the Indenture by virtue of such conflict.

The occurrence of certain events that would constitute a Change of Control could constitute a default under the Senior Secured Credit Facility. Certain of the Issuer's current indebtedness as well as certain future indebtedness and the future indebtedness of its Subsidiaries may also contain descriptions of certain events that, if they occurred, would require such indebtedness to be repurchased. In addition, the exercise by the holders of the Notes of their right to require a repurchase of the Notes upon a Change of Control could cause a default under the Senior Secured Credit Facility and any such future indebtedness, even if the Change of Control itself does not constitute a default.

The provisions of the Indenture will not give holders the right to require the repurchase of the Notes in the event of certain transactions including a reorganization, restructuring, merger or similar transaction that may adversely affect holders of the Notes, if such transaction is not a transaction defined as a Change of Control. Any such transaction, however, would have to comply with the applicable provisions of the Indenture. The existence, however, of a holder of the Notes' right to require the Issuer or the Parent Guarantor to repurchase such holder's Notes upon a Change of Control may deter a third party from acquiring the Parent Guarantor, the Issuer or any of the Parent Guarantor's other Subsidiaries if such acquisition would constitute a Change of Control.

If a Change of Control Offer is made, neither the Issuer nor the Parent Guarantor can provide any assurance that they will have available funds sufficient to pay the Change of Control Purchase Price for all the Notes that might be delivered by holders of the Notes seeking to accept the Change of Control Offer. Even if sufficient funds were available, the terms of the other indebtedness of the Issuer, the Parent Guarantor and the Parent Guarantor's other Subsidiaries may prohibit the repurchase of the Notes prior to their scheduled maturity. If the Issuer or the Parent Guarantor were not able to prepay any indebtedness containing any such restrictions, or obtain requisite consents, the Issuer and the Parent Guarantor would be unable to fulfill their repurchase obligations to holders of Notes who accept the Change of Control Offer. If the Issuer or the Parent Guarantor failed to make or consummate a Change of Control Offer or pay the Change of Control Purchase Price when due, such failure would result in an Event of Default and would give the trustee and the holders of the Notes the rights described under "—Events of Default." An Event of Default under the Indenture, unless waived, would result in a cross default under certain of the financing arrangements described under "Description of Certain Indebtedness," including under the Senior Secured Credit Facility and the Existing Notes.

The definition of "Change of Control" includes a disposition of all or substantially all of the assets of the Parent Guarantor, and those of its Subsidiaries, considered as a whole, to any Person. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of such phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Parent Guarantor. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Notes may require the Issuer or Parent Guarantor to make an offer to repurchase the Notes as described above.

"Below Investment Grade Ratings Event" means a series of Notes ceases to be rated Investment Grade by at least two of the Rating Agencies on any date during the period commencing on, and ending 60 days after, the earlier of (1) the occurrence of a Change of Control; or (2) public notice of the occurrence of a Change of Control or the intention of the Parent Guarantor to effect a Change of Control. Notwithstanding the foregoing, a Below Investment Grade Ratings Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Ratings Event for purposes of the definition of Change of Control Repurchase Event hereunder) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the ratings event).

"Change of Control" means the occurrence of any of the following events:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the ultimate "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the voting power of the Parent Guarantor's outstanding Voting Stock, other than in connection with any transaction or series of related transactions in which the Parent Guarantor shall become a direct or indirect wholly owned subsidiary of a Parent Entity so long as no person or group, as noted above, holds more than 50% of the voting power of the outstanding Voting Stock of such Parent Entity;

(b) the Parent Guarantor conveys, transfers, leases or otherwise disposes of, all or substantially all of the Parent Guarantor's assets and those of its Subsidiaries, considered as a whole (other than a transfer of substantially all of such assets to one or more Wholly Owned Subsidiaries of the Parent Guarantor), in each case to any Person other than in a transaction or series of related transactions where no "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is the ultimate "beneficial owner" (as defined in clause (a) above) directly or indirectly, of more than 50% of the total outstanding Voting Stock of the surviving or transferee corporation;

(c) the Parent Guarantor or the Issuer is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction which complies with the provisions of the Indenture described under "—Certain Covenants—Consolidation, Merger and Sale of Assets"; or

(d) the Parent Guarantor or any Surviving Entity directly or indirectly ceases to own 100% of the Voting Stock of the Issuer, other than directors' qualifying shares and other shares required to be issued by law and other than in connection with an Enforcement Process.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Below Investment Grade Ratings Event.

"Fitch" means Fitch Ratings, Inc. and its successors.

"Investment Grade Rating" means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's) or a rating of BBB- or better by S&P or Fitch (or its equivalent under any successor rating categories of S&P or Fitch), or the equivalent Investment Grade credit rating from any additional Rating Agency or Rating Agencies selected by the Issuer or the Parent Guarantor.

"Moody's" means Moody's Investor Services Ltd and its successors.

"Rating Agency" means (1) each of Moody's, S&P and Fitch and (2) if any of S&P, Moody's and Fitch ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the control of the Issuer, the Issuer may appoint a replacement for such Rating Agency that is a nationally recognized statistical rating organization.

"S&P" means S&P Global Ratings and its successors.

Certain covenants

The Indenture will contain, among others, the following covenants.

Limitation on liens

The Parent Guarantor will not, and will not permit the Issuer or any of its other Subsidiaries to, directly or indirectly, incur, assume or guarantee any Debt secured by a Lien (other than Permitted Liens) on any Principal Property (or the Capital Stock of any Subsidiary that owns a Principal Property), unless the Parent Guarantor secures the Notes equally and ratably with (or at the option of the Parent Guarantor, prior to) the Debt secured by such Lien for so long as such Debt is secured.

Limitation on sale and leaseback transactions

The Parent Guarantor will not, and will not permit the Issuer or any other Subsidiary of the Parent Guarantor to, enter into any sale and leaseback transaction with respect to any Principal Property (whether now owned or hereafter acquired), unless:

(a) the Parent Guarantor or such Subsidiary, as applicable, would be permitted to grant a Lien to secure the Attributable Debt incurred in respect of such sale and leaseback transaction under the "Limitation on Liens" covenant without having to equally and ratably secure the Notes;

(b) the sale and leaseback transaction involves a lease for a term of not more than three years;

(c) the proceeds of the sale and leaseback transaction are at least equal to the Fair Market Value (as determined in good faith by the Issuer) of the Principal Property and the Parent Guarantor or the Issuer applies within 180 days after the sale an amount equal to the greater of the net proceeds of the sale or the Attributable Debt associated with the Principal Property to (i) the retirement of long-term debt for borrowed money that is not subordinated to the Notes and that is not Indebtedness to the Parent Guarantor or one of its Subsidiaries, or (ii) the purchase, construction, improvement, expansion or development of other comparable assets; or

(d) the sale and leaseback arrangement is entered into within 180 days after the initial acquisition of the Principal Property subject to the sale and leaseback transaction.

Notwithstanding the foregoing, nothing shall prevent the Parent Guarantor or any Subsidiary of the Parent Guarantor from engaging in a sale and leaseback transaction that is solely between or among the Parent Guarantor and any Subsidiaries of the Parent Guarantor or solely between or among Subsidiaries of the Parent Guarantor.

Limitation on guarantees of certain debt by subsidiaries

The Parent Guarantor will not permit any Subsidiary of the Parent Guarantor that is not the Issuer or a Guarantor, directly or indirectly, to guarantee the payment of Debt under the Senior Secured Credit Facility or other capital markets debt securities of the Issuer or a Guarantor in an aggregate principal amount in excess of $70.0 million, unless:

(a) (i) such Subsidiary, within 30 days, executes and delivers a supplemental indenture to the Indenture providing for a Guarantee by such Subsidiary on the same terms as the guarantee of such Debt; and (ii) with respect to any guarantee of Subordinated Debt by such Subsidiary, any such guarantee shall be subordinated to such Subsidiary's Guarantee with respect to the Notes at least to the same extent as such Subordinated Debt is subordinated to the Notes; and

(b) such Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Parent Guarantor, the Issuer or any other Subsidiary of the Parent Guarantor as a result of any payment by such Subsidiary under its guarantee with respect to the Notes.

Reports to holders

The Indenture will provide that, so long as any Notes are outstanding, the Issuer and the Parent Guarantor will furnish to the trustee:

(a) within 120 days following the end of each fiscal year, (i) consolidated audited income statements, balance sheets and cash flow statements and the related notes thereof for the Parent Guarantor for the two most recent fiscal years in accordance with GAAP, which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X (including, without limitation, Rule 3-10 thereunder) of the Commission, together with an audit report thereon by the Parent Guarantor's independent auditors, and setting forth in each case in comparative form the corresponding consolidated figures for the preceding fiscal year in scope and content substantially equivalent to the information provided to the Parent Guarantor's equity holders immediately prior to the Issue Date, (ii) information regarding the Parent Guarantor's share capital and (iii) information on the Parent Guarantor's internal disclosure controls and procedures; and

(b) within 60 days following the end of the fiscal quarters ending July 31, October 31, and January 31 in each fiscal year, beginning with the first fiscal quarter ending after the date of this offering memorandum, quarterly reports containing unaudited balance sheets, statements of income, statements of shareholders equity and statements of cash flows for the Parent Guarantor and its Subsidiaries on a consolidated basis, in each case for the quarterly period then ended and the corresponding quarterly period in the prior fiscal year and prepared in accordance with GAAP, which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X (including, without limitation, Rule 3-10 thereunder) of the Commission, and setting forth in each case in comparative form the corresponding consolidated figures for the preceding fiscal year in scope and content substantially equivalent to the information provided to the Parent Guarantor's equity holders immediately prior to the Issue Date; and

(c) promptly from time to time after the occurrence of an event required to be reported therein, such other reports containing substantially the same information required to be contained in Form 6-K (or any successor form) of the Commission.

In addition the Parent Guarantor shall furnish to the holders of the Notes and to prospective investors, upon the requests of such holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Act by Persons who are not "affiliates" under the Securities Act.

The Parent Guarantor will also (a) hold a phone call annually and quarterly with investors and analysts following the furnishing of an annual or quarterly report described above (b) make available copies of all reports furnished to the trustee on its website.

In addition, so long as the Notes are admitted to trading on the International Securities Market of the London Stock Exchange, each of the Parent and the Issuer will comply with the publication and disclosure requirements (if any) of the International Securities Market of the London Stock Exchange in relation to all such reports.

Consolidation, merger and sale of assets

(1) The Parent Guarantor will not, in a single transaction or through a series of related transactions, consolidate with or merge with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of the properties and assets of the Parent Guarantor and its Subsidiaries on a consolidated basis to any other Person or Persons and the Parent Guarantor will not permit any of its Subsidiaries to enter into any such transaction or series of related transactions if such transaction or series of related transactions, in the aggregate, would result in the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of the Parent Guarantor and its Subsidiaries on a consolidated basis to any Person or Persons. The previous sentence will not apply if at the time of and immediately after giving effect to any such transaction or series of related transactions:

(a) either (i) the Parent Guarantor or such Subsidiary of the Parent Guarantor, as the case may be, will be the continuing corporation or (ii) the Person (if other than the Parent Guarantor or such Subsidiary of the Parent Guarantor, as the case may be) formed by such consolidation or into which the Parent Guarantor or such Subsidiary is merged or the Person that acquires by sale, assignment, conveyance, transfer, lease or disposition all or substantially all of the Parent Guarantor's properties and assets and those of its Subsidiaries on a consolidated basis (the "Surviving Entity"):

    (x) will be duly organized and validly existing under the laws of any member state of the European Union as of the date of the Indenture, the United Kingdom, the United States of America, any state thereof, or the District of Columbia, and

    (y) will expressly assume, by a supplemental indenture the Parent Guarantor's or such Subsidiary's obligations under the Indenture and the Notes, and the Indenture and the Notes will remain in full force and effect as so supplemented;

(b) immediately after giving effect to such transaction or series of related transactions on a pro forma basis (and treating any obligation of the Parent Guarantor or any Subsidiary of the Parent Guarantor incurred in connection with or in respect of such transaction or series of related transactions as having been incurred by the Parent Guarantor or such Subsidiary at the time of such transaction), no Default or Event of Default will be continuing; and

(c) the Parent Guarantor or the Surviving Entity will have delivered to the trustee an Officer's Certificate attaching an opinion of counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the requirements of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied.

The Surviving Entity will succeed to, and be substituted for, and may exercise every right and power of, the relevant obligor under the Indenture, but, in the case of a lease of all or substantially all of the Parent Guarantor's assets, the Parent Guarantor, the Issuer and each Subsidiary Guarantor will not be released from the obligation to pay the principal of and interest, and Additional Amounts, if any, on the Notes.

Nothing in the Indenture will prevent any Subsidiary of the Parent Guarantor from merging into or transferring all or part of its properties and assets to the Issuer or another Guarantor.

Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree

of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The Parent Guarantor will publish a notice of any consolidation, merger or sale of assets described above in accordance with the provisions of the Indenture described under "—Notices" and, so long as the Notes are listed on the International Securities Market of the London Stock Exchange and the rules of such exchange so require, notify such exchange of any consolidation, merger or sale.

Events of default

(1) Each of the following will be an "Event of Default" under the Indenture:

(a) default for 30 consecutive days in the payment when due of any interest or any Additional Amounts on the applicable series of Notes;

(b) default in the payment of the principal of or premium, if any, on the applicable series of Notes at their Maturity (upon acceleration, redemption, required repurchase, declaration or otherwise);

(c) failure to comply with any covenant or agreement of the Parent Guarantor or of any Subsidiary of the Parent Guarantor that is contained in the Indenture or any Guarantees (other than specified in clause (a) or (b) above) and such failure continues for a period of 60 or more consecutive days or more after the written notice specified in clause (2) below;

(d) default under the terms of any instrument evidencing Debt of the Issuer or any Guarantor that results in the acceleration of the payment of such Debt or constitutes the failure to pay such Debt at final maturity thereof after giving effect to any applicable grace periods (and other than by regularly scheduled required prepayment) and such failure to make any payment has not been waived or cured, such acceleration has not been rescinded, or the maturity of such Debt has not been extended, and, in each case, the total amount of such Debt exceeds the greater of (i) 2.0% Consolidated Net Tangible Assets or (ii) $150 million or its equivalent at the time;

(e) any Guarantee of the Parent Guarantor or a Guarantor that is a Significant Subsidiary, or a group of Subsidiaries of the Parent Guarantor that taken together would constitute a Significant Subsidiary, ceases to be, or shall be asserted in writing by any such Guarantor, or any Person acting on behalf of any Guarantor, not to be in full force and effect or enforceable in accordance with its terms (other than as provided for in the Indenture or any Guarantee);

(f) the occurrence of certain events of bankruptcy, insolvency, receivership or reorganization with respect to the Issuer, the Parent Guarantor or any Significant Subsidiary of the Parent Guarantor.

(2) If an Event of Default with respect to the applicable series of Notes (other than as specified in clause (1)(f) above) occurs and is continuing, the trustee or the holders of not less than 25% in aggregate principal amount of the applicable series of Notes then outstanding by written notice to the Parent Guarantor (and to the trustee if such notice is given by the holders) may, and the trustee, upon the written request of such holders, shall, declare the principal of, premium, if any, and any Additional Amounts and accrued interest on all of the outstanding Notes of such series immediately due and payable, and upon any such declaration all such amounts payable in respect of the Notes of such series will become immediately due and payable.

(3) If an Event of Default specified in clause (1)(f) above occurs and is continuing, then the principal of, premium, if any, and any Additional Amounts and accrued interest on all of the outstanding Notes shall become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder of Notes.

(4) At any time after a declaration of acceleration under the Indenture, but before a judgment or decree for payment of the money due has been obtained by the trustee, the holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to the Parent Guarantor and the trustee, may rescind such declaration and its consequences if:

(a) the Parent Guarantor has paid or deposited with the trustee a sum sufficient to pay:

(i) all overdue interest and Additional Amounts on all Notes of the applicable series then outstanding;

(ii) all unpaid principal of and premium, if any, on any outstanding Notes of the applicable series that has become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by such Notes;

(iii) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the Notes of the applicable series; and

(iv) all sums paid or advanced by the trustee under the Indenture and the compensation, expenses, disbursements and advances of the trustee, its agents and counsel;

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(c) all Events of Default, other than the non-payment of amounts of principal of, premium, if any, and any Additional Amounts and interest on the Notes that has become due solely by such declaration of acceleration, have been cured or waived.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(5) The holders of not less than a majority in aggregate principal amount of the outstanding Notes of the applicable series may, on behalf of the holders of all such Notes, waive any past defaults under the Indenture, except a default:

(a) in the payment of the principal of, premium, if any, and Additional Amounts or interest on any Note, or

(b) in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each Note of such series outstanding.

(6) No holder of any of the Notes has any right to institute any proceedings with respect to the Indenture or any remedy thereunder, unless the holders of at least 25% in aggregate principal amount of the outstanding Notes of the applicable series have made a written request, and offered satisfactory indemnity or security, to the trustee to institute such proceeding as trustee under the Notes of such series and the Indenture, the trustee has failed to institute such proceeding within 30 days after receipt of such notice and the trustee within such 30-day period has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding Notes of such series. Such limitations do not, however, apply to a suit instituted by a holder of a Note of such series for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Note on or after the respective due dates expressed in such Note.

(7) If a Default or an Event of Default occurs and is continuing and is known to the trustee, the trustee will mail to each holder of the Notes of the applicable series a notice of the Default or Event of Default within 15 business days after it gains knowledge of its occurrence. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, Additional Amounts or interest on any Notes of such series, the trustee may withhold the notice to the holders of such Notes if a committee of its trust officers in good faith determines that withholding the notice is in the interests of the holders of such Notes.

(8) The Issuer and the Parent Guarantor are required to furnish to the trustee annual statements as to its performance, and the performance of the Issuer, the Guarantors and its other Subsidiaries of their respective obligations under the Indenture and as to any default in such performance. The Issuer and the Parent Guarantor are also required to notify the trustee within 30 days of the occurrence of any Default that is known to the Issuer or the Parent Guarantor.

Legal defeasance or covenant defeasance of the indenture

The Indenture will provide that the Issuer and the Parent Guarantor may, at their option and at any time prior to the Stated Maturity of each series of Notes, elect to have the obligations of the Issuer, the Parent Guarantor and the Subsidiary Guarantors discharged with respect to the outstanding Notes of such series ("Legal Defeasance"). Legal Defeasance means that the Issuer will be deemed to have paid and discharged the entire Debt represented by the outstanding Notes of such series and to have satisfied all of its other obligations under the Notes of such series and the Indenture except as to:

(a) the rights of holders of outstanding Notes of such series to receive payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due;

(b) the Issuer's obligations to issue temporary Notes , register the transfer or exchange of any Notes, replace mutilated, destroyed, lost or stolen Notes, maintain an office or agency for payments in respect of the Notes and segregate and hold such payments in trust;

(c) the rights, powers, trusts, duties and immunities of the trustee and the obligations of the Issuer, the Parent Guarantor and the Subsidiary Guarantors in connection therewith; and

(d) the Legal Defeasance provisions of such Indenture.

In addition, the Issuer and the Parent Guarantor may, at their option and at any time, elect to have the obligations of the Issuer, the Parent Guarantor and the Subsidiary Guarantors released with respect to certain covenants set forth in the Indenture ("Covenant Defeasance"), and thereafter any omission to comply with such obligations will not constitute a Default or an Event of Default with respect to the Notes of the applicable series. In the event Covenant Defeasance occurs, certain events described under "—Events of Default" will no longer constitute an Event of Default with respect to the Notes. These events do not include events relating to non-payment, bankruptcy, receivership and insolvency. The Issuer and the Parent Guarantor may exercise their Legal Defeasance option regardless of whether the Issuer previously exercised Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuer or the Parent Guarantor must irrevocably deposit or cause to be deposited in trust with the trustee, for the benefit of the holders of the Notes of the applicable series, cash in dollars, U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants, to pay and discharge the principal of, premium, if any, and interest, on the outstanding Notes of such series on the Stated Maturity or the applicable redemption date, as the case may be, and, at or prior to electing either Legal Defeasance or Covenant Defeasance, the Issuer or the Parent Guarantor must (i) specify whether such Notes are being defeased to maturity or a particular redemption date and (ii) if applicable, have delivered to the trustee an irrevocable notice to redeem all of the outstanding Notes of such series of such principal, premium, if any, or installment of interest;

(b) in the case of Legal Defeasance, the Issuer or the Parent Guarantor must have delivered to the trustee an opinion of counsel reasonably acceptable to the trustee stating that (x) the Issuer or the Parent Guarantor has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (y) since the date of the Indenture, there has been a change in applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the holders of the outstanding Notes of the applicable series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer or the Parent Guarantor must have delivered to the trustee an opinion of counsel reasonably acceptable to the trustee to the effect that the holders of the outstanding Notes of the applicable series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in

the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default with respect to the Notes of the applicable series will have occurred and be continuing on the date of such deposit;

(e) such Legal Defeasance or Covenant Defeasance shall not cause the trustee for the Notes to have a conflicting interest as defined in the Indenture;

(f) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture) to which the Parent Guarantor, the Issuer or any other Subsidiary of the Parent Guarantor is a party or by which the Parent Guarantor, the Issuer or any other Subsidiary of the Parent Guarantor is bound;

(g) the Parent Guarantor or the Issuer must have delivered to the trustee an opinion of independent counsel in the country of its incorporation or organization to the effect that after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and an opinion of independent counsel reasonably acceptable to the trustee that the trustee shall have a perfected security interest in such trust funds for the ratable benefit of the holders of the Notes of the applicable series;

(h) no event or condition shall exist that would prevent the Parent Guarantor or the Issuer from making payments of the principal of, premium, if any, and interest on the Notes of the applicable series on the date of such deposit; and

(i) the Parent Guarantor or the Issuer will have delivered to the trustee an Officer's Certificate and an opinion of counsel, each stating that all conditions precedent provided for relating to either the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

If the funds deposited with the trustee to effect Covenant Defeasance are insufficient to pay the principal of, premium, if any, and interest on the Notes of the applicable series when due because of any acceleration occurring after an Event of Default, then the Issuer and the Guarantors will remain liable for such payments.

Satisfaction and discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes of a series issued thereunder (except as to surviving rights of registration of transfer or exchange of the Notes as expressly provided for in the Indenture) when:

(a) the Issuer or the Parent Guarantor has irrevocably deposited or caused to be deposited with the trustee as trust funds in trust for such purpose an amount in U.S. Dollars or U.S. Government Obligations sufficient, without consideration of any reinvestment of any interest thereon, to pay and discharge the entire Debt on such Notes that have not, prior to such time, been delivered to the trustee for cancellation, for principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on such Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or redemption date, as the case may be, and the Issuer or the Parent Guarantor has delivered irrevocable instructions to the trustee to apply the deposited money toward the payment of such Notes at Maturity or on the redemption date, as the case may be; and either:

(i) all such Notes that have been authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust as provided for in the Indenture) have been delivered to the trustee for cancellation; or

(ii) all such Notes that have not been delivered to the trustee for cancellation (x) have become due and payable (by reason of the mailing of a notice of redemption or otherwise), (y) will become due and payable

at Stated Maturity within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee in the Issuer's name, and at the Issuer's expense, and

(b) the Issuer or a Guarantor has paid or caused to be paid all sums payable by the Issuer under the Indenture; and

(c) the Issuer or the Parent Guarantor has delivered to the trustee an Officer's Certificate and an opinion of counsel, each stating that all conditions precedent provided in the Indenture relating to the satisfaction and discharge of the Indenture have been satisfied.

Amendments and waivers

The Indenture will contain provisions permitting the Issuer, the Guarantors and the trustee to enter into a supplemental indenture without the consent of the holders of the Notes of a particular series for certain limited purposes, including, among other things, curing ambiguities, defects or inconsistencies or making any change that does not adversely affect the rights of any holder of the Notes of a series in any material respect. With the consent of the holders of not less than a majority in aggregate principal amount of the Notes of a series then outstanding, the Issuer, the Guarantors and the trustee are permitted to amend, modify or supplement the Indenture, the Notes and the Guarantees. However, no such modification, supplement or amendment may, without the consent of the holder of each outstanding Note of a particular series affected thereby:

(a) change the Stated Maturity of the principal of, or any installment of or Additional Amounts or interest on, any Note;

(b) reduce the principal amount of any Note (or Additional Amounts or premium, if any) or the rate of or change the time for payment of interest on any Note (other than with respect to the minimum notice period for any optional redemption);

(c) change the coin or currency in which the principal of any note or any premium or any Additional Amounts or the interest thereon is payable;

(d) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date);

(e) change any date on which the Notes may be subject to redemption or reduce the applicable redemption price (other than provisions relating to a Change of Control or notice periods);

(f) reduce the principal amount of Notes whose holders must consent to any amendment, supplement or waiver of provisions of the Indenture;

(g) modify any of the provisions relating to supplemental indentures requiring the consent of holders of the Notes of such series or relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of outstanding Notes of such series required for such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each Note of such series affected thereby;

(h) release any Guarantees except in compliance with the terms of the Indenture; or

(i) make any change in the provisions of the Indenture described under "—Additional Amounts" that adversely affects the rights of any holder of the Notes or amend the terms of the Notes or the Indenture in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer and the Guarantors agree to pay Additional Amounts (if any) in respect thereof in the supplemental Indenture.

Notwithstanding the foregoing, without the consent of any holder of the Notes of a series, the Issuer, the Guarantors and the trustee may modify, supplement or amend the Indenture, the Notes of any series and the related Guarantees:

(i) to evidence the succession of another Person to the Parent Guarantor and to provide the assumption of the Issuer's or any Guarantor's obligation under the covenants in the Indenture and in the Notes in accordance with "—Certain Covenants—Consolidation, Merger and Sale of Assets;"

(ii) to add to the Parent Guarantor's covenants and those of the Issuer, any Subsidiary Guarantors or any other obligor upon the Notes for the benefit of the holders of the Notes or to surrender any right or power conferred upon the Parent Guarantor, the Issuer or any Subsidiary Guarantors or any other obligor upon the Notes, as applicable, in the Indenture, in the Notes or in any Guarantees;

(iii) to cure any ambiguity, or to correct or supplement any provision in the Indenture, the Notes or any Guarantees that may be defective or inconsistent with any other provision in the Indenture, the Notes or any Guarantees or make any other provisions with respect to matters or questions arising under the Indenture, the Notes or any Guarantees; *provided* that, in each case, such provisions shall not adversely affect the interests of the holders of the Notes in any material respect;

(iv) to conform the text of the Indenture, the Notes or the Guarantees to any passage in this "Description of Notes" to the extent that such passage was intended to be a verbatim recitation of a provision of the Indenture, the Notes or the Guarantees;

(v) to add a Guarantor under the Indenture or pledge collateral to secure the Notes;

(vi) to evidence and provide the acceptance of the appointment of a successor trustee under the Indenture;

(vii) to provide for the issuance of Additional Notes in accordance with and if permitted by the terms of and limitations set forth in the Indenture;

(viii) to secure the Notes and the Guarantees; or

(ix) to make any other change that would provide any additional rights or benefits to the holders of the Notes or that does not adversely affect in any material respect the legal rights under the Indenture of any holder of the Notes.

The holders of a majority in aggregate principal amount of the Notes of a particular series outstanding may waive compliance with certain restrictive covenants and provisions of the Indenture with respect to such series.

Notices

Any notice or communication to a holder of Notes will be mailed by first class mail or by overnight air courier guaranteeing next day delivery to its address shown on the Note register or by such other delivery system as the holder of Notes agrees to accept. Failure to mail a notice or communication to a holder of Notes or any defect in it will not affect its sufficiency with respect to other holders of Notes. Notwithstanding any other provision of the Indenture or any Note, where the Indenture or any Note provides for notice of any event (including any notice of redemption) to any holder of Notes of an interest in a Global Note (whether by mail or otherwise), such notice shall be sufficiently given if given to DTC or any other applicable depositary for such Note (or its designee) according to the applicable procedures of DTC or such depositary.

If and so long as the Notes are listed on any securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange.

The trustee

The Indenture will provide that, except during the continuance of an Event of Default, the trustee will perform only such duties as are specifically set forth in the Indenture. If an Event of Default has occurred and is continuing, the

trustee will exercise such rights and powers vested in it under the Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The Indenture contains limitations on the rights of the trustee under the Indenture in the event the trustee becomes a creditor thereunder. These include limitations on the trustee's rights to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise.

Listing

Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's International Securities Market. There can be no guarantee that the foregoing applications will be approved as of the date the Notes are issued or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this listing.

Governing law

The Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Certain definitions

"2025 Notes" means Issuer's 4.125% Second Priority Senior Secured Notes due 2025.

"2026 Notes" means Issuer's 5.250% Second Priority Senior Secured Notes due 2026.

"2027 Notes" means Issuer's 4.375% Second Priority Senior Secured Notes due 2027.

"2028 Notes" means Issuer's 4.000% Second Priority Senior Secured Notes due 2028.

"2029 Notes" means Issuer's 4.250% Second Priority Senior Secured Notes due 2029.

For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Attributable Debt" means, with regard to a sale and leaseback transaction of a Principal Property, an amount equal to the lesser of: (a) the fair market value of the Principal Property (as determined in good faith by the Parent Guarantor); or (b) the present value of the total net amount of rent payments to be made under the lease during its remaining term (excluding permitted extensions), discounted at the rate of interest set forth or implicit in the terms of the lease, compounded semi-annually.

"Borrowing Base" means:

(a) 85% of the net amount of accounts; plus

(b) 50% of the lower of cost or market value of parts inventory; plus

(c) the lesser of (x) 95% of (i) the net book value of rental equipment minus (ii) 25% of the liquidation value of small equipment and (y) 85% of (i) the liquidation value of rental equipment minus (ii)25% of the liquidation value of small equipment; plus

(d) 50% of the value of real estate,

in each case, as stated on the Parent Guarantor's most recently published quarterly consolidated balance sheet.

"Business Day" means a day other than a Saturday, Sunday or other day on which banking institutions in London, New York or a place of payment under the Indenture is authorized or required by law to close.

"Capital Stock" means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person's equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets of, such Person and any rights (other than debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for or convertible into such Capital Stock, whether now outstanding or issued after the date of the Indenture.

"Capitalized Lease Obligation" means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be classified and accounted for as a capital lease obligation under GAAP as in effect on July 26, 2018, and, for purposes of the Indenture, the amount of such obligation at any date will be the capitalized amount thereof at such date, determined in accordance with GAAP as in effect on July 26, 2018, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"Change of Control" has the meaning given to such term under "—Purchase of Notes upon a Change of Control."

"Code" means the Internal Revenue Code of 1986, as amended.

"Commission" means the U.S. Securities and Exchange Commission.

"Consolidated Net Tangible Assets" means, at any time, the net book value of the tangible fixed assets of the Parent Guarantor and its Subsidiaries.

"Credit Facility" or "Credit Facilities" means one or more indebtedness facilities (including the Senior Secured Credit Facility), commercial paper facilities or other financing arrangements with banks, insurance companies, investment funds, hedge funds or other lenders providing for revolving credit loans, term loans, notes, bonds, letters of credit or other forms of guarantees and assurances, asset backed credit facilities, including receivables financings or other borrowings, including overdrafts, in each case, as amended, restated, modified, extended, renewed, refunded, replaced, restructured, increased, supplemented or refinanced (including by means of public or private sales of debt securities to investors) in whole or in part from time to time.

"Debt" means, with respect to any Person, without duplication:

(a) all indebtedness of such Person for borrowed money; and

(b) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments;

provided that the term "Debt" shall not include (i) Debt in respect of the incurrence by the Parent Guarantor or any Subsidiary of the Parent Guarantor of Debt in respect of standby letters of credit, performance, bid, surety, appeal and similar bonds provided by the Parent Guarantor or any Subsidiary of the Parent Guarantor in the ordinary course of business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than the fifth business day following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond, (ii) anything accounted for as an operating lease in accordance with GAAP or (iii) any receivables financing.

"Default" means any Event of Default or any event that would constitute an Event of Default upon the giving of notice or the lapse of time or both.

"Enforcement Process" means in relation to any Debt of the Parent Guarantor or any Subsidiary, any action (whether taken by the relevant creditor or creditors or an agent or trustee on its or their behalf) to:

(a) demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of all or any part of such Debt;

(b) recover all or any part of such Debt (including, by exercising any rights of set-off or combination of accounts);

(c) exercise or enforce any rights under or pursuant to any guarantee or other assurance given by such Subsidiary in respect of such Debt;

(d) exercise or enforce any rights under any security interest whatsoever which secures such Debt;

(e) commence legal proceedings against any Person; or

(f) commence, or take any other steps which could lead to the commencement of, any:

(i) insolvency, liquidation, dissolution, winding-up, administration, receivership, compulsory merger or judicial re-organization of any Person;

(ii) the appointment of a trustee in bankruptcy, or insolvency conciliator, *ad hoc* official, judicial administrator, a liquidator, receiver (provisional, interim or permanent), or manager or other similar officer in respect of any Person; or

(iii) any other similar process or appointment.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Existing Notes" means, collectively, the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes and the 2029 Notes.

"Fair Market Value" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length, free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy (other than as required by a regulator body), as determined in good faith by the Issuer's board of directors.

"Generally Accepted Accounting Principles" or "GAAP" means, at any time, IFRS as in effect at that time (other than with respect to the definition of Capitalized Lease Obligation).

"guarantees" means, as applied to any obligation,

(a) a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation and

(b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit.

"Guarantee" means any guarantee of the Issuer's obligations under the Indenture and the Notes by the Parent Guarantor, any Subsidiary of the Parent Guarantor or any other Person in accordance with the provisions of the Indenture. When used as a verb, "Guarantee" shall have a corresponding meaning.

"IFRS" means the international accounting standards promulgated from time to time by the International Accounting Standards Board and interpretations thereof approved by the International Accounting Standards Board or any variation thereof with which the Issuer may be required to comply by any law, regulation or stock exchange requirement.

"Interest Rate Agreements" means any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) designed to protect against or manage exposure to fluctuations in interest rates.

"Issue Date" means August 12, 2021, the date on which Notes are originally issued under the Indenture.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset.

"Maturity" means, with respect to any Debt, the date on which any principal of such Debt becomes due and payable as therein or herein provided, whether at the Stated Maturity with respect to such principal or by declaration of acceleration, call for redemption or purchase or otherwise.

"Officer's Certificate" means a certificate signed by an officer of the Parent Guarantor, of the Issuer, of a Subsidiary Guarantor or of a Surviving Entity, as the case may be, and delivered to the trustee.

"Parent Entity" means any, direct or indirect, parent of the Parent Guarantor.

"Permitted Liens" means the following types of Liens:

(a) Liens existing as of the Issue Date;

(b) Liens on the Parent Guarantor's or any of its Subsidiary's property or assets securing Debt under Credit Facilities in an aggregate principal amount at any one time outstanding not to exceed the greater of (i) $6,000 million and (ii) the Borrowing Base;

(c) Liens in favor of the Parent Guarantor, the Issuer or any other Subsidiary of the Parent Guarantor;

(d) Liens on property or assets of, or on shares of Capital Stock or Debt of, any Person existing at the time such Person becomes, or becomes a part of, any Subsidiary of the Parent Guarantor; *provided* that such Liens do not extend to or cover any property or assets of the Parent Guarantor or any Subsidiary of the Parent Guarantor other than the property or assets acquired and provided, further, that such Liens were created prior to, and not in connection with or in contemplation of such acquisition;

(e) Liens on property or assets existing at the time of acquisition thereof by the Parent Guarantor or any Subsidiary of the Parent Guarantor; *provided* that such Liens do not extend to or cover any property or assets of the Parent Guarantor or any Subsidiary of the Parent Guarantor other than the property or assets acquired and provided, further, that such Liens were created prior to, and not in connection with or in contemplation of, such acquisition;

(f) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (y); *provided* that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets;

(g) Liens securing Debt incurred to refinance Debt that has been secured by a Lien permitted by the Indenture; *provided* that any such Lien shall not extend to or cover any assets not securing the Debt so refinanced;

(h) Liens for Capitalized Lease Obligations, mortgage financings or purchase money obligations to finance all or part of the purchase price or cost of construction or improvement of property or assets of the Parent Guarantor or any Subsidiary of the Parent Guarantor; *provided* that the Debt related to any such Capitalized Lease Obligation, mortgage financing or purchase money obligation shall not exceed the cost of such property or assets, construction or improvement and shall not be secured by any property or assets of the Parent Guarantor or any Subsidiary of the Parent Guarantor other than the property and assets so acquired, constructed or improved; and

(i) Liens incurred by the Parent Guarantor or any Subsidiary of the Parent Guarantor with respect to obligations that do not exceed 15.0% of Consolidated Net Tangible Assets.

In the event that a Permitted Lien meets the criteria of more than one type of Permitted Lien (at the time of incurrence or a later date), the Issuer in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with the Indenture and such Permitted Lien shall be treated as having been made pursuant only to the clause or clauses of the definition of Permitted Liens to which such Permitted Lien has been classified or reclassified; *provided* that any Liens securing Debt under the Senior Secured Credit Facility outstanding on the Issue Date shall be deemed to be incurred under clause (b) of the definition of "Permitted Liens" and may not be reclassified.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or other entity.

"Principal Property" means any real and tangible property which is owned and operated by the Parent Guarantor or any Subsidiary having a gross book value in excess of $150.0 million, provided that no such property will constitute a Principal Property if the board of directors of the Parent Guarantor has determined in good faith that such property is not of material importance to the total business conducted by the Parent Guarantor and its Subsidiaries taken as a whole.

"Securities Act" means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Senior Secured Credit Facility" means the Loan and Security Agreement, dated as of August 31, 2006, as amended by that First Amendment to Loan and Security Agreement, dated as of May 1, 2008, as further amended by that certain Second Amendment to Loan and Security Agreement, dated as of November 23, 2009, as further amended by that certain Third Amendment to Loan and Security Agreement, dated as of March 28, 2011, as further amended by that certain Fourth Amendment to Loan and Security Agreement, dated as of August 22, 2013, as further amended by that certain Fifth Amendment to Loan and Security Agreement, dated as of July 27, 2015, as further amended by that certain Sixth Amendment to Loan and Security Agreement, dated as of December 22, 2016, as further amended by that certain Seventh Amendment to Loan and Security Agreement, dated as of July 28, 2017, as further amended by that certain Eighth Amendment to Loan and Security Agreement, dated as of May 25, 2018, as further amended by that certain Ninth Amendment to Loan and Security Agreement, dated as of December 19, 2018, as further amended by that certain Tenth Amendment to Loan and Security Agreement, dated as of April 3, 2020, and as further amended by that certain Eleventh Amendment to Loan and Security Agreement, dated as of April 24, 2020, among certain subsidiaries of Ashtead Group plc, as borrowers, Ashtead Group plc, as borrower representative and guarantor, the financial institutions party thereto from time to time as lenders, Bank of America, N.A., as administrative agent, Bank of America, N.A., as collateral agent, and the other agents party thereto, as such agreement may be amended, restated, modified, extended, renewed, refunded, replaced, restructured, increased, supplemented or refinanced (including by means of public or private debt securities to investors) in whole or in part from time to time and without limitation as to amount, terms, conditions, covenants and other provisions.

"Significant Subsidiary" means any Subsidiary that would be considered a "significant subsidiary" within the meaning of Article 1 of Regulation S-X under the Securities Act.

"Stated Maturity" means, when used with respect to any Note or any installment of interest thereon, the date specified in such Note as the fixed date on which the principal of such Note or such installment of interest, respectively, is due and payable, and, when used with respect to any other indebtedness, means the date specified in the instrument governing such indebtedness as the fixed date on which the principal of such indebtedness, or any installment of interest thereon, is due and payable.

"Subordinated Debt" means Debt of the Parent Guarantor, the Issuer or any of the Subsidiary Guarantors that is subordinated in right of payment to the Notes or the Guarantees of such Guarantor, as the case may be, but without regards to security.

"Subsidiary" means, with respect to any Person,

(a) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof and

(b) any other Person (other than a corporation), including, without limitation, a partnership, limited liability company, business trust or joint venture, in which such Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, has at least majority ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other Person performing similar functions).

"Subsidiary Guarantors" means each Subsidiary of the Parent Guarantor that incurs a Guarantee until it is released from its obligations under its Guarantee and the Indenture in accordance with the terms of the Indenture.

"U.S. Dollars," "dollars" or "$" means the lawful currency of the United States of America.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States is pledged that is not callable or redeemable at the option of the issuer thereof.

"Voting Stock" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"Wholly Owned Subsidiary" means any Subsidiary of the Parent Guarantor, all of the outstanding Capital Stock (other than directors' qualifying shares or shares required pursuant to applicable law to be held by a Person other than a Subsidiary of the Parent Guarantor) of which are owned by the Parent Guarantor or by one or more other Wholly Owned Subsidiaries or by the Parent Guarantor and one or more other Wholly Owned Subsidiaries.

BOOK-ENTRY; DELIVERY AND FORM

General

The Notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A ("Rule 144A Notes"). The Notes also may be offered and sold in offshore transactions in reliance on Regulation S ("Regulation S Notes"). Except as set forth below, the Notes will be issued in registered, global form in minimum denominations of $200,000 and in integral multiples of $1,000 in excess thereof. Notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the "Rule 144A Global Notes"). Regulation S Notes initially will be represented by one or more temporary notes in registered, global form without interest coupons (collectively, the "Regulation S Temporary Global Notes"). The 144A Global Notes and Regulation S Temporary Global Notes will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company ("DTC"), outside the UK, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below. Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the "Restricted Period"), beneficial interests in the Regulation S Temporary Global Notes may be held only through Euroclear and Clearstream (as indirect participants in DTC), unless transferred to a person that takes delivery through a Rule 144A Global Note in accordance with the certification requirements described below. Within a reasonable time period after the expiration of the Restricted Period, the Regulation S Temporary Global Notes will be exchanged for one or more permanent notes in registered, global form without interest coupons (collectively, the "Regulation S Permanent Global Notes" and, together with the Regulation S Temporary Global Notes, the "Regulation S Global Notes"; the Regulation S Global Notes and the Rule 144A Global Notes collectively being the "Global Notes"). Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. See "—Exchanges Between Regulation S Notes and Rule 144A Notes."

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive notes in registered certificated form ("Certificated Notes") except in the limited circumstances described below. See "—Exchange of Global Notes for Certificated Notes." Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of notes in certificated form.

Rule 144A Notes (including beneficial interests in the Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Notice to Investors." Regulation S Notes will also bear the legend as described under "Notice to Investors." In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Issuer takes no responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised the Issuer that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the

records of the Participants and Indirect Participants. DTC has also advised the Issuer that, pursuant to procedures established by it:

(1) upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and

(2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes). Investors in the Rule 144A Global Notes who are Participants may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants. After the expiration of the Restricted Period (but not earlier), investors may also hold interests in the Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank S.A./ N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or "**holders**" **thereof under the Indenture for any purpose.**

Payments in respect of the principal of, and interest and premium, if any, on, a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, the Issuer and the Trustee will treat the Persons in whose names the Notes, including the Global Notes, are registered as the owners of the Notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the Trustee nor any agent of the Issuer or the Trustee has or will have any responsibility or liability for:

(3) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

(4) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Issuer that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee or the Issuer. Neither the Issuer nor the Trustee will be liable for any delay by DTC or any of the Participants or the Indirect Participants in identifying the beneficial owners of the Notes, and the Issuer and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Notice to Investors," transfers between the Participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described herein, crossmarket transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositaries; however, such crossmarket transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream. DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute such notes to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A Global Notes and the Regulation S Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. None of the Issuer, the Trustee and any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of global notes for certificated notes

A Global Note is exchangeable for Certificated Notes if:

(1) DTC (a) notifies the Issuer that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Issuer fails to appoint a successor depositary;

(2) the Issuer, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Certificated Notes; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the Notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the Indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "Notice to Investors," unless that legend is not required by applicable law.

Exchange of certificated notes for global notes

Certificated Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such notes. See "Notice to Investors."

Exchanges between regulation S notes and rule 144A notes

Prior to the expiration of the Restricted Period, beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in the Rule 144A Global Note only if:

(1) such exchange occurs in connection with a transfer of the Notes pursuant to Rule 144A; and

(2) the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that the Notes are being transferred to a Person:

(a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;

(b) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and

(c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a Person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Restricted Period, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Transfers involving exchanges of beneficial interests between the Regulation S Global Notes and the Rule 144A Global Notes will be effected by DTC by means of an instruction originated by the Trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest. The policies and practices of DTC may prohibit transfers of beneficial interests in the Regulation S Global Note prior to the expiration of the Restricted Period.

Same-day settlement and payment

The Issuer will make payments in respect of the Notes represented by the Global Notes, including principal, premium, if any, and interest, by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. The Issuer will make all payments of principal, interest and premium, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated Notes or, if no such account is specified, by mailing a check to each such holder's registered address. The Notes represented by the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuer expects that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Issuer that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

TAXATION

US federal income tax considerations

General

The following discussion is a summary of US federal income tax considerations generally applicable to the ownership and disposition of the Notes to non-US holders (as defined below) that acquire Notes for cash pursuant to this offer. The summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), US Treasury Regulations, judicial decisions, published positions of the Internal Revenue Service ("IRS"), and other applicable authorities, all as in effect as of the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). The discussion does not address all of the tax considerations that may be relevant to a particular person or to persons subject to special treatment under US federal income tax laws (such as expatriates, controlled foreign corporations, passive foreign investment companies, tax-exempt organizations, banks or other financial institutions or persons that are, or hold their Notes through, partnerships or other pass-through entities), persons required for US federal income tax purposes to conform the timing of income accruals with respect to the Notes to their financial statements, or persons who hold the Notes as part of a straddle, hedge, conversion, synthetic security, or constructive sale transaction for US federal income tax purposes, all of whom may be subject to tax rules that differ from those summarized below. In addition, this discussion does not address the considerations of the alternative minimum tax, or any state, local or foreign tax considerations or any tax considerations other than US federal income tax considerations. This summary deals only with persons who purchase the Notes for cash at their original issue price and who hold the Notes as capital assets within the meaning of the Code (generally, property held for investment). No opinion of counsel or IRS ruling has been or will be sought regarding any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of those set forth below. Holders are urged to consult their tax advisors as to the particular US federal tax considerations to them of an investment in the Notes, as well as the effects of other US federal, state, local and non-US tax laws.

For purposes of this summary, a "US holder" is a beneficial owner of a Note (as determined for US federal income tax purposes) that is, or is treated as, (i) a citizen or individual resident of the US, (ii) a corporation (or other entity subject to tax as a corporation) created or organized in the United States or under the laws of the United States, any state thereof, or the District of Columbia, (iii) an estate the income of which is subject to US federal income taxation regardless of its source or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or (b) the trust has a valid election in effect under applicable US Treasury Regulations to be treated as a US person. A "non-US holder" is any beneficial owner of a Note (as determined for US federal income tax purposes), other than a partnership or other entity that is a pass-through entity for US federal income tax purposes, that is not a "US holder."

If a partnership (including any entity treated as a partnership or other pass-through entity for US federal income tax purposes) is a holder of a Note, the US federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of such partnership. Partners and partnerships considering an investment in the Notes should consult their tax advisors as to the particular US federal income tax considerations applicable to them of an investment in the Notes.

It is anticipated, and this discussion assumes, that the Notes will not be issued with more than a de minimis amount of original issue discount.

Non-US holders

Payments of interest

A non-US holder will generally not be subject to US federal income or withholding tax on interest paid on a Note if the interest is not effectively connected with a US trade or business (and, in the case of certain applicable tax treaties, is not attributable to a permanent establishment or fixed base within the United States); *provided* that the non-US holder:

(1) does not actually or constructively, directly or indirectly, own 10% or more of the Issuer's voting stock;

(2) is not a "controlled foreign corporation" that is related to the Issuer (directly or indirectly) through stock ownership; and

(3) certifies to its non-US status and that no withholding is required pursuant to FATCA (discussed below) on IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable form).

A non-US holder that cannot satisfy the above requirements will generally be exempt from US federal withholding tax with respect to interest paid on the Notes if the holder establishes that such interest is not subject to withholding tax because it is effectively connected with the non-US holder's conduct of a trade or business in the United States (and, if an applicable income tax treaty so requires, is attributable to a permanent establishment or fixed based maintained by the non-US holder within the United States) (generally, by providing an IRS Form W-8ECI). Any such interest will generally be subject to US federal income tax on a net income basis and, if the non-US holder is a foreign corporation, may also be subject to a US branch profits tax at a rate of 30% (or lower applicable treaty rate).

Interest paid to a non-US holder that does not satisfy the requirements described above will generally be subject to US withholding tax at a rate of 30% or lower applicable treaty rate, provided that the non-US holder satisfies certain certification requirements (generally, by providing a properly completed and executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable).

Disposition of a Note

A non-US holder will generally not be subject to US federal income taxation with respect to gain realized on the sale, exchange, retirement or other disposition of a Note (except to the extent such amount is attributable to accrued but unpaid stated interest, which will be subject to tax as described above), unless:

(1) the non-US holder holds the Note in connection with the conduct of a US trade or business (and, if an applicable income tax treaty so requires, the gain is attributable to a permanent establishment or fixed base maintained by the non-US holder within the United States); or

(2) in the case of an individual, such individual is present in the United States for 183 days or more during the taxable year in which gain is realized and certain other conditions are met.

A non-US holder described in clause (1) above will generally be subject to US federal income tax on a net income basis and, if it is a foreign corporation, may be subject to a US branch profits tax at a rate of 30% (or lower applicable treaty rate). A non-US holder described in clause (2) above will generally be subject to US federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which such non-United States Holder's capital gains allocable to US sources (including gains from the sale, exchange, retirement, or other disposition of Notes) exceed its capital losses allocable to US sources.

Additional withholding rules. Under the Foreign Account Tax Compliance Act (commonly known as FATCA), withholding at a rate of 30% will generally apply with respect to interest payments on Notes held by or through certain foreign financial institutions (including investment funds) unless such institution (i) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by certain US persons and by certain non-US entities that are wholly or partially owned by US persons and to withhold on certain payments, or (ii) if required under an intergovernmental agreement between the United States and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the US authorities. An intergovernmental agreement between the United States and an applicable foreign country, or other guidance, may modify these requirements. Accordingly, the entity through which the Notes are held will affect the determination of whether such withholding is required. Similarly, in certain circumstances, interest payments on Notes held by an investor that is a non-financial non-US entity that does not qualify under certain exemptions will generally be subject to withholding at a rate of 30%, unless such entity either (i) certifies that such entity does not have any "substantial United States owners" or (ii) provides certain information regarding the entity's "substantial United States owners," which we will in turn provide to the IRS. We will not pay any additional amounts to non-US Holders in respect of any amounts withheld under FATCA. Prospective investors should consult their tax advisors regarding the possible implications of these rules on an investment in the Notes.

Certain United Kingdom tax considerations

The following summary describes certain United Kingdom ("UK**"**) taxation considerations of the ownership of the Notes but does not purport to be comprehensive. Except where expressly stated, this summary relates only to the position of those persons who are the absolute beneficial owners of the Notes and who hold those Notes as a capital investment. It may not apply to special situations, such as those of dealers or traders in securities. Similarly, it does not apply to any person who is connected with the Issuer (or, in the event of a payment being made under the guarantees, with the relevant guarantor) within the meaning ascribed to that term by section 993 Income Tax Act 2007 ("ITA") and section 1122 Corporation Tax Act 2010. Furthermore, the discussion below is generally based upon the provisions of UK tax law as applied in England and on the published practice of HMRC as of the date hereof, and such provisions may be repealed, revoked or modified, possibly with retrospective and/or retroactive effect so as to result in UK tax considerations different from those described below. Unless stated to the contrary, this summary only applies to persons who are resident in the UK for UK tax purposes ("UK resident"). A holder who is subject to tax in any other jurisdiction or who is in any doubt as to his tax position should seek his own advice. **All persons considering the purchase, ownership or disposition of the Notes should consult their own tax advisers concerning UK tax considerations in the light of their particular situations as well as any consequences arising under the law of any other relevant tax jurisdiction. No representation with respect of the tax considerations to any particular holder of Notes is made below.**

Payments of interest on the notes—withholding of UK tax

Payments of interest made on the Notes, whether made by the Issuer or a UK resident guarantor, should be payable without withholding or deduction for or on account of UK income tax for so long as the Notes are admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange within the meaning of section 987 ITA (as amended). The International Securities Market is currently a multilateral trading facility operated by a regulated recognised stock exchange, the London Stock Exchange, for these purposes.

Based on a consideration of the reported cases, any payments of interest made by the Issuer (where the interest is treated as arising in the UK ("UK source")) or by a UK resident guarantor under the guarantee, while the Notes are not admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange and therefore are not "quoted Eurobonds"(within the meaning of section 987 ITA), could be treated as interest the payment of which is subject to an obligation to withhold UK tax (currently at 20%). In such circumstances a beneficial owner of the Notes might be able to claim exemption from or reduction in the rate of UK tax withheld either under the terms of an applicable double tax treaty, or by satisfying the payer that the beneficial owner is subject to UK corporation tax in respect of the payments or is otherwise entitled to a relevant exemption from UK tax.

Where a UK source payment of interest is made by the Issuer or payment of interest is made by a UK resident guarantor, the amount payable may be chargeable to UK tax by direct assessment. Interest should not be assessed to UK tax in the hands of holders of the Notes who are not UK resident (other than certain trustees that are not UK resident), except where such persons carry on a trade, profession or vocation in the UK through a UK permanent establishment, branch or agency in connection with which the interest is received or to which the Notes are attributable, in which case tax may be levied on the UK permanent establishment, branch or agency. The provisions of an applicable double taxation treaty may also be relevant for such holders.

If a payment is made to a holder of a Note subject to an obligation to withhold UK tax, the relevant payer may be required to pay additional amounts to the holder in the circumstances more particularly described and subject to the exceptions set forth under the caption "Description of the Notes—Additional Amounts." The holder should also note that the right to redeem the Notes more particularly described under the caption "Description of the Notes— Optional Redemption—Redemption upon Changes in Withholding Taxes" may apply as a result of any such payer becoming obliged to pay such additional amounts, in circumstances in which the additional amount becomes payable as a result of a change in, execution of or amendment to, a law or treaty, or a change in the official application or interpretation of a law or treaty affecting its obligations to pay such additional amounts.

Provision of information

A paying agent or other person paying interest to, or receiving interest on behalf of, another person (whether resident in the UK or elsewhere), may be required to provide information in relation to the payment and the payee or person

entitled to the interest to HMRC. HMRC may communicate information to the tax authorities of other jurisdictions. Interest for these purposes may include, in certain circumstances, payments of amounts due on redemption of Notes if the Notes constitute "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005.

Holders subject to UK corporation tax

In general, holders of Notes that are within the charge to UK corporation tax will be charged to tax on returns on and fluctuations in the value of the Notes as income (whether income or capital under general principles) broadly in accordance with their statutory accounting treatment so long as such accounts are prepared in accordance with UK generally accepted accounting practice. Such holders will also generally be charged to tax in each accounting period by reference to interest accrued in that period and any profit or loss which, in accordance with such holders' statutory accounts, is applicable to that period, so long as such accounts are prepared in accordance with UK generally accepted accounting practice.

UK holders not subject to UK corporation tax

(a) Taxation of interest income

Holders of Notes that are within the charge to UK income tax will generally be charged to tax on the actual amount of gross interest from the Notes arising to them in each year of assessment.

(b) Taxation of chargeable gains

As the Notes are denominated in a currency other than UK sterling, the Notes will not be qualifying corporate bonds within the meaning of section 117 Taxation of Chargeable Gains Act 1992 for holders of Notes who are not subject to UK corporation tax. On this basis and subject to (c) below, a holder who is an individual that is UK resident will generally realize a chargeable gain or allowable capital loss for the purposes of UK capital gains tax on the disposal of the Notes.

(c) Deeply discounted securities

If the Notes constitute "deeply discounted securities" by virtue of the provisions described under "Description of the Notes—Purchase of Notes upon a Change of Control," individual UK resident holders of Notes will be liable to UK income tax on the entire profit made on the disposal of the Notes.

(d) Accrued Income Scheme

Under rules known as the Accrued Income Scheme, a disposal by a non-corporate holder who is either (i) UK resident or (ii) not UK resident but who trades in the UK through a branch or agency to which the Notes are attributable, may result in any interest which has accrued since the later of the last payment date or the Issue Date of the Notes being chargeable to tax as income. The amount payable by such holders on acquisition of the Notes in respect of accrued interest will represent a relievable amount to set against interest received or accrued on the relevant Notes. It is recommended that holders of Notes consult their tax advisors for further information about the Accrued Income Scheme in general.

Stamp duty and stamp duty reserve tax

No UK stamp duty or stamp duty reserve tax is payable on the issue of the Global Note. Transfers of book-entry interests and interests therein should not attract UK stamp duty or stamp duty reserve tax.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the Notes (including any interest in a Note) by (i) employee benefit plans that are subject to Title I of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or provisions under any federal, state, local, non-US or other laws or regulations that are similar to such provisions of ERISA or the Code ("Similar Law"), and (iii) entities whose underlying assets are considered to include "plan assets," pursuant to 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, of such plans, accounts and arrangements (each, a "Plan").

General fiduciary matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (a "Covered Plan"), and prohibit certain transactions involving the assets of a Covered Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Covered Plan or the management or disposition of the assets of such a Covered Plan, or who renders investment advice for a fee or other compensation to such a Covered Plan, is generally considered to be a fiduciary of the Covered Plan.

In considering an investment in the Notes of a portion of the assets of any Plan, a Plan fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan, including, without limitation, to the extent applicable, the prudence, diversification, delegation of control, conflicts of interest and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Law.

Each Plan should consider the fact that none of the Issuer, the initial purchasers or any of their respective affiliates will act as a fiduciary to any Plan with respect to decisions relating to an investment in the Notes and no such party is undertaking or will undertake to provide impartial investment advice, or to give advice in a fiduciary capacity, with respect to such decisions. The decision to acquire, hold and dispose of Notes (including any interest in a Note) must be made independently by each prospective Plan purchaser on an arm's-length basis.

Prohibited transaction issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Covered Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. For example, the acquisition and/or holding of Notes (including any interest in a Note) by a Covered Plan with respect to which the Issuer, a guarantor or an initial purchaser or their affiliates may be considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the US Department of Labor has issued prohibited transaction class exemptions, or "PTCEs" that may, depending upon the circumstances, apply to the investment in the Notes. These potentially applicable class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for transactions between a Covered Plan and a person that is a party in interest and/or a disqualified person (other than a fiduciary or an affiliate that, directly or indirectly, has or exercises discretionary authority or control or renders investment advice with respect to the assets involved in the transaction) solely by reason of providing services to the Covered Plan or by reason of a relationship to a service provider; *provided* that the Covered Plan receives no less, and pays no more, than adequate consideration in connection with the transaction. There can be no assurance that any such exemptions or any other exemptions would apply to all prohibited transactions that might occur, or that all of the

conditions of any such exemptions or any other exemption will be satisfied, with respect to a Covered Plan's investment in the Notes.

Because of the foregoing, the Notes and any interest in a Note may not be purchased or held by any person investing "plan assets" of any Plan, unless such purchase will not constitute a non-exempt prohibited transaction under ERISA or the Code or similar violation of any applicable Similar Law.

Representation

By its acceptance of the Notes (or any interest therein), each purchaser and holder thereof will be deemed to have represented and warranted that either (i) it is not, and is not acquiring and holding the Notes (or any interest therein) on behalf of or with the assets of, any Plan or (ii) the acquisition and holding of the Notes (or any interest therein) by such purchaser or holder will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Law, and, none of the Issuer, the initial purchasers nor any of their respective affiliates or agents has acted as such purchaser's fiduciary in connection with the investment in the Notes.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering investing in the Notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Law to such investment and whether an exemption would be necessary and applicable to the investment in the Notes. Nothing in this offering memorandum constitutes advice that an investment in the Notes is recommended or appropriate for Plans generally or for any particular Plan. Each Plan fiduciary who is responsible for making the investment decisions whether to invest in the Notes has the exclusive responsibility for determining that the investment is appropriate for the Plan and that the purchase and holding of the Notes (or any interest in a Note) does not violate, as applicable, the requirements of ERISA, the Code or applicable Similar Laws.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the purchase agreement among us, the guarantors and the initial purchasers, we have agreed to sell to the initial purchasers, and the initial purchasers have severally agreed to purchase from us, all of the Notes. The offering and resale of the Notes by the initial purchasers is subject to receipt and acceptance and to the initial purchasers' right to reject any order in whole or in part.

BofA Securities, Inc., Citigroup Global Markets Inc. and J.P. Morgan Securities LLC are acting as the representatives of the initial purchasers for this offering (in such capacity, each a "representative" and together the "representatives"). Under the terms of the purchase agreement to be entered into among us and the representatives, on behalf of the initial purchasers, we have agreed to sell to the initial purchasers, and each of the initial purchasers named below has severally agreed to purchase from us the principal amount of the Notes set forth opposite its name below:

Initial Purchaser	**Principal Amount of 2026 Notes**	**Principal Amount of 2031 Notes**
BofA Securities, Inc.	$ 85,250,000	$ 116,250,000
Citigroup Global Markets Inc.	$ 85,250,000	$ 116,250,000
J.P. Morgan Securities LLC	$ 85,250,000	$ 116,250,000
Wells Fargo Securities, LLC	$ 63,250,000	$ 86,250,000
NatWest Markets Securities Inc.	$ 49,500,000	$ 67,500,000
MUFG Securities Americas Inc.	$ 44,000,000	$ 60,000,000
Truist Securities, Inc.	$ 44,000,000	$ 60,000,000
HSBC Securities (USA) Inc.	$ 41,250,000	$ 56,250,000
Lloyds Bank Corporate Markets plc.	$ 27,500,000	$ 37,500,000
Barclays Capital Inc.	$ 24,750,000	$ 33,750,000
Total	**$ 550,000,000**	**$ 750,000,000**

The purchase agreement provides that the obligations of the initial purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by their counsel. Each initial purchaser is severally obligated to purchase all of the Notes it has agreed to purchase pursuant to the purchase agreement if any are purchased.

The initial purchasers have agreed to resell the Notes (a) to persons they reasonably believe to be QIBs in reliance on Rule 144A under the Securities Act and (b) outside the US in compliance with Regulation S under the Securities Act. See "Notice to Investors." The Notes will initially be offered at the price indicated on the cover page hereof. After the initial offering of the Notes, the offering price and other selling terms of the Notes may from time to time be varied by the initial purchasers. The initial purchasers may offer and sell Notes through one or more of their affiliates.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the Issuer in such jurisdiction.

The purchase agreement provides that we and the guarantors will indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the initial purchasers may be required to make in respect thereof.

Certain of the initial purchasers have advised us that they presently intend to make a market in the Notes following this offering of Notes, as permitted by applicable laws and regulations. The initial purchasers are not obligated, however, to make a market in the Notes and any such market making may be discontinued at any time at the sole discretion of the initial purchasers. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes.

We expect that delivery of the Notes will be made against payment therefore on or about the closing date specified on the cover page of this offering memorandum, which will be the seventh business day following the date of pricing of

the Notes (this settlement cycle being referred to as (T+7)). Under Rule 15c6-1 under the Securities Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes more than two business days prior to the closing date will be required, by virtue of the fact that the Notes initially will settle in T+7, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of notes who wish to trade notes more than two business days prior to the closing date should consult their own advisors.

In connection with the offering, certain persons participating in the offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the initial purchasers may bid for and purchase Notes in the open markets to stabilize the price of the Notes. The initial purchasers may also over allot the offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the initial purchasers may bid for and purchase Notes in market making transactions. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The initial purchasers are not required to engage in these activities, and may end these activities at any time.

In the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer. The initial purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that it acquires, long and/or short positions in such securities and instruments.

If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby.

We have agreed that we will not, for a period of 60 days after the date of this offering memorandum, without first obtaining the prior written consent of the representatives, directly or indirectly, issue, sell, offer to contract or grant any option to sell, pledge, transfer or otherwise dispose of, any debt securities or securities exchangeable for or convertible into debt securities, except for the Notes sold to the initial purchasers pursuant to the purchase agreement.

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The initial purchasers or their respective affiliates from time to time have provided in the past and may provide in the future investment banking, hedging, commercial lending and financial advisory services to us and our affiliates for which they received or will receive customary fees and expenses. Certain of the initial purchasers and their respective affiliates from time to time have acted or in the future may continue to act as agents and/or lenders to us and our subsidiaries under our First Priority Senior Secured Credit Facility, for which services they have received or expect to receive customary compensation. The initial purchasers will receive customary commissions and discounts under the purchase agreement upon the consummation of the offering of the Notes pursuant to this offering memorandum. Certain of the initial purchasers and/or their respective affiliates might own a portion of the 2025 Notes and/or 2026 Notes for their account and/or for the accounts of customers, and will therefore receive a portion of the proceeds from this offering to redeem the 2025 Notes and 2026 Notes.

Notice to prospective investors in the EEA

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II ; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been

prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Notice to prospective investors in the United Kingdom

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This offering memorandum is for distribution only to, and is only directed at, persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order, (iii) are high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any new securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. Recipients of this offering memorandum are not permitted to transmit it to any other person. The Notes are not being offered to the public in the UK.

Each initial purchaser has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Notice to prospective investors in Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum contain a misrepresentation, *provided* that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Hong Kong

The Notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and the underwriters have agreed that they will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Notes were not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law; or

(d) as specified in Section 276(7) of the SFA.

Singapore Securities and Futures Act Product Classification—Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in Switzerland

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in Switzerland. For these purposes, a retail investor means a person who is a retail client as defined in Article 4 of the Swiss Financial Services Act ("FinSA"). Consequently, no key information document required by the PRIIPS Regulation (or any equivalent document under the FinSA) has been or will be prepared in relation to any Notes and therefore, any Notes with a derivative character within the meaning of article 86 (2) of the Swiss Financial Services Ordinance may not be offered or recommended to private clients within the meaning of the FinSA in Switzerland.

Notice to Prospective Investors in Taiwan

The Notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Notes in Taiwan.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission ("ASIC"), in relation to the offering. This offering memorandum does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the Notes may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the Notes without disclosure to investors under Chapter 6D of the Corporations Act.

The Notes applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act.

This offering memorandum contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this offering memorandum is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

NOTICE TO INVESTORS

The Notes are subject to restrictions on transfer as summarized below. By purchasing Notes, you will be deemed to have made the following acknowledgments, representations to and agreements with us and the initial purchasers:

You acknowledge that:

- the Notes have not been registered under the Securities Act or any other securities laws, do not have the benefit of any exchange or other registration rights, and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and

- unless so registered, the Notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth below.

You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours, that you are not acting on our behalf and that either:

- you are a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and are purchasing Notes for your own account or for the account of another qualified institutional buyer, and you are aware that the initial purchasers are selling the Notes to you in reliance on Rule 144A; or

- you are not a US person (as defined in Regulation S under the Securities Act) or purchasing for the account or benefit of a US person, other than a distributor, and you are purchasing the Notes in an offshore transaction in accordance with Regulation S.

Each purchaser of the Notes hereunder (other than each of the Initial Purchasers) will be deemed to have acknowledged, represented, warranted and agreed with us and the Initial Purchasers as follows:

(a) It confirms that it, or the investor account for which it acts, is not a retail investor. For the purposes of this paragraph, the expression "retail investor" means a person who is one (or more) of the following:

(ii) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(iii) a customer within the meaning of Insurance Distribution Directive where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

(b) It understands that: (i) the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor (as defined in the previous paragraph) in the EEA and (ii) no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Each purchaser of the Notes hereunder (other than each of the Initial Purchasers) will be deemed to have acknowledged, represented, warranted and agreed with us and the Initial Purchasers as follows:

(a) It confirms that it, or the investor account for which it acts, is not a retail investor. For the purposes of this paragraph, the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

(b) It understands that: (i) the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor (as defined in the previous paragraph) in the UK, and (ii) no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

You acknowledge that neither we nor the initial purchasers nor any person representing us or the initial purchasers has made any representation to you with respect to us or the offering of the Notes, other than the information contained in this offering memorandum. You represent that you are relying only on this offering memorandum in making your investment decision with respect to the Notes. You agree that you have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to purchase the Notes, including an opportunity to ask questions of and request information from us.

You acknowledge that this offering memorandum relates to an offering that is exempt from registration under the Securities Act and may not comply in important respects with SEC rules that would apply to an offering document relating to a public offering of securities.

You represent that you are purchasing Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the Notes pursuant to Rule 144A or any other available exemption from registration under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing Notes, and each subsequent holder of the Notes by its acceptance of the Notes will agree, that until the end of the Resale Restriction Period (as defined below), the Notes may be offered, sold or otherwise transferred only:

(a) to us;

(b) under a registration statement that has been declared effective under the Securities Act;

(c) for so long as the Notes are eligible for resale under Rule 144A, to a person the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A;

(d) through offers and sales to non US persons that occur outside the US within the meaning of Regulation S under the Securities Act;

(e) to an institutional accredited investor (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that is not a qualified institutional buyer and that is purchasing for its own account or for the account of another institutional accredited investor, in each case in a minimum principal amount of Notes of $200,000; or

(f) under any other available exemption from the registration requirements of the Securities Act;

subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller or account's control.

You also acknowledge that:

- the above restrictions on resale will apply from the closing date until the date that is one year (in the case of Rule 144A Notes) or 40 days (in the case of Regulation S Notes) after the later of the closing date and the last date that we or any of our affiliates was the owner of the Notes or any predecessor of the Notes (the "Resale Restriction Period"), and will not apply after the applicable Resale Restriction Period ends;

- if a holder of Notes proposes to resell or transfer Notes under clause (e) above before the applicable Resale Restriction Period ends, the seller must deliver to us and the Trustee a letter from the purchaser in the form

set forth in the Indenture which must provide, among other things, that the purchaser is an institutional accredited investor that is acquiring the Notes not for distribution in violation of the Securities Act;

- we and the Trustee reserve the right to require in connection with any offer, sale or other transfer of Notes under clauses (d), (e) and (f) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the Trustee; and

- each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE **"**SECURITIES ACT**"**), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS ONE YEAR IN THE CASE OF RULE 144A NOTES, AND 40 DAYS IN THE CASE OF REGULATION S NOTES, AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY

SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A US PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A US PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

Each purchaser and holder of the Notes (or any interest therein) will, by its acquisition and holding thereof, be deemed to have represented and warranted that either (i) it is not, and is not acquiring and holding the Notes (or any interest therein) on behalf of or with the assets of, any Plan or (ii) the acquisition and holding of the Notes (or any interest therein) by such purchaser or holder throughout the period it holds the Notes (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Law, and, none of the Issuer, the initial purchasers nor any of their respective affiliates has acted as such purchaser's fiduciary in connection with the acquisition and holding of the Notes.

You acknowledge that we, the initial purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of Notes is no longer accurate, you will promptly notify us and the initial purchasers. If you are purchasing any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

EACH PURCHASER AND HOLDER OF A BENEFICIAL INTEREST IN THIS NOTE, BY ITS PURCHASE, REPRESENTS AND WARRANTS THAT EITHER (A) IT IS NOT, AND IS NOT ACQUIRING AND HOLDING THIS NOTE ON BEHALF OF OR WITH ANY ASSETS OF (i) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE US EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (ii) A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE US INTERNAL REVENUE CODE OF 1986, AS AMENDED ("CODE") OR PROVISIONS UNDER ANY FEDERAL, STATE, LOCAL, NON-US OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE ("SIMILAR LAW") OR (iii) AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS," PURSUANT TO 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT OR (B) ITS ACQUISITION AND HOLDING OF THIS NOTE THROUGHOUT THE PERIOD THAT IT HOLDS THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAW, AND, NONE OF THE ISSUER, THE INITIAL PURCHASERS NOR ANY OF THEIR RESPECTIVE AFFILIATES OR AGENTS HAS ACTED AS SUCH PURCHASER'S FIDUCIARY IN CONNECTION WITH THE INVESTMENT IN THE NOTE.

LEGAL MATTERS

Certain legal matters with respect to the Notes and guarantees offered hereby will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP and affiliates. Certain matters in connection with the offering of the Notes and the guarantees will be passed upon for the initial purchasers by Cahill Gordon & Reindel LLP.

INDEPENDENT AUDITORS

The consolidated financial statements of Ashtead Group plc as at and for the years ended April 30, 2021 and 2020, included in this offering memorandum, have been audited by Deloitte LLP, independent auditors, as stated in their reports appearing herein. Deloitte LLP is registered to carry out audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. Its business address is 1 New Street Square, London, EC4A 3HQ, United Kingdom.

The auditor's reports, in accordance with guidance issued by The Institute of Chartered Accountants in England and Wales, include the following limitations: "This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed."

WHERE YOU CAN FIND MORE INFORMATION

Each purchaser of the Notes from the initial purchasers will be furnished with a copy of this offering memorandum and any related amendments or supplements to this offering memorandum. Each person receiving this offering memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(2) such person has not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with its investigation of the accuracy of such information or its investment decision; and

(3) except as provided above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the initial purchasers.

This offering memorandum contains summaries, believed to be accurate in all material respects, of certain terms of certain agreements, but reference is made to the actual agreements (copies of which will be made available upon request to us or the initial purchasers) for complete information with respect thereto, and all such summaries are qualified in their entirety by this reference. While any Notes remain outstanding, we will make available, upon request, to any holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4) under the Securities Act during any period in which we are not subject to Section 13 or 15(d) of the Exchange Act or exempt from reporting under Rule 12g3-2(b) of the Exchange Act. Requests for such information and requests for the agreements summarized herein should be directed to our Company Secretary at 100 Cheapside, London EC2V 6DT, England.

SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

All but one of the directors of Ashtead Holdings PLC and all but three of the directors of Ashtead Group plc are residents of the UK. In addition, Ashtead Group plc, Ashtead Holdings PLC and some of the other guarantors are incorporated under the laws of England and Wales and other guarantors are incorporated in the US, Canada and the Republic of Ireland. A substantial portion of the assets of Ashtead Group plc, Ashtead Holdings PLC, a number of its subsidiaries and the directors of a number of its subsidiaries are located outside the US. Accordingly, it may not be possible for investors to effect service of process within the US upon Ashtead Group plc, Ashtead Holdings PLC or their respective directors or a director of Ashtead Capital, Inc., or to enforce against them, judgments of US courts predicated upon civil liability provisions of the US federal or state securities laws, due to their presence outside the jurisdiction of the US courts.

If a judgment is obtained in a US court against the guarantors, investors may need to seek to enforce such judgment in one or more jurisdictions where the relevant company has assets. The enforceability of US court judgments in England is briefly summarized below.

With respect to the enforceability of US court judgments in England, the Issuer and the guarantors have been advised as follows. The US and the UK currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the US based on civil liability, whether or not predicated solely upon US federal securities laws, would not automatically be recognized or enforceable in England. In order to enforce any such US judgment in England, proceedings must be initiated by way of a common law action before a court of competent jurisdiction in England. In such an action, an English court generally will not (subject to the following sentence) reinvestigate the merits of the original matter decided by a US court. A judgement creditor may applier for summary judgment on the basis that there is no defense to the claim for payment. If that application is successful, the judgment debtor will not be permitted to raise any defense to the recognition and enforcement of the judgement in England. Recognition and enforcement of a US judgment by an English court is conditional upon (among other things) the following:

- the US court having had jurisdiction over the original proceeding according to English conflicts of laws principles;
- the US judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it;
- the US judgment not contravening public policy of England;
- the US judgment being for a debt or a finite sum of money but not for a sum payable in respect of tax, fines or other contributions or penalties;
- the US judgment not having been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damaged sustained and not being otherwise in breach of Section 5 of the Protection of Trading Interests Act 1980;
- the US judgment not having been obtained by fraud or in breach of English principles of natural justice;
- there not having been a prior judgment in another court recognizable in England between the same parties concerning the same issues; and
- enforcement proceedings having been instituted within six years after the date of judgment.

If an English court gives judgment for the sum payable under a US judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the court discretion to prescribe the manner of enforcement. In addition, it may not be possible to obtain an English judgment or to enforce that judgment

if the judgment debtor is subject to any insolvency or similar proceedings, or if the judgment debtor has any set-off or counterclaim against the judgment creditor.

Subject to the foregoing, investors may be able to enforce in England judgments in civil and commercial matters that have been obtained from US federal or state courts. Nevertheless, we cannot assure you that those judgments will be recognized or enforceable in England, as this will be determined by the English courts. In addition, it is questionable whether an English court would accept that it has jurisdiction and impose civil liability if the original action was commenced in England, instead of the US, and predicated solely upon US federal securities laws.

GENERAL INFORMATION

1. Documents available for inspection

Copies of the following documents may be inspected at the offices of the Trustee and paying agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the life of the admission particulars from the date of this offering memorandum:

(i) the Certificate of Incorporation of the Issuer;

(ii) the certificate of incorporation, certificate of formation or memorandum and articles of association (as applicable) of each of the guarantors;

(iii) the audited consolidated annual accounts of Ashtead Group plc, the Issuer and the guarantors and their subsidiary undertakings for the financial years ended April 30, 2021, April 30, 2020, and April 30, 2019; and

(iv) the Indenture.

2. Application to the London Stock Exchange

Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's International Securities Market. There can be no guarantee that the foregoing applications will be approved as of the date the Notes are issued or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this listing.

3. The Issuer

The Issuer, Ashtead Capital, Inc., is incorporated under the laws of the state of Delaware. The Issuer was incorporated on July 13, 2006, and is an indirect, wholly owned subsidiary of Ashtead Group plc (the "Parent"). The Issuer has its registered office at The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, USA, at which the telephone number is (302) 777-0247. The Issuer was formed for the purpose of issuing a now-retired series of notes and other than the issuance of the Existing Notes and the proposed issuance of the Notes conducts, and is expected to conduct, no operations. Immediately following this offering, the Issuer will not have any liabilities other than the Notes, the Existing Notes and its guarantee of our First Priority Senior Secured Credit Facility.

Corporate structure

At the date of this offering memorandum, the authorized share capital of the Issuer consists of 1,000 shares of common stock with no par value per share. At the date of this offering memorandum, a total of 1,000 shares have been issued. The immediate shareholder of 100% interest in the Issuer is Ashtead Holdings, LLC. The ultimate shareholder of the Issuer is the Parent which owns indirectly 100% of the shares in the Issuer. The Issuer does not, either directly or indirectly, hold any issued share capital of any entity.

Business

The Issuer's principal activity is an investment holding company.

Directors

The directors of the Issuer are Michael Pratt, Kurt Kenkel and John Schoenberger. The business address for Mr. Pratt is 100 Cheapside, London EC2V 6DT, England. The business address for Messrs. Kenkel and Schoenberger is 2341 Deerfield Dr., Fort Mill, SC 29715, USA. As of the date of this offering memorandum, no director has any potential conflict of interests between his or her duties to the Issuer and his or her private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc whose consolidated financial statements includes the Issuer.

4. The guarantors and persons responsible

Ashtead Group plc (Parent)

Incorporation and status

Ashtead Group plc was incorporated in England (registered number 1807982) on April 11, 1984, under the name of Needroy Limited as a private company with limited liability under the Companies Acts 1948 to 1981. On November 4, 1986, it changed its name to Ashtead Group plc and re-registered as a public limited company under the Companies Act 1985 and its registered address is 100 Cheapside, London EC2V 6DT, England and its telephone number is +44(0) 20 7726 9700.

Share capital

At the date of this offering memorandum, the Parent's issued share capital is £45,135,483.30 comprised of 451,354,833 ordinary shares each with a nominal value of 10p which have been fully paid.

Organizational structure

The Parent is the main holding company of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

The Parent is an investment holding company.

Directors

For the directors of the Parent, see "Management."

Auditors

Deloitte LLP serves as the statutory and group auditor of the Parent.

Ashtead Holdings PLC

Incorporation and status

Ashtead Holdings PLC was incorporated in England (registered number 4895881) on September 11, 2003, under the name of Ashtead Holdings Limited as a private company with limited liability under the Companies Act 1985 and reregistered on March 25, 2004, as a public company with limited liability. Its registered address is 100 Cheapside, London EC2V 6DT, England and its telephone number is +44(0) 20 7726 9700.

Share capital

At the date of this offering memorandum, Ashtead Holdings PLC's issued share capital of £57,748,414 is comprised of 57,748,414 ordinary shares each with a nominal value of £1.00 which have been fully paid. The shareholders of Ashtead Holdings PLC are the Parent (99.9%) and Michael Pratt (0.1%).

Organizational structure

Ashtead Holdings PLC is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

Ashtead Holdings PLC is an investment holding and management company.

Directors

The directors of Ashtead Holdings PLC are Barbara Clark, Brendan Horgan and Michael Pratt. The business address for Ms. Clark and Mr. Pratt is 100 Cheapside, London EC2V 6DT, England. The business address for Mr. Horgan is 2341 Deerfield Dr., Fort Mill, SC 29715, USA.

There are no current or potential conflicts of interest between each of the directors of Ashtead Holdings PLC in his or her official capacity and his or her private interests or other duties.

Auditors

Deloitte LLP serves as the statutory auditor of Ashtead Holdings PLC.

Ashtead Financing Limited

Incorporation and status

Ashtead Financing Limited was incorporated in England (registered number 6672251) on August 13, 2008, as a private company with limited liability under the Companies Act 1985. Its registered address is 100 Cheapside, London EC2V 6DT, England and its telephone number is +44(0) 20 7726 9700.

Share capital

At the date of this offering memorandum, the issued share capital of Ashtead Financing Limited is $200,000 divided into 200,000 ordinary shares with a nominal value of $1.00 which have been fully paid. The sole shareholder of Ashtead Financing Limited is Ashtead Holdings PLC (100%).

Organizational structure

Ashtead Financing Limited is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

Ashtead Financing Limited is a financing company of the Group.

Directors

The directors of Ashtead Financing Limited are Michael Pratt and Eric Watkins. Their business address is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of Ashtead Financing Limited in his official capacity and his private interests or other duties.

Auditors

Deloitte LLP serves as the statutory auditor of Ashtead Financing Limited.

Sunbelt Rentals Limited

Incorporation and status

Sunbelt Rentals Limited was incorporated in England (registered number 00444569) on November 1, 1947, as a private company with limited liability under the Companies Act 1985. Its registered address is 100 Cheapside, London EC2V 6DT, England and its telephone number is +44(0) 20 7726 9700.

Share capital

At the date of this offering memorandum, the issued share capital of Sunbelt Rentals Limited is £583,730 divided into 583,730 ordinary shares with a nominal value of £1.00 which have been fully paid. The sole shareholder of Sunbelt Rentals Limited is Ashtead Holdings PLC (100%).

Organizational structure

Sunbelt Rentals Limited is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

The principal activity of Sunbelt Rentals Limited is the rental of construction and other equipment within the UK.

Directors

The directors of Sunbelt Rentals Limited are Brendan Horgan, Philip Parker, Michael Pratt and Andrew Wright. The business address for Horgan is 2341 Deerfield Dr., Fort Mill, SC 29715, USA. The business address for Messrs. Parker and Wright is 102 Dalton Avenue, Birchwood Park, Warrington WA3 6YE, England. The business address for Mr. Pratt is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of Sunbelt Rentals Limited in his official capacity and his private interests or other duties.

Auditors

Deloitte LLP serves as the statutory auditor of Sunbelt Rentals Limited.

Ashtead Holdings, LLC

Formation and status

Ashtead Holdings, LLC was formed in the state of Delaware (registered number 2230345) on May 19, 2000, as a limited liability company under the Delaware Limited Liability Company Act. Its registered address is The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, USA, at which the telephone number is (302) 777-0247.

Equity units

The issued units of Ashtead Holdings, LLC is 24,065 units. The sole member of Ashtead Holdings, LLC is Ashtead US Holdings, Inc. (100%).

Organizational structure

Ashtead Holdings, LLC is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

Ashtead Holdings, LLC is an investment holding company.

Directors

The directors of Ashtead Holdings, LLC are Brendan Horgan, John Schoenberger and Michael Pratt. The business address for Messrs. Horgan and Schoenberger is 2341 Deerfield Dr., Fort Mill, SC 29715, USA. The business address for Mr. Pratt is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of Ashtead Holdings, LLC in his official capacity and his private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes Ashtead Holdings, LLC.

Sunbelt Rentals, Inc.

Incorporation and status

Sunbelt Rentals, Inc. was incorporated in the state of North Carolina (registered number 0554101) on June 16, 2000, as a general business corporation under the North Carolina Business Corporation Act. Its registered address is CT Corporation System, 160 Mine Lake Ct, Ste 200, Raleigh, NC 27615-6417, USA, at which the telephone number is (919) 821-7139.

Share capital

At the date of this offering memorandum, the authorized share capital of Sunbelt Rentals, Inc. is 100,000 shares of common stock, no par value. The issued share capital of Sunbelt Rentals, Inc. is 159 shares. The sole shareholder of Sunbelt Rentals, Inc. is Ashtead Holdings, LLC (100%).

Organizational structure

Sunbelt Rentals, Inc. is a member of the Group. See **"**Overview—Summary Corporate and Financing Structure.**"**

Business

The principal activity of Sunbelt Rentals, Inc. is the rental of construction and other equipment within the US.

Directors

The directors of Sunbelt Rentals, Inc. are Russ Brown, Francis Hassis, Brendan Horgan, Kurt Kenkel, Brad Lull, Michael Pratt, Rod Samples, John Schoenberger and Richard Colvin. The business address for Messrs. Brown, Hassis, Horgan, Kenkel, Lull, Samples, Schoenberger and Colvin is 2341 Deerfield Dr., Fort Mill, SC 29715, USA. The business address for Mr. Pratt is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of Sunbelt Rentals, Inc. in his or her official capacity and his or her private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes Sunbelt Rentals, Inc.

Sunbelt Rentals Industrial Services, LLC

Formation and status

Sunbelt Rentals Industrial Services, LLC was formed in the state of Delaware (registered number 5235661) on November 1, 2012, as a limited liability company under the Delaware Limited Liability Company Act. Its registered address is The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, USA, at which the telephone number is (302) 777-0247.

Equity units

The issued units of Sunbelt Rentals Industrial Services, LLC is 100 units. The sole member of Sunbelt Rentals Industrial Services, LLC is Sunbelt Rentals, Inc. (100%).

Organizational structure

Sunbelt Rentals Industrial Services, LLC is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

Sunbelt Rentals Industrial Services, LLC is a general commercial company.

Managers

The managers of Sunbelt Rentals Industrial Services, LLC are Kurt Kenkel, John Schoenberger and Francis Hassis. Their business address is 2341 Deerfield Dr., Fort Mill, SC 29715, USA.

There are no current or potential conflicts of interest between each of the managers of Sunbelt Rentals Industrial Services, LLC in his or her official capacity and his or her private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes Sunbelt Rentals Industrial Services, LLC.

Accession Group Limited

Incorporation and status

Accession Group Limited was incorporated in England (registered number 06564281) on April 14, 2008, as a private company with limited liability under the Companies Act 1985. Its registered address is 100 Cheapside, London EC2V 6DT, England and its telephone number is +44(0) 20 7726 9700.

Share capital

At the date of this offering memorandum, the issued share capital of Accession Group Limited is £1,241,380.50 divided into 930,000 ordinary shares with a nominal value of £0.50 which have been fully paid, 352,761 ordinary A shares with a nominal value of £0.50 which have been fully paid and 600,000 preference shares with a nominal value of £1.00 which have been fully paid. The sole shareholder of Accession Group Limited is Sunbelt Rentals Limited (100%).

Organizational structure

Accession Group Limited is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

Accession Group Limited is a general commercial company.

Directors

The directors of Accession Group Limited are Philip Parker and Michael Pratt. The business address for Mr. Parker is 102 Dalton Avenue, Birchwood Park, Warrington WA3 6YE, England. The business address for Mr. Pratt is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of Accession Group Limited in his official capacity and his private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes Accession Group Limited.

Accession Holdings Limited

Incorporation and status

Accession Holdings Limited was incorporated in England (registered number 05467321) on May 31, 2005, as a private company with limited liability under the Companies Act 1985. Its registered address is 100 Cheapside, London EC2V 6DT, England and its telephone number is +44(0) 20 7726 9700.

Share capital

At the date of this offering memorandum, the issued share capital of Accession Holdings Limited is £521 divided into 521 ordinary shares with a nominal value of £1.00 which have been fully paid. The sole shareholder of Accession Holdings Limited is Accession Group Limited (100%).

Organizational structure

Accession Holdings Limited is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

Accession Holdings Limited is a general commercial company.

Directors

The directors of Accession Holdings Limited are Philip Parker and Michael Pratt. The business address for Mr. Parker is 102 Dalton Avenue, Birchwood Park, Warrington WA3 6YE, England. The business address for Mr. Pratt is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of Accession Holdings Limited in his official capacity and his private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes Accession Holdings Limited.

Eve Trakway Limited

Incorporation and status

Eve Trakway Limited was incorporated in England (registered number 02207643) on December 21, 1987, as a private company with limited liability under the Companies Act 1985. Its registered address is 100 Cheapside, London EC2V 6DT, England and its telephone number is +44(0) 20 7726 9700.

Share capital

At the date of this offering memorandum, the issued share capital of Eve Trakway Limited is £2 divided into 2 ordinary shares with a nominal value of £1.00 which have been fully paid. The sole shareholder of Eve Trakway Limited is Accession Holdings Limited (100%).

Organizational structure

Eve Trakway Limited is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

Eve Trakway Limited is a general commercial company.

Directors

The directors of Eve Trakway Limited are Philip Parker and Michael Pratt. The business address for Mr. Parker is 102 Dalton Avenue, Birchwood Park, Warrington WA3 6YE, England. The business address for Mr. Pratt is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of Eve Trakway Limited in his official capacity and his private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes Eve Trakway Limited.

Anglia Traffic Management Group Limited

Incorporation and status

Anglia Traffic Management Group Limited was incorporated in England (registered number 05238002) on September 22, 2004, as a private company with limited liability under the Companies Act 1985. Its registered address is 100 Cheapside, London EC2V 6DT, England and its telephone number is +44(0) 20 7726 9700.

Share capital

At the date of this offering memorandum, the issued share capital of Anglia Traffic Management Group Limited is £100 divided into 100 ordinary shares with a nominal value of £1.00 which have been fully paid. The sole shareholder of Anglia Traffic Management Group Limited is Accession Group Limited (100%).

Organizational structure

Anglia Traffic Management Group Limited is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

Anglia Traffic Management Group Limited is a general commercial company.

Directors

The directors of Anglia Traffic Management Group Limited are Philip Parker and Michael Pratt. The business address for Mr. Parker is 102 Dalton Avenue, Birchwood Park, Warrington WA3 6YE, England. The business address for Mr. Pratt is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of Anglia Traffic Management Group Limited in his official capacity and his private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes Anglia Traffic Management Group Limited.

ATM Traffic Solutions Limited

Incorporation and status

ATM Traffic Solutions Limited was incorporated in England (registered number 05015772) on January 14, 2004, as a private company with limited liability under the Companies Act 1985. Its registered address is 100 Cheapside, London EC2V 6DT, England and its telephone number is +44(0) 20 7726 9700.

Share capital

At the date of this offering memorandum, the issued share capital of ATM Traffic Solutions Limited is £100 divided into 100 ordinary shares with a nominal value of £1.00 which have been fully paid. The sole shareholder of ATM Traffic Solutions Limited is Anglia Traffic Management Group Limited (100%).

Organizational structure

ATM Traffic Solutions Limited is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

ATM Traffic Solutions Limited is a general commercial company.

Directors

The directors of ATM Traffic Solutions Limited are Philip Parker and Michael Pratt. The business address for Mr. Parker is 102 Dalton Avenue, Birchwood Park, Warrington WA3 6YE, England. The business address for Mr. Pratt is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of ATM Traffic Solutions Limited in his official capacity and his private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes ATM Traffic Solutions Limited.

Sunbelt Rentals Scaffold Services, Inc.

Incorporation and status

Sunbelt Rentals Scaffold Services, Inc. was formed in the state of North Carolina (registered number 0644038) on August 30, 2002, as a corporation under the North Carolina Business Corporation Act. Its registered address is 160 Mine Lake Ct., Ste. 200, Raleigh, NC 27615-6417.

Share capital

At the date of this offering memorandum, the authorized share capital of Sunbelt Rentals Scaffold Services, Inc. is 100,000 shares. The issued share capital of Sunbelt Rentals Scaffold Services, Inc. is 100 shares. The sole shareholder of Sunbelt Rentals Scaffold Services is Sunbelt Rentals Industrial Services, LLC (100%).

Organizational structure

Sunbelt Rentals Scaffold Services, Inc. is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

The principal activity of Sunbelt Rentals Scaffold Services, Inc. is the rental of construction equipment with the U.S.

Directors

The directors of Sunbelt Rentals Scaffold Services, Inc. are Kurt Kenkel and John Schoenberger.

The business address for Messrs. Kenkel and Schoenberger is 2341 Deerfield Dr., Fort Mill, SC 29715, USA.

There are no current or potential conflicts of interest between each of the directors of Sunbelt Rentals Scaffold Services, Inc. in his official capacity and his private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes Sunbelt Rentals Scaffold Services, Inc.

William F. White International Inc.

Incorporation and status

William F. White International Inc. was formed in Ontario as a corporation under the Ontario Business Corporations Act (registered number 005032663) on May 1, 2020, as the successor entity under that certain amalgamation of William F. White International Inc., corporation number 005026035, Whites Locations Equipment Supply Inc., corporation number 002397235 and Whites Studios Inc., corporation number 005022467. Its registered address is 800 Islington Ave, Toronto, Ontario, M8Z6A1.

Share capital

At the date of this offering memorandum, the issued share capital of William F. White International Inc. is 140,000,100 shares. The sole shareholder of William F. White International Inc. is Ashtead Holdings PLC (100%).

Organizational structure

William F. White International Inc. is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

The principal activity of William F. White International Inc. is the rental of lighting and grip equipment and studios within Canada.

Directors

The directors of William F. White International Inc. are Brendan Horgan, Michael Pratt, Kurt Kenkel and Christian Van Mook. The business address for Messrs. Horgan and Kenkel is 2341 Deerfield Dr., Fort Mill, SC 29715, USA. The business address for Mr. Van Mook is 93 North Bend Street, Coquitlam, British Columbia, V3K 6N1, Canada. The business address for Mr. Pratt is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of William F. White International Inc. in his or her official capacity and his or her private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes William F. White International Inc.

Sunbelt Rentals of Canada Inc.

Incorporation and status

Sunbelt Rentals of Canada Inc. was formed in British Columbia as a corporation under the British Columbia Business Corporations Act (registered number BC1225429) on October 1, 2019, as the successor entity under that certain Certificate of Amalgamation of Sunbelt Rentals of Canada Inc., incorporation number BC1200430, Joseph Holdings Ltd., incorporation number C1225421,MB Rental Experts Inc., incorporation number C1225424, and MB TCB Holdings Ltd., incorporation number C1225423. Its registered address is 725 Granville Street, Suite 400, Vancouver, BC V7Y IGS, Canada.

Share capital

At the date of this offering memorandum, the issued share capital of Sunbelt Rentals of Canada Inc. is 104,000 shares. The sole shareholder of Sunbelt Rentals of Canada Inc. is Ashtead Holdings PLC (100%).

Organizational structure

Sunbelt Rentals of Canada Inc. is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

The principal activity of Sunbelt of Canada Inc. is the rental of construction equipment within Canada.

Directors

The directors of Sunbelt Rentals of Canada Inc. are Brendan Horgan, Michael Pratt, Kurt Kenkel and John Schoenberger. The business address for Messrs. Horgan, Kenkel and Schoenberger is 2341 Deerfield Dr., Fort Mill, SC 29715, USA. The business address for Mr. Pratt is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of Sunbelt Rentals of Canada Inc. in his or her official capacity and his or her private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes Sunbelt Rentals of Canada Inc.

Ashtead Financing (Ireland) Unlimited Company

Incorporation and status

Ashtead Financing (Ireland) Unlimited Company was formed in the Republic of Ireland (registered number 551405) on October 21, 2014, as a private company with unlimited liability under the Irish Companies Act 2014 (as amended). Its registered address is 10 Earlsfort Terrace, Dublin 2, Ireland.

Share capital

At the date of this offering memorandum, the authorized share capital of Ashtead Financing (Ireland) Unlimited Company is $500,000. The issued share capital of Ashtead Financing (Ireland) Unlimited Company is $200. The shareholders of Ashtead Financing (Ireland) Unlimited Company are Ashtead Financing Limited (99.5%) and Ashtead Holdings PLC (0.5%).

Organizational structure

Ashtead Financing (Ireland) Unlimited Company is a member of the Group. See "Overview— Summary Corporate and Financing Structure."

Business

The principal activity of Ashtead Financing (Ireland) Unlimited Company is a finance company of the Group.

Directors

The directors of Ashtead Financing (Ireland) Unlimited Company are Michael Pratt, Eric Watkins and Barbara Clark. Their business address is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of Ashtead Financing (Ireland) Unlimited Company in his or her official capacity and his or her private interests or other duties.

Auditors

Deloitte LLP serves as the statutory auditor of Ashtead Financing (Ireland) Unlimited Company.

Ashtead US Holdings, Inc.

Incorporation and status

Ashtead US Holdings, Inc. was formed in Delaware (registered number 5644100) on November, 20, 2014 as a corporation under the Delaware General Corporation Law. Its registered address is Corporation Trust Center, 1209 Orange St., Wilmington, DE 19801.

Share capital

At the date of this offering memorandum, the authorized share capital of Ashtead US Holdings, Inc. is 1,000 shares. The issued share capital of Ashtead US Holdings, Inc. is 100 shares. The sole shareholder of Ashtead US Holdings, Inc. is Ashtead Holdings PLC (100%).

Organizational structure

Ashtead US Holdings, Inc. is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

Ashtead US Holdings, Inc. is an investment holdings company.

Directors

The directors of Ashtead US Holdings, Inc. are Brendan Horgan, John Schoenberger and Michael Pratt. The business address for Messrs. Horgan and Schoenberger is 2341 Deerfield Dr., Fort Mill, SC 29715, USA. The business address for Mr. Pratt is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of Ashtead US Holdings, Inc. in his official capacity and his private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes Ashtead US Holdings, Inc.

Ashtead Canada Limited

Incorporation and status

Ashtead Canada Limited was formed in England (registered number 10856220) on July 7, 2017, as a private company with limited liability under the Companies Act 2006. Its registered address is 100 Cheapside, London EC2V 6DT, England.

Share capital

At the date of this offering memorandum, the issued share capital of Ashtead Canada Limited is C$2. The sole shareholder of Ashtead Canada Limited is Ashtead Holdings PLC (100%).

Organizational structure

Ashtead Canada Limited is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

Ashtead Canada Limited is an investment holding company.

Directors

The directors of Ashtead Canada Limited are Barbara Clark, Michael Pratt and Eric Watkins. Their business address is 100 Cheapside, London EC2V 6DT, England.

There are no current or potential conflicts of interest between each of the directors of Ashtead Canada Limited in his or her official capacity and his or her private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes Ashtead Canada Limited.

Sunbelt Rentals Scaffold Services, LLC

Formation and Status

Sunbelt Rentals Scaffold Services, LLC was formed in the state of Louisiana (registered number 35156445K) on October 15, 2001, as a limited liability company under the Louisiana Limited Liability Company Act. Its original name was Empire Scaffold, L.L.C., and it changed its name to the current name effective January 31, 2017. Its registered address is c/o CT Corporation System, 3867 Plaza Tower Dr., East Baton Rouge Parish, Baton Rouge, LA 70816, USA, at which the telephone number is (800) 321-9415.

Equity Units

The issued units of Sunbelt Rentals Scaffold Services, LLC is 100 units. The sole member of Sunbelt Rentals Scaffold Services, LLC is Sunbelt Rentals Industrial Services, LLC (100%).

Organizational Structure

Sunbelt Rentals Scaffold Services, LLC is a member of the Group. See "Overview—Summary Corporate and Financing Structure."

Business

The principal activity of Sunbelt Rentals Scaffold Services, LLC is the rental of construction equipment with the U.S.

Managers

The managers of Sunbelt Rentals Scaffold Services, LLC are Brendan Horgan, Kurt Kenkel and John Schoenberger. Their business address is c/o Sunbelt Rentals, Inc., 2341 Deerfield Drive, Fort Mill, SC 29715, USA.

There are no current or potential conflicts of interest between each of the managers of Sunbelt Rentals Scaffold Services, LLC in his official capacity and his private interests or other duties.

Auditors

Deloitte LLP serves as the independent auditor of Ashtead Group plc, whose consolidated financial statements includes Sunbelt Rentals Scaffold Services, LLC.

5. Trend information

There has been no material adverse change in the prospects of the Issuer or the guarantors or Ashtead Group plc and no significant change in the financial or trading position of Ashtead Group since April 30, 2021, being the end of the last financial period for which audited financial information has been published.

6. DTC, euroclear and clearstream banking

The Notes have been accepted for clearance through DTC, Euroclear and Clearstream Banking. The Rule 144A Global Note for the 2026 Notes has a CUSIP number of 045054 AN3 and an ISIN number of US045054AN37. The Regulation S Permanent Global Note for the 2026 Notes has a CUSIP number of U04503 AH8 and an ISIN number of USU04503AH81. The 2026 Notes have an FISN of ASHTEAD CAP INC/SR NT 20260812 SR U and an ISO CFI of DBFUGR.

The Rule 144A Global Note for the 2031 Notes has a CUSIP number of 045054 AP8 and an ISIN number of US045054AP84. The Regulation S Permanent Global Note for the 2031 Notes has a CUSIP number of U04503 AJ4 and an ISIN number of USU04503AJ48. The 2031 Notes have an FISN of ASHTEAD CAP INC/SR NT 20310812 SR U and an ISO CFI of DBFUGR.

The Legal Entity Identifier of the Issuer is 213800J1134IW58IC398.

7. Material contracts

The first priority senior secured credit facility

See "Description of Certain Indebtedness—First Priority Senior Secured Credit Facility" for a description of the First Priority Senior Secured Credit Facility.

The 2025 notes

See "Description of Certain Indebtedness—2025 Notes" for a description of the 2025 Notes.

The 2026 notes

See "Description of Certain Indebtedness—2026 Notes" for a description of the 2026 Notes.

The 2027 notes

See "Description of Certain Indebtedness—2027 Notes" for a description of the 2027 Notes.

The 2028 notes

See "Description of Certain Indebtedness—2028 Notes" for a description of the 2028 Notes.

The 2029 notes

See "Description of Certain Indebtedness—2029 Notes" for a description of the 2029 Notes.

8. Resolution

The Issuer has authorized the issue of the Notes by virtue of a board resolution passed on July 28, 2021.

9. Yield to maturity

The yield to maturity is 1.554% on the 2026 Notes and 2.479% on the 2031 Notes.

10. Issuer credit rating

The Group has received a corporate rating of BBB- and the Notes have received a rating of BBB- from S&P Global Ratings, a corporate rating of BBB- and the Notes a rating of BBB- from Fitch Ratings Limited and a corporate rating of Baa3 and the Notes a rating of Baa3 from Moody's Investors Service Ltd.

11. Industry data

The Issuer confirms that where information has been sourced from a third party, this information has been accurately reproduced and that as far as the Issuer is aware and has been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer confirms that where information within this Offering Memorandum has been sourced from a third party, the identity of such third party is also disclosed.

12. Directors' responsibilities in relation to the financial statements

The directors of Ashtead Group plc are required by the Companies Act 2006 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Ashtead Group plc and the Group as at the end of the financial year and of the profit or loss for the financial year.

In preparing the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently, supported by judgments and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed; and

- prepare the financial statements on a going concern basis unless this is inappropriate.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Ashtead Group plc and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors also have responsibility for taking reasonable steps to safeguard the assets of the Group and prevent and detect fraud and other irregularities.

Each of the audit reports of Deloitte LLP for the years ended and at April 30, 2021, and April 30, 2020, which are included in this offering memorandum, include a statement to the effect that Deloitte LLP does not assume responsibility to anyone other than Ashtead Group plc and its shareholders for its audit work, audit report or the opinions it has formed. The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the Securities Act or in a report filed under the Exchange Act. The extent to which auditors have responsibility or liability to third parties is unclear under the laws of many jurisdictions, including the UK, and the legal effect of these statements in the audit reports is untested. If a US court (or any other court) were to give effect to such statement, the recourse that investors in the Notes may have against Deloitte LLP based on their reports or the consolidated financial statements to which they relate could be limited.

The maintenance and integrity of the Ashtead Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were first published.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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* Certain references included in the Notes to our consolidated financial statements for the years ended April 30, 2021 and 2020 refer to sections and pages in our Annual Report and Accounts for such years, which are not included in this offering memorandum, unless otherwise noted herein.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHTEAD GROUP PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Ashtead Group plc ("the Company") and its subsidiaries ("the Group") give a true and fair view of the state of the Group's and of the Company's affairs as at 30 April 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, International Financial Reporting Standards ("IFRS") as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated income statement;
- the Consolidated statement of comprehensive income;
- the Consolidated and Company balance sheets;
- the Consolidated and Company statements of changes in equity;
- the Consolidated and Company cash flow statements; and
- the related Notes 1 to 34, including the accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, International Accounting Standards in conformity with the requirements of the Companies Act 2006 and IFRS as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISA (UK)") and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's ("the FRC's") Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Company for the year are disclosed in Note 4 to the financial statements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • carrying value of rental fleet; • revenue recognition – manual topside intervention.
Materiality.....	The materiality that we used for the Group financial statements was £48.1m, which was determined on the basis of three-year average profit before tax.
Scoping	Consistent with previous years, we performed audit work at three (2020: three) components: the Group head office, Sunbelt UK and Sunbelt US. We also performed review procedures over the financial information of the fourth component, Sunbelt Canada, consistent with last year.
Significant changes in our approach.....	In the prior year, we included going concern as a key audit matter due to the increased uncertainty in the wider market as a result of COVID-19 at that time, which resulted in an increased level of audit effort in this area. We no longer report this as a key audit matter due to the Group's trading in the last 12 months, which has reduced the level of judgement and uncertainty in the going concern assessment.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the relevant controls relating to the Group's forecasting process;
- verifying the mechanical accuracy of the model used to prepare the Group's forecast;
- reviewing the Group's facility agreements and bond documentation to understand the principal terms and the related financial covenant;
- challenging management on the appropriateness of forecast assumptions by:
    - assessing key assumptions underpinning the Group's forecasts with reference to external data such as GDP growth rates, the latest US Congressional Budget Office forecasts and market forecast data from third-party sources;
    - assessing the likelihood of the assumptions in the forecasts and the impact of reasonably possible downside scenarios on the Group's funding position;
    - assessing the extent of the downside required in order to trigger the fixed charge ratio covenant;
    - comparing forecasts to historical financial information to assess management's historical forecasting accuracy; and
    - assessing the mitigating actions available to the Group, the feasibility of these, and the likelihood of positive impact in the next 12 months, if these actions are taken.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of rental fleet

Key audit matter description.....	As set out in Note 13, the Group holds £8.6bn (2020: £9.4bn) of rental fleet at cost (£5.0bn net book value (2020: £5.9bn net book value)). These assets represent 54% (2020: 56%) of the Group's gross assets. The movement in the balance from prior year is due to a £659m increase in the balance from additions and acquisitions and £422m of foreign exchange movements, offset by £1.1bn of depreciation and disposals. These movements were driven in part by management's actions in response to external market conditions in the early part of the financial year. There is a risk that an impairment required to the Group's rental fleet is not identified, properly quantified or recorded and that the carrying value of the rental fleet assets is therefore misstated. The Group's accounting policy as disclosed in Note 2 sets out that the assets are recorded at cost (including transportation costs from the manufacturer to the initial rental location), less accumulated depreciation and any provisions for impairment. The Group's approach for estimating the useful lives and residual values is also explained. Management's assessment of carrying values is based on a long-term assessment, as at the balance sheet date, over the economic cycle given the nature of the assets. The directors apply judgement in determining the appropriate carrying value of the assets. As described in the Audit Committee report on page 91, management undertakes an annual review of the appropriateness of the useful lives and residual values assigned to property, plant and equipment, including the rental fleet, and assesses whether they continue to be appropriate and whether there are any indicators of impairment. Consideration continued to be given in the current year as to whether the COVID-19 pandemic had any impact on the carrying value of the rental fleet.

How the scope of our audit responded to the key audit matter .....

In responding to the identified key audit matter, we completed the following audit procedures:

- obtained an understanding of the relevant controls over the impairment review, and in particular, the identification of impairment indicators;
- challenged and understood the assessment performed by management to identify impairment indicators, including the consistency of these with the requirements of IAS 36 Impairment of Assets;
- challenged the key judgements and the impact that each of these has in determining whether an impairment exists. In particular, we focused our testing on returns on investment by asset class, fleet utilisation, useful economic lives and profits recorded on asset disposals;
- considered and challenged the completeness of the COVID-19 assessment and its impact on the performance of the business. In addition, we performed an evaluation of end markets and challenged whether any further impact should be considered in the impairment assessment; and
- assessed whether the accounting for the rental fleet and associated disclosures were in line with the Group's accounting policies and IAS 36.

Key observations.....

We consider that management's consideration of carrying values, including useful lives and residual values is appropriate for the purposes of the impairment assessment. As a result of the audit work performed, we are satisfied that the carrying value of the rental fleet is not materially misstated.

Revenue recognition - manual top-side intervention

Key audit matter description.....

As disclosed in the Group's accounting policy note on revenue (Note 2), the Group has three main sources of revenue:

- rental revenue, including loss damage waiver, environmental fees and revenue from rental equipment delivery and collection;
- revenue from the sale of new equipment, merchandise and consumables; and
- revenue from the sale of used rental equipment.

Given the high-volume and low-value nature of transactions in the Group's revenue balance, we identified a risk of misstatement arising from management intervention, whether due to fraud or error, through top-side manual journals to revenue.

How the scope of our audit responded to the key audit matter .....

In responding to the identified key audit matter, we completed the following audit procedures:

- obtained an understanding of the relevant controls over the revenue cycle throughout the Group, with a particular focus on those controls relating to manual journal entries;
- at Sunbelt US, the most significant component representing 82% of the Group's revenue, performed a detailed assessment by store, analysing revenue trends to identify any outliers and instances of potential management intervention; and
- identified a sub-population from manual top-side adjustments impacting the revenue balance, exhibiting characteristics of audit interest. We then performed testing on a sample basis of entries from this sub population, agreeing adjustments to supporting documentation in order to assess the accuracy and appropriateness of the journal postings.

Key observations.....	Based on the procedures performed, we did not identify any material exceptions or evidence of management bias or manipulation of the revenue account and are satisfied that the amounts recorded are in line with the Group's accounting policies.

Our application of materiality

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£48.1m (2020: £48.5m)	£10.9m (2020: £10.1m)
Basis for determining materiality.....	In determining our materiality, we took a three-year average profit before tax and applied a benchmark of 5% to arrive at materiality. This approach is consistent with the approach adopted in the prior year.	3% of the Company's net assets, capped at 50% of Group materiality.
Rationale for the benchmark applied.....	Profit before tax has been used as it is the primary measure of performance used by the Group. We have used average reported profit before tax over the past three years to reflect the cyclical nature of the industry in which the Group operates.	As the Company is a holding company, we consider net assets to be the most appropriate benchmark due to the entity being the shareholder of multiple trading entities. We have applied a cap of 50% of the Group materiality to the benchmark.

Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality.....	70% (2020: 70%) of Group materiality	70% (2020: 70%) of Company materiality
Basis and rationale for determining performance materiality.....	In determining performance materiality, we considered the following factors: • our cumulative knowledge of the Group, including the nature, quantum and volume of corrected and uncorrected misstatements in prior periods; and • our risk assessment, including our assessment of the Group's overall control environment and that we consider it appropriate to rely on controls over a number of business processes in Sunbelt US.	

Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £2m (2020: £2m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level. Audit work to respond to the risks of material misstatement consisted of a combination of work performed by separate component teams in the UK and US as well as the Group audit team in the UK.

The Group comprises four (2020: four) principal components: the Head Office in the UK; Sunbelt UK; Sunbelt US; and Sunbelt Canada. The Group audit team performed a full scope audit of the Head Office component; local component audit teams performed full-scope audits for both Sunbelt UK and Sunbelt US and review procedures over the financial information for Sunbelt Canada, consistent with the prior year approach.

The three components for which we performed full audit procedures represent 94% (2020: 95%) of the Group's revenue, 96% (2020: 98%) of the Group's operating profit, and 91% (2020: 97%) of the Group's net assets. They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatements identified above. Our audit work at the three locations was executed at levels of materiality applicable to each individual location, which were lower than Group materiality and ranged from £16.1m to £43.3m.

The Sunbelt US component team also performed a review of the financial information of the operations in Sunbelt Canada to component materiality, which represents 6% (2020: 5%) of Group's revenue, 4% (2020: 2%) of the Group's operating profit and 8% (2020: 3%) of the Group's net assets.

Our consideration of the control environment

In line with our scoping of components, our work in relation to the Group's control environment focused on Sunbelt US as the Group's largest component and we evaluated both the business cycle controls and General IT controls ("GITCs").

In order to evaluate business cycle controls, we performed walkthrough procedures over key cycles, including the key risk areas of revenue and property, plant and equipment (rental fleet), to understand whether the control was effectively designed to address the related risk. We then performed testing of the controls across the audit period on a rotational basis, to determine whether the controls had operated effectively as designed.

In relation to GITCs, we performed an independent risk assessment of the systems, applications and tools used to support business processes and reporting to determine those which are of greatest relevance to the Group's financial reporting. We performed testing of GITCs of these systems, covering controls surrounding user access management, change management and interfaces with other systems relating to in-scope IT systems as well as controls over key reports generated from the IT systems and their supporting infrastructure (database and operating system).

Our procedures enabled us, as planned, to place reliance on business cycle controls and GITCs within Sunbelt US. We relied on these controls in our audit testing across expenditure (including payroll), fixed assets, revenue, treasury, customer rebates and journal entries.

Working with other auditors

Throughout the year, members of the Group audit team, including the lead audit partner, held group-wide, and individual planning and close meetings that covered all components. We also reviewed the audit work papers supporting the component teams' reporting to us remotely using shared desktop technology. Whilst we were unable to visit components during the year due to the travel restrictions imposed by governments in response to the COVID-19 pandemic, we performed alternative procedures in order to supervise and direct the component auditors' work.

In response to the outbreak of COVID-19 and the changes in working practices which came into effect at the end of March 2020, we performed additional procedures on a number of controls within the business processes over which we take controls reliance to determine whether individual controls had been affected by working practice changes.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company'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 the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, internal legal counsel and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and

- the matters discussed among the audit engagement team, including significant component audit teams and relevant internal specialists, including tax, valuations, pensions, IT and forensic accounting specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in revenue recognition. In common with all audits under ISA (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks in which the Group operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Listing Rules, the UK Corporate Governance Code, pensions legislation and UK and overseas tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

Audit response to risks identified

As a result of performing the above, we identified revenue recognition as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- enquiring of management, the Group's Performance Standards function (which is responsible for assessing profit centre compliance with operating policies), the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with tax authorities;

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements applied in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate governance statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 117;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 39;
- the Directors' statement on fair, balanced and understandable set out on page 92;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 34 and 35;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 87 and 88; and
- the section describing the work of the Audit Committee set out on page 89 to 93.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if, in our opinion, certain disclosures of directors' remuneration have not been made or the part of the Directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Other matters which we are required to address

Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by Board of directors in 2004 to audit the financial statements for the year ended 30 April 2004 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 18 years, covering the years ended April 2004 to April 2021.

Consistency of the Audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISA (UK).

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

William Smith (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
14 June 2021

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 Before amortisation	2021 Amortisation	2021 Total	2021 Before exceptional items and amortisation	2020 Exceptional items and amortisation	2020 Total
		£m	£m	£m	£m	£m	£m
Revenue							
Rental revenue		4,472.6	—	4,472.6	4,606.5	—	4,606.5
Sale of new equipment, merchandise and consumables		263.5	—	263.5	184.0	—	184.0
Sale of used rental equipment		295.0	—	295.0	263.1	—	263.1
		5,031.1	—	5,031.1	5,053.6	—	5,053.6
Operating costs							
Staff costs	4	(1,137.9)	—	(1,137.9)	(1,172.3)	—	(1,172.3)
Used rental equipment sold	4	(276.2)	—	(276.2)	(229.9)	—	(229.9)
Other operating costs	4	(1,315.6)	—	(1,315.6)	(1,275.6)	—	(1,275.6)
		(2,729.7)	—	(2,729.7)	(2,677.8)	—	(2,677.8)
EBITDA*		2,301.4	—	2,301.4	2,375.8	—	2,375.8
Depreciation	4	(1,104.6)	—	(1,104.6)	(1,090.5)	—	(1,090.5)
Amortisation of intangibles	4,5	—	(61.5)	(61.5)	—	(61.7)	(61.7)
Operating profit	3,4	1,196.8	(61.5)	1,135.3	1,285.3	(61.7)	1,223.6
Interest expense	5,6	(199.3)	—	(199.3)	(224.5)	(16.3)	(240.8)
Profit on ordinary activities before taxation		997.5	(61.5)	936.0	1,060.8	(78.0)	982.8
Taxation	7,21	(253.8)	15.2	(238.6)	(262.3)	19.2	(243.1)
Profit attributable to equity holders of the Company		743.7	(46.3)	697.4	798.5	(58.8)	739.7
Basic earnings per share	8	166.0p	(10.3p)	155.7p	175.0p	(12.9p)	162.1p
Diluted earnings per share	8	165.5p	(10.3p)	155.2p	174.3p	(12.8p)	161.5p

* EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders. Further details are provided in the Glossary of terms on page 169.

All revenue and profit for the year is generated from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021	2020
		£m	£m
Profit attributable to equity holders of the Company for the financial year		697.4	739.7
Items that will not be reclassified to profit or loss:			
Remeasurement of the defined benefit pension plan	24	13.9	(10.8)
Tax on defined benefit pension plan		(2.7)	2.1
		11.2	(8.7)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(228.6)	71.0
Total comprehensive income for the year		480.0	802.0

CONSOLIDATED BALANCE SHEET AT 30 APRIL 2021

	Notes	2021 £m	2020 £m
Current assets			
Inventories	10	73.8	83.3
Trade and other receivables	11	782.7	821.6
Current tax asset		13.3	32.8
Cash and cash equivalents	12	19.2	241.4
		889.0	1,179.1
Non-current assets			
Property, plant and equipment			
- rental equipment	13	4,990.2	5,890.1
- other assets	13	626.3	708.7
		5,616.5	6,598.8
Right-of-use asset	14	1,116.6	1,088.3
Goodwill	15	1,297.3	1,340.3
Other intangible assets	15	279.8	326.1
Other non-current assets	16	69.0	—
Net defined benefit pension plan asset	24	4.5	—
		8,383.7	9,353.5
Total assets		9,272.7	10,532.6
Current liabilities			
Trade and other payables	17	591.9	574.7
Current tax liability		4.1	2.3
Lease liabilities	18	121.9	106.0
Provisions	20	39.0	53.7
		756.9	736.7
Non-current liabilities			
Lease liabilities	18	1,057.8	1,006.2
Long-term borrowings	19	3,029.3	4,492.2
Provisions	20	44.0	38.9
Deferred tax liabilities	21	1,093.7	1,274.3
Other non-current liabilities		22.3	—
Net defined benefit pension plan liability	24	—	12.1
		5,247.1	6,823.7
Total liabilities		6,004.0	7,560.4
Equity			
Share capital	22	45.1	45.4
Share premium account		3.6	3.6
Capital redemption reserve		11.1	10.8
Own shares held by the Company	22	(51.2)	(115.9)
Own shares held through the ESOT	22	(28.8)	(27.7)
Cumulative foreign exchange translation differences		77.1	305.7
Retained reserves		3,211.8	2,750.3
Equity attributable to equity holders of the Company		3,268.7	2,972.2
Total liabilities and equity		9,272.7	10,532.6

These financial statements were approved by the Board on 14 June 2021.

Brendan Horgan
Chief executive

Michael Pratt
Chief financial officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2021

	Share capital	Share premium account	Capital redemption reserve	Own shares held by the Company	Own shares held through the ESOT	Cumulative foreign exchange translation differences	Retained reserves	Total
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 May 2019	49.9	3.6	6.3	(622.6)	(24.6)	234.7	3,153.2	2,800.5
Effect of adoption of IFRS 16	—	—	—	—	—	—	8.1	8.1
At 1 May 2019 (restated)	49.9	3.6	6.3	(622.6)	(24.6)	234.7	3,161.3	2,808.6
Profit for the year	—	—	—	—	—	—	739.7	739.7
Other comprehensive income:								
Foreign currency translation differences	—	—	—	—	—	71.0	—	71.0
Remeasurement of the defined benefit pension plan	—	—	—	—	—	—	(10.8)	(10.8)
Tax on defined benefit pension plan	—	—	—	—	—	—	2.1	2.1
Total comprehensive income for the year	—	—	—	—	—	71.0	731.0	802.0
Dividends paid	—	—	—	—	—	—	(186.7)	(186.7)
Own shares purchased by the ESOT	—	—	—	—	(17.6)	—	—	(17.6)
Own shares purchased by the Company	—	—	—	(444.6)	—	—	—	(444.6)
Share-based payments	—	—	—	—	14.5	—	(6.1)	8.4
Tax on share-based payments	—	—	—	—	—	—	2.1	2.1
Cancellation of shares	(4.5)	—	4.5	951.3	—	—	(951.3)	—
At 30 April 2020	45.4	3.6	10.8	(115.9)	(27.7)	305.7	2,750.3	2,972.2
Profit for the year	—	—	—	—	—	—	697.4	697.4
Other comprehensive income:								
Foreign currency translation differences	—	—	—	—	—	(228.6)	—	(228.6)
Remeasurement of the defined benefit pension plan	—	—	—	—	—	—	13.9	13.9
Tax on defined benefit pension plan	—	—	—	—	—	—	(2.7)	(2.7)
Total comprehensive income for the year	—	—	—	—	—	(228.6)	708.6	480.0
Dividends paid	—	—	—	—	—	—	(182.1)	(182.1)
Own shares purchased by the ESOT	—	—	—	—	(12.5)	—	—	(12.5)
Share-based payments	—	—	—	—	11.4	—	(4.2)	7.2
Tax on share-based payments	—	—	—	—	—	—	3.9	3.9
Cancellation of shares	(0.3)	—	0.3	64.7	—	—	(64.7)	—
At 30 April 2021	45.1	3.6	11.1	(51.2)	(28.8)	77.1	3,211.8	3,268.7

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £m	2020 £m
Cash flows from operating activities			
Cash generated from operations before exceptional items and changes in rental equipment	26[a]	2,287.1	2,430.4
Payments for rental property, plant and equipment		(619.1)	(1,366.2)
Proceeds from disposal of rental property, plant and equipment		291.6	246.6
Cash generated from operations		1,959.6	1,310.8
Financing costs paid (net)		(193.1)	(196.9)
Exceptional financing costs paid		—	(12.4)
Tax paid (net)		(293.8)	(113.2)
Net cash generated from operating activities		1,472.7	988.3
Cash flows from investing activities			
Acquisition of businesses	26[b]	(142.5)	(453.1)
Payments for non-rental property, plant and equipment		(104.8)	(208.2)
Proceeds from disposal of non-rental property, plant and equipment		13.8	12.0
Net cash used in investing activities		(233.5)	(649.3)
Cash flows from financing activities			
Drawdown of loans		495.6	2,318.5
Redemption of loans		(1,698.5)	(1,712.4)
Repayment of principal under lease liabilities		(56.0)	(64.3)
Dividends paid		(182.1)	(186.7)
Purchase of own shares by the ESOT		(12.5)	(17.6)
Purchase of own shares by the Company		—	(448.6)
Net cash used in financing activities		(1,453.5)	(111.1)
(Decrease)/increase in cash and cash equivalents		(214.3)	227.9
Opening cash and cash equivalents		241.4	12.8
Effect of exchange rate difference		(7.9)	0.7
Closing cash and cash equivalents		19.2	241.4

Reconciliation of net cash flows to net debt	Notes	2021 £m	2020 £m
Decrease/(increase) in cash in the period		214.3	(227.9)
(Decrease)/increase in debt through cash flow		(1,258.9)	541.8
Change in net debt from cash flows		(1,044.6)	313.9
Exchange differences		(343.2)	133.0
Debt acquired		18.2	89.5
Non-cash movements:			
- deferred costs of debt raising		8.3	10.1
- new lease liabilities		188.1	188.8
(Decrease)/increase in net debt in the period		(1,173.2)	735.3
Net debt at 1 May (as previously stated)		5,363.0	3,744.9
Effect of adoption of IFRS 16		—	882.8
Net debt at 1 May (2020 restated)		5,363.0	4,627.7
Net debt at 30 April	26[c]	4,189.8	5,363.0

NOTES TO THE CONSOLIDATED 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 consolidated financial statements are presented in pounds sterling, the functional currency of the parent.

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Accordingly, the Group complies with relevant IFRS as adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The financial statements have been prepared under the historical cost convention, modified for certain items carried at fair value, as stated in the accounting policies.

The consolidated 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 19), 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 consolidated financial statements.

Key judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period.

In the course of preparing the financial statements, no judgements have been made in the process of applying the Group's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised within the financial statements.

The estimates and associated assumptions which have been used are based on historical experience and other factors that are considered to be relevant. While actual results could differ from these estimates, the Group has not identified any assumptions, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Changes in accounting policies and disclosures

New and amended standards adopted by the Group

There are no new IFRS or IFRIC Interpretations that are effective for the first time this financial year which have a material impact on the Group.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 May 2020 and not adopted early

There are no other IFRS or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Group.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 April each year. Control is achieved when the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is the fair value at the acquisition date of the assets transferred and the liabilities incurred by the Group and includes the fair value of any contingent consideration arrangement. Acquisition-related costs are recognised in the income statement as incurred.

Contingent consideration is measured at the acquisition date at fair value and included in provisions in the balance sheet. Changes in the fair value of contingent consideration due to events post the date of acquisition are recognised in the income statement.

Foreign currency translation

Our reporting currency is the pound sterling, the functional currency of the parent company. However, the majority of our assets, liabilities, revenue and costs are denominated in US dollars. Assets and liabilities in foreign currencies are translated into pounds sterling at rates of exchange ruling at the balance sheet date. Income statements and cash flows of overseas subsidiary undertakings are translated into pounds sterling at average rates of exchange for the year. The exchange rates used in respect of the US dollar ($) and Canadian dollar (C$) are:

	US dollar		Canadian dollar	
	2021	**2020**	**2021**	**2020**
Average for year	1.32	1.27	1.73	1.69
Year end	1.38	1.26	1.70	1.75

Exchange differences arising from the retranslation of the opening net investment of overseas subsidiaries and the difference between the inclusion of their profits at average rates of exchange in the Group income statement and the closing rate used for the balance sheet are recognised directly in a separate component of equity. Other exchange differences are dealt with in the income statement.

Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties and VAT/sales tax. Our revenue is a function of our rental rates and the size, utilisation and mix of our equipment rental fleet. The Group has three main sources of revenue as detailed below:

- rental revenue, including loss damage waiver, environmental fees and revenue from rental equipment delivery and collection;
- revenue from the sale of new equipment, merchandise and consumables; and
- revenue from the sale of used rental equipment.

Rental revenue, including loss damage waiver and environmental fees, is recognised on a straight-line basis over the period of the rental contract. In general, rental contracts have no fixed duration and are cancellable at any time, with a typical rental period of around three weeks. However, as a rental contract can extend across financial reporting period ends, the Group records accrued revenue (unbilled rental revenue) and deferred revenue at the beginning and end of each reporting period so that rental revenue is appropriately stated in the financial statements. Revenue from rental delivery and collection is recognised when the delivery or collection has occurred and the performance obligation therefore fulfilled.

Revenue from the sale of new rental equipment, merchandise and consumables, together with revenue from the sale of used rental equipment, is recognised at the time of delivery to, or collection by, the customer and when all performance obligations under the sale contract have been fulfilled.

Revenue from the sale of rental equipment in connection with trade-in arrangements with certain manufacturers from whom the Group purchases new equipment is accounted for at the lower of transaction value or fair value based on independent

appraisals. If the trade-in price of a unit of equipment exceeds the fair market value of that unit, the excess is accounted for as a reduction of the cost of the related purchase of new rental equipment.

Of the Group's rental revenue, £3,817m (2020: £3,938m) is accounted for in accordance with IFRS 16, "Leases", while revenue from other ancillary services, each of which is billed separately, revenue from the sale of new equipment, merchandise and consumables and revenue from the sale of used equipment totaling £1,214m (2020: £1,116m) is accounted for in accordance with IFRS 15, "Revenue from Contracts with Customers".

Investment income and interest expense

Investment income comprises interest receivable on funds invested and net interest on net defined benefit pension plan assets.

Interest expense comprises interest payable on borrowings, amortisation of deferred debt raising costs, the unwind of the discount on the self-insurance and contingent consideration provisions and the net interest on net defined benefit pension plan liabilities.

Exceptional items

Exceptional items are those items that are material and non-recurring in nature that the Group believes should be disclosed separately to assist in the understanding of the financial performance of the Group.

Earnings per share

Earnings per share is calculated based on the profit for the financial year and the weighted average number of ordinary shares in issue during the year. For this purpose the number of ordinary shares in issue excludes shares held by the Company or by the Employee Share Ownership Trust ("ESOT") in respect of which dividends have been waived. Diluted earnings per share is calculated using the profit for the financial year and the weighted average diluted number of shares (ignoring any potential issue of ordinary shares which would be anti-dilutive) during the year.

Adjusted earnings per share comprises basic earnings per share adjusted to exclude earnings relating to exceptional items and amortisation of intangibles.

Current/non-current distinction

Current assets include assets held primarily for trading purposes, cash and cash equivalents and assets expected to be realised in, or intended for sale or consumption in, the course of the Group's operating cycle and those assets receivable within one year from the reporting date. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the Group's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

Property, plant and equipment

Property, plant and equipment is stated at cost (including transportation costs from the manufacturer to the initial rental location) less accumulated depreciation and any provisions for impairment. In respect of certain assets, cost includes rebuild costs when the rebuild extends the asset's useful economic life and it is probable that incremental economic benefits will accrue to the Group. Rebuild costs include the cost of transporting the equipment to and from the rebuild supplier. Depreciation is not charged while the asset is not in use during the rebuild period.

Depreciation

Fixed assets are depreciated on a straight-line basis applied to the opening cost to write down each asset to its residual value over its useful economic life. Estimates of useful life and residual value are determined with the objective of allocating most appropriately the cost of property, plant and equipment to our income statement, over the period we anticipate it will be used in our business. Residual values and estimated useful economic lives are reassessed annually, recognising the cyclical nature of the business, by making reference to recent experience of the Group. The depreciation rates in use are as follows:

	Per annum		**Per annum**
Freehold property	2%	Rental equipment	4% to 33%
Motor vehicles.....	7% to 25%	Office and workshop equipment	20%

Residual values are estimated at 10-15% of cost in respect of most types of rental equipment, although the range of residual values used varies between zero and 35%.

Repairs and maintenance

Costs incurred in the repair and maintenance of rental and other equipment are charged to the income statement as incurred.

Intangible assets

Goodwill

Goodwill represents the difference between the fair value of the consideration for an acquisition and the fair value of the net identifiable assets acquired, including any intangible assets other than goodwill.

Goodwill is stated at cost less any accumulated impairment losses and is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination.

The profit or loss on the disposal of a previously acquired business includes the attributable amount of any purchased goodwill relating to that business.

Other intangible assets

Other intangible assets acquired as part of a business combination are capitalised at fair value as at the date of acquisition. Internally generated intangible assets are not capitalised. Amortisation is charged on a straight-line basis over the expected useful life of each asset. Contract related intangible assets are amortised over the life of the contract. Amortisation rates for other intangible assets are as follows:

	Per annum
Brand names	7% to 15%
Customer lists	10% to 20%
Contract related	14% to 50%

Impairment of assets

Goodwill is not amortised but is tested annually for impairment as at 30 April each year. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable and independent cash flows for the asset being tested for impairment (cash-generating unit).

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment losses in respect of goodwill are not reversed.

Taxation

The tax charge for the period comprises both current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is also recognised in equity.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method on any temporary differences between the carrying amounts for financial reporting purposes and those for taxation purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill.

Deferred tax liabilities are not recognised for temporary differences arising on investments in subsidiaries where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the

foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Inventories

Inventories, which comprise equipment, fuel, merchandise and spare parts, are valued at the lower of cost and net realisable value. The cost of inventory that is not ordinarily interchangeable is valued at individual cost. The cost of other inventories is determined on a first-in, first-out basis or using a weighted average cost formula, depending on the basis most suited to the type of inventory held.

Employee benefits

Defined contribution pension plans

Obligations under the Group's defined contribution plans are recognised as an expense in the income statement as incurred.

Defined benefit pension plans

The Group's obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of plan assets is deducted. The discount rate used is the yield at the balance sheet date on AA-rated corporate bonds. The calculation is performed by a qualified actuary using the projected unit credit method.

Actuarial gains and losses are recognised in full in the period in which they arise through the statement of comprehensive income. The increase in the present value of plan liabilities arising from employee service during the period is charged to operating profit.

Net interest is calculated by applying a discount rate to the net defined benefit pension plan asset or liability. The net interest income or net interest expense is included in investment income or interest expense, respectively.

The defined pension surplus or deficit represents the fair value of the plan assets less the present value of the defined benefit obligation. A surplus is recognised in the balance sheet to the extent that the Group has an unconditional right to the surplus, either through a refund or reduction in future contributions. A deficit is recognised in full.

Share-based compensation

The fair value of awards made under share-based compensation plans is measured at grant date and spread over the vesting period through the income statement with a corresponding increase in equity. The fair value of share options and awards is measured using an appropriate valuation model taking into account the terms and conditions of the individual award. The amount recognised as an expense is adjusted to reflect the actual awards vesting except where any change in the awards vesting relates only to market-based criteria not being achieved.

Insurance

Insurance costs include insurance premiums which are written off to the income statement over the period to which they relate and an estimate of the discounted liability for uninsured retained risks on unpaid claims incurred up to the balance sheet date. The estimate includes events incurred but not reported at the balance sheet date. This estimate is discounted and included in provisions in the balance sheet on a gross basis with a corresponding insurance receivable amount recognised as an asset where it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Trade receivables

Trade receivables do not carry interest and are initially stated at their transaction value and measured subsequently at amortised cost using the effective interest method as reduced by appropriate loss allowances for estimated irrecoverable amounts. The loss allowances are calculated using an expected credit loss model, based on historical write-off experience and taking account of market conditions and customer knowledge. Adjustments to the loss allowances are recognised in the income statement. Trade receivables are written off when recoverability is assessed as being remote while subsequent recoveries of amounts previously written off are credited to the income statement.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits with maturity of less than, or equal to, three months.

Financial liabilities and equity

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Trade payables

Trade payables are not interest bearing and are stated at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct transaction costs where these are integral to the total cost of the borrowing. Where this is not the case, direct transaction costs are recognised separately from the financial liability as a loan commitment asset. Finance charges, including amortisation of direct transaction costs, are charged to the income statement using the effective interest rate method.

Tranches of borrowings and overdrafts which mature on a regular basis are classified as current or non-current liabilities based on the maturity of the facility so long as the committed facility exceeds the drawn debt.

Net debt

Net debt consists of total borrowings and lease liabilities less cash and cash equivalents. Borrowings exclude accrued interest. Foreign currency denominated balances are retranslated to pounds sterling at rates of exchange ruling at the balance sheet date.

Senior notes

The Group's senior notes contain early repayment options, which constitute embedded derivatives in accordance with IFRS 9, Financial Instruments. The accounting for these early repayment options depends on whether they are considered to be closely related to the host contract or not based on IFRS 9. Where they are closely related, the early repayment option is not accounted for separately and the notes are recorded within borrowings, net of direct transaction costs. The interest expense is calculated by applying the effective interest rate method.

In circumstances where the early repayment option is not considered closely related to the host contract, the repayment option has to be valued separately. At the date of issue the liability component of the notes is estimated using prevailing market interest rates for similar debt with no repayment option and is recorded within borrowings, net of direct transaction costs. The difference between the proceeds of the note issue and the fair value assigned to the liability component, representing the embedded option to prepay the notes is included within other financial assets – derivatives. The interest expense on the liability component is calculated by applying the effective interest rate method. The embedded option to prepay is fair valued using an appropriate valuation model and fair value remeasurement gains and losses are included in investment income and interest expense respectively.

Where the Group's senior notes are issued at a premium or a discount, they are initially recognised at their face value plus or minus the premium or discount. The notes are subsequently measured at amortised cost using the effective interest rate method.

Leases

The Group assesses whether a contract is a lease, or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is measured initially at the present value of future lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the Group's lease liability comprise:

- fixed lease payments, less any lease incentives received; and

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term changes, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset with depreciation commencing at the commencement date of the lease.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other operating costs" in the income statement.

For short-term leases (lease terms of 12 months or less) and leases of low-value assets (such as photocopiers, vending machines, etc.), the Group has opted to recognise a lease expense on a straight-line basis. This expense is presented within other operating costs in the consolidated income statement.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Employee Share Ownership Trust

Shares in the Company acquired by the ESOT in the open market for use in connection with employee share plans are presented as a deduction from shareholders' funds. When the shares vest to satisfy share-based payments, a transfer is made from own shares held through the ESOT to retained earnings.

Own shares held by the Company

The cost of own shares held by the Company is deducted from shareholders' funds. The proceeds from the reissue of own shares are added to shareholders' funds with any gains in excess of the average cost of the shares being recognised in the share premium account.

3 Segmental analysis

Segmental analysis by reportable operating segment

The Group operates one class of business: rental of equipment. Operationally, the Group is split into three business units, Sunbelt US, Sunbelt UK and Sunbelt Canada which report separately to, and are managed by, the chief executive and align with the geographies in which they operate, being the US, the United Kingdom and Canada, respectively. Accordingly, the Group's reportable operating segments are the US, UK and Canada.

The Group manages debt and taxation centrally, rather than by business unit. Accordingly, segmental results are stated before interest and taxation which are reported as central Group items. This is consistent with the way the chief executive reviews the business.

There are no sales between the business segments. Segment assets include property, plant and equipment, goodwill, intangibles, inventory and receivables. Segment liabilities comprise operating liabilities and exclude taxation balances, corporate borrowings and accrued interest. Capital expenditure represents additions to property, plant and equipment and intangible assets, including goodwill, and includes additions through the acquisition of businesses.

Year ended 30 April 2021	**US**	**UK**	**Canada**	**Corporate items**	**Group**
	£m	**£m**	**£m**	**£m**	**£m**
Revenue					
Rental revenue	3,738.3	481.4	252.9	—	4,472.6
Sale of new equipment, merchandise and consumables	115.4	124.9	23.2	—	263.5
Sale of used rental equipment	252.0	28.8	14.2	—	295.0
	4,105.7	635.1	290.3	—	5,031.1
EBITDA	1,996.6	192.8	126.8	(14.8)	2,301.4
Depreciation	(901.8)	(131.9)	(70.1)	(0.8)	(1,104.6)
Segment result	1,094.8	60.9	56.7	(15.6)	1,196.8
Amortisation					(61.5)
Interest expense					(199.3)
Profit before taxation					936.0
Taxation					(238.6)
Profit attributable to equity shareholders					697.4
Segment assets	7,500.4	873.0	824.1	42.7	9,240.2
Cash					19.2
Taxation assets					13.3
Total assets					9,272.7
Segment liabilities	1,428.8	186.5	217.3	12.2	1,844.8
Corporate borrowings and accrued interest					3,061.4
Taxation liabilities					1,097.8
Total liabilities					6,004.0
Other non-cash expenditure - share-based payments	4.6	0.6	0.3	1.7	7.2
Capital expenditure	638.6	148.9	55.7	—	843.2

	US	UK	Canada	Corporate items	Group
	£m	£m	£m	£m	£m
Year ended 30 April 2020					
Revenue					
Rental revenue	3,985.2	407.8	213.5	—	4,606.5
Sale of new equipment, merchandise and consumables	132.5	30.3	21.2	—	184.0
Sale of used rental equipment	218.0	31.1	14.0	—	263.1
	4,335.7	469.2	248.7	—	5,053.6
EBITDA	2,149.0	148.6	92.8	(14.6)	2,375.8
Depreciation	(916.9)	(112.2)	(60.6)	(0.8)	(1,090.5)
Segment result	1,232.1	36.4	32.2	(15.4)	1,285.3
Amortisation					(61.7)
Interest expense					(224.5)
Exceptional items					(16.3)
Profit before taxation					982.8
Taxation					(243.1)
Profit attributable to equity shareholders					739.7
Segment assets	8,639.5	835.2	776.4	7.3	10,258.4
Cash					241.4
Taxation assets					32.8
Total assets					10,532.6
Segment liabilities	1,438.4	149.0	152.5	13.0	1,752.9
Corporate borrowings and accrued interest					4,530.9
Taxation liabilities					1,276.6
Total liabilities					7,560.4
Other non-cash expenditure					
- share-based payments	4.9	0.7	0.2	2.6	8.4
Capital expenditure	1,622.6	85.4	260.4	—	1,968.4

Segmental analysis by geography

The Group's operations are located in the United States, the United Kingdom and Canada. The following table provides an analysis of the Group's revenue, segment assets and capital expenditure, including expenditure on acquisitions, by country of domicile. Segment assets by geography include property, plant and equipment, goodwill, intangible assets, right-of-use assets and other non-current assets but exclude the net defined benefit pension plan asset, inventory and receivables.

	Revenue		Segment assets		Capital expenditure	
	2021	2020	2021	2020	2021	2020
	£m	£m	£m	£m	£m	£m
United States	4,105.7	4,335.7	6,852.5	7,892.0	638.6	1,622.6
United Kingdom	635.1	469.2	758.4	730.9	148.9	85.4
Canada	290.3	248.7	768.3	730.6	55.7	260.4
	5,031.1	5,053.6	8,379.2	9,353.5	843.2	1,968.4

4 Operating costs and other income

	2021			2020		
	Before amortisation	Amortisation	Total	Before amortisation	Amortisation	Total
	£m	£m	£m	£m	£m	£m
Staff costs:						
Salaries	1,038.2	—	1,038.2	1,070.2	—	1,070.2
Social security costs	79.2	—	79.2	80.6	—	80.6
Other pension costs	20.5	—	20.5	21.5	—	21.5
	1,137.9	—	1,137.9	1,172.3	—	1,172.3
Used rental equipment sold	276.2	—	276.2	229.9	—	229.9
Other operating costs:						
Vehicle costs	284.7	—	284.7	293.1	—	293.1
Spares, consumables and external repairs	283.7	—	283.7	249.0	—	249.0
Facility costs	51.4	—	51.4	50.5	—	50.5
Other external charges	695.8	—	695.8	683.0	—	683.0
	1,315.6	—	1,315.6	1,275.6	—	1,275.6
Depreciation and amortisation:						
Depreciation of tangible assets	1,000.3	—	1,000.3	998.8	—	998.8
Depreciation of right-of-use assets	104.3	—	104.3	91.7	—	91.7
Amortisation of intangibles	—	61.5	61.5	—	61.7	61.7
	1,104.6	61.5	1,166.1	1,090.5	61.7	1,152.2
	3,834.3	61.5	3,895.8	3,768.3	61.7	3,830.0

Proceeds from the disposal of non-rental property, plant and equipment amounted to £14m (2020: £12m), resulting in a profit on disposal of £nil (2020: £1m) which is included in other external charges.

The costs shown in the above table include:

	2021	2020
	£m	£m
Cost of inventories recognised as expense	512.3	412.8
Net (release)/charge of allowance on trade receivables	(9.6)	62.3

Staff costs include directors' remuneration. Directors' remuneration comprised:

	2021	2020
	£'000	£'000
Salaries and short-term employee benefits	3,540	3,028
Post-employment benefits	15	15
National insurance and social security	172	141
Share-based payments	1,855	1,488
	5,582	4,672

Remuneration payable to the Company's auditor, Deloitte LLP, in the year is given below:

	2021	2020
	£'000	£'000
Fees payable to Deloitte UK and its associates for the audit of the Group's annual accounts	1,094	942
Fees payable to Deloitte UK and its associates for other services to the Group:		
- the audit of the Group's UK subsidiaries pursuant to legislation	20	20
- audit-related assurance services	76	75
- other assurance services	2	132
	1,192	1,169

Fees paid for audit-related assurance services relate to the half-year review of the Group's interim financial statements. Other assurance services in the prior year relate to comfort letters provided in connection with the senior notes issued in November 2019.

5 Exceptional items and amortisation

	2021	2020
	£m	£m
Amortisation of intangibles	61.5	61.7
Write-off of deferred financing costs	—	3.9
Early redemption fee	—	11.2
Call period interest	—	1.2
Taxation	(15.2)	(19.2)
	46.3	58.8

In the prior year, the costs associated with the redemption of the $500m 5.625% senior notes in November 2019 were classified as exceptional items. The write-off of deferred financing costs consisted of the unamortised balance of the costs relating to the notes. In addition, an early redemption fee of £11m ($15m) was paid to redeem the notes prior to their scheduled maturity. The call period interest represents the interest charge on the $500m notes for the period from the issue of the new $1.2 billion notes to the date the $500m notes were redeemed. Of these items, total cash costs were £12m.

The items detailed in the table above are presented in the income statement as follows:

	2021	2020
	£m	£m
Amortisation of intangibles	61.5	61.7
Charged in arriving at operating profit	61.5	61.7
Interest expense	—	16.3
Charged in arriving at profit before taxation	61.5	78.0
Taxation	(15.2)	(19.2)
	46.3	58.8

6 Interest expense

	2021	2020
	£m	£m
Bank interest payable	36.2	75.8
Interest payable on senior notes	100.0	95.8
Interest payable on lease liabilities	53.6	45.5
Net interest on the net defined benefit pension plan liability	0.1	—
Non-cash unwind of discount on provisions	1.1	1.2
Amortisation of deferred debt raising costs	8.3	6.2
Total interest expense	199.3	224.5
Interest expense before exceptional items	199.3	224.5
Exceptional items	—	16.3
Interest expense	199.3	240.8

7 Taxation

The tax charge on the result for the year has been computed using a tax rate of 25% in the US (2020: 25%), 19% in the UK (2020: 19%) and 26% in Canada (2020: 27%). The blended rate for the Group as a whole is 25% (2020: 25%). The Group's future effective tax rate will depend on the mix of profits amongst the territories in which it operates and their respective tax rates.

	2021	2020
	£m	£m
Analysis of the tax charge		
Current tax		
- current tax on income for the year	309.0	117.8
- adjustments to prior year	6.8	(34.5)
	315.8	83.3
Deferred tax		
- origination and reversal of temporary differences	(75.1)	131.4
- adjustments to prior year	(2.1)	28.4
	(77.2)	159.8
Total taxation charge	238.6	243.1
Comprising:		
- United Kingdom	23.0	18.8
- United States	210.9	226.9
- Canada	4.7	(2.6)
	238.6	243.1

The tax charge comprises a charge of £254m (2020: £262m) relating to tax on the profit before exceptional items and amortisation, together with a credit of £15m (2020: credit of £19m) on exceptional items and amortisation.

The differences between the tax charge for the year of 25% and the standard rate of corporation tax in the UK of 19% are explained below:

	2021	2020
	£m	£m
Profit on ordinary activities before tax	936.0	982.8
Profit on ordinary activities multiplied by the rate of corporation tax in the UK of 19% (2020: 19%)	177.8	186.7
Effects of:		
Use of foreign tax rates on overseas income	52.5	57.9
Adjustments to prior years	4.7	(6.1)
Other	3.6	4.6
Total taxation charge	238.6	243.1

8 Earnings per share

	2021			2020		
	Earnings	Weighted average no. of shares	Per share amount	Earnings	Weighted average no. of shares	Per share amount
	£m	million	pence	£m	million	pence
Basic earnings per share	697.4	447.9	155.7	739.7	456.4	162.1
Share options and share plan awards	—	1.4	(0.5)	—	1.6	(0.6)
Diluted earnings per share	697.4	449.3	155.2	739.7	458.0	161.5

Adjusted earnings per share may be reconciled to basic earnings per share as follows:

	2021	2020
	pence	pence
Basic earnings per share	155.7	162.1
Amortisation of intangibles	13.7	13.5
Exceptional items	—	3.6
Tax on exceptional items and amortisation	(3.4)	(4.2)
Adjusted earnings per share	166.0	175.0

9 Dividends

	2021	2020
	£m	£m
Final dividend paid on 11 September 2020 of 33.5p (2020: 33.5p) per 10p ordinary share	150.1	154.4
Interim dividend paid on 3 February 2021 of 7.15p (2020: 7.15p) per 10p ordinary share	32.0	32.3
	182.1	186.7

In addition, the directors are proposing a final dividend in respect of the year ended 30 April 2021 of 35.0p (2020: 33.5p) per share which will absorb £157m of shareholders' funds, based on the 447m shares qualifying for dividend on 14 June 2021. Subject to approval by shareholders, it will be paid on 21 September 2021 to shareholders who are on the register of members on 20 August 2021.

10 Inventories

	2021	2020
	£m	£m
Raw materials, consumables and spares	33.3	29.4
Goods for resale	40.5	53.9
	73.8	83.3

11 Trade and other receivables

	2021	2020
	£m	£m
Trade receivables	723.7	775.8
Less: loss allowance	(53.3)	(99.5)
	670.4	676.3
Other receivables		
- Accrued revenue	56.1	49.3
- Other	56.2	96.0
	782.7	821.6

The fair values of trade and other receivables are not materially different to the carrying values presented.

(a) Trade receivables: credit risk

The Group's exposure to the credit risk inherent in its trade receivables and the associated risk management techniques that the Group deploys in order to mitigate this risk are discussed in Note 25. The credit periods offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the Group's markets. The contractual terms on invoices issued to customers vary between North America and the UK in that, invoices issued by Sunbelt UK are payable within 30-60 days whereas, invoices issued by Sunbelt US and Sunbelt Canada are payable on receipt. Therefore, on this basis, a significant proportion of the Group's trade receivables are contractually past due. The loss allowance is calculated based on prior experience reflecting the level of uncollected receivables over the last year within each business adjusted for factors that are specific to the receivables, the industry in which we operate and the economic environment. Accordingly, the loss allowance cannot be attributed to specific receivables so the aged analysis of trade receivables, including those past due, is shown gross of the loss allowance.

On this basis, the ageing analysis of trade receivables, including those past due, is as follows:

		Trade receivables past due by:				
	Current	Less than 30 days	30 – 60 days	60 – 90 days	More than 90 days	Total
	£m	£m	£m	£m	£m	£m
Carrying value at 30 April 2021	93.0	352.6	163.0	49.0	66.1	723.7
Carrying value at 30 April 2020	48.9	314.5	191.6	81.1	139.7	775.8

In practice, Sunbelt US and Sunbelt Canada operate on 30-day terms and consider receivables past due if they are unpaid after 30 days. On this basis, the Group's ageing of trade receivables, including those past due, is as follows:

		Trade receivables past due by:				
	Current	Less than 30 days	30 – 60 days	60 – 90 days	More than 90 days	Total
	£m	£m	£m	£m	£m	£m
Carrying value at 30 April 2021	415.4	184.4	55.8	21.9	46.2	723.7
Carrying value at 30 April 2020	338.3	208.9	84.4	59.3	84.9	775.8

(b) Movement in the loss allowance

	2021	2020
	£m	£m
At 1 May	99.5	53.4
Amounts written off or recovered during the year	(31.1)	(17.8)
(Decrease)/increase in allowance recognised in income statement	(9.6)	62.3
Currency movements	(5.5)	1.6
At 30 April	53.3	99.5

12 Cash and cash equivalents

	2021	2020
	£m	£m
Cash and cash equivalents	19.2	241.4

The carrying amount of cash and cash equivalents approximates to their fair value.

13 Property, plant and equipment

				Motor Vehicles		
	Land and buildings	Rental equipment	Office and workshop equipment	Owned	Held under finance leases	Total
	£m	£m	£m	£m	£m	£m
Cost or valuation						
At 1 May 2019	257.3	8,282.4	180.4	577.0	7.1	9,304.2
Effect of adoption of IFRS 16	—	—	—	—	(7.1)	(7.1)
Exchange differences	6.1	235.0	4.4	16.0	—	261.5
Acquisitions	39.5	318.6	12.7	17.7	—	388.5
Reclassifications	—	(3.6)	1.1	2.5	—	—
Additions	31.9	1,274.3	41.5	135.3	—	1,483.0
Disposals	(4.5)	(697.2)	(8.3)	(49.7)	—	(759.7)
At 30 April 2020	330.3	9,409.5	231.8	698.8	—	10,670.4
Exchange differences	(21.9)	(684.1)	(16.4)	(51.1)	—	(773.5)
Acquisitions	—	86.7	—	4.0	—	90.7
Reclassifications	—	(2.8)	(0.3)	1.8	—	(1.3)
Additions	27.3	613.3	40.0	37.5	—	718.1
Disposals	(4.0)	(860.0)	(8.4)	(52.2)	—	(924.6)
At 30 April 2021	331.7	8,562.6	246.7	638.8	—	9,779.8
Depreciation						
At 1 May 2019	87.9	2,869.1	113.2	244.7	2.3	3,317.2
Effect of adoption of IFRS 16	—	—	—	—	(2.3)	(2.3)
Exchange differences	1.9	80.2	2.9	6.8	—	91.8
Acquisitions	8.8	162.7	7.8	9.8	—	189.1
Reclassifications	—	(1.5)	0.5	1.0	—	—
Charge for the period	18.0	879.6	30.2	71.0	—	998.8
Disposals	(4.3)	(470.7)	(7.3)	(40.7)	—	(523.0)
At 30 April 2020	112.3	3,519.4	147.3	292.6	—	4,071.6
Exchange differences	(6.9)	(262.0)	(10.7)	(22.1)	—	(301.7)
Acquisitions	—	41.5	—	2.4	—	43.9
Reclassifications	—	(1.7)	(0.4)	0.8	—	(1.3)
Charge for the period	19.9	873.3	34.6	72.5	—	1,000.3
Disposals	(3.1)	(598.1)	(6.8)	(41.5)	—	(649.5)
At 30 April 2021	122.2	3,572.4	164.0	304.7	—	4,163.3
Net book value						
At 30 April 2021	209.5	4,990.2	82.7	334.1	—	5,616.5
At 30 April 2020	218.0	5,890.1	84.5	406.2	—	6,598.8

£16m of rebuild costs were capitalised in the year (2020: £15m). Included within depreciation is an impairment charge of £nil (2020: £9m).

14 Right-of-use assets

	Property leases	Other leases	Total
	£m	£m	£m
Cost or valuation			
Effect of adoption of IFRS 16 at 1 May 2019	889.5	7.1	896.6
Exchange differences	25.3	—	25.3
Additions	191.5	1.6	193.1
Acquisitions	74.8	—	74.8
Remeasurement	(3.4)	—	(3.4)
Disposals	(3.6)	(1.4)	(5.0)
At 30 April 2020	1,174.1	7.3	1,181.4
Exchange differences	(89.0)	—	(89.0)
Additions	145.0	6.0	151.0
Acquisitions	18.2	—	18.2
Remeasurement	45.9	—	45.9
Disposals	(3.3)	(0.9)	(4.2)
At 30 April 2021	1,290.9	12.4	1,303.3
Depreciation			
Effect of adoption of IFRS 16 at 1 May 2019	—	2.3	2.3
Charge for the period	90.5	1.2	91.7
Disposals	(0.1)	(0.8)	(0.9)
At 30 April 2020	90.4	2.7	93.1
Exchange differences	(9.7)	—	(9.7)
Charge for the period	102.9	1.4	104.3
Disposals	(0.4)	(0.6)	(1.0)
At 30 April 2021	183.2	3.5	186.7
Net book value			
At 30 April 2021	1,107.7	8.9	1,116.6
At 30 April 2020	1,083.7	4.6	1,088.3

Included within depreciation is an impairment charge of £9m (2020: £nil).

On transition, the right-of-use asset was adjusted for the impact of onerous lease provisions (£1m) and lease prepayments (£8m).

15 Intangible assets including goodwill

		Other intangible assets				
	Goodwill	Brand names	Customer lists	Contract related	Total	Total
	£m	£m	£m	£m	£m	£m
Cost or valuation						
At 1 May 2019	1,144.7	21.1	405.9	64.6	491.6	1,636.3
Recognised on acquisition	163.7	1.2	118.3	2.8	122.3	286.0
Exchange differences	31.9	0.6	10.4	1.3	12.3	44.2
At 30 April 2020	1,340.3	22.9	534.6	68.7	626.2	1,966.5
Recognised on acquisition	50.1	—	27.3	0.9	28.2	78.3
Exchange differences	(93.1)	(1.6)	(26.7)	(3.3)	(31.6)	(124.7)
At 30 April 2021	1,297.3	21.3	535.2	66.3	622.8	1,920.1
Amortisation						
At 1 May 2019	—	20.4	166.6	44.0	231.0	231.0
Charge for the period	—	0.9	53.6	7.2	61.7	61.7
Exchange differences	—	0.6	5.7	1.1	7.4	7.4
At 30 April 2020	—	21.9	225.9	52.3	300.1	300.1
Charge for the period	—	0.3	55.1	6.3	61.7	61.7
Exchange differences	—	(1.7)	(14.4)	(2.7)	(18.8)	(18.8)
At 30 April 2021	—	20.5	266.6	55.9	343.0	343.0
Net book value						
At 30 April 2021	1,297.3	0.8	268.6	10.4	279.8	1,577.1
At 30 April 2020	1,340.3	1.0	308.7	16.4	326.1	1,666.4

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units ("CGUs") that benefit from that business combination. Goodwill allocated to each of the Group's CGUs is as follows:

	2021	2020
	£m	£m
US		
Power & HVAC	45.2	49.5
Climate Control	54.3	59.6
General equipment and related businesses	951.7	989.4
	1,051.2	1,098.5
UK		
Engineered Access (formally Live)	25.8	25.8
General equipment and related businesses	57.7	57.7
	83.5	83.5
Canada		
General equipment and related businesses	162.6	158.3
Total goodwill	1,297.3	1,340.3

For the purposes of determining potential goodwill impairment, recoverable amounts are determined from value in use calculations using cash flow projections based on the Group's financial plans covering a three-year period which were adopted and approved by the Board in April 2021. The key assumptions for these financial plans are those regarding revenue growth, margins and capital expenditure required to replace the rental fleet and support the growth forecast which management estimates based on past experience, market conditions and expectations for the future development of the market. The projections consist of the 2021/22 budget, a further two years from the Group's business plan and a further seven years' cash

flows. The valuation uses an annual growth rate to determine the cash flows beyond the three-year forecast period of 2%, which does not exceed the average long-term growth rates for the relevant markets, a terminal value reflective of market multiples and discount rates of 12% (2020: 11%), 11% (2020: 10%) and 12% (2020: 11%) for the US, UK and Canadian businesses respectively. The discount rates for each country are determined by reference to the Group's weighted average cost of capital.

The impairment review is potentially sensitive to changes in key assumptions used, most notably the discount rate and the annuity growth rates. A sensitivity analysis has been undertaken by changing the key assumptions used for each CGU in US, UK and Canada. Based on this sensitivity analysis, no reasonably possible change in the assumptions resulted in the recoverable amount for the CGUs identified above being reduced to their carrying value.

US

General equipment and related businesses

Revenue for the general equipment business is linked primarily to US non-residential construction spend, which is expected to grow during the business plan period as markets recover following the initial impact of the COVID-19 pandemic. These businesses have grown more rapidly than both the non-residential construction market and the broader rental market in recent years and this outperformance is expected to continue over the business plan period, although not necessarily to the same degree. EBITDA margins are forecast to improve slightly as the businesses benefit from recovering market conditions, operational efficiencies and increased scale.

Power & HVAC and Climate Control

Revenue for the Power and HVAC and Climate Control businesses is in part linked to the level of non-residential construction and also general levels of economic activity. These businesses are also expected to benefit from increased rental penetration. EBITDA margins are forecast to improve slightly as the businesses benefit from operational efficiencies and increased scale.

UK

Revenue for each of the UK CGUs is linked primarily to UK non-residential construction spend. This market is more challenging than in the US with structural growth opportunities more difficult to achieve due to a higher level of rental penetration in the market. The market is expected to improve with broader economic conditions during the business plan period, following the impact from the COVID-19 pandemic. The Engineered Access business is also reliant on the events market which has been impacted significantly by the pandemic. The level of business activity is therefore expected to increase as the events market returns. EBITDA margins are forecast to improve as the businesses focus on operational improvement and leveraging the platform through Project Unify, as the market improves.

Canada

Revenue for Canada is linked primarily to Canadian non-residential construction spend which, based on market estimates, is expected to grow during the business plan period. The Canadian business has grown over the last three years more quickly than non-residential construction and we expect it to continue to perform ahead of the market over the forecast period, although not necessarily to the same degree as over recent years. EBITDA margins are forecast to increase as the business benefits from the integration of recent acquisitions, improving market conditions and increased scale.

16 Other non-current assets

	2021	2020
	£m	£m
Other non-current assets	69.0	—

Other non-current assets include amounts paid to HMRC in accordance with the charging notice received in relation to the ongoing state aid investigation (£36m). Other non-current asset amounts have been reclassified from current assets in the year.

17 Trade and other payables

	2021	2020
	£m	£m
Trade payables	156.2	153.1
Other taxes and social security	61.7	64.2
Accruals and deferred income	374.0	357.4
	591.9	574.7

Trade and other payables include amounts relating to the purchase of fixed assets of £97m (2020: £106m). The fair values of trade and other payables are not materially different from the carrying values presented.

18 Lease liabilities

Amounts recognised in the balance sheet

	2021	2020
Maturity analysis – undiscounted cash flows:	£m	£m
Less than one year	125.9	109.3
One to two years	118.7	120.5
Two to three years	117.4	112.0
Three to four years	115.5	110.4
Four to five years	112.4	107.7
More than five years	1,106.4	1,080.0
Total undiscounted lease liabilities at 30 April	1,696.3	1,639.9
Impact of discounting	(516.6)	(527.7)
Lease liabilities included in the balance sheet	1,179.7	1,112.2
Included in current liabilities	121.9	106.0
Included in non-current liabilities	1,057.8	1,006.2
	1,179.7	1,112.2

Amounts recognised in the income statement

	2021	2020
	£m	£m
Depreciation of right-of-use assets	104.3	91.7
Interest on lease liabilities	53.6	45.5
Expense relating to short-term leases	1.6	4.4
Expense relating to variable lease payments	9.7	3.3
	169.2	144.9
Income from sub-leasing right-of-use assets	(10.6)	(0.9)
	158.6	144.0

Amounts recognised in the statement of cash flows

	2021	2020
	£m	£m
Financing costs paid in relation to lease liabilities	55.0	43.9
Repayment of principal under lease liabilities	56.0	64.3
Total cash outflow for leases	111.0	108.2

19 Borrowings

	2021	2020
Non-current	**£m**	**£m**
First priority senior secured bank debt	885.0	2,141.9
4.125% senior notes, due 2025	429.6	470.8
5.250% senior notes, due 2026	428.6	469.6
4.375% senior notes, due 2027	429.0	470.2
4.000% senior notes, due 2028	428.6	469.9
4.250% senior notes, due 2029	428.5	469.8
	3,029.3	4,492.2

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. The senior notes are guaranteed by Ashtead Group plc and all its principal subsidiary undertakings.

First priority senior secured credit facility

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

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

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

Senior notes

At 30 April 2021 the Group, through its wholly owned subsidiary Ashtead Capital, Inc., had five series of senior notes outstanding, each with a nominal value of $600m. The 4.125% notes are due on 15 August 2025, the 5.250% notes are due on 1 August 2026, the 4.375% notes are due on 15 August 2027, the 4.000% notes are due on 1 May 2028 and the 4.250% notes are due on 1 November 2029. Under the terms of the notes, financial performance covenants under the senior notes are only measured at the time new debt is raised.

The effective rates of interest at the balance sheet date were as follows:

		2021	2020
First priority senior secured bank debt	- revolving advances in dollars	1.51%	2.58%
Senior notes	- $600m nominal value	4.125%	4.125%
	- $600m nominal value	5.250%	5.250%
	- $600m nominal value	4.375%	4.375%
	- $600m nominal value	4.000%	4.000%
	- $600m nominal value	4.250%	4.250%

20 Provisions

	Insurance	Vacant property	Contingent consideration	Total
	£m	£m	£m	£m
At 1 May 2020	56.7	—	35.9	92.6
Acquired businesses	—	—	5.3	5.3
Exchange differences	(3.7)	—	(0.6)	(4.3)
Utilised	(31.5)	(0.5)	(19.0)	(51.0)
Released	—	—	(1.9)	(1.9)
Charged in the year	34.2	7.0	—	41.2
Amortisation of discount	0.6	—	0.5	1.1
At 30 April 2021	56.3	6.5	20.2	83.0

	2021	2020
	£m	£m
Included in current liabilities	39.0	53.7
Included in non-current liabilities	44.0	38.9
	83.0	92.6

Insurance provisions relate to the discounted estimated gross liability in respect of claims to be incurred under the Group's insurance programmes for events occurring up to the year-end and are expected to be utilised over a period of approximately eight years. The provision is established based on advice received from independent actuaries of the estimated total cost of the insured risk based on historical claims experience. £14m (2020: £18m) of this total liability is due from insurers and is included within "other receivables".

The provision for contingent consideration relates to recent acquisitions and is expected to be paid out over the next three years and is reassessed at each reporting date.

21 Deferred tax

	Accelerated tax depreciation	Tax losses	Other assets from temporary differences	Other liabilities from temporary differences	Total
	£m	£m	£m	£m	£m
At 1 May 2020	1,327.9	(12.0)	(90.0)	48.4	1,274.3
Exchange differences	(108.1)	(0.2)	7.6	(1.4)	(102.1)
(Credited)/charged to income statement	(78.5)	7.1	(6.6)	0.8	(77.2)
(Credited)/charged to equity	—	—	(1.5)	0.3	(1.2)
Acquisitions	—	(0.1)	—	—	(0.1)
At 30 April 2021	1,141.3	(5.2)	(90.5)	48.1	1,093.7

The Group has not recognised a deferred tax asset in respect of losses carried forward in a non-trading UK company of £6m (2020: £6m) as it is not considered probable this deferred tax asset will be utilised.

At the balance sheet date, no temporary differences associated with undistributed earnings of subsidiaries are considered to exist as UK tax legislation largely exempts overseas dividends received from UK tax.

Subsequent to the balance sheet date, UK legislation was substantively enacted which increases the UK corporation tax rate to 25% from 1 April 2023. If the increased rate had been in effect at 30 April 2021, the UK deferred tax liability would have been £7m higher.

22 Share capital and reserves

	30 April 2021	30 April 2020	30 April 2021	30 April 2020
	Number	Number	£m	£m
Ordinary shares of 10p each:				
Issued and fully paid	451,354,833	454,194,833	45.1	45.4

In September 2020, 2.9m shares held in treasury were cancelled. At 30 April 2021 after the cancellation of these shares, 2.0m (April 2020: 4.9m) shares were held by the Company (2021: £51m; 2020: £116m) and a further 1.4m (April 2020: 1.5m) shares were held by the Company's Employee Share Ownership Trust (2021: £29m; 2020: £28m).

23 Share-based payments

The ESOT facilitates the provision of shares under the Group's Performance Share Plan ("PSP") and Strategic Plan Award ("SPA"). It holds a beneficial interest in 1,396,425 ordinary shares of the Company acquired at an average cost of 2,066p per share. The shares had a market value of £65m at 30 April 2021. The ESOT has waived the right to receive dividends on the shares it holds. The costs of operating the ESOT are borne by the Group but are not significant.

Details of the PSP are given on pages 100 and 107 and the SPA on page 96. The costs of these schemes are charged to the income statement over the vesting period, based on the fair value of the award at the grant date and the likelihood of allocations vesting under the scheme. In 2021, there was a net charge to pre-tax profit in respect of these schemes of £7m (2020: £8m). After tax, the total charge was £6m (2020: £6m).

The fair value of awards granted during the year is estimated using a Black-Scholes option pricing model. For the PSP, the following assumptions were utilised: share price at grant date of 2,736p, nil exercise price, a dividend yield of 1.80%, volatility of 33.46%, a risk-free rate of nil% and an expected life of three years. For the SPA, the following assumptions were utilised: share price at grant date of 4,650p, nil exercise price, a dividend yield of 1.36%, volatility of 50.30%, a risk-free rate of 0.13% and an expected life of three years.

Expected volatility was determined by calculating the historical volatility over the previous three years. The expected life used in the model is based on the terms of the plan.

Details of the PSP awards outstanding during the year are as follows:

	2021	2020
	Number	Number
Outstanding at 1 May	1,664,555	2,050,278
Granted	1,912,676	600,956
Exercised	(577,961)	(858,585)
Expired	(34,126)	(128,094)
Outstanding at 30 April	2,965,144	1,664,555
Exercisable at 30 April	—	—

24 Pensions

Defined contribution plans

The Group operates pension plans for the benefit of qualifying employees. The plans for new employees throughout the Group are all defined contribution plans. Pension costs for defined contribution plans were £22m (2020: £20m).

Defined benefit plan

The Group also has a defined benefit plan which was closed to new members in 2001 and closed to future accrual in October 2020. The plan is a funded defined benefit plan with trustee-administered assets held separately from those of the Group. The Trustees are composed of representatives of both the Company and plan members. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy of the assets and the day-to-day administration of the benefits.

The plan is a final salary plan which provides members a guaranteed level of pension payable for life. The level of benefits provided by the plan depends on members' length of service and their salary at the date of leaving the plan.

The plan's duration is an indicator of the weighted-average time until benefit payments are made. For the plan as a whole, the duration at 30 April 2021 is approximately 19 years. The estimated amount of contributions expected to be paid by the Group to the plan during the 2021/22 financial year is £2m.

The plan exposes the Group to a number of risks, the most significant being investment risk, interest rate risk, inflation risk and life expectancy risk.

The most recent actuarial valuation was carried out as at 30 April 2019 by a qualified independent actuary and showed a funding surplus of £1.5m. The actuary was engaged by the Company to perform a valuation in accordance with IAS 19 (revised) as at 30 April 2021. The principal financial assumptions made by the actuary were as follows:

	2021	2020
Discount rate	2.0%	1.6%
Inflation assumption - RPI	3.2%	2.5%
- CPI	2.4%	1.7%
Rate of increase in salaries	n/a	2.5%
Rate of increase in pensions in payment	3.1%	2.5%

Pensioner life expectancy assumed in the 30 April 2021 update is based on the "S3PA CMI 2020" projection model mortality tables adjusted so as to apply a minimum annual rate of improvement of 1.25% a year. Samples of the ages to which pensioners are assumed to live are as follows:

	2021	2020
Life expectancy of pensioners currently aged 65		
Male	86.2	86.2
Female	88.0	87.9
Life expectancy at age 65 for future pensioner currently aged 45		
Male	87.5	87.5
Female	89.5	89.5

The plan's assets are invested in the following asset classes:

	Fair value	
	2021	2020
	£m	£m
UK equities	29.0	31.4
US equities	33.5	23.8
European equities	—	3.0
Japanese equities	5.9	4.4
Emerging market equities	3.8	2.4
Global loan fund	9.8	8.6
Liability driven investment funds	19.5	6.3
Property	—	11.7
Infrastructure	8.2	7.3
Cash and cash equivalents	4.8	0.1
	114.5	99.0

The amounts recognised in the balance sheet are determined as follows:

	2021	2020
	£m	£m
Fair value of plan assets	114.5	99.0
Present value of funded defined benefit obligation	(110.0)	(111.1)
Net asset/(liability) recognised in the balance sheet	4.5	(12.1)

The components of the defined benefit cost recognised in the income statement are as follows:

	2021	2020
	£m	£m
Current service cost	0.4	1.1
Past service cost	(1.9)	—
Net interest on the net defined benefit plan	0.1	—
Net (income)/charge to the income statement	(1.4)	1.1

The remeasurements of the defined benefit plan recognised in the statement of comprehensive income are as follows:

	2021	2020
	£m	£m
Actuarial loss due to changes in financial assumptions	(3.0)	(4.5)
Actuarial gain due to changes in demographic assumptions	0.2	1.1
Actuarial gain arising from experience adjustments	1.1	1.2
Return on plan assets excluding amounts recognised in net interest	15.6	(8.6)
Remeasurement of the defined benefit pension plan	13.9	(10.8)

Movements in the present value of defined benefit obligations were as follows:

	2021	2020
	£m	£m
At 1 May	111.1	108.0
Current service cost	0.4	1.1
Past service cost	(1.9)	—
Interest cost	1.7	2.6
Contributions from members	0.1	0.2
Remeasurements		
- Actuarial loss due to changes in financial assumptions	3.0	4.5
- Actuarial gain due to changes in demographic assumptions	(0.2)	(1.1)
- Actuarial gain arising from experience adjustments	(1.1)	(1.2)
Benefits paid	(3.1)	(3.0)
At 30 April	110.0	111.1

The key assumptions used in valuing the defined benefit obligation are: discount rate, inflation and mortality. The sensitivity of the results to these assumptions is as follows:

- An increase in the discount rate of 0.5% would result in a £9m (2020: £10m) decrease in the defined benefit obligation.
- An increase in the inflation rate of 0.5% would result in an £9m (2020: £9m) increase in the defined benefit obligation. This includes the resulting change to other assumptions that are related to inflation such as pensions and salary growth.
- A one-year increase in the pensioner life expectancy at age 65 would result in a £6m (2020: £5m) increase in the defined benefit obligation.

The above sensitivity analyses have been determined based on reasonably possible changes to the significant assumptions, while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. The sensitivity information shown above has been prepared using the same method as adopted when adjusting the results of the latest funding valuation to the balance sheet date. This is the same approach as has been adopted in previous periods.

Movements in the fair value of plan assets were as follows:

	2021	2020
	£m	£m
At 1 May	99.0	107.1
Interest income	1.6	2.6
Remeasurement - return on plan assets excluding amounts recognised in net interest	15.6	(8.6)
Employer contributions	1.3	0.7
Contributions from members	0.1	0.2
Benefits paid	(3.1)	(3.0)
At 30 April	114.5	99.0

The actual return on plan assets was a £17m gain (2020: £6m loss).

25 Financial risk management

The Group's trading and financing activities expose it to various financial risks that, if left unmanaged, could adversely impact on current or future earnings. Although not necessarily mutually exclusive, these financial risks are categorised separately according to their different generic risk characteristics and include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

It is the role of the Group treasury function to manage and monitor the Group's financial risks and internal and external funding requirements in support of the Group's corporate objectives. Treasury activities are governed by policies and procedures approved by the Board and monitored by the Finance and Administration Committee. In particular, the Board of directors or, through delegated authority, the Finance and Administration Committee, approves any derivative transactions. Derivative transactions are only undertaken for the purposes of managing interest rate risk and currency risk. The Group does not trade in financial instruments. The Group maintains treasury control systems and procedures to monitor liquidity, currency, credit and financial risks. The Group reports its financial results and pays dividends in pounds sterling.

Market risk

The Group's activities expose it primarily to interest rate and currency risk. Interest rate risk is monitored on a continuous basis and managed, where appropriate, through the use of interest rate swaps whereas, the use of forward foreign exchange contracts to manage currency risk is considered on an individual non-trading transaction basis. The Group is not exposed to commodity price risk or equity price risk as defined in IFRS 7.

Interest rate risk

Management of fixed and variable rate debt

The Group has fixed and variable rate debt in issue with 71% of the drawn debt at a fixed rate as at 30 April 2021, excluding lease liabilities. The Group's accounting policy requires all borrowings to be held at amortised cost. As a result, the carrying value of fixed rate debt is unaffected by changes in credit conditions in the debt markets and there is therefore no exposure to fair value interest rate risk. The Group's debt that bears interest at a variable rate comprises all outstanding borrowings under the senior secured credit facility. The interest rates currently applicable to this variable rate debt are LIBOR as applicable to the currency borrowed plus 125bps. The Group periodically utilises interest rate swap agreements to manage and mitigate its exposure to changes in interest rates. However, during the year ended and as at 30 April 2021, the Group had no such swap agreements outstanding. The Group also may at times hold cash and cash equivalents which earn interest at a variable rate.

Net variable rate debt sensitivity

At 30 April 2021, based upon the amount of variable rate debt outstanding, the Group's pre-tax profits would change by approximately £9m for each one percentage point change in interest rates applicable to the variable rate debt and, after tax effects, equity would change by approximately £6m. The amount of the Group's variable rate debt may fluctuate as a result of changes in the amount of debt outstanding under the senior secured credit facility.

Currency risk

Currency risk is limited to translation risk as there are no transactions in the ordinary course of business that take place between foreign entities. The Group's reporting currency is the pound sterling. However, the majority of our assets, liabilities, revenue and costs are denominated in US dollars. The Group has arranged its financing such that, at 30 April 2021, 97% of its debt

was denominated in US (and Canadian) dollars so that there is a natural partial offset between its dollar-denominated net assets and earnings and its dollar-denominated debt and interest expense. At 30 April 2021, dollar-denominated debt represented approximately 61% of the value of dollar-denominated net assets (other than debt).

The Group's exposure to exchange rate movements on trading transactions is relatively limited. All Group companies invoice revenue in their respective local currency and generally incur expense and purchase assets in their local currency. Consequently, the Group does not routinely hedge either forecast foreign currency exposures or the impact of exchange rate movements on the translation of overseas profits into sterling. Where the Group does hedge, it maintains appropriate hedging documentation. Foreign exchange risk on significant non-trading transactions (e.g. acquisitions) is considered on an individual basis.

Resultant impacts of reasonably possible changes to foreign exchange rates

Based upon the level of US operations and the US dollar-denominated debt balance, at 30 April 2021 a 1% change in the US dollar-pound exchange rate would have impacted our pre-tax profits by approximately £9m and equity by approximately £34m. At 30 April 2021, the Group had no outstanding foreign exchange contracts.

Credit risk

The Group's principal financial assets are cash and bank balances and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of loss allowances. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The carrying amount of financial assets recorded in the financial statements, which are net of impairment losses, represent the Group's maximum exposure to credit risk.

The Group has a large number of unrelated customers, serving over 815,000 during the financial year, and does not have any significant credit exposure to any particular customer. Each business segment manages its own exposure to credit risk according to the economic circumstances and characteristics of the markets they serve. The Group believes that management of credit risk on a devolved basis enables it to assess and manage it more effectively. However, broad principles of credit risk management practice are observed across the Group, such as the use of credit reference agencies and the maintenance of credit control functions.

Liquidity risk

Liquidity risk is the risk that the Group could experience difficulties in meeting its commitments to creditors as financial liabilities fall due for payment.

The Group generates significant free cash flow before investment (defined as cash flow from operations less replacement capital expenditure net of proceeds of asset disposals, interest paid and tax paid). This free cash flow before investment is available to the Group to invest in growth capital expenditure, acquisitions, dividend payments and other returns to shareholders or to reduce debt.

In addition to the strong free cash flow from normal trading activities, additional liquidity is available through the Group's ABL facility. At 30 April 2021, availability under the $4.1 billion facility was $3,011m (£2,175m), which compares with the threshold of $410m, above which the covenant does not apply.

Contractual maturity analysis

Trade receivables, the principal class of non-derivative financial asset held by the Group, are settled gross by customers.

The following table presents the Group's outstanding contractual maturity profile for its non-derivative financial liabilities, excluding trade and other payables which fall due within one year and lease liabilities which are analysed in Note 18. The analysis presented is based on the undiscounted contractual maturities of the Group's financial liabilities, including any interest that will accrue, except where the Group is entitled and intends to repay a financial liability, or part of a financial liability, before its contractual maturity. The undiscounted cash flows have been calculated using foreign currency exchange rates and interest rates ruling at the balance sheet date.

At 30 April 2021

	Undiscounted cash flows – year to 30 April						
	2022	2023	2024	2025	2026	Thereafter	Total
	£m	£m	£m	£m	£m	£m	£m
Bank and other debt	—	—	885.0	—	—	—	885.0
4.125% senior notes	—	—	—	—	433.4	—	433.4
5.250% senior notes	—	—	—	—	—	433.4	433.4
4.375% senior notes	—	—	—	—	—	433.4	433.4
4.000% senior notes	—	—	—	—	—	433.4	433.4
4.250% senior notes	—	—	—	—	—	433.4	433.4
	—	—	885.0	—	433.4	1,733.6	3,052.0
Interest payments	107.5	107.5	103.4	95.3	82.7	129.2	625.6
	107.5	107.5	988.4	95.3	516.1	1,862.8	3,677.6

Letters of credit of £37m (2020: £41m) are provided and guaranteed under the ABL facility which expires in December 2023.

At 30 April 2020

	Undiscounted cash flows – year to 30 April						
	2021	2022	2023	2024	2025	Thereafter	Total
	£m	£m	£m	£m	£m	£m	£m
Bank and other debt	—	—	—	2,141.9	—	—	2,141.9
4.125% senior notes	—	—	—	—	—	475.7	475.7
5.250% senior notes	—	—	—	—	—	475.7	475.7
4.375% senior notes	—	—	—	—	—	475.7	475.7
4.000% senior notes	—	—	—	—	—	475.7	475.7
4.250% senior notes	—	—	—	—	—	475.7	475.7
	—	—	—	2,141.9	—	2,378.5	4,520.4
Interest payments	160.0	158.8	158.8	140.8	104.7	232.7	955.8
	160.0	158.8	158.8	2,282.7	104.7	2,611.2	5,476.2

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 30 April 2021, 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.

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 30 April 2021.

		At 30 April 2021		At 30 April 2020	
		Book value	Fair value	Book value	Fair value
		£m	£m	£m	£m
Long-term borrowings					
- first priority senior secured bank debt	Level 1	885.0	885.0	2,141.9	2,141.9
- 4.125% senior notes	Level 1	433.4	445.3	475.7	461.4
- 5.250% senior notes	Level 1	433.4	453.4	475.7	479.3
- 4.375% senior notes	Level 1	433.4	453.9	475.7	463.8
- 4.000% senior notes	Level 1	433.4	453.4	475.7	453.1
- 4.250% senior notes	Level 1	433.4	463.2	475.7	453.1
Total long-term borrowings		3,052.0	3,154.2	4,520.4	4,452.6
Deferred costs of raising finance		(22.7)	—	(28.2)	—
		3,029.3	3,154.2	4,492.2	4,452.6
Other financial instruments[1]					
Contingent consideration provision	Level 3	20.2	20.2	35.9	35.9
Cash and cash equivalents	Level 1	19.2	19.2	241.4	241.4

(1) The Group's trade and other receivables, trade and other payables and lease liabilities are not shown in the table above. The carrying amounts of trade and other receivables and trade and other payables categories approximate their fair values. Required disclosures relating to lease liabilities are provided in Note 18.

Contingent consideration provisions are 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.

26 Notes to the cash flow statement

(a) Cash flow from operating activities

	2021	2020
	£m	£m
Operating profit before exceptional items and amortisation	1,196.8	1,285.3
Depreciation	1,104.6	1,090.5
EBITDA before exceptional items	2,301.4	2,375.8
Profit on disposal of rental equipment	(18.8)	(33.3)
Profit on disposal of other property, plant and equipment	(0.4)	(1.2)
Decrease/(increase) in inventories	4.0	(0.5)
(Increase)/decrease in trade and other receivables	(96.8)	94.1
Increase/(decrease) in trade and other payables	89.9	(13.2)
Exchange differences	0.6	0.3
Other non-cash movements	7.2	8.4
Cash generated from operations before exceptional items and changes in rental equipment	2,287.1	2,430.4

(b) Acquisitions

	2021	2020
Cash consideration paid		
- acquisitions in the period (net of cash acquired)	123.5	435.8
- contingent consideration	19.0	17.3
	142.5	453.1

During the year, five acquisitions were made for a total cash consideration of £123m (2020: £436m), after taking account net cash acquired of £nil (2020: £4m). Further details are provided in Note 27.

Payments for contingent consideration on prior year acquisitions were also made of £19m (2020: £17m).

(c) Analysis of net debt

Net debt consists of total borrowings less cash and cash equivalents. Borrowings exclude accrued interest. Foreign currency denominated balances are translated to pounds sterling at rates of exchange ruling at the balance sheet date.

			Non-cash movements				
	1 May 2020	Cash flow	Exchange movement	Debt acquired	New lease liabilities	Other movements	30 April 2021
	£m	£m	£m	£m	£m	£m	£m
Long-term borrowings	4,492.2	(1,202.9)	(268.3)	—	—	8.3	3,029.3
Lease liabilities	1,112.2	(56.0)	(82.8)	18.2	188.1	—	1,179.7
Total liabilities from financing activities	5,604.4	(1,258.9)	(351.1)	18.2	188.1	8.3	4,209.0
Cash and cash equivalents	(241.4)	214.3	7.9	—	—	—	(19.2)
Net debt	5,363.0	(1,044.6)	(343.2)	18.2	188.1	8.3	4,189.8

				Non-cash movements				
	1 May 2019	Adoption of IFRS 16	Cash flow	Exchange movement	Debt acquired	New lease liabilities	Other movements	30 April 2020
	£m	£m	£m	£m	£m	£m	£m	£m
Short-term borrowings	2.3	(2.3)	—	—	—	—	—	—
Long-term borrowings	3,755.4	(2.7)	606.1	108.6	14.7	—	10.1	4,492.2
Lease liabilities	—	887.8	(64.3)	25.1	74.8	188.8	—	1,112.2
Total liabilities from financing activities	3,757.7	882.8	541.8	133.7	89.5	188.8	10.1	5,604.4
Cash and cash equivalents	(12.8)	—	(227.9)	(0.7)	—	—	—	(241.4)
Net debt	3,744.9	882.8	313.9	133.0	89.5	188.8	10.1	5,363.0

27 Acquisitions

During the year, the following acquisitions were completed:

(i) On 3 February 2021, Sunbelt US acquired the business and assets of DC Rentals, LLC ("DCR"). DCR is a general tool business in Connecticut.

(ii) On 26 March 2021, Sunbelt US acquired the business and assets of Harford Rental Service, Inc. ("Harford"). Harford is a general tool business in Maryland.

(iii) On 16 April 2021, Sunbelt US acquired the business and assets of American Aerial Equipment, LLC ("American Aerial"). American Aerial is a general tool business in Massachusetts.

(iv) On 23 April 2021, Sunbelt US acquired the business and assets of Ross Aerial Equipment, LLC ("Ross Aerial"). Ross Aerial is a general tool business in Arizona.

(v) On 28 April 2021, Sunbelt US acquired the business and assets of Tomcon Industries, Inc. ("Tomcon"). Tomcon is a general tool business in New York.

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 Group
Net assets acquired	**£m**
Trade and other receivables	5.3
Property, plant and equipment	
- rental equipment	45.2
- other assets	1.6
Right-of-use asset	18.2
Creditors	(0.7)
Lease liabilities	(18.2)
Deferred tax	0.1
Intangible assets (non-compete agreements and customer relationships)	28.2
	79.7
Consideration:	
- cash paid and due to be paid (net of cash acquired)	124.5
- contingent consideration payable in cash	5.3
	129.8
Goodwill	50.1

The goodwill arising can be attributed to the key management personnel and workforce of the acquired businesses 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. £50m 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 £5m.

Due to the operational integration of acquired businesses with Sunbelt US, Sunbelt Canada and Sunbelt UK 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 2020 to their date of acquisition was not material.

28 Contingent liabilities

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

The Company

The Company has guaranteed the borrowings of its subsidiary undertakings under the Group's senior secured credit and overdraft facilities. At 30 April 2021 the amount borrowed under these facilities was £885m (2020: £2,142m). Subsidiary undertakings are also able to obtain letters of credit under these facilities and, at 30 April 2021, letters of credit issued under these arrangements totalled £37m ($52m) (2020: £41m ($52m)). In addition, the Company has guaranteed the 4.125%, 5.250%, 4.375%, 4.000% and 4.250% senior notes each with a par value of $600m (£433m), issued by Ashtead Capital, Inc.

The Company has guaranteed lease commitments of subsidiary undertakings where the minimum lease commitment at 30 April 2021 totalled £25m (2020: £30m) in respect of land and buildings of which £5m is payable by subsidiary undertakings in the year ending 30 April 2022.

The Company has provided a guarantee to the Ashtead Group plc Retirement Benefits Plan ("the plan") that ensures the plan is at least 105% funded as calculated in accordance with Section 179 of the Pensions Act 2004. Based on the last actuarial valuation at 30 April 2019, this guarantee was the equivalent of £20m.

The Company has guaranteed the performance by subsidiaries of certain other obligations up to £2m (2020: £2m).

29 Capital commitments

At 30 April 2021 capital commitments in respect of purchases of rental and other equipment totalled £499m (2020: £259m), all of which had been ordered. There were no other material capital commitments at the year end.

30 Events after the balance sheet date

Since the balance sheet date, the Group has completed two acquisitions as follows:

(i) On 12 May 2021, Sunbelt Canada acquired the business and assets of Island Equipment Rentals Ltd., ("Island Equipment"). Island Equipment is a general equipment business in British Columbia, Canada.

(ii) On 26 May 2021, Sunbelt US acquired the business and assets of Randall Industries, Inc. ("Randall"). Randall is a general equipment business in Illinois and Indiana.

The initial accounting for these acquisitions is incomplete. Had these acquisitions taken place on 1 May 2020, their contribution to revenue and operating profit would not have been material.

In May 2021, the Group commenced the share buyback programme of up to £1bn over the next two financial years, announced in April 2021.

31 Related party transactions

The Group's key management comprises the Company's executive and non-executive directors. Details of their remuneration are given in Note 4 and details of their share interests and share awards are given in the Directors' remuneration report. In relation to the Group's defined benefit pension plan, details are included in Note 24.

As reported in the prior year, the Board became aware that the interim dividend paid on 5 February 2020 had been paid otherwise than in accordance with the Companies Act 2006. Following approval at the 2020 AGM, the Company entered into deeds of release to remove any right it may have to claim from shareholders or directors present at the meeting at which the interim dividend was declared for the repayment of that dividend.

32 Employees

The average number of employees, including directors, during the year was as follows:

	2021	2020
	Number	Number
United States	13,526	13,946
United Kingdom	3,724	3,814
Canada	1,409	1,219
	18,659	18,979

33 Change in presentational currency

Effective from 1 May 2021, the Group has decided to change its presentational currency from sterling to US dollars to allow for greater transparency in the Group's performance to investors and other stakeholders and reduced foreign exchange volatility given that c. 80% of the Group's revenue and c. 90% of the Group's operating profit originate in US dollars. As such, the Group will present its consolidated financial statements for the year ending 30 April 2022 in US dollars.

In accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, this change in presentation currency will be applied retrospectively.

Selected historical financial information has been restated in US dollars and included herein which will form the basis of the comparative financial information to be included in the Annual Report & Accounts of the Group for the year ended 30 April 2022 and all published financial information for periods from
1 May 2021 onwards.

In accordance with the provisions of IAS 21, the Effects of Changes in Foreign Exchange Rates, in respect of changes in presentation currency, financial information has been restated from sterling to US dollars as follows:

- assets and liabilities in non-US denominated currencies were translated into US dollars at the rate of exchange ruling at the relevant balance sheet date;
- non-US dollar income statements and cash flows were translated into US dollars at average rates of exchange for the relevant period;
- share capital, share premium and all other equity items were translated at the historical rates prevailing at 1 May 2004, the date of transition to IFRS, or the subsequent rates prevailing on the date of each relevant transaction; and
- the cumulative foreign exchange translation reserve was set to zero on 1 May 2004, the date of transition to IFRS and this reserve has been restated on the basis that the Group has reported in US dollars since that date.

All exchange rates were extracted from the Group's underlying accounting records. The exchange rates used in respect of the Pound sterling (£) and Canadian dollar (C$) were:

	Pound sterling		Canadian dollar	
	2021	**2020**	**2021**	**2020**
Average for year	1.32	1.27	0.76	0.75
Year end	1.38	1.26	0.81	0.72

(a) Restated consolidated income statement

	2021			2020		
	Before amortisation	Amortisation	Total	Before exceptional items and amortisation	Exceptional items and amortisation	Total
	$m	$m	$m	$m	$m	$m
Revenue						
Rental revenue	5,901.6	—	5,901.6	5,832.7	—	5,832.7
Sale of new equipment, merchandise and consumables	347.7	—	347.7	233.0	—	233.0
Sale of used rental equipment	389.3	—	389.3	333.2	—	333.2
	6,638.6	—	6,638.6	6,398.9	—	6,398.9
Operating costs						
Staff costs	(1,501.5)	—	(1,501.5)	(1,484.4)	—	(1,484.4)
Used rental equipment sold	(364.4)	—	(364.4)	(291.2)	—	(291.2)
Other operating costs	(1,735.9)	—	(1,735.9)	(1,615.1)	—	(1,615.1)
	(3,601.8)	—	(3,601.8)	(3,390.7)	—	(3,390.7)
EBITDA	3,036.8	—	3,036.8	3,008.2	—	3,008.2
Depreciation	(1,457.6)	—	(1,457.6)	(1,380.8)	—	(1,380.8)
Amortisation of intangibles	—	(81.2)	(81.2)	—	(78.1)	(78.1)
Operating profit	1,579.2	(81.2)	1,498.0	1,627.4	(78.1)	1,549.3
Interest expense	(262.9)	—	(262.9)	(284.2)	(21.1)	(305.3)
Profit on ordinary activities before taxation	1,316.3	(81.2)	1,235.1	1,343.2	(99.2)	1,244.0
Taxation	(335.0)	20.0	(315.0)	(332.1)	24.4	(307.7)
Profit attributable to equity holders of the Company	981.3	(61.2)	920.1	1,011.1	(74.8)	936.3
Basic earnings per share	219.1¢	(13.7¢)	205.4¢	221.5¢	(16.3¢)	205.2¢
Diluted earnings per share	218.4¢	(13.6¢)	204.8¢	220.7¢	(16.3¢)	204.4¢

(b) Restated consolidated balance sheet

	2021	2020
	$m	$m
Current assets		
Inventories	102.2	105.0
Trade and other receivables	1,083.7	1,036.1
Current tax asset	18.4	41.3
Cash and cash equivalents	26.6	304.4
	1,230.9	1,486.8
Non-current assets		
Property, plant and equipment		
- rental equipment	6,908.9	7,429.2
- other assets	867.2	893.9
	7,776.1	8,323.1
Right-of-use asset	1,545.9	1,372.7
Goodwill	1,796.1	1,690.6
Other intangible assets	387.3	411.3
Other non-current assets	95.5	—
Net defined benefit pension plan asset	6.2	—
	11,607.1	11,797.7
Total assets	12,838.0	13,284.5
Current liabilities		
Trade and other payables	819.5	724.9
Current tax liability	5.7	2.8
Lease liabilities	168.7	133.6
Provisions	54.0	67.7
	1,047.9	929.0
Non-current liabilities		
Lease liabilities	1,464.6	1,269.2
Long-term borrowings	4,194.0	5,666.0
Provisions	61.0	49.0
Deferred tax liabilities	1,514.2	1,607.3
Other non-current liabilities	30.8	—
Net defined benefit pension plan liability	—	15.3
	7,264.6	8,606.8
Total liabilities	8,312.5	9,535.8
Equity		
Share capital	81.8	82.3
Share premium account	6.5	6.5
Capital redemption reserve	20.0	19.5
Own shares held by the Company	(66.2)	(149.7)
Own shares held through the ESOT	(36.8)	(36.0)
Cumulative foreign exchange translation differences	(134.0)	(210.8)
Retained reserves	4,654.2	4,036.9
Equity attributable to equity holders of the Company	4,525.5	3,748.7
Total liabilities and equity	12,838.0	13,284.5

(c) Restated consolidated cash flow statement

	2021	2020
	$m	$m
Cash flows from operating activities		
Cash generated from operations before exceptional items and changes in rental equipment	3,017.0	3,076.2
Payments for rental property, plant and equipment	(817.0)	(1,729.8)
Proceeds from disposal of rental property, plant and equipment	384.7	312.2
Cash generated from operations	2,584.7	1,658.6
Financing costs paid (net)	(254.9)	(249.4)
Exceptional financing costs paid	—	(16.1)
Tax paid (net)	(387.6)	(143.2)
Net cash generated from operating activities	1,942.2	1,249.9
Cash flows from investing activities		
Acquisition of businesses	(195.1)	(577.0)
Payments for non-rental property, plant and equipment	(138.3)	(263.6)
Proceeds from disposal of non-rental property, plant and equipment	18.3	15.2
Net cash used in investing activities	(315.1)	(825.4)
Cash flows from financing activities		
Drawdown of loans	643.4	2,939.9
Redemption of loans	(2,228.4)	(2,168.3)
Repayment of principal under lease liabilities	(73.9)	(81.4)
Dividends paid	(235.5)	(234.3)
Purchase of own shares by the ESOT	(15.5)	(22.1)
Purchase of own shares by the Company	—	(569.7)
Net cash used in financing activities	(1,909.9)	(135.9)
(Decrease)/increase in cash and cash equivalents	(282.8)	288.6
Opening cash and cash equivalents	304.4	16.7
Effect of exchange rate difference	5.0	(0.9)
Closing cash and cash equivalents	26.6	304.4
Reconciliation of net cash flows to net debt		
Decrease/(increase) in cash and cash equivalents in the period	282.8	(288.6)
(Decrease)/increase in debt through cash flow	(1,658.9)	690.2
Change in net debt from cash flows	(1,376.1)	401.6
Exchange differences	129.3	(37.5)
Debt acquired	25.2	115.7
Non-cash movements:		
- deferred costs of debt raising	11.0	12.8
- new lease liabilities	246.9	239.1
(Decrease)/increase in net debt in the period	(963.7)	731.7
Net debt at 1 May (as previously stated)	6,764.4	4,881.9
Effect of adoption of IFRS 16	—	1,150.8
Net debt at 1 May (2020 restated)	6,764.4	6,032.7
Net debt at 30 April	5,800.7	6,764.4

34 Parent company information

(a) Balance sheet of the Company (Company number: 01807982)

	Notes	2021	2020
		£m	£m
Current assets			
Prepayments and accrued income		1.0	0.5
Amounts due from subsidiary undertakings	(f)	629.6	—
		630.6	0.5
Non-current assets			
Right-of-use asset	(g)	6.1	6.8
Investments in Group companies	(h)	363.7	363.7
Deferred tax asset		1.3	1.5
		371.1	372.0
Total assets		1,001.7	372.5
Current liabilities			
Accruals and deferred income		6.6	6.7
Amounts due to subsidiary undertakings	(i)	—	20.4
Lease liabilities	(j)	0.8	0.8
		7.4	27.9
Non-current liabilities			
Lease liabilities	(j)	5.3	5.9
Total liabilities		12.7	33.8
Equity			
Share capital	(b)	45.1	45.4
Share premium account	(b)	3.6	3.6
Capital redemption reserve	(b)	11.1	10.8
Own shares held by the Company	(b)	(51.2)	(115.9)
Own shares held through the ESOT	(b)	(28.8)	(27.7)
Retained reserves	(b)	1,009.2	422.5
Equity attributable to equity holders of the Company		989.0	338.7
Total liabilities and equity		1,001.7	372.5

The Company reported a profit for the financial year ended 30 April 2021 of £837m (2020: £350m).

These financial statements were approved by the Board on 14 June 2021.

Brendan Horgan	Michael Pratt
Chief executive	Chief financial officer

(b) Statement of changes in equity of the Company

	Share capital	Share premium account	Capital redemption reserve	Own shares held by the Company	Own shares held through the ESOT	Retained reserves	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 May 2019	49.9	3.6	6.3	(622.6)	(24.6)	1,215.5	628.1
Effect of adoption of IFRS 16	—	—	—	—	—	1.0	1.0
At 1 May 2019 (restated)	49.9	3.6	6.3	(622.6)	(24.6)	1,216.5	629.1
Profit for the year	—	—	—	—	—	349.7	349.7
Other comprehensive income for the year	—	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	—	349.7	349.7
Dividends paid	—	—	—	—	—	(186.7)	(186.7)
Own shares purchased by the ESOT	—	—	—	—	(17.6)	—	(17.6)
Own shares purchased by the Company	—	—	—	(444.6)	—	—	(444.6)
Share-based payments	—	—	—	—	14.5	(6.1)	8.4
Tax on share-based payments	—	—	—	—	—	0.4	0.4
Cancellation of shares	(4.5)	—	4.5	951.3	—	(951.3)	—
At 30 April 2020	45.4	3.6	10.8	(115.9)	(27.7)	422.5	338.7
Profit for the year	—	—	—	—	—	836.8	836.8
Other comprehensive income for the year	—	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	—	836.8	836.8
Dividends paid	—	—	—	—	—	(182.1)	(182.1)
Own shares purchased by the ESOT	—	—	—	—	(12.5)	—	(12.5)
Share-based payments	—	—	—	—	11.4	(4.2)	7.2
Tax on share-based payments	—	—	—	—	—	0.9	0.9
Cancellation of shares	(0.3)	—	0.3	64.7	—	(64.7)	—
At 30 April 2021	45.1	3.6	11.1	(51.2)	(28.8)	1,009.2	989.0

(c) Cash flow statement of the Company

	Note	2021	2020
		£m	£m
Cash flows from operating activities			
Cash from operations	(l)	(649.0)	306.4
Financing costs paid		(5.8)	(2.9)
Dividends received from Ashtead Holdings PLC		850.0	350.0
Net cash from operating activities		195.2	653.5
Cash flows from financing activities			
Repayment of principal under lease liabilities		(0.6)	(0.6)
Purchase of own shares by the ESOT		(12.5)	(17.6)
Purchase of own shares by the Company		—	(448.6)
Dividends paid		(182.1)	(186.7)
Net cash used in financing activities		(195.2)	(653.5)
Change in cash and cash equivalents		—	—

(d) Accounting policies

The Company financial statements have been prepared on the basis of the accounting policies set out in Note 2 above, supplemented by the policy on investments set out below.

Investments in subsidiary undertakings are stated at cost less any necessary provision for impairment in the parent company balance sheet. Where an investment in a subsidiary is transferred to another subsidiary, any uplift in the value at which it is transferred over its carrying value is treated as a revaluation of the investment prior to the transfer and is credited to the revaluation reserve.

(e) Income statement

Ashtead Group plc has not presented its own profit and loss account as permitted by section 408 of the Companies Act 2006. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet. There were no other amounts of comprehensive income in the financial year.

The average number of employees, including directors, during the year was as follows:

	2021	2020
	Number	Number
Employees	16	16

Their aggregate remuneration comprised:

	2021	2020
	£m	£m
Salaries	7.8	8.3
Social security costs	1.4	1.1
Other pension costs	0.3	0.4
	9.5	9.8

(f) Amounts due from subsidiary undertakings

	2021	2020
	£m	£m
Due within one year:		
Ashtead Holdings PLC	629.6	—

(g) Right-of-use asset

	Property leases
	£m
Cost or valuation	
Effect of adoption of IFRS 16 at 1 May 2019	7.5
At 30 April 2020 and 30 April 2021	7.5
Depreciation	
Effect of adoption of IFRS 16 at 1 May 2019	—
Charge for the period	0.7
At 30 April 2020	0.7
Charge for the period	0.7
At 30 April 2021	1.4
Net book value	
At 30 April 2021	**6.1**
At 30 April 2020	6.8

On transition, the right-of-use asset was adjusted for the impact of lease prepayments (£0.2m).

(h) Investments

	Shares in Group companies	
	2021	**2020**
	£m	**£m**
At 30 April	363.7	363.7

Details of the Company's subsidiaries at 30 April 2021 are as follows:

Name	Address of registered office	Principal activity
USA		
Ashtead US Holdings, Inc.	The Corporation Trust Company, 1209 Orange St., Wilmington, DE 19801	Investment holding company
Ashtead Holdings, LLC	The Corporation Trust Company, 1209 Orange St., Wilmington, DE 19801	Investment holding company
Sunbelt Rentals, Inc.	CT Corporation System, 160 Mine Lake Ct, Ste 200, Raleigh, NC 27615-6417	Equipment rental and related services
Sunbelt Rentals Industrial Services LLC	The Corporation Trust Company, 1209 Orange St., Wilmington, DE 19801	Equipment rental and related services
Sunbelt Rentals Scaffold Services, Inc.	CT Corporation System, 160 Mine Lake Ct., Ste. 200, Raleigh, NC 27615-6417	Equipment rental and related services
Sunbelt Rentals Scaffold Services, LLC	CT Corporation System, 3867 Plaza Tower Dr., East Baton Rouge Parish, Baton Rouge, LA 70816	Equipment rental and related services
Pride Corporation	CT Corporation System, 28 Liberty Street, New York, NY 10005	Equipment rental and related services
Ashtead Capital, Inc.	The Corporation Trust Company, 1209 Orange St., Wilmington, DE 19801	Finance company
Sunbelt Rentals Exchange, Inc.	The Corporation Trust Company, 1209 Orange St., Wilmington, DE 19801	Dormant
UK		
Ashtead Holdings PLC	100 Cheapside, London, EC2V 6DT	Investment holding company
Sunbelt Rentals Limited	100 Cheapside, London, EC2V 6DT	Equipment rental and related services
Ashtead Financing Limited	100 Cheapside, London, EC2V 6DT	Finance company
Accession Group Limited	100 Cheapside, London, EC2V 6DT	Dormant
Accession Holdings Limited	100 Cheapside, London, EC2V 6DT	Dormant
Anglia Traffic Management Group Limited	100 Cheapside, London, EC2V 6DT	Dormant
Ashtead Canada Limited	100 Cheapside, London, EC2V 6DT	Dormant
Astra Site Services Limited	12 Hope Street, Edinburgh, Scotland, EH2 4DB	Dormant
ATM Traffic Solutions Limited	100 Cheapside, London, EC2V 6DT	Dormant
Eve Trakway Limited	100 Cheapside, London, EC2V 6DT	Dormant
Hoist It Limited	100 Cheapside, London, EC2V 6DT	Dormant
Optical Survey Equipment Limited	100 Cheapside, London, EC2V 6DT	Dormant
Plantfinder (Scotland) Limited	12 Hope Street, Edinburgh, Scotland, EH2 4DB	Dormant
Precision Geomatics Limited	100 Cheapside, London, EC2V 6DT	Dormant
Ellerbeck Industries Limited	100 Cheapside, London, EC2V 6DT	Dormant
Inlec UK Limited	100 Cheapside, London, EC2V 6DT	Dormant
Ashtead Plant Hire Company Limited	100 Cheapside, London, EC2V 6DT	Dormant
Canada		
Sunbelt Rentals of Canada Inc.	725 Granville Street, Suite 400, Vancouver, BC V7Y 1G5	Equipment rental and related services
William F. White International Inc.	800 Islington Avenue, Toronto, ON M8Z 6A1	Equipment rental and related services
Republic of Ireland		
Ashtead Financing (Ireland) Unlimited Company	10 Earlsfort Terrace, Dublin 2, D02 T380	Dormant
Sunbelt Rentals (Ireland) Limited	10 Earlsfort Terrace, Dublin 2, D02 T380	Equipment rental and related services

Name	Address of registered office	Principal activity
Ashtead Plant Hire Company (Ireland) Limited	10 Earlsfort Terrace, Dublin 2, D02 T380	Dormant
Germany		
Sunbelt Rentals GmbH	Felix-Wankel-Straße 10, 74632 Neuenstein	Equipment rental and related services
France		
Sunbelt Rentals SAS	5 Avenue Carnot, 91330 Massy	Equipment rental and related services
Bahamas		
Sunbelt Rentals of the Bahamas, Inc.	Ocean Centre, Montagu Foreshore, East Bay Street, P.O. Box SS-19084, Nassau, Bahamas	Dormant

The issued share capital (all of which comprises ordinary shares) of subsidiaries is 100% owned by the Company or by subsidiary undertakings and all subsidiaries are consolidated.

(i) Amounts due to subsidiary undertakings

	2021	2020
	£m	£m
Due within one year:		
Ashtead Holdings PLC	—	20.4

(j) Lease liabilities

(i) Amounts recognised in the balance sheet

	2021	2020
	£m	£m
Maturity analysis – undiscounted cash flows:		
Less than one year	0.8	0.8
One to five years	3.2	3.2
More than five years	3.1	3.9
Total undiscounted lease liabilities at 30 April	7.1	7.9
Impact of discounting	(1.0)	(1.2)
Lease liabilities included in the balance sheet	6.1	6.7
Included in current liabilities	0.8	0.8
Included in non-current liabilities	5.3	5.9
	6.1	6.7

(ii) Amounts recognised in the income statement

	2021	2020
	£m	£m
Depreciation of right-of-use assets	0.7	0.7
Interest on lease liabilities	0.2	0.3
	0.9	1.0

(iii) Amounts recognised in the statement of cash flows

	2021	2020
	£m	£m
Financing costs paid in relation to lease liabilities	0.2	0.3
Repayment of principal under lease liabilities	0.6	0.6
Total cash outflow for leases	0.8	0.9

(k) Financial instruments

The book value and fair value of the Company's financial instruments are not materially different.

(l) Notes to the Company cash flow statement

Cash flow from operating activities	2021	2020
	£m	£m
Operating profit	(7.1)	2.6
Depreciation	0.8	0.8
EBITDA	(6.3)	3.4
Increase in prepayments and accrued income	(0.5)	(0.3)
Decrease in accruals and deferred income	(0.1)	(0.9)
(Increase)/decrease in intercompany receivable and payable	(649.3)	295.9
Other non-cash movement	7.2	8.3
Net cash outflow from operations before exceptional items	(649.0)	306.4

TEN YEAR HISTORY

	2021[1]	2020[1]	2019	2018	2017	2016	2015	2014	2013	2012
In £m										
Income statement										
Revenue	5,031.1	5,053.6	4,499.6	3,706.0	3,186.8	2,545.7	2,038.9	1,634.7	1,361.9	1,134.6
Operating costs +	(2,729.7)	(2,677.8)	(2,393.0)	(1,972.9)	(1,682.4)	(1,368.1)	(1,130.5)	(949.6)	(842.9)	(753.5)
EBITDA +	2,301.4	2,375.8	2,106.6	1,733.1	1,504.4	1,177.6	908.4	685.1	519.0	381.1
Depreciation +	(1,104.6)	(1,090.5)	(843.0)	(695.6)	(606.8)	(449.4)	(351.5)	(275.9)	(229.0)	(199.8)
Operating profit +	1,196.8	1,285.3	1,263.6	1,037.5	897.6	728.2	556.9	409.2	290.0	181.3
Interest +	(199.3)	(224.5)	(153.4)	(110.2)	(104.2)	(82.9)	(67.3)	(47.1)	(44.6)	(50.7)
Pre-tax profit +	997.5	1,060.8	1,110.2	927.3	793.4	645.3	489.6	362.1	245.4	130.6
Operating profit	1,135.3	1,223.6	1,212.9	994.0	869.3	699.6	541.1	403.6	284.2	178.2
Pre-tax profit	936.0	982.8	1,059.5	862.1	765.1	616.7	473.8	356.5	214.2	134.8
Cash flow										
Cash flow from operations before exceptional items and changes in rental fleet	2,287.1	2,430.4	2,042.5	1,681.2	1,444.2	1,070.6	841.4	645.5	501.3	364.6
Free cash flow	1,381.7	792.1	368.2	386.2	319.4	(68.0)	(87.9)	(48.5)	(34.0)	(9.4)
Balance sheet										
Capital expenditure	718.1	1,483.0	1,587.2	1,238.7	1,085.6	1,240.0	1,063.1	740.6	580.4	476.4
Book cost of rental equipment	8,562.6	9,409.5	8,282.4	6,566.8	5,846.4	4,480.8	3,638.2	2,575.8	2,186.5	1,854.1
Shareholders' funds	3,268.7	2,972.2	2,800.5	2,526.9	1,970.1	1,480.4	1,111.5	824.4	682.5	554.7
In pence										
Dividend per share	42.15p	40.65p	40.0p	33.0p	27.5p	22.5p	15.25p	11.5p	7.5p	3.5p
Earnings per share	155.7p	162.1p	166.1p	195.3p	100.5p	81.3p	60.5p	46.1p	27.6p	17.8p
Adjusted earnings per share	166.0p	175.0p	174.2p	127.5p	104.3p	85.1p	62.6p	46.6p	31.4p	17.3p
In per cent										
EBITDA margin +	45.7%	47.0%	46.8%	46.8%	47.2%	46.3%	44.6%	41.9%	38.1%	33.6%
Operating profit margin +	23.8%	25.4%	28.1%	28.0%	28.2%	28.6%	27.3%	25.0%	21.3%	16.0%
Pre-tax profit margin +	19.8%	21.0%	24.7%	25.0%	24.9%	25.3%	24.0%	22.2%	18.0%	11.5%
Return on investment +	14.9%	15.2%	17.8%	17.6%	17.3%	18.9%	19.4%	18.6%	16.2%	12.0%
People										
Employees at year end	18,826	19,284	17,803	15,996	14,220	13,106	11,928	9,934	9,085	8,555
Locations										
Stores at year end	1,126	1,105	1,036	899	808	715	640	556	494	485

\+ Before exceptional items, amortisation and fair value remeasurements.

1 The Group elected to apply IFRS 16 using the modified retrospective approach with no restatement of comparative figures. As a result, the results for 2021 and 2020 are not comparable directly to the prior years with the adoption of IFRS 16 resulting in higher EBITDA and operating profit but lower profit before exceptional items, amortisation and tax than under the previous accounting standard.

GLOSSARY OF TERMS

The glossary of terms below sets out definitions of terms used throughout this Annual Report & Accounts. 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. Where relevant, the APMs exclude the impact of IFRS 16 to aid comparability with prior year metrics. 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.

<table>
<tr><th>Term</th><th>Closest equivalent statutory measure</th><th>Definition and purpose</th></tr>
<tr><td>Adjusted results</td><td>See definition</td><td>Adjusted results are the results stated before exceptional items and the amortisation of acquired intangibles. Adjusted results are utilised by the Group in its remuneration targets. A reconciliation is shown on the income statement on page 127.</td></tr>
<tr><td>Capital expenditure</td><td>None</td><td>Represents additions to rental equipment and other tangible assets (excluding assets acquired through a business combination).</td></tr>
<tr><td>Cash conversion ratio</td><td>None</td><td>Represents cash flow from operations before exceptional items and changes in rental equipment as a percentage of adjusted EBITDA. This measure is utilised to show the proportion of EBITDA converted into cash flow from operations generated by the business before investment expenditures, interest, taxation and exceptional items.

<table>
<tr><th></th><th></th><th>2021
£m</th><th>2020
£m</th></tr>
<tr><td>EBITDA before exceptional items</td><td>Note 26(a)</td><td>2,301</td><td>2,376</td></tr>
<tr><td>Cash inflow from operations before exceptional items and changes in rental equipment</td><td>Note 26(a)</td><td>2,287</td><td>2,430</td></tr>
<tr><td>Cash conversion ratio</td><td></td><td>99%</td><td>102%</td></tr>
</table>
</td></tr>
<tr><td>Dollar utilisation</td><td>None</td><td>Dollar utilisation is trailing 12-month rental revenue divided by average fleet 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. The components used to calculate this measure are shown within the 'Financial review'.</td></tr>
<tr><td>Drop through</td><td>None</td><td>Calculated as the incremental rental revenue which converts into EBITDA (excluding gains from sale of new equipment, merchandise and consumables and from sale of used equipment).

<table>
<tr><th></th><th>2021</th><th>2020</th><th>Change</th></tr>
<tr><td>Sunbelt US ($m)</td><td></td><td></td><td></td></tr>
<tr><td>Rental revenue</td><td>4,933</td><td>5,046</td><td>(113)</td></tr>
<tr><td>EBITDA</td><td>2,635</td><td>2,721</td><td></td></tr>
<tr><td>Gains</td><td>(76)</td><td>(106)</td><td></td></tr>
<tr><td>EBITDA exc. gains</td><td>2,559</td><td>2,615</td><td>(56)</td></tr>
<tr><td>Drop through</td><td></td><td></td><td>50%</td></tr>
</table>

This measure is utilised by the Group to demonstrate the incremental profitability generated by the Group as a result of growth in the year.</td></tr>
</table>

<table>
<tr><th>Term</th><th>Closest equivalent statutory measure</th><th>Definition and purpose</th></tr>
<tr><td>EBITDA</td><td>Profit before tax</td><td>EBITDA is not defined by IFRS but is a widely accepted profit measure being earnings before interest, tax, depreciation and amortisation. A reconciliation of EBITDA to profit before tax is shown on the income statement on page 127.</td></tr>
<tr><td>EBITDA margin</td><td>None</td><td>EBITDA margin is calculated as EBITDA before exceptional items 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.</td></tr>
<tr><td>Exceptional items</td><td>None</td><td>Exceptional items are those items that are material and non-recurring in nature that the Group believes should be disclosed separately to assist in the understanding of the financial performance of the Group.

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. Details are provided in Note 5 of the financial statements.</td></tr>
<tr><td>Free cash flow</td><td>Net cash inflow from operating activities</td><td>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. This measure shows the cash retained by the Group prior to discretionary expenditure on acquisitions and returns to shareholders. A reconciliation of free cash flow is shown in the Strategic report on page 49.</td></tr>
<tr><td>Growth at constant exchange rates</td><td>None</td><td>Calculated by applying the current period exchange rate to the comparative period result. The relevant foreign currency exchange rates are provided within Note 2, Accounting policies, to the financial statements. This measure is used as a means of eliminating the effects of foreign exchange rate movements on the period-on-period changes in reported results.

<table>
<tr><th></th><th>2021
£m</th><th>2020
£m</th><th>
%</th></tr>
<tr><td>Rental revenue</td><td></td><td></td><td></td></tr>
<tr><td>As reported</td><td>4,473</td><td>4,606</td><td>(3)%</td></tr>
<tr><td>Retranslation effect</td><td>—</td><td>(165)</td><td></td></tr>
<tr><td>At constant currency</td><td>4,473</td><td>4,441</td><td>1%</td></tr>
<tr><td>Adjusted profit before tax</td><td></td><td></td><td></td></tr>
<tr><td>As reported</td><td>998</td><td>1,061</td><td>(6)%</td></tr>
<tr><td>Retranslation effect</td><td>—</td><td>(42)</td><td></td></tr>
<tr><td>At constant currency</td><td>998</td><td>1,019</td><td>(2)%</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Term</th><th>Closest equivalent statutory measure</th><th>Definition and purpose</th></tr>
<tr><td>Leverage</td><td>None</td><td>Leverage calculated at constant exchange rates uses the period end exchange rate for the relevant period and is determined as net debt divided by adjusted EBITDA.

<table>
<tr><th></th><th colspan="2">2021</th><th colspan="2">2020</th></tr>
<tr><th></th><th>Excluding IFRS 16</th><th>Including IFRS 16</th><th>Excluding IFRS 16</th><th>Including IFRS 16</th></tr>
<tr><td>Net debt (at constant currency)</td><td>3,019</td><td>4,190</td><td>4,256</td><td>5,363</td></tr>
<tr><td>EBITDA (at constant currency)</td><td>2,098</td><td>2,194</td><td>2,280</td><td>2,380</td></tr>
<tr><td>Leverage</td><td>1.4x</td><td>1.9x</td><td>1.9x</td><td>2.3x</td></tr>
</table>

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.</td></tr>
<tr><td>Net debt</td><td>None</td><td>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. It has been identified as one of the Group’s key performance indicators. An analysis of net debt is provided in Note 26(c) of the financial statements.</td></tr>
<tr><td>Operating profit</td><td>Profit before tax</td><td>Operating profit is earnings before interest and tax. A reconciliation of operating profit to profit before tax is shown on the income statement on page 127.</td></tr>
<tr><td>Operating profit margin</td><td>None</td><td>Operating profit margin is calculated as operating profit before exceptional items and the amortisation of intangibles divided by revenue. Progression in operating profit margin is an important indicator of the Group’s performance.</td></tr>
<tr><td>Organic measures</td><td>See definition</td><td>Organic measures are used to explain the financial and operational performance of Sunbelt US and comprise all locations, excluding locations arising from a bolt-on acquisition completed after the start of the comparative financial period.</td></tr>
<tr><td>Return on Investment (“RoI”)</td><td>None</td><td>Last 12-month (“LTM”) adjusted operating profit, excluding the impact of IFRS 16, 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. RoI 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. The impact of IFRS 16 has been excluded so as to reflect the way the business is managed.

A reconciliation of Group RoI is provided below:

<table>
<tr><th></th><th>2021</th><th>2020</th></tr>
<tr><td>Adjusted operating profit (£m)</td><td>1,176</td><td>1,270</td></tr>
<tr><td>Average net assets (£m)</td><td>7,886</td><td>8,347</td></tr>
<tr><td>Return on investment (%)</td><td>15%</td><td>15%</td></tr>
</table>

RoI for the businesses is calculated in the same way, but excludes goodwill and intangible assets:

<table>
<tr><th></th><th>US</th><th>Canada</th><th>UK</th></tr>
<tr><th></th><th>$m</th><th>C$m</th><th>£m</th></tr>
<tr><td>Adjusted operating profit</td><td>1,420</td><td>97</td><td>60</td></tr>
<tr><td>Average net assets, excluding goodwill and intangibles</td><td>7,102</td><td>614</td><td>595</td></tr>
<tr><td>Return on investment</td><td>20%</td><td>16%</td><td>10%</td></tr>
</table></td></tr>
</table>

Other terms used within this Annual Report & Accounts include:

- **Availability**: represents the headroom on a given date under the terms of our $4.1bn asset-backed senior bank facility, taking account of current borrowings.

- **Fleet age**: net book value 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.

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

- **Same store**: same-stores are those locations which were open at the start of the comparative financial period.

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

- **Suppressed availability**: represents the amount on a given date that the asset base exceeds the facility size under the terms of our $4.1bn asset-backed senior bank facility.

REPORT OF INDEPENDENT AUDITORS FOR THE YEAR ENDED APRIL 30, 2020

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Ashtead Group plc ("the Company") and its subsidiaries ("the Group") give a true and fair view of the state of the Group's and of the Company's affairs as at 30 April 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union and IFRS as issued by the International Accounting Standards Board;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements which comprise:

- the Consolidated income statement;
- the Consolidated statement of comprehensive income;
- the Consolidated and Company balance sheets;
- the Consolidated and Company statements of changes in equity;
- the Consolidated and Company cash flow statement; and
- the related notes 1 to 31, including the accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and IFRS as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's ("the FRC's") Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Company for the year are disclosed in Note 4 to the financial statements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • carrying value of rental fleet; • revenue recognition – manual top-side intervention; and • going concern.
Materiality.....	The materiality that we used for the Group financial statements was £48.5m which was determined on the basis of three-year average profit before tax.
Scoping	Consistent with previous years, we performed audit work on three (2019: three) components: the Group head office, Sunbelt UK and Sunbelt US.
Significant changes in our approach	We have included going concern in the current year as a key audit matter, due to the increased uncertainty in the wider market as a result of COVID-19 which has resulted in an increased level of audit effort in this area.

Conclusions relating to going concern, principal risks and viability statement

Going concern

We have reviewed the directors' statement in Note 2 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

We considered as part of our risk assessment the nature of the Group, its business model and related risks including where relevant the impact of the COVID-19 pandemic and Brexit, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the Group's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.

We are required to state whether we have anything material to add or draw attention to in relation to that statement required by Listing Rule 9.8.6R(3) and report if the statement is materially inconsistent with our knowledge obtained in the audit.

Going concern is the basis of preparation of the financial statements that assumes an entity will remain in operation for a period of at least 12 months from the date of approval of the financial statements.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

Principal risks and viability statement

Based solely on reading the directors' statements and considering whether they were consistent with the knowledge we obtained in the course of the audit, including the knowledge obtained in the evaluation of the directors' assessment of the Group's and the Company's ability to continue as a going concern, we are required to state whether we have anything material to add or draw attention to in relation to:

- the disclosures on pages 36-39 that describe the principal risks, procedures to identify emerging risks, and an explanation of how these are being managed or mitigated;
- the directors' confirmation on page 36 that they have carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity; or
- the directors' explanation on page 39 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Viability means the ability of the Group to continue over the time horizon considered appropriate by the directors.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

We are also required to report whether the directors' statement relating to the prospects of the Group required by Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of rental fleet

Key audit matter description.....

As set out in Note 13, the Group holds £9.4bn (2019: £8.3bn) of rental fleet at cost (£5.9bn net book value (2019: £5.4bn net book value)). These assets represent 56% (2019: 65%) of the Group's gross assets. The movement in the balance from prior year is principally due to £1.4bn of new additions and acquisitions, foreign exchange movements of £155m, offset by £1.1bn of depreciation and disposals.

There is a risk that an impairment required to the Group's rental fleet is not identified, properly quantified or recorded and that the carrying value of the rental fleet assets is misstated. Further risk has been identified as a result of the COVID-19 pandemic due to the potential impact on the utilisation and resale value of certain assets.

The Group's accounting policy as disclosed in Note 2 sets out that the assets are recorded at cost (including transportation costs from the manufacturer to the initial rental location), less accumulated depreciation and any provisions for impairment. The Group's approach for estimating the useful lives and residual values is also explained.

How the scope of our audit responded to the key audit matter .....

In responding to the identified key audit matter, we completed the following audit procedures:

- we obtained an understanding of the relevant controls over the impairment review, and in particular, the identification of impairment indicators;
- we challenged and understood the assessment performed by management to identify impairment indicators, including the consistency of these with the requirements of IAS 36, Impairment of Assets;
- we challenged the key judgements and the impact that each of these has in determining whether an impairment exists. In particular, we focused our testing on returns on investment by asset class, fleet utilisation, useful economic lives and profits recorded on asset disposals;
- we considered and challenged the completeness of the COVID-19 assessment, in light of trading since the pandemic arose, its impact on the performance of the business in March and April 2020 and compared it against previous economic downturns. In addition, we performed an evaluation of end markets and challenged whether any further impact should be considered in the impairment assessment; and
- assessed whether the accounting for the rental fleet and associated disclosures were in line with the Group's accounting policies and IAS 36.

Key observations.....

We consider that management's consideration of carrying values, including useful lives and residual values is appropriate for the purposes of the impairment assessment. As a result of the audit work performed, we are satisfied that the carrying value of the rental fleet is not materially misstated.

Revenue recognition - manual top-side intervention

Key audit matter description.....

As disclosed in the Group's accounting policy note on revenue (Note 2), rental revenue, including loss damage waiver and environmental fees, is recognised on a straight-line basis over the period of the rental contract. A rental contract can extend across financial reporting periods, and therefore the Group records accrued revenue (unbilled rental revenue) and deferred revenue (rental revenue billed, not yet earned) at the beginning and end of each reporting period so that rental revenue is appropriately stated in the financial statements.

Given the high-volume and low-value nature of transactions in the Group's revenue balance, we identified a risk of misstatement arising from management intervention, whether due to fraud or error, through top-side journals including manipulation of the accrued revenue and deferred revenue judgements.

How the scope of our audit responded to the key audit matter .....

In responding to the identified key audit matter, we completed the following audit procedures:

- we obtained an understanding of the relevant controls over the revenue cycle throughout the Group, with a particular focus on those relating to manual journal entries;
- we carried out data analysis at Sunbelt US to perform a detailed assessment by store, assessing revenue trends to identify any outliers and instances of potential management intervention;
- we used data analytic techniques to identify and profile all manual top-side adjustments impacting the revenue balance, and performed testing on a sample basis of these adjustments, agreeing adjustments to supporting documentation in order to assess the accuracy and appropriateness of the journal postings; and
- we performed further testing to agree revenue balances to supporting third-party evidence for the final two months of the year, which were impacted by COVID-19, and as such, did not follow trends exhibited in prior periods.

Key observations.....

Based on the procedures performed, we did not identify any material exceptions or evidence of management bias or manipulation of the revenue account and are satisfied that the amounts recorded are in line with the Group's accounting policies.

Going concern

Key audit matter description.....

As stated in the accounting policies in Note 2 and the Directors' report on page 102, the consolidated financial statements have been prepared on the going concern basis. The Board of directors has concluded that there are no material uncertainties that may cast significant doubt over the Group's and the Company's ability to continue as a going concern for at least 12 months from the date of approval of the financial statements.

As at 30 April 2020, the Group had cash and cash equivalents of £241m, a further $4.6 billion committed under the asset-backed revolving credit facility (the "ABL facility") of which $2.8 billion (including letters of credit of $52 million) was utilised at year end, and five series of senior notes outstanding each with a nominal value of $600 million. The only financial covenant relates to the ABL, being a fixed charge ratio, and does not apply when availability exceeds $460 million; as such, this covenant was not measured at 30 April 2020 and, in the view of the directors, is unlikely to be measured in the forthcoming quarters.

The COVID-19 pandemic created uncertainty worldwide, to which the Group responded with a number of measures, including but not limited to, a reduction in capital expenditure for the year ending 30 April 2021, suspension of all acquisition activity and a pause of the Group's share buyback programme.

In assessing the going concern assessment, the directors have considered the scenario planning over the medium term, including sensitivity analysis in light of market uncertainties presented by COVID-19. These sensitivities included a more significant sustained period of revenue reduction and reduced recoverability of receivables, whilst taking account of reasonable mitigating actions. The directors' forecasts, as well as reasonably possible downside scenarios, indicate that the Group has sufficient financial resources over the going concern period.

As a result of the impact of COVID-19 on the Group its wider end markets, we identified a key audit matter related to going concern due to the significant judgement required given the uncertainty in the current environment.

How the scope of our audit responded to the key audit matter .....

We performed the following audit procedures, which consider the impact of the uncertainty of the COVID-19 pandemic and going concern assessment performed:

- we obtained an understanding of the relevant controls relating to the Group's forecasting process;
- we verified the mechanical accuracy of the model used to prepare the Group's forecast;
- we reviewed the facility agreements and bond documentation to understand the principal terms and the related financial covenant;
- we challenged management on the appropriateness of forecast assumptions by:
    - assessing key assumptions underpinning the Group's forecasts with reference to external data such as GDP growth rates, the latest US Congressional Budget Office forecasts and market forecast data from third-party sources;
    - assessing the likelihood of the assumptions in the forecasts and the impact of reasonably possible downside scenarios on the Group's funding position;
    - challenging management on the extent of the downside required in order to trigger the fixed charge ratio covenant and considering the likelihood of this downside being applicable by comparing the decrease in trading seen in April 2020 to levels of historical declines in the market cycle;
    - comparing forecasts to historical financial information to assess management's historical forecasting accuracy; and
    - assessing the mitigating actions available to the Group, challenging management on the reasonableness of these and the likelihood of being able to benefit in the next 12 months if necessary; and
- we assessed the sufficiency of the Group's disclosure concerning the going concern basis.

Key observations.....	Based on the information available as at the date of this report we consider that the assumptions used within the forecasts prepared by the directors are supportable and that the going concern basis of preparation is appropriate. We consider the disclosure prepared by the directors as set out in Note 2 to the financial statements to be appropriate.

Our application of materiality

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£48.5m (2019: £45.0m)	£10.1m (2019: £18.8m)
Basis for determining materiality	In determining our materiality, we took a three-year average profit before tax and applied a benchmark of 5% to arrive at materiality. This approach is consistent with the approach adopted in the prior year.	3% of the Company's net assets, which is consistent with the basis used in the prior year.
Rationale for the benchmark applied.....	Profit before tax has been used as it is the primary measure of performance used by the Group. We have used average reported profit before tax over the past three years to reflect the cyclical nature of the industry in which the Group operates.	As the Company is a holding company, we considered net assets to be the most appropriate benchmark.

Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Group performance materiality was set at 70% of Group materiality for the 2020 audit (2019: 70%). In determining performance materiality, we considered the following factors:

- our cumulative knowledge of the Group, including the nature, quantum and volume of corrected and uncorrected misstatements in prior periods; and
- our risk assessment, including our assessment of the Group's overall control environment and that we consider it appropriate to rely on controls over revenue, expenditure, fixed assets and treasury in Sunbelt US.

Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £2m (2019: £2m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level. Audit work to respond to the risks of material misstatement

consisted of a combination of work performed by separate component teams in the UK and US as well as the Group audit team in the UK.

The Group comprises four (2019: four) principal components: the Head Office in the UK; Sunbelt UK; Sunbelt US; and Sunbelt Canada. The Group audit team performed a full scope audit of the Head Office component and local component audit teams performed full-scope audits for both Sunbelt UK and Sunbelt US, consistent with the prior year approach.

The three components for which we performed full audit procedures represent 95% (2019: 96%) of the Group's revenue, 98% (2019: 98%) of the Group's operating profit, and 97% (2019: 98%) of the Group's net assets. They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatements identified above. Our audit work at the three locations was executed at levels of materiality applicable to each individual location, which were lower than Group materiality and ranged from £24.3m to £44.6m.

The Sunbelt US component team also performed a review of the financial information of the operations in Sunbelt Canada, which represents 5% (2010: 4%) of Group's revenue, 2% (2019: 2%) of the Group's operating profit and 3% (2019: 2%) of the Group's net assets.

Working with other auditors

Throughout the year, members of the Group audit team, including the lead audit partner held group-wide, divisional and individual planning and close meetings which covered all components. We also reviewed the audit work papers supporting the component teams' reporting to us remotely using shared desktop technology. Whilst we were unable to visit components after the year end due to the effects of COVID-19, we performed alternative procedures in order to supervise and direct their work.

In response to the outbreak of COVID-19 and the changes in working practices which came into effect at the end of March 2020, we performed additional procedures on a number of controls within the business processes over which we take controls reliance to determine whether individual controls had been affected by working practice changes.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that:

- ***Fair, balanced and understandable*** – the statement given by the directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

- ***Audit Committee reporting*** – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or

- ***Directors' statement of compliance with the UK Corporate Governance Code*** – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company'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 the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus level and performance targets;
- results of our enquiries of management, internal legal counsel and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected and alleged fraud;
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team, including significant component audit teams and involving relevant internal specialists, including tax, pensions and IT regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks in which the Group operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act 2006, the Listing Rules, the UK Corporate Governance Code, pensions legislation and overseas tax legislation.

Audit response to risks identified

As a result of performing the above, we identified revenue recognition as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Group's performance standards function (which is responsible for assessing store compliance with operating policies), the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with tax authorities;
- in response to the identified instance of non-compliance with Part 23 of the Companies Act 2016, in relation to distributable reserves (see page 103), we assessed the directors' response to ascertain whether any further steps should be taken, including reviewing relevant legal advice received by the Group; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Other matters

Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors in 2004 to audit the financial statements for the year ended 30 April 2004 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 17 years, covering the years ended April 2004 to April 2020.

Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

William Smith (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
15 June 2020

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 Before exceptional items and amortisation £m	2020 Exceptional items and amortisation £m	2020 Total £m	2019 Before amortisation £m	2019 Amortisation £m	2019 Total £m
Revenue							
Rental revenue		4,606.5	—	4,606.5	4,138.0	—	4,138.0
Sale of new equipment, merchandise and consumables		184.0	—	184.0	170.5	—	170.5
Sale of used rental equipment		263.1	—	263.1	191.1	—	191.1
		5,053.6	—	5,053.6	4,499.6	—	4,499.6
Operating costs							
Staff costs	4	(1,172.3)	—	(1,172.3)	(1,019.4)	—	(1,019.4)
Used rental equipment sold	4	(229.9)	—	(229.9)	(159.7)	—	(159.7)
Other operating costs	4	(1,275.6)	—	(1,275.6)	(1,213.9)	—	(1,213.9)
		(2,677.8)	—	(2,677.8)	(2,393.0)	—	(2,393.0)
EBITDA*		2,375.8	—	2,375.8	2,106.6	—	2,106.6
Depreciation	4	(1,090.5)	—	(1,090.5)	(843.0)	—	(843.0)
Amortisation of intangibles	4,5	—	(61.7)	(61.7)	—	(50.7)	(50.7)
Operating profit	3,4	1,285.3	(61.7)	1,223.6	1,263.6	(50.7)	1,212.9
Investment income	6	—	—	—	0.1	—	0.1
Interest expense	6	(224.5)	(16.3)	(240.8)	(153.5)	—	(153.5)
Profit on ordinary activities before taxation		1,060.8	(78.0)	982.8	1,110.2	(50.7)	1,059.5
Taxation	7,20	(262.3)	19.2	(243.1)	(274.9)	12.3	(262.6)
Profit attributable to equity holders of the Company		798.5	(58.8)	739.7	835.3	(38.4)	796.9
Basic earnings per share	9	175.0p	(12.9p)	162.1p	174.2p	(8.1p)	166.1p
Diluted earnings per share	9	174.3p	(12.8p)	161.5p	173.4p	(8.0p)	165.4p

* EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders. Further details are provided in the Glossary of terms on page 153.

All revenue and profit for the year is generated from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2020

	Note	2020 £m	2019 £m
Profit attributable to equity holders of the Company for the financial year		739.7	796.9
Items that will not be reclassified to profit or loss:			
Remeasurement of the defined benefit pension plan	23	(10.8)	(3.7)
Tax on defined benefit pension plan		2.1	0.7
		(8.7)	(3.0)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		71.0	108.9
Total comprehensive income for the year		802.0	902.8

CONSOLIDATED BALANCE SHEET AT 30 APRIL 2020

	Notes	2020	2019
		£m	£m
Current assets			
Inventories	10	83.3	83.5
Trade and other receivables	11	821.6	843.6
Current tax asset		32.8	25.3
Cash and cash equivalents	12	241.4	12.8
		1,179.1	965.2
Non-current assets			
Property, plant and equipment			
- rental equipment	13	5,890.1	5,413.3
- other assets	13	708.7	573.7
		6,598.8	5,987.0
Right-of-use asset	14	1,088.3	—
Goodwill	15	1,340.3	1,144.7
Other intangible assets	15	326.1	260.6
		9,353.5	7,392.3
Total assets		10,532.6	8,357.5
Current liabilities			
Trade and other payables	16	574.7	632.4
Current tax liability		2.3	16.4
Lease liabilities	17	106.0	—
Short-term borrowings	18	—	2.3
Provisions	19	53.7	42.5
		736.7	693.6
Non-current liabilities			
Lease liabilities	17	1,006.2	—
Long-term borrowings	18	4,492.2	3,755.4
Provisions	19	38.9	46.0
Deferred tax liabilities	20	1,274.3	1,061.1
Net defined benefit pension plan liability	23	12.1	0.9
		6,823.7	4,863.4
Total liabilities		7,560.4	5,557.0
Equity			
Share capital	21	45.4	49.9
Share premium account		3.6	3.6
Capital redemption reserve		10.8	6.3
Own shares held by the Company	21	(115.9)	(622.6)
Own shares held through the ESOT	21	(27.7)	(24.6)
Cumulative foreign exchange translation differences		305.7	234.7
Retained reserves		2,750.3	3,153.2
Equity attributable to equity holders of the Company		2,972.2	2,800.5
Total liabilities and equity		10,532.6	8,357.5

These financial statements were approved by the Board on 15 June 2020.

Brendan Horgan
Chief executive

Michael Pratt
Finance director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2020

	Share capital	Share premium account	Capital redemption reserve	Own shares held by the Company	Own shares held through the ESOT	Cumulative foreign exchange translation differences	Retained reserves	Total
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 May 2018	49.9	3.6	6.3	(161.0)	(20.0)	125.8	2,522.3	2,526.9
Profit for the year	—	—	—	—	—	—	796.9	796.9
Other comprehensive income:								
Foreign currency translation differences	—	—	—	—	—	108.9	—	108.9
Remeasurement of the defined benefit pension plan	—	—	—	—	—	—	(3.7)	(3.7)
Tax on defined benefit pension plan	—	—	—	—	—	—	0.7	0.7
Total comprehensive income for the year.	—	—	—	—	—	108.9	793.9	902.8
Dividends paid	—	—	—	—	—	—	(164.2)	(164.2)
Own shares purchased by the ESOT	—	—	—	—	(14.2)	—	—	(14.2)
Own shares purchased by the Company	—	—	—	(461.6)	—	—	—	(461.6)
Share-based payments	—	—	—	—	9.6	—	(2.0)	7.6
Tax on share-based payments	—	—	—	—	—	—	3.2	3.2
At 30 April 2019	49.9	3.6	6.3	(622.6)	(24.6)	234.7	3,153.2	2,800.5
Effect of adoption of IFRS 16	—	—	—	—	—	—	8.1	8.1
At 1 May 2019 (restated)	49.9	3.6	6.3	(622.6)	(24.6)	234.7	3,161.3	2,808.6
Profit for the year	—	—	—	—	—	—	739.7	739.7
Other comprehensive income:								
Foreign currency translation differences	—	—	—	—	—	71.0	—	71.0
Remeasurement of the defined benefit pension plan	—	—	—	—	—	—	(10.8)	(10.8)
Tax on defined benefit pension plan	—	—	—	—	—	—	2.1	2.1
Total comprehensive income for the year.	—	—	—	—	—	71.0	731.0	802.0
Dividends paid	—	—	—	—	—	—	(186.7)	(186.7)
Own shares purchased by the ESOT	—	—	—	—	(17.6)	—	—	(17.6)
Own shares purchased by the Company	—	—	—	(444.6)	—	—	—	(444.6)
Share-based payments	—	—	—	—	14.5	—	(6.1)	8.4
Tax on share-based payments	—	—	—	—	—	—	2.1	2.1
Cancellation of shares	(4.5)	—	4.5	951.3	—	—	(951.3)	—
At 30 April 2020	**45.4**	**3.6**	**10.8**	**(115.9)**	**(27.7)**	**305.7**	**2,750.3**	**2,972.2**

Further information is included in Note 21.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020	2019
		£m	£m
Cash flows from operating activities			
Cash generated from operations before exceptional items and changes in rental equipment	25(a)	2,430.4	2,042.5
Payments for rental property, plant and equipment		(1,366.2)	(1,503.5)
Proceeds from disposal of rental property, plant and equipment		246.6	181.6
Cash generated from operations		1,310.8	720.6
Financing costs paid (net)		(196.9)	(142.9)
Exceptional financing costs paid		(12.4)	—
Tax paid (net)		(113.2)	(51.0)
Net cash generated from operating activities		988.3	526.7
Cash flows from investing activities			
Acquisition of businesses	25(b)	(453.1)	(591.3)
Payments for non-rental property, plant and equipment		(208.2)	(168.7)
Proceeds from disposal of non-rental property, plant and equipment		12.0	10.2
Net cash used in investing activities		(649.3)	(749.8)
Cash flows from financing activities			
Drawdown of loans		2,318.5	1,820.3
Redemption of loans		(1,712.4)	(963.8)
Repayment of principal under lease liabilities		(64.3)	(1.2)
Dividends paid		(186.7)	(164.2)
Purchase of own shares by the ESOT		(17.6)	(14.2)
Purchase of own shares by the Company		(448.6)	(460.4)
Net cash (used in)/generated from financing activities		(111.1)	216.5
Increase/(decrease) in cash and cash equivalents		227.9	(6.6)
Opening cash and cash equivalents		12.8	19.1
Effect of exchange rate difference		0.7	0.3
Closing cash and cash equivalents		241.4	12.8

	2020	2019
	£m	£m
Reconciliation of net cash flows to net debt		
(Increase)/decrease in cash in the period	(227.9)	6.6
Increase in debt through cash flow	541.8	855.3
Change in net debt from cash flows	313.9	861.9
Debt acquired	89.5	28.4
Exchange differences	133.0	126.3
Non-cash movements:		
- deferred costs of debt raising	10.1	15.4
- new lease liabilities	188.8	0.9
Increase in net debt in the period	735.3	1,032.9
Net debt at 1 May (as previously stated)	3,744.9	2,712.0
Effect of adoption of IFRS 16	882.8	—
Net debt at 1 May 2019 (restated)	4,627.7	2,712.0
Net debt at 30 April 2020	5,363.0	3,744.9

NOTES TO THE CONSOLIDATED 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 consolidated financial statements are presented in pounds sterling, the functional currency of the parent.

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Accordingly, the Group complies with all IFRS, including those adopted for use in the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation. The financial statements have been prepared under the historical cost convention, modified for certain items carried at fair value, as stated in the accounting policies.

The consolidated 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 18), 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 consolidated financial statements.

In the current year, as the Group was in the final stages of the annual budget and business planning process, the impact of the COVID-19 pandemic began to affect our end markets and operations. We were already planning for lower rates of growth and had adjusted our capital expenditure plans accordingly. However, as the COVID-19 pandemic unfolded, we took immediate action to optimise cash flow, reduce operating costs, strengthen further our liquidity position and adjust our planning accordingly. While the economic impact remains uncertain, we modelled a range of scenarios which considered different possible outcomes based on the timing, severity and duration of the downturn and subsequent recovery. This scenario planning considers the potential impact of COVID-19 and, more generally weakening markets on revenue, margins, cash flows, overall debt levels and leverage.

In addition, we have then considered sensitivities to these scenarios. In particular, we considered the impact of a more significant and sustained period of revenue reduction and increased irrecoverability of receivables, while taking into account reasonable mitigating actions. Under all these scenarios, the Group continues to generate free cash flow and reduce debt during the period of assessment.

Key judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period.

In the course of preparing the financial statements, judgement has been applied in the adoption of IFRS 16 *Leases*, as detailed further below. Otherwise no judgements have been made in the process of applying the Group's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised within the financial statements.

The estimates and associated assumptions which have been used are based on historical experience and other factors that are considered to be relevant. While actual results could differ from these estimates, the Group has not identified any assumptions, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Changes in accounting policies and disclosures

New and amended standards adopted by the Group

IFRS 16, "Leases" ("IFRS 16"), has been applicable for the Group from 1 May 2019 and provides a new model for lease accounting under which lessees recognise a lease liability reflecting future lease payments and a right-of-us asset on the balance sheet for all lease contracts other than certain short-term leases and leases of low-value assets.

Under IFRS 16 the Group recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated income statement, whereas under IAS 17, Leases ("IAS 17") operating leases previously gave rise to a straight-line expense included within other operating costs. In addition, right-of-use assets will be tested for impairment in accordance with IAS 36, Impairment of Assets. This replaces the previous requirement to recognise a provision for onerous lease contracts.

Under IFRS 16 the Group separates the total amount of cash paid for leases that are on balance sheet into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement. Under IAS 17 operating lease payments were presented as operating cash outflows.

Significant judgements applied in the adoption of IFRS 16 included determining the lease term for those leases with termination or extension options and determining an incremental borrowing rate where the rate in the lease could not be determined readily. Further details relating to the approach to transition, practical expedients adopted on transition and the financial impact are provided in Note 17.

There are no new IFRIC Interpretations that are effective for the first time this financial year which have a material impact on the Group.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 May 2019 and not adopted early

There are no other IFRS or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Group.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 April each year. Control is achieved when the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is the fair value at the acquisition date of the assets transferred and the liabilities incurred by the Group and includes the fair value of any contingent consideration arrangement. Acquisition-related costs are recognised in the income statement as incurred.

Contingent consideration is measured at the acquisition date at fair value and included in provisions in the balance sheet. Changes in the fair value of contingent consideration due to events post the date of acquisition are recognised in the income statement.

Foreign currency translation

Our reporting currency is the pound sterling, the functional currency of the parent company. However, the majority of our assets, liabilities, revenue and costs are denominated in US dollars. Assets and liabilities in foreign currencies are translated into pounds sterling at rates of exchange ruling at the balance sheet date. Income statements and cash flows of overseas subsidiary undertakings are translated into pounds sterling at average rates of exchange for the year. The exchange rates used in respect of the US dollar ($) and Canadian dollar (C$) are:

	US dollar		**Canadian dollar**	
	2020	**2019**	**2020**	**2019**
Average for year	1.27	1.30	1.69	1.72
Year end	1.26	1.30	1.75	1.75

Exchange differences arising from the retranslation of the opening net investment of overseas subsidiaries and the difference between the inclusion of their profits at average rates of exchange in the Group income statement and the closing rate used for the balance sheet are recognised directly in a separate component of equity. Other exchange differences are dealt with in the income statement.

Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties and VAT/sales tax. Our revenue is a function of our rental rates and the size, utilisation and mix of our equipment rental fleet. The Group has three main sources of revenue as detailed below:

- rental revenue, including loss damage waiver, environmental fees and revenue from rental equipment delivery and collection;
- revenue from the sale of new equipment, merchandise and consumables; and
- revenue from the sale of used rental equipment.

Rental revenue, including loss damage waiver and environment fees, is recognised over time on a straight-line basis over the period of the rental contract. However, as a rental contract can extend across financial reporting period ends, the Group records accrued revenue (unbilled rental revenue) and deferred revenue at the beginning and end of each reporting period so that rental revenue is appropriately stated in the financial statements. Revenue from rental delivery and collection is recognised when the delivery or collection has occurred and the performance obligation therefore fulfilled.

Revenue from the sale of new rental equipment, merchandise and consumables, together with revenue from the sale of used rental equipment, is recognised at the time of delivery to, or collection by, the customer and when all performance obligations under the sale contract have been fulfilled.

Revenue from the sale of rental equipment in connection with trade-in arrangements with certain manufacturers from whom the Group purchases new equipment is accounted for at the lower of transaction value or fair value based on independent appraisals. If the trade-in price of a unit of equipment exceeds the fair market value of that unit, the excess is accounted for as a reduction of the cost of the related purchase of new rental equipment.

Of the Group's rental revenue, £3,938m (2019: £3,525m) is accounted for in accordance with IFRS 16, "Leases", while revenue from other ancillary services, revenue from the sale of new equipment, merchandise and consumables and revenue from the sale of used equipment totalling £1,116m (2019: £975m) is accounted for in accordance with IFRS 15, "Revenue from Contracts with Customers".

Investment income and interest expense

Investment income comprises interest receivable on funds invested and net interest on net defined benefit pension plan assets.

Interest expense comprises interest payable on borrowings, amortisation of deferred debt raising costs, the unwind of the discount on the self-insurance and contingent consideration provisions and the net interest on net defined benefit pension plan liabilities.

Exceptional items

Exceptional items are those items that are material and non-recurring in nature that the Group believes should be disclosed separately to assist in the understanding of the financial performance of the Group.

Earnings per share

Earnings per share is calculated based on the profit for the financial year and the weighted average number of ordinary shares in issue during the year. For this purpose the number of ordinary shares in issue excludes shares held by the Company or by the Employee Share Ownership Trust in respect of which dividends have been waived. Diluted earnings per share is calculated using the profit for the financial year and the weighted average diluted number of shares (ignoring any potential issue of ordinary shares which would be anti-dilutive) during the year.

Underlying earnings per share comprises basic earnings per share adjusted to exclude earnings relating to exceptional items and amortisation of intangibles.

Current/non-current distinction

Current assets include assets held primarily for trading purposes, cash and cash equivalents and assets expected to be realised in, or intended for sale or consumption in, the course of the Group's operating cycle and those assets receivable within one year from the reporting date. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the Group's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

Property, plant and equipment

Property, plant and equipment is stated at cost (including transportation costs from the manufacturer to the initial rental location) less accumulated depreciation and any provisions for impairment. In respect of certain assets, cost includes rebuild costs when the rebuild extends the asset's useful economic life and it is probable that incremental economic benefits will accrue to the Group. Rebuild costs include the cost of transporting the equipment to and from the rebuild supplier. Depreciation is not charged while the asset is not in use during the rebuild period.

Depreciation

Fixed assets are depreciated on a straight-line basis applied to the opening cost to write down each asset to its residual value over its useful economic life. Estimates of useful life and residual value are determined with the objective of allocating most appropriately the cost of property, plant and equipment to our income statement, over the period we anticipate it will be used in our business. Residual values and estimated useful economic lives are reassessed annually, recognising the cyclical nature of the business, by making reference to recent experience of the Group. The depreciation rates in use are as follows:

	Per annum		Per annum
Freehold property	2%	Rental equipment	4% to 33%
Motor vehicles	7% to 25%	Office and workshop equipment	20%

Residual values are estimated at 10-15% of cost in respect of most types of rental equipment, although the range of residual values used varies between zero and 35%.

Repairs and maintenance

Costs incurred in the repair and maintenance of rental and other equipment are charged to the income statement as incurred.

Intangible assets

Goodwill

Goodwill represents the difference between the fair value of the consideration for an acquisition and the fair value of the net identifiable assets acquired, including any intangible assets other than goodwill.

Goodwill is stated at cost less any accumulated impairment losses and is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination.

The profit or loss on the disposal of a previously acquired business includes the attributable amount of any purchased goodwill relating to that business.

Other intangible assets

Other intangible assets acquired as part of a business combination are capitalised at fair value as at the date of acquisition. Internally generated intangible assets are not capitalised. Amortisation is charged on a straight-line basis over the expected useful life of each asset. Contract related intangible assets are amortised over the life of the contract. Amortisation rates for other intangible assets are as follows:

	Per annum
Brand names	7% to 15%
Customer lists	10% to 20%
Contract related	14% to 50%

Impairment of assets

Goodwill is not amortised but is tested annually for impairment as at 30 April each year. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable and independent cash flows for the asset being tested for impairment (cash-generating unit).

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment losses in respect of goodwill are not reversed.

Taxation

The tax charge for the period comprises both current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is also recognised in equity.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method on any temporary differences between the carrying amounts for financial reporting purposes and those for taxation purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill.

Deferred tax liabilities are not recognised for temporary differences arising on investments in subsidiaries where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Inventories

Inventories, which comprise equipment, fuel, merchandise and spare parts, are valued at the lower of cost and net realisable value. The cost of inventory that is not ordinarily interchangeable is valued at individual cost. The cost of other inventories is determined on a first-in, first-out basis or using a weighted average cost formula, depending on the basis most suited to the type of inventory held.

Employee benefits

Defined contribution pension plans

Obligations under the Group's defined contribution plans are recognised as an expense in the income statement as incurred.

Defined benefit pension plans

The Group's obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of plan assets is deducted. The discount rate used is the yield at the balance sheet date on AA-rated corporate bonds. The calculation is performed by a qualified actuary using the projected unit credit method.

Actuarial gains and losses are recognised in full in the period in which they arise through the statement of comprehensive income. The increase in the present value of plan liabilities arising from employee service during the period is charged to operating profit.

Net interest is calculated by applying a discount rate to the net defined benefit pension plan asset or liability. The net interest income or net interest expense is included in investment income or interest expense, respectively.

The defined pension surplus or deficit represents the fair value of the plan assets less the present value of the defined benefit obligation. A surplus is recognised in the balance sheet to the extent that the Group has an unconditional right to the surplus, either through a refund or reduction in future contributions. A deficit is recognised in full.

Share-based compensation

The fair value of awards made under share-based compensation plans is measured at grant date and spread over the vesting period through the income statement with a corresponding increase in equity. The fair value of share options and awards is measured using an appropriate valuation model taking into account the terms and conditions of the individual award. The amount recognised as an expense is adjusted to reflect the actual awards vesting except where any change in the awards vesting relates only to market-based criteria not being achieved.

Insurance

Insurance costs include insurance premiums which are written off to the income statement over the period to which they relate and an estimate of the discounted liability for uninsured retained risks on unpaid claims incurred up to the balance sheet date. The estimate includes events incurred but not reported at the balance sheet date. This estimate is discounted and included in provisions in the balance sheet on a gross basis with a corresponding insurance receivable amount recognised as an asset where it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Trade receivables

Trade receivables do not carry interest and are stated at face value as reduced by appropriate loss allowances for estimated irrecoverable amounts using an expected credit loss model. This approach requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date so as to reflect changes in credit risk since initial recognition of the trade receivable.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits with maturity of less than, or equal to, three months.

Financial liabilities and equity

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Trade payables

Trade payables are not interest bearing and are stated at fair value and subsequently measured at amortised cost using the effective interest rate mentioned.

Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct transaction costs where these are integral to the total cost of the borrowing. Where this is not the case, direct transaction costs are recognised separately from the financial liability as a loan commitment asset. Finance charges, including amortisation of direct transaction costs, are charged to the income statement using the effective interest rate method.

Tranches of borrowings and overdrafts which mature on a regular basis are classified as current or non-current liabilities based on the maturity of the facility so long as the committed facility exceeds the drawn debt.

Net debt

Net debt consists of total borrowings less cash and cash equivalents. Borrowings exclude accrued interest. Foreign currency denominated balances are retranslated to pounds sterling at rates of exchange ruling at the balance sheet date.

Senior notes

The Group's senior notes contain early repayment options, which constitute embedded derivatives in accordance with IFRS 9, Financial Instruments. The accounting for these early repayment options depends on whether they are considered to be closely related to the host contract or not based on IFRS 9. Where they are closely related, the early repayment option is not accounted for separately and the notes are recorded within borrowings, net of direct transaction costs. The interest expense is calculated by applying the effective interest rate method.

In circumstances where the early repayment option is not considered closely related to the host contract, the repayment option has to be valued separately. At the date of issue the liability component of the notes is estimated using prevailing market interest rates for similar debt with no repayment option and is recorded within borrowings, net of direct transaction costs. The difference between the proceeds of the note issue and the fair value assigned to the liability component, representing the embedded option to prepay the notes is included within Other financial assets – derivatives. The interest expense on the liability

component is calculated by applying the effective interest rate method. The embedded option to prepay is fair valued using an appropriate valuation model and fair value remeasurement gains and losses are included in investment income and interest expense respectively.

Where the Group's senior notes are issued at a premium or a discount, they are initially recognised at their face value plus or minus the premium or discount. The notes are subsequently measured at amortised cost using the effective interest rate method.

Leases

The Group assesses whether a contract is a lease, or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is measured initially at the present value of future lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the Group's lease liability comprise:

- fixed lease payments, less any lease incentives received; and
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liability is presented as a separate line in the consolidated balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term changes, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset with depreciation commencing at the commencement date of the lease.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other operating costs" in the income statement.

For short-term leases (lease terms of 12 months or less) and leases of low-value assets (such as photocopiers, vending machines, etc.), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within other operating costs in the consolidated income statement.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Employee Share Ownership Trust

Shares in the Company acquired by the Employee Share Ownership Trust ("ESOT") in the open market for use in connection with employee share plans are presented as a deduction from shareholders' funds. When the shares vest to satisfy share-based payments, a transfer is made from own shares held through the ESOT to retained earnings.

Own shares held by the Company

The cost of own shares held by the Company is deducted from shareholders' funds. The proceeds from the reissue of own shares are added to shareholders' funds with any gains in excess of the average cost of the shares being recognised in the share premium account.

3 Segmental analysis

Segmental analysis by reportable operating segment

The Group operates one class of business: rental of equipment. Operationally, the Group is split into three business units, Sunbelt US, Sunbelt UK and Sunbelt Canada which report separately to, and are managed by, the chief executive and align with the geographies in which they operate, being the United States, the United Kingdom and Canada, respectively. Accordingly, the Group's reportable operating segments are Sunbelt US, Sunbelt UK and Sunbelt Canada.

The Group manages debt and taxation centrally, rather than by business unit. Accordingly, segmental results are stated before interest and taxation which are reported as central Group items. This is consistent with the way the chief executive reviews the business.

There are no sales between the business segments. Segment assets include property, plant and equipment, goodwill, intangibles, inventory and receivables. Segment liabilities comprise operating liabilities and exclude taxation balances, corporate borrowings and accrued interest. Capital expenditure represents additions to property, plant and equipment and intangible assets, including goodwill, and includes additions through the acquisition of businesses.

Year ended 30 April 2020

	US	UK	Canada	Corporate items	Group
	£m	£m	£m	£m	£m
Revenue					
Rental revenue	3,985.2	407.8	213.5	—	4,606.5
Sale of new equipment, merchandise and consumables	132.5	30.3	21.2	—	184.0
Sale of used rental equipment	218.0	31.1	14.0	—	263.1
	4,335.7	469.2	248.7	—	5,053.6
EBITDA	2,149.0	148.6	92.8	(14.6)	2,375.8
Depreciation	(916.9)	(112.2)	(60.6)	(0.8)	(1,090.5)
Segment result	1,232.1	36.4	32.2	(15.4)	1,285.3
Amortisation					(61.7)
Net financing costs					(224.5)
Exceptional items					(16.3)
Profit before taxation					982.8
Taxation					(243.1)
Profit attributable to equity shareholders					739.7
Segment assets	8,639.5	835.2	776.4	7.3	10,258.4
Cash					241.4
Taxation assets					32.8
Total assets					10,532.6
Segment liabilities	1,438.4	149.0	152.5	13.0	1,752.9
Corporate borrowings and accrued interest					4,530.9
Taxation liabilities					1,276.6
Total liabilities					7,560.4
Other non-cash expenditure					
- share-based payments	4.9	0.7	0.2	2.6	8.4
Capital expenditure	1,622.6	85.4	260.4	—	1,968.4

Year ended 30 April 2019

	US	UK	Canada	Corporate items	Group
	£m	£m	£m	£m	£m
Revenue					
Rental revenue	3,554.2	416.4	167.4	—	4,138.0
Sale of new equipment, merchandise and consumables	118.4	32.5	19.6	—	170.5
Sale of used rental equipment	151.7	26.2	13.2	—	191.1
	3,824.3	475.1	200.2	—	4,499.6
EBITDA	1,880.9	168.4	72.2	(14.9)	2,106.6
Depreciation	(696.6)	(106.1)	(40.3)	—	(843.0)
Segment result	1,184.3	62.3	31.9	(14.9)	1,263.6
Amortisation					(50.7)
Net financing costs					(153.4)
Profit before taxation					1,059.5
Taxation					(262.6)
Profit attributable to equity shareholders					796.9
Segment assets	6,991.8	851.6	475.7	0.3	8,319.4
Cash					12.8
Taxation assets					25.3
Total assets					8,357.5
Segment liabilities	592.5	68.2	31.0	12.2	703.9
Corporate borrowings and accrued interest					3,775.6
Taxation liabilities					1,077.5
Total liabilities					5,557.0
Other non-cash expenditure					
- share-based payments	4.7	0.7	0.1	2.1	7.6
Capital expenditure	1,881.1	181.0	141.5	—	2,203.6

Segmental analysis by geography

The Group's operations are located in the United States, the United Kingdom and Canada. The following table provides an analysis of the Group's revenue, segment assets and capital expenditure, including expenditure on acquisitions, by country of domicile. Segment assets by geography include property, plant and equipment, goodwill, intangible assets and right-of-use assets but exclude inventory and receivables.

	Revenue		Segment assets		Capital expenditure	
	2020	2019	2020	2019	2020	2019
	£m	£m	£m	£m	£m	£m
United States	4,335.7	3,824.3	7,892.0	6,234.7	1,622.6	1,881.1
United Kingdom	469.2	475.1	730.9	725.9	85.4	181.0
Canada	248.7	200.2	730.6	431.6	260.4	141.5
	5,053.6	4,499.6	9,353.5	7,392.2	1,968.4	2,203.6

4 Operating costs and other income

	2020			2019		
	Before amortisation	Amortisation	Total	Before amortisaton	Amortisation	Total
	£m	£m	£m	£m	£m	£m
Staff costs:						
Salaries	1,070.2	—	1,070.2	930.3	—	930.3
Social security costs	80.6	—	80.6	70.6	—	70.6
Other pension costs	21.5	—	21.5	18.5	—	18.5
	1,172.3	—	1,172.3	1,019.4	—	1,019.4
Used rental equipment sold	229.9	—	229.9	159.7	—	159.7
Other operating costs:						
Vehicle costs	293.1	—	293.1	267.8	—	267.8
Spares, consumables and external repairs	249.0	—	249.0	227.4	—	227.4
Facility costs	50.5	—	50.5	128.4	—	128.4
Other external charges	683.0	—	683.0	590.3	—	590.3
	1,275.6	—	1,275.6	1,213.9	—	1,213.9
Depreciation and amortisation:						
Depreciation of tangible assets	998.8	—	998.8	843.0	—	843.0
Depreciation of right-of-use assets	91.7	—	91.7	—	—	—
Amortisation of intangibles	—	61.7	61.7	—	50.7	50.7
	1,090.5	61.7	1,152.2	843.0	50.7	893.7
	3,768.3	61.7	3,830.0	3,236.0	50.7	3,286.7

Proceeds from the disposal of non-rental property, plant and equipment amounted to £12m (2019: £12m), resulting in a profit on disposal of £1m (2019: £1m) which is included in other external charges.

The costs shown in the above table include:

	2020	2019
	£m	£m
Operating lease rentals payable:		
- Plant and equipment	—	1.6
- Property	—	93.1
Cost of inventories recognised as expense	412.8	341.1
Loss allowance on trade receivables	62.3	26.8

Staff costs include directors' remuneration. Directors' remuneration comprised:

	2020	2019
	£'000	£'000
Salaries and short-term employee benefits	3,028	6,530
Post-employment benefits	15	14
National insurance and social security	141	549
Share-based payments	1,488	2,483
	4,672	9,576

Remuneration payable to the Company's auditor, Deloitte LLP, in the year is given below:

	2020	2019
	£'000	£'000
Fees payable to Deloitte UK and its associates for the audit of the Group's annual accounts	942	893
Fees payable to Deloitte UK and its associates for other services to the Group:		
- the audit of the Group's UK subsidiaries pursuant to legislation	20	57
- audit-related assurance services	75	70
- other assurance services	132	63
	1,169	1,083

Fees paid for audit-related assurance services relate to the half-year review of the Group's interim financial statements. Other assurance services relate to comfort letters provided in connection with the senior notes issues in November 2019 and July 2018.

5 Exceptional items and amortisation

	2020	2019
	£m	£m
Amortisation of intangibles	61.7	50.7
Write-off of deferred financing costs	3.9	—
Early redemption fee	11.2	—
Call period interest	1.2	—
Taxation	(19.2)	(12.3)
	58.8	38.4

The costs associated with the redemption of the $500m 5.625% senior notes in November 2019 have been classified as exceptional items. The write-off of deferred financing costs consists of the unamortised balance of the costs relating to the notes. In addition, an early redemption fee of £11m ($15m) was paid to redeem the notes prior to their scheduled maturity. The call period interest represents the interest charge on the $500m notes for the period from the issue of the new $1.2bn notes to the date the $500m notes were redeemed. Of these items, total cash costs were £12m.

The items detailed in the table above are presented in the income statement as follows:

	2020	2019
	£m	£m
Amortisation of intangibles	61.7	50.7
Charged in arriving at operating profit	61.7	50.7
Net financing costs	16.3	—
Charged in arriving at profit before taxation	78.0	50.7
Taxation	(19.2)	(12.3)
	58.8	38.4

6 Net financing costs

	2020	2019
	£m	£m
Investment income:		
Net interest on the net defined benefit pension plan asset	—	(0.1)
Interest expense:		
Bank interest payable	75.8	68.6
Interest payable on senior notes	95.8	79.1
Interest payable on lease liabilities	45.5	0.4
Non-cash unwind of discount on provisions	1.2	0.8
Amortisation of deferred debt raising costs	6.2	4.6
Total interest expense	224.5	153.5
Net financing costs before exceptional items	224.5	153.4
Exceptional items	16.3	—
Net financing costs	240.8	153.4

7 Taxation

The tax charge on the result for the year has been computed using a tax rate of 25% in the US (2019: 25%), 19% in the UK (2019: 19%) and 27% in Canada (2019: 27%). The blended rate for the Group as a whole is 25% (2019: 25%). The Group's future effective tax rate will depend on the mix of profits amongst the territories in which it operates and their respective tax rates.

	2020	2019
	£m	£m
Analysis of the tax charge		
Current tax		
- current tax on income for the year	117.8	54.3
- adjustments to prior year	(34.5)	1.1
	83.3	55.4
Deferred tax		
- origination and reversal of temporary differences	131.4	205.8
- adjustments to prior year	28.4	1.4
	159.8	207.2
Total taxation charge	243.1	262.6
Comprising:		
- United Kingdom	18.8	15.9
- United States	226.9	244.9
- Canada	(2.6)	1.8
	243.1	262.6

The tax charge comprises a charge of £262m (2019: £275m) relating to tax on the profit before exceptional items and amortisation, together with a credit of £19m (2019: credit of £12m) on exceptional items and amortisation.

The differences between the tax charge for the year of 25% and the standard rate of corporation tax in the UK of 19% are explained below:

	2020	2019
	£m	£m
Profit on ordinary activities before tax	982.8	1,059.5
Profit on ordinary activities multiplied by the rate of corporation tax in the UK of 19% (2019: 19%)	186.7	201.3
Effects of:		
Use of foreign tax rates on overseas income	57.9	61.5
Adjustments to prior years	(6.1)	2.5
Other	4.6	(2.7)
Total taxation charge	243.1	262.6

8 Dividends

	2020	2019
	£m	£m
Final dividend paid on 13 September 2019 of 33.5p (2019: 27.5p) per 10p ordinary share	154.4	133.3
Interim dividend paid on 5 February 2020 of 7.15p (2019: 6.5p) per 10p ordinary share	32.3	30.9
	186.7	164.2

In addition, the directors are proposing a final dividend in respect of the year ended 30 April 2020 of 33.5p (2019: 33.5p) per share which will absorb £150m of shareholders' funds, based on the 448 million shares qualifying for dividend on 15 June 2020. Subject to approval by shareholders, it will be paid on 11 September 2020 to shareholders who are on the register of members on 14 August 2020.

9 Earnings per share

	2020			2019		
	Earnings	Weighted average no. of shares	Per share amount	Earnings	Weighted average no. of shares	Per share amount
	£m	million	pence	£m	million	pence
Basic earnings per share	739.7	456.4	162.1	796.9	479.7	166.1
Share options and share plan awards	—	1.6	(0.6)	—	2.0	(0.7)
Diluted earnings per share	739.7	458.0	161.5	796.9	481.7	165.4

Underlying earnings per share may be reconciled to basic earnings per share as follows:

	2020	2019
	pence	pence
Basic earnings per share	162.1	166.1
Amortisation of intangibles	13.5	10.6
Exceptional items	3.6	—
Tax on exceptional items and amortisation	(4.2)	(2.5)
Underlying earnings per share	175.0	174.2

10 Inventories

	2020	2019
	£m	£m
Raw materials, consumables and spares	29.4	33.9
Goods for resale	53.9	49.6
	83.3	83.5

11 Trade and other receivables

	2020	2019
	£m	£m
Trade receivables	775.8	755.6
Less: loss allowance	(99.5)	(53.4)
	676.3	702.2
Other receivables		
- Accrued revenue	49.3	53.6
- Other	96.0	87.8
	821.6	843.6

The fair values of trade and other receivables are not materially different to the carrying values presented.

(a) Trade receivables: credit risk

The Group's exposure to the credit risk inherent in its trade receivables and the associated risk management techniques that the Group deploys in order to mitigate this risk are discussed in Note 24. The credit periods offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the Group's markets. The contractual terms on invoices issued to customers vary between North America and the UK in that, invoices issued by Sunbelt UK are payable within 30-60 days whereas, invoices issued by Sunbelt US and Sunbelt Canada are payable on receipt. Therefore, on this basis, a significant proportion of the Group's trade receivables are contractually past due. The loss allowance is calculated based on prior experience reflecting the level of uncollected receivables over the last year within each business adjusted for factors that are specific to the debtors, the industry in which we operate and the economic environment which has been impacted by COVID-19. Accordingly, this cannot be attributed to specific receivables so the aged analysis of trade receivables, including those past due, is shown gross of the loss allowance.

On this basis, the ageing analysis of trade receivables, including those past due, is as follows:

		Trade receivables past due by:				
	Current	Less than 30 days	30 - 60 days	60 - 90 days	More than 90 days	Total
	£m	£m	£m	£m	£m	£m
Carrying value at 30 April 2020	48.9	314.5	191.6	81.1	139.7	775.8
Carrying value at 30 April 2019	56.2	350.4	169.8	77.3	101.9	755.6

In practice, Sunbelt US and Sunbelt Canada operate on 30-day terms and consider receivables past due if they are unpaid after 30 days. On this basis, the Group's ageing of trade receivables, including those past due, is as follows:

		Trade receivables past due by:				
	Current	Less than 30 days	30 - 60 days	60 - 90 days	More than 90 days	Total
	£m	£m	£m	£m	£m	£m
Carrying value at 30 April 2020	338.3	208.9	84.4	59.3	84.9	775.8
Carrying value at 30 April 2019	377.7	189.7	81.1	37.3	69.8	755.6

(b) Movement in the loss allowance

	2020	2019
	£m	£m
At 1 May	53.4	43.1
Amounts written off or recovered during the year	(17.8)	(18.5)
Increase in allowance recognised in income statement	62.3	26.8
Currency movements	1.6	2.0
At 30 April	99.5	53.4

12 Cash and cash equivalents

	2020	2019
	£m	£m
Cash and cash equivalents	241.4	12.8

The carrying amount of cash and cash equivalents approximates to their fair value.

13 Property, plant and equipment

	Land and buildings	Rental equipment	Office and workshop equipment	Motor vehicles: Owned	Motor vehicles: Held under finance leases	Total
	£m	£m	£m	£m	£m	£m
Cost or valuation						
At 1 May 2018	190.6	6,566.8	142.3	472.5	7.7	7,379.9
Exchange differences	7.7	309.8	6.2	21.9	—	345.6
Acquisitions	20.3	454.3	3.9	28.4	—	506.9
Reclassifications	—	(3.6)	1.1	2.5	—	—
Additions	41.6	1,416.8	33.3	93.6	1.8	1,587.1
Disposals	(2.9)	(461.7)	(6.4)	(41.9)	(2.4)	(515.3)
At 30 April 2019	257.3	8,282.4	180.4	577.0	7.1	9,304.2
Effect of adoption of IFRS 16	—	—	—	—	(7.1)	(7.1)
Exchange differences	6.1	235.0	4.4	16.0	—	261.5
Acquisitions	39.5	318.6	12.7	17.7	—	388.5
Reclassifications	—	(3.6)	1.1	2.5	—	—
Additions	31.9	1,274.3	41.5	135.3	—	1,483.0
Disposals	(4.5)	(697.2)	(8.3)	(49.7)	—	(759.7)
At 30 April 2020	**330.3**	**9,409.5**	**231.8**	**698.8**	**—**	**10,670.4**
Depreciation						
At 1 May 2018	73.4	2,136.3	89.4	196.2	2.6	2,497.9
Exchange differences	2.7	98.9	4.0	8.9	—	114.5
Acquisitions	—	194.9	2.5	12.6	—	210.0
Reclassifications	—	(1.7)	0.5	1.2	—	—
Charge for the period	14.3	745.5	22.5	59.5	1.2	843.0
Disposals	(2.5)	(304.8)	(5.7)	(33.7)	(1.5)	(348.2)
At 30 April 2019	87.9	2,869.1	113.2	244.7	2.3	3,317.2
Effect of adoption of IFRS 16	—	—	—	—	(2.3)	(2.3)
Exchange differences	1.9	80.2	2.9	6.8	—	91.8
Acquisitions	8.8	162.7	7.8	9.8	—	189.1
Reclassifications	—	(1.5)	0.5	1.0	—	—
Charge for the period	18.0	879.6	30.2	71.0	—	998.8
Disposals	(4.3)	(470.7)	(7.3)	(40.7)	—	(523.0)
At 30 April 2020	**112.3**	**3,519.4**	**147.3**	**292.6**	**—**	**4,071.6**
Net book value						
At 30 April 2020	**218.0**	**5,890.1**	**84.5**	**406.2**	**—**	**6,598.8**
At 30 April 2019	169.4	5,413.3	67.2	332.3	4.8	5,987.0

£15m of rebuild costs were capitalised in the year (2019: £11m). Included within depreciation is an impairment charge of £9m (2019: £4m).

14 Right-of-use assets

	Property leases	Other leases	Total
	£m	£m	£m
Cost or valuation			
Effect of adoption of IFRS 16 at 1 May 2019	889.5	7.1	896.6
Exchange differences	25.3	—	25.3
Additions	191.5	1.6	193.1
Acquisitions	74.8	—	74.8
Remeasurement	(3.4)	—	(3.4)
Disposals	(3.6)	(1.4)	(5.0)
At 30 April 2020	**1,174.1**	**7.3**	**1,181.4**
Depreciation			
Effect of adoption of IFRS 16 at 1 May 2019	—	2.3	2.3
Charge for the period	90.5	1.2	91.7
Disposals	(0.1)	(0.8)	(0.9)
At 30 April 2020	**90.4**	**2.7**	**93.1**
Net book value			
At 30 April 2020	**1,083.7**	**4.6**	**1,088.3**

On transition, the right-of-use asset has been adjusted for the impact of onerous lease provisions (£1m) and lease prepayments (£8m).

15 Intangible assets including goodwill

		Other intangible assets				
	Goodwill	Brand names	Customer lists	Contract related	Total	Total
	£m	£m	£m	£m	£m	£m
Cost or valuation						
At 1 May 2018	882.6	19.8	303.2	53.8	376.8	1,259.4
Recognised on acquisition	221.2	0.4	88.6	9.2	98.2	319.4
Exchange differences	40.9	0.9	14.1	1.6	16.6	57.5
At 30 April 2019	1,144.7	21.1	405.9	64.6	491.6	1,636.3
Recognised on acquisition	163.7	1.2	118.3	2.8	122.3	286.0
Exchange differences	31.9	0.6	10.4	1.3	12.3	44.2
At 30 April 2020	**1,340.3**	**22.9**	**534.6**	**68.7**	**626.2**	**1,966.5**
Amortisation						
At 1 May 2018	—	18.6	116.1	35.8	170.5	170.5
Charge for the period	—	0.9	42.8	7.0	50.7	50.7
Exchange differences	—	0.9	7.7	1.2	9.8	9.8
At 30 April 2019	—	20.4	166.6	44.0	231.0	231.0
Charge for the period	—	0.9	53.6	7.2	61.7	61.7
Exchange differences	—	0.6	5.7	1.1	7.4	7.4
At 30 April 2020	**—**	**21.9**	**225.9**	**52.3**	**300.1**	**300.1**
Net book value						
At 30 April 2020	**1,340.3**	**1.0**	**308.7**	**16.4**	**326.1**	**1,666.4**
At 30 April 2019	1,144.7	0.7	239.3	20.6	260.6	1,405.3

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units ("CGUs") that benefit from that business combination. During the year, the Group reviewed its CGUs and, as a result of an internal reorganisation, amended the previous Pump and Power CGU within Sunbelt US to Power & HVAC. Prior year comparatives have been restated accordingly. As such, goodwill allocated to each of the Group's CGUs is as follows:

	2020	2019
	£m	£m
Sunbelt US		
Power & HVAC	49.5	43.6
Climate Control	59.6	56.9
General equipment and related businesses	989.4	876.9
	1,098.5	977.4
Sunbelt UK		
Engineered Access (formally Live)	25.8	25.8
General equipment and related businesses	57.7	53.1
	83.5	78.9
Sunbelt Canada		
General equipment and related businesses	158.3	88.4
Total goodwill	1,340.3	1,144.7

For the purposes of determining potential goodwill impairment, recoverable amounts are determined from value in use calculations using cash flow projections based on the Group's latest forecast for 2020/21, taking into account the COVID-19 pandemic, which was approved by the Board in June 2020 and management plans for a further two years. The key assumptions for these financial plans are those regarding revenue growth, margins and capital expenditure required to replace the rental fleet and support the growth forecast which management estimates based on past experience, market conditions and expectations for the future development of the market. The projections consist of the 2020/21 forecast, a further two years based on management's forecasts with reference to current market expectations and a further seven years' cash flows. The valuation uses an annual growth rate to determine the cash flows beyond the three-year forecast period of 2%, which does not exceed the average long-term growth rates for the relevant markets, a terminal value reflective of market multiples and discount rates of 11%, 10% and 11% for the US, UK and Canadian businesses respectively.

The impairment review is potentially sensitive to changes in key assumptions used, most notably the discount rate and the annuity growth rates. A sensitivity analysis has been undertaken by changing the key assumptions used for each CGU in US, UK and Canada. Based on this sensitivity analysis, no reasonably possible change in the assumptions resulted in the recoverable amount for the CGUs identified above being reduced to their carrying value.

US

General equipment and related businesses

Revenue for the general equipment business is linked primarily to US non-residential construction spend, which is expected to decline in 2020 before the market recovers during the plan period. These businesses have grown more rapidly than both the non-residential construction market and the broader rental market in recent years and this outperformance is expected to continue over the business plan period, although not necessarily to the same degree. EBITDA margins are forecast to initially decline but then improve towards current levels as the businesses benefit from recovering market conditions, operational efficiencies and increased scale.

Power & HVAC and Climate Control

Revenue for the Power & HVAC and Climate Control businesses is in part linked to the level of non-residential construction and also general levels of economic activity. These businesses are also expected to benefit from increased rental penetration. EBITDA margins are forecast to decline slightly in light of current market conditions but then increase from current levels as the businesses benefit from increased scale.

UK

Revenue for each of the UK CGUs is linked primarily to UK non-residential construction spend. This market is more challenging than in the US with structural growth opportunities more difficult to achieve due to a high level of rental penetration in the market. The market is expected to initially decline in light of the broader economic conditions but to subsequently

recover to current levels during the business plan period. The Engineered Access business is also reliant on the events market which has been impacted significantly in 2020 as a result of the COVID-19 pandemic. The level of business activity is therefore expected to decline in 2020/21 but to recover to existing levels of activity thereafter. EBITDA margins are forecast to decrease in the forecast year and then improve as the businesses focus on operational improvement and leveraging the platform through Project Unify, as the market improves.

Canada

Revenue for Canada is linked primarily to Canadian non-residential construction spend, which based on market estimates is expected to decline in 2020 and then return to growth in 2021 and 2022. The Canadian business, adjusted for the impact of recent acquisitions, has grown over the last three years more quickly than non-residential construction and we expect it to continue to perform ahead of the market over the forecast period, although not necessarily to the same degree as over recent years. After an initial decline in 2020/21, EBITDA margins are forecast to increase as the business benefits from the integration of recent acquisitions, improving market conditions and increased scale.

16 Trade and other payables

	2020	2019
	£m	£m
Trade payables	153.1	217.0
Other taxes and social security	64.2	60.0
Accruals and deferred income	357.4	355.4
	574.7	632.4

Trade and other payables include amounts relating to the purchase of fixed assets of £106m (2019: £196m). The fair values of trade and other payables are not materially different from the carrying values presented.

17 Lease liabilities

Approach to transition on adoption of IFRS 16, Leases

The Group elected to apply IFRS 16 using the modified retrospective approach, with the right-of-use asset equal to the lease liability on transition subject to required transitional adjustments. As such, the cumulative effect of adopting IFRS 16 of £8m has been recognised as an adjustment to opening retained earnings on 1 May 2019 with no restatement of comparatives.

The Group's weighted average incremental borrowing rate applied to lease liabilities as at 1 May 2019 was 4.5%.

Practical expedients adopted on transition

As part of the Group's adoption of IFRS 16 and application of the modified retrospective approach to transition, the Group elected to use the following practical expedients:

- a single discount rate has been applied to portfolios of leases with reasonably similar characteristics;
- right-of-use assets have been adjusted by the carrying amount of onerous lease provisions at 30 April 2020 instead of performing impairment reviews under IAS 36;
- hindsight has been used in determining the lease term and as such the Group has assumed that all available lease extension options are taken unless there are plans to exit a location based on our historical experience; and
- leases where the remaining lease term on transition was less than 12 months have been excluded from the lease liability on transition.

Financial impact

The application of IFRS 16 to leases previously classified as operating leases under IAS 17 resulted in the recognition of right-of-use assets and lease liabilities. The table below sets out the adjustments recognised at the date of initial application of IFRS 16 in relation to the opening balance sheet:

	As at 30 April 2019	Impact of IFRS 16	As at 1 May 2019
	£m	£m	£m
Current assets			
Trade and other receivables	843.6	(8.0)	835.6
Other current assets	121.6	—	121.6
	965.2	(8.0)	957.2
Non-current assets			
Property, plant and equipment	5,987.0	(4.8)	5,982.2
Right-of-use asset	—	894.3	894.3
Other non-current assets	1,405.3	—	1,405.3
	7,392.3	889.5	8,281.8
Current liabilities			
Trade and other payables	632.4	(10.6)	621.8
Lease liabilities	—	89.0	89.0
Short-term borrowings	2.3	(2.3)	—
Provisions	42.5	(0.5)	42.0
Other current liabilities	16.4	—	16.4
	693.6	75.6	769.2
Non-current liabilities			
Lease liabilities	—	798.8	798.8
Long-term borrowings	3,755.4	(2.7)	3,752.7
Provisions	46.0	(0.9)	45.1
Deferred tax liabilities	1,061.1	2.6	1,063.7
Other non-current liabilities	0.9	—	0.9
	4,863.4	797.8	5,661.2
Net assets	2,800.5	8.1	2,808.6

The table below presents a reconciliation of the minimum operating lease commitments disclosed at 30 April 2019 to the lease liabilities recognised at 1 May 2019 under IFRS 16:

	£m
Minimum operating lease commitments disclosed under IAS 17 at 30 April 2019	495.2
Commitments under reasonably certain extension options	761.8
Short-term and low value lease commitments	(5.4)
Effect of discounting	(368.8)
Finance lease liabilities recognised under IAS 17 at 30 April 2019	5.0
Lease liabilities recognised at 1 May 2019 under IFRS 16	887.8

In terms of the income statement impact, the application of IFRS 16 resulted in a decrease in other operating expenses and an increase in depreciation and interest expense compared to IAS 17. The impact on the consolidated income statement is detailed below where pro forma adjustments have been made to eliminate the depreciation and interest which arise under IFRS 16 and to include the operating lease costs within EBITDA which would have been recorded under IAS 17.

	2020			2019
	Pre IFRS 16	Impact of IFRS 16	As reported	Total
	£m	£m	£m	£m
Revenue				
Rental revenue	4,606.5	—	4,606.5	4,138.0
Sale of new equipment, merchandise and consumables	184.0	—	184.0	170.5
Sale of used rental equipment	263.1	—	263.1	191.1
	5,053.6	—	5,053.6	4,499.6
Operating costs				
Staff costs	(1,172.3)	—	(1,172.3)	(1,019.4)
Used rental equipment sold	(229.9)	—	(229.9)	(159.7)
Other operating costs	(1,381.1)	105.5	(1,275.6)	(1,213.9)
	(2,783.3)	105.5	(2,677.8)	(2,393.0)
EBITDA	2,270.3	105.5	2,375.8	2,106.6
Depreciation	(1,000.0)	(90.5)	(1,090.5)	(843.0)
Amortisation of intangibles	(61.7)	—	(61.7)	(50.7)
Operating profit	1,208.6	15.0	1,223.6	1,212.9
Investment income	—	—	—	0.1
Interest expense	(179.4)	(45.1)	(224.5)	(153.5)
Exceptional items	(16.3)	—	(16.3)	—
Profit on ordinary activities before taxation	1,012.9	(30.1)	982.8	1,059.5
Taxation	(251.1)	8.0	(243.1)	(262.6)
Profit attributable to equity holders of the Company	761.8	(22.1)	739.7	796.9

Amounts recognised in the balance sheet

	2020
Maturity analysis – undiscounted cash flows:	£m
Less than one year	109.3
One to five years	450.6
More than five years	1,080.0
Total undiscounted lease liabilities at 30 April	1,639.9
Impact of discounting	(527.7)
Lease liabilities included in the balance sheet	1,112.2
Included in current liabilities	106.0
Included in non-current liabilities	1,006.2
	1,112.2

Amounts recognised in the income statement

	2020
	£m
Depreciation of right-of-use assets	91.7
Interest on lease liabilities	45.5
Expense relating to short-term leases	4.4
Expense relating to variable lease payments	3.3
	144.9
Income from sub-leasing right-of-use assets	(0.9)
	144.0

Amounts recognised in the statement of cash flows

	2020
	£m
Financing costs paid in relation to lease liabilities	43.9
Repayment of principal under lease liabilities	64.3
Total cash outflow for leases	108.2

18 Borrowings

	2020	2019
	£m	£m
Current		
Finance lease obligations	—	2.3
Non-current		
First priority senior secured bank debt	2,141.9	2,010.7
Finance lease obligations	—	2.7
5.625% senior notes, due 2024	—	379.3
4.125% senior notes, due 2025	470.8	454.7
5.250% senior notes, due 2026	469.6	453.6
4.375% senior notes, due 2027	470.2	454.4
4.000% senior notes, due 2028	469.9	—
4.250% senior notes, due 2029	469.8	—
	4,492.2	3,755.4

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. Following the redemption of the $500m 5.625% notes due in 2024, the second priority fixed and floating charges over the Group's property, plant and equipment, inventory and trade receivables securing the senior notes were released and the senior notes are no longer secured by these assets. The senior notes continue to be guaranteed by Ashtead Group plc and all its principal subsidiary undertakings.

First priority senior secured credit facility

At 30 April 2020, $4.6bn was committed by our senior lenders under the asset-based senior secured revolving credit facility ("ABL facility"), with $4.1bn committed until December 2023 and $500m committed until April 2021. The amount utilised was $2,759m (including letters of credit totalling $52m). The ABL facility is secured by a first priority interest in substantially all of the Group's assets. Pricing for the $4.6bn revolving credit facility is based on leverage and average availability according to a grid. On $4.1bn of the facility, this varies from LIBOR plus 125bp to LIBOR plus 175bp and at 30 April 2020, the borrowing rate was LIBOR plus 150bp. For the other $500m of the facility, pricing is LIBOR plus 225bp, with a LIBOR floor of 75bp.

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

This covenant does not, however, apply when availability (the difference between the borrowing base and facility utilisation) exceeds $460m. At 30 April 2020 availability under the bank facility, including cash on the balance sheet, was $2,363m ($1,622m at 30 April 2019), with an additional $2,147m of suppressed availability meaning that the covenant was not measured at 30 April 2020 and is unlikely to be measured in forthcoming quarters.

Senior notes

At 30 April 2020 the Group, through its wholly owned subsidiary Ashtead Capital, Inc., had five series of senior notes outstanding, each with a nominal value of $600m. The 4.125% notes are due on 15 August 2025, the 5.250% notes are due on 1 August 2026, the 4.375% notes are due on 15 August 2027, the 4.0% notes are due on 1 May 2028 and the 4.25% notes are due on 1 November 2029.

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

The effective rates of interest at the balance sheet date were as follows:

		2020	**2019**
First priority senior secured bank debt	- revolving advances in dollars	2.58%	3.66%
Senior notes	- $500m nominal value	—	5.625%
	- $600m nominal value	4.125%	4.125%
	- $600m nominal value	5.250%	5.250%
	- $600m nominal value	4.375%	4.375%
	- $600m nominal value	4.000%	—
	- $600m nominal value	4.250%	—
Finance leases		—	7.0%

19 Provisions

	Insurance	Vacant property	Contingent consideration	Total
	£m	£m	£m	£m
At 1 May 2019	48.7	1.9	37.9	88.5
Effect of adoption of IFRS 16	—	(1.9)	—	(1.9)
Acquired businesses	—	—	14.5	14.5
Exchange differences	1.1	—	1.0	2.1
Utilised	(35.6)	—	(17.3)	(52.9)
Released	—	—	(1.0)	(1.0)
Charged in the year	42.1	—	—	42.1
Amortisation of discount	0.4	—	0.8	1.2
At 30 April 2020	56.7	—	35.9	92.6

	2020	2019
	£m	£m
Included in current liabilities	53.7	42.5
Included in non-current liabilities	38.9	46.0
	92.6	88.5

Insurance provisions relate to the discounted estimated gross liability in respect of claims to be incurred under the Group's insurance programmes for events occurring up to the year-end and are expected to be utilised over a period of approximately eight years. The provision is established based on advice received from independent actuaries of the estimated total cost of the insured risk based on historical claims experience. £18m (2019: £14m) of this total liability is due from insurers and is included within "other receivables".

The provision for contingent consideration relates to recent acquisitions and is expected to be paid out over the next three years and is reassessed at each reporting date.

20 Deferred tax

Deferred tax assets

	Tax losses	Other temporary differences	Total
	£m	£m	£m
At 1 May 2019	—	—	—
Offset against deferred tax liability at 1 May 2019	26.3	64.7	91.0
Gross deferred tax assets at 1 May 2019	26.3	64.7	91.0
Effect of adoption of IFRS 16	—	(2.6)	(2.6)
Exchange differences	0.5	2.0	2.5
(Charged)/credited to income statement	(18.2)	25.2	7.0
Credited to equity	4.0	0.6	4.6
Acquisitions	(0.6)	0.1	(0.5)
Less offset against deferred tax liability	(12.0)	(90.0)	(102.0)
At 30 April 2020	—	—	—

Deferred tax liabilities

	Accelerated tax depreciation	Other temporary differences	Total
	£m	£m	£m
Net deferred tax liability at 1 May 2019	1,027.7	33.4	1,061.1
Deferred tax assets offset at 1 May 2019	91.0	—	91.0
Gross deferred tax liability at 1 May 2019	1,118.7	33.4	1,152.1
Exchange differences	36.3	0.3	36.6
Charged to income statement	166.1	0.7	166.8
Charge to equity	4.0	—	4.0
Acquisitions	2.8	14.0	16.8
	1,327.9	48.4	1,376.3
Less offset of deferred tax assets			
- benefit of tax losses			(12.0)
- other temporary differences			(90.0)
At 30 April 2020			1,274.3

The Group has not recognised a deferred tax asset in respect of losses carried forward in a non-trading UK company of £6m (2019: £6m) as it is not considered probable this deferred tax asset will be utilised.

At the balance sheet date, no temporary differences associated with undistributed earnings of subsidiaries are considered to exist as UK tax legislation largely exempts overseas dividends received from UK tax.

21 Share capital and reserves

Ordinary shares of 10p each:

	30 April 2020	30 April 2019	30 April 2020	30 April 2019
	Number	Number	£m	£m
Issued and fully paid	454,194,833	499,225,712	45.4	49.9

During the year, the Company purchased 19.7m ordinary shares at a total cost of £445m under the Group's share buyback programme. Since the commencement of the Group's ongoing share buyback programme, the Group has purchased 49.9m shares and in January 2020, 45.0m ordinary shares held in treasury were cancelled. At 30 April 2020, after the cancellation of these shares, 4.9m (April 2019: 30.3m) shares were held by the Company and a further 1.5m (April 2019: 1.6m) shares were held by the Company's Employee Share Ownership Trust ("ESOT").

22 Share-based payments

The ESOT facilitates the provision of shares under the Group's Performance Share Plan ("PSP"). It holds a beneficial interest in 1,518,150 ordinary shares of the Company acquired at an average cost of 1,826p per share. The shares had a market value of £33m at 30 April 2020. The ESOT has waived the right to receive dividends on the shares it holds. The costs of operating the ESOT are borne by the Group but are not significant.

Details of the PSP are given on pages 90 and 95. The costs of this scheme are charged to the income statement over the vesting period, based on the fair value of the award at the grant date and the likelihood of allocations vesting under the scheme. In 2020, there was a net charge to pre-tax profit in respect of the PSP of £8m (2019: £8m). After tax, the total charge was £6m (2019: £6m).

The fair value of awards granted during the year is estimated using a Black-Scholes option pricing model with the following assumptions: share price at grant date of 2,320p, nil exercise price, a dividend yield of 1.42%, volatility of 27.08%, a risk-free rate of 0.44% and an expected life of three years.

Expected volatility was determined by calculating the historical volatility over the previous three years. The expected life used in the model is based on the terms of the plan.

Details of the PSP awards outstanding during the year are as follows:

	2020	2019
	Number	Number
Outstanding at 1 May	2,050,278	2,300,169
Granted	600,956	588,894
Exercised	(858,585)	(720,551)
Expired	(128,094)	(118,234)
Outstanding at 30 April	1,664,555	2,050,278
Exercisable at 30 April	—	—

23 Pensions

Defined contribution plans

The Group operates pension plans for the benefit of qualifying employees. The plans for new employees throughout the Group are all defined contribution plans. Pension costs for defined contribution plans were £20m (2019: £16m).

Defined benefit plan

The Group also has a defined benefit plan for certain UK employees which was closed to new members in 2001. The plan is a funded defined benefit plan with trustee-administered assets held separately from those of the Group. The Trustees are composed of representatives of both the Company and plan members. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy of the assets and the day-to-day administration of the benefits.

The plan is a final salary plan which provides members a guaranteed level of pension payable for life. The level of benefits provided by the plan depends on members' length of service and their salary in the final years leading up to retirement.

The plan's duration is an indicator of the weighted-average time until benefit payments are made. For the plan as a whole, the duration is around 20 years. The estimated amount of contributions expected to be paid by the Group to the plan during the 2020/21 financial year is £0.8m.

The plan exposes the Group to a number of risks, the most significant being investment risk, interest rate risk, inflation risk and life expectancy risk.

The most recent actuarial valuation was carried out as at 30 April 2019 by a qualified independent actuary and showed a funding surplus of £1.5m. The actuary was engaged by the Company to perform a valuation in accordance with IAS 19 (revised) as at 30 April 2020. The principal financial assumptions made by the actuary were as follows:

	2020	2019
Discount rate	1.6%	2.5%
Inflation assumption - RPI	2.5%	3.3%
- CPI	1.7%	2.2%
Rate of increase in salaries	2.5%	4.3%
Rate of increase in pensions in payment	2.5%	3.2%

Pensioner life expectancy assumed in the 30 April 2020 update is based on the "S3PA CMI 2019" projection model mortality tables adjusted so as to apply a minimum annual rate of improvement of 1.25% a year. Samples of the ages to which pensioners are assumed to live are as follows:

	2020	2019
Life expectancy of pensioners currently aged 65		
Male	86.2	86.2
Female	87.9	88.1
Life expectancy at age 65 for future pensioner currently aged 45		
Male	87.5	87.5
Female	89.5	89.6

The plan's assets are invested in the following asset classes:

	Fair value	
	2020	**2019**
	£m	**£m**
UK equities	31.4	48.6
US equities	23.8	23.5
European equities	3.0	3.3
Japanese equities	4.4	2.6
Emerging market equities	2.4	—
Global loan fund	8.6	10.0
Liability-driven investment funds	6.3	2.4
Property	11.7	12.2
Infrastructure	7.3	4.0
Cash	0.1	0.5
	99.0	107.1

The amounts recognised in the balance sheet are determined as follows:

	2020	**2019**
	£m	**£m**
Fair value of plan assets	99.0	107.1
Present value of funded defined benefit obligation	(111.1)	(108.0)
Net liability recognised in the balance sheet	(12.1)	(0.9)

The components of the defined benefit cost recognised in the income statement are as follows:

	2020	**2019**
	£m	**£m**
Current service cost	1.1	1.0
Past service cost	—	1.4
Net interest on the net defined benefit plan	—	(0.1)
Net charge to the income statement	1.1	2.3

The remeasurements of the defined benefit plan recognised in the statement of comprehensive income are as follows:

	2020	**2019**
	£m	**£m**
Actuarial loss due to changes in financial assumptions	(4.5)	(7.0)
Actuarial gain due to changes in demographic assumptions	1.1	1.1
Actuarial gain/(loss) arising from experience adjustments	1.2	(0.2)
Return on plan assets excluding amounts recognised in net interest	(8.6)	2.4
Remeasurement of the defined benefit pension plan	(10.8)	(3.7)

Movements in the present value of defined benefit obligations were as follows:

	2020	2019
	£m	£m
At 1 May	108.0	99.2
Current service cost	1.1	1.0
Past service cost	—	1.4
Interest cost	2.6	2.7
Contributions from members	0.2	0.2
Remeasurements		
- Actuarial loss due to changes in financial assumptions	4.5	7.0
- Actuarial gain due to changes in demographic assumptions	(1.1)	(1.1)
- Actuarial gain/(loss) arising from experience adjustments	(1.2)	0.2
Benefits paid	(3.0)	(2.6)
At 30 April	111.1	108.0

The key assumptions used in valuing the defined benefit obligation are: discount rate, inflation and mortality. The sensitivity of the results to these assumptions is as follows:

- An increase in the discount rate of 0.5% would result in a £10m (2019: £9m) decrease in the defined benefit obligation.
- An increase in the inflation rate of 0.5% would result in an £9m (2019: £8m) increase in the defined benefit obligation. This includes the resulting change to other assumptions that are related to inflation such as pensions and salary growth.
- A one-year increase in the pensioner life expectancy at age 65 would result in a £5m (2019: £5m) increase in the defined benefit obligation.

The above sensitivity analyses have been determined based on reasonably possible changes to the significant assumptions, while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. The sensitivity information shown above has been prepared using the same method as adopted when adjusting the results of the latest funding valuation to the balance sheet date. This is the same approach as has been adopted in previous periods.

Movements in the fair value of plan assets were as follows:

	2020	2019
	£m	£m
At 1 May	107.1	103.7
Interest income	2.6	2.8
Remeasurement - return on plan assets excluding amounts recognised in net interest	(8.6)	2.4
Employer contributions	0.7	0.6
Contributions from members	0.2	0.2
Benefits paid	(3.0)	(2.6)
At 30 April	99.0	107.1

The actual return on plan assets was a £6m loss (2019: £5m gain).

24 Financial risk management

The Group's trading and financing activities expose it to various financial risks that, if left unmanaged, could adversely impact on current or future earnings. Although not necessarily mutually exclusive, these financial risks are categorised separately according to their different generic risk characteristics and include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

It is the role of the Group treasury function to manage and monitor the Group's financial risks and internal and external funding requirements in support of the Group's corporate objectives. Treasury activities are governed by policies and procedures approved by the Board and monitored by the Finance and Administration Committee. In particular, the Board of directors or,

through delegated authority, the Finance and Administration Committee, approves any derivative transactions. Derivative transactions are only undertaken for the purposes of managing interest rate risk and currency risk. The Group does not trade in financial instruments. The Group maintains treasury control systems and procedures to monitor liquidity, currency, credit and financial risks. The Group reports its financial results and pays dividends in pounds sterling.

Market risk

The Group's activities expose it primarily to interest rate and currency risk. Interest rate risk is monitored on a continuous basis and managed, where appropriate, through the use of interest rate swaps whereas, the use of forward foreign exchange contracts to manage currency risk is considered on an individual non-trading transaction basis. The Group is not exposed to commodity price risk or equity price risk as defined in IFRS 7.

Interest rate risk

Management of fixed and variable rate debt

The Group has fixed and variable rate debt in issue with 52% of the drawn debt at a fixed rate as at 30 April 2020, excluding lease liabilities. The Group's accounting policy requires all borrowings to be held at amortised cost. As a result, the carrying value of fixed rate debt is unaffected by changes in credit conditions in the debt markets and there is therefore no exposure to fair value interest rate risk. The Group's debt that bears interest at a variable rate comprises all outstanding borrowings under the senior secured credit facility. The interest rates currently applicable to this variable rate debt are LIBOR as applicable to the currency borrowed plus 150bp for $4.1bn of the facility and pricing is LIBOR plus 225bp, with a LIBOR floor of 75bp, for the other $500m. The Group periodically utilises interest rate swap agreements to manage and mitigate its exposure to changes in interest rates. However, during the year ended and as at 30 April 2020, the Group had no such swap agreements outstanding. The Group also may at times hold cash and cash equivalents which earn interest at a variable rate.

Net variable rate debt sensitivity

At 30 April 2020, based upon the amount of variable rate debt outstanding, the Group's pre-tax profits would change by approximately £20m for each one percentage point change in interest rates applicable to the variable rate debt and, after tax effects, equity would change by approximately £14m. The amount of the Group's variable rate debt may fluctuate as a result of changes in the amount of debt outstanding under the senior secured credit facility.

Currency risk

Currency risk is limited to translation risk as there are no transactions in the ordinary course of business that take place between foreign entities. The Group's reporting currency is the pound sterling. However, the majority of our assets, liabilities, revenue and costs are denominated in US dollars. The Group has arranged its financing such that, at 30 April 2020, 92% of its debt was denominated in US (and Canadian) dollars so that there is a natural partial offset between its dollar-denominated net assets and earnings and its dollar-denominated debt and interest expense. At 30 April 2020, dollar-denominated debt represented approximately 67% of the value of dollar-denominated net assets (other than debt).

The Group's exposure to exchange rate movements on trading transactions is relatively limited. All Group companies invoice revenue in their respective local currency and generally incur expense and purchase assets in their local currency. Consequently, the Group does not routinely hedge either forecast foreign currency exposures or the impact of exchange rate movements on the translation of overseas profits into sterling. Where the Group does hedge, it maintains appropriate hedging documentation. Foreign exchange risk on significant non-trading transactions (e.g. acquisitions) is considered on an individual basis.

Resultant impacts of reasonably possible changes to foreign exchange rates

Based upon the level of US operations and the US dollar-denominated debt balance, at 30 April 2020 a 1% change in the US dollar-pound exchange rate would have impacted our pre-tax profits by approximately £11m and equity by approximately £34m. At 30 April 2020, the Group had no outstanding foreign exchange contracts.

Credit risk

The Group's principal financial assets are cash and bank balances and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of the loss allowance. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The carrying amount of financial assets recorded in the financial statements, which are net of impairment losses, represent the Group's maximum exposure to credit risk.

The Group has a large number of unrelated customers, serving over 745,000 during the financial year, and does not have any significant credit exposure to any particular customer. Each business segment manages its own exposure to credit risk

according to the economic circumstances and characteristics of the markets they serve. The Group believes that management of credit risk on a devolved basis enables it to assess and manage it more effectively. However, broad principles of credit risk management practice are observed across the Group, such as the use of credit reference agencies and the maintenance of credit control functions.

Liquidity risk

Liquidity risk is the risk that the Group could experience difficulties in meeting its commitments to creditors as financial liabilities fall due for payment.

The Group generates significant free cash flow before investment (defined as cash flow from operations less replacement capital expenditure net of proceeds of asset disposals, interest paid and tax paid). This free cash flow before investment is available to the Group to invest in growth capital expenditure, acquisitions, dividend payments and other returns to shareholders or to reduce debt.

In addition to the strong free cash flow from normal trading activities, additional liquidity is available through the Group's ABL facility. At 30 April 2020, availability under the $4.6bn facility, including cash on the balance sheet, was $2,363m (£1,874m), which compares with the threshold of $460m, above which the covenant does not apply.

Contractual maturity analysis

Trade receivables, the principal class of non-derivative financial asset held by the Group, are settled gross by customers.

The following table presents the Group's outstanding contractual maturity profile for its non-derivative financial liabilities, excluding trade and other payables which fall due within one year and lease liabilities which are analysed within note 17. The analysis presented is based on the undiscounted contractual maturities of the Group's financial liabilities, including any interest that will accrue, except where the Group is entitled and intends to repay a financial liability, or part of a financial liability, before its contractual maturity. The undiscounted cash flows have been calculated using foreign currency exchange rates and interest rates ruling at the balance sheet date.

At 30 April 2020

	Undiscounted cash flows – year to 30 April						
	2021	**2022**	**2023**	**2024**	**2025**	**Thereafter**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Bank and other debt	—	—	—	2,141.9	—	—	2,141.9
4.125% senior notes	—	—	—	—	—	475.7	475.7
5.250% senior notes	—	—	—	—	—	475.7	475.7
4.375% senior notes	—	—	—	—	—	475.7	475.7
4.000% senior notes	—	—	—	—	—	475.7	475.7
4.250% senior notes	—	—	—	—	—	475.7	475.7
	—	—	—	2,141.9	—	2,378.5	4,520.4
Interest payments	160.0	158.8	158.8	140.8	104.7	232.7	955.8
	160.0	158.8	158.8	2,282.7	104.7	2,611.2	5,476.2

Letters of credit of £41m (2019: £38m) are provided and guaranteed under the ABL facility which expires in December 2023.

At 30 April 2019

	Undiscounted cash flows – year to 30 April						
	2020	**2021**	**2022**	**2023**	**2024**	**Thereafter**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Bank and other debt	—	—	—	—	2,010.7	—	2,010.7
Finance leases	2.3	1.5	0.9	0.3	—	—	5.0
5.625% senior notes	—	—	—	—	—	383.5	383.5
4.125% senior notes	—	—	—	—	—	460.3	460.3
5.250% senior notes	—	—	—	—	—	460.3	460.3
4.375% senior notes	—	—	—	—	—	460.3	460.3
	2.3	1.5	0.9	0.3	2,010.7	1,764.4	3,780.1
Interest payments	158.8	158.7	158.6	158.5	89.5	154.2	878.3
	161.1	160.2	159.5	158.8	2,100.2	1,918.6	4,658.4

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 30 April 2020, 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.

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 30 April 2020.

		At 30 April 2020		At 30 April 2019	
		Book value	Fair value	Book value	Fair value
		£m	£m	£m	£m
Long-term borrowings					
- first priority senior secured bank debt	Level 1	2,141.9	2,141.9	2,010.7	2,010.7
- 5.625% senior notes	Level 1	-	-	383.5	397.5
- 4.125% senior notes	Level 1	475.7	461.4	460.3	455.1
- 5.250% senior notes	Level 1	475.7	479.3	460.3	476.9
- 4.375% senior notes	Level 1	475.7	463.8	460.3	451.6
- 4.000% senior notes	Level 1	475.7	453.1	-	-
- 4.250% senior notes	Level 1	475.7	453.1	-	-
		4,520.4	4,452.6	3,775.1	3,791.8
- finance lease obligations	Level 2	-	-	2.7	3.2
Total long-term borrowings		4,520.4	4,452.6	3,777.8	3,795.0
Deferred costs of raising finance		(28.2)	—	(22.4)	—
		4,492.2	4,452.6	3,755.4	3,795.0
Other financial instruments[1]					
Contingent consideration provision	Level 3	35.9	35.9	37.9	37.9
Finance lease obligations due within one year	Level 2	-	-	2.3	2.6
Cash and cash equivalents	Level 1	241.4	241.4	12.8	12.8

1 The Group's trade and other receivables, trade and other payables and lease liabilities are not shown in the table above. The carrying amounts of trade and other receivables and trade and other payables categories approximate their fair values. Required disclosures relating to lease liabilities are provided in Note 17.

Contingent consideration provisions are 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.

25 Notes to the cash flow statement

a) Cash flow from operating activities

	2020	2019
	£m	£m
Operating profit before exceptional items and amortisation	1,285.3	1,263.6
Depreciation	1,090.5	843.0
EBITDA before exceptional items	2,375.8	2,106.6
Profit on disposal of rental equipment	(33.3)	(31.4)
Profit on disposal of other property, plant and equipment	(1.2)	(0.8)
Increase in inventories	(0.5)	(14.9)
Increase in trade and other receivables	94.1	(84.7)
Increase in trade and other payables	(13.2)	60.7
Exchange differences	0.3	(0.6)
Other non-cash movements	8.4	7.6
Cash generated from operations before exceptional items and changes in rental equipment	2,430.4	2,042.5

b) Acquisitions

	2020	2019
	£m	£m
Cash consideration paid		
- acquisitions in the period (net of cash acquired)	435.8	589.4
- contingent consideration	17.3	1.9
	453.1	591.3

During the year, 18 acquisitions were made for a total cash consideration of £436m (2019: £589m), after taking account of net cash acquired of £4m. Further details are provided in Note 27.

Payments for contingent consideration on prior year acquisitions were also made of £17m (2019: £2m).

c) Analysis of net debt

Net debt consists of total borrowings less cash and cash equivalents. Borrowings exclude accrued interest. Foreign currency denominated balances are translated to pounds sterling at rates of exchange ruling at the balance sheet date.

				Non-cash movements				
	1 May 2019	Adoption of IFRS 16	Cash flow	Exchange movement	Debt acquired	New lease liabilities	Other movements	30 April 2020
	£m	£m	£m	£m	£m	£m	£m	£m
Short-term borrowings	2.3	(2.3)	—	—	—	—	—	—
Long-term borrowings	3,755.4	(2.7)	606.1	108.6	14.7	—	10.1	4,492.2
Lease liabilities	—	887.8	(64.3)	25.1	74.8	188.8	—	1,112.2
Total liabilities from financing activities	3,757.7	882.8	541.8	133.7	89.5	188.8	10.1	5,604.4
Cash and cash equivalents	(12.8)	—	(227.9)	(0.7)	—	—	—	(241.4)
Net debt	3,744.9	882.8	313.9	133.0	89.5	188.8	10.1	5,363.0

			Non-cash movements			
	1 May 2018	Cash Flow	Exchange movement	Debt acquired	Other movements	30 April 2019
	£m	£m	£m	£m	£m	£m
Short-term borrowings	2.7	(9.1)	—	7.9	0.8	2.3
Long-term borrowings	2,728.4	864.4	126.6	20.5	15.5	3,755.4
Total liabilities from financing activities	2,731.1	855.3	126.6	28.4	16.3	3,757.7
Cash and cash equivalents	(19.1)	6.6	(0.3)	—	—	(12.8)
Net debt	2,712.0	861.9	126.3	28.4	16.3	3,744.9

26 Acquisitions

During the year, the following acquisitions were completed:

i) On 9 May 2019, Sunbelt US acquired the business and assets of Westside Rental and Sales, LLC ("Westside"). Westside is a general equipment business in Tennessee.

ii) On 17 May 2019, Sunbelt US acquired the business and assets of the Harlingen Texas branch of Harris County Rentals, LLC, trading as Texas State Rentals ("HCR"). HCR is a general equipment business in Texas.

iii) On 29 May 2019, Sunbelt US acquired the business and assets of the Tampa branch of Contractors Building Supply Co., LLC ("CBS"). CBS is a general equipment business in Florida.

iv) On 20 June 2019, Sunbelt US acquired the business and assets of Six and Mango, LLP ("SME"). SME is a general equipment business in Texas.

v) On 28 June 2019, Sunbelt UK acquired the entire share capital of Ellerbeck Industries Limited, trading as Inlec UK Limited ("Inlec") and Evercal Limited ("Evercal"). Inlec and Evercal are industrial test and measurement businesses.

vi) On 19 July 2019, Sunbelt US acquired the business and assets of King Equipment, LLC ("King") for a cash consideration of £152m ($191m), including properties for £21m, with contingent consideration of up to £2m ($3m) payable over the next year depending on revenue meeting or exceeding certain thresholds. King is a general equipment business in California.

vii) On 28 August 2019, Sunbelt US acquired the business and assets of Redi-Rents, Inc. ("Redi-Rents"). Redi-Rents is a general equipment business in California.

viii) On 5 September 2019, Sunbelt US acquired the business and assets of Midwest Scaffold Services, LLC ("MSS"). MSS is a scaffold business in the US midwest.

ix) On 1 October 2019, Sunbelt Canada acquired the entire share capital of Rental Experts, Inc. and the business and assets of River City Aerial Lifts, Inc. (together "Rental Experts/River City"). Rental Experts/River City is a general equipment business in Manitoba.

x) On 2 October 2019, Sunbelt US acquired the business and assets of Allwest Underground, Inc. ("Allwest"). Allwest is a trench shoring business in Washington and Oregon.

xi) On 15 October 2019, Sunbelt US acquired the business and assets of Beavercreek Rentals, Inc. ("Beavercreek"). Beavercreek is a general equipment business in Ohio.

xii) On 14 November 2019, Sunbelt US acquired the business and assets of the New Braunfels Texas branch of Harris County Rentals, LLC, trading as Texas State Rentals ("HCR"). HCR is a general equipment business in Texas.

xiii) On 26 November 2019, Sunbelt US acquired the business and assets of Kitsap Rentals, Inc. ("Advanced Rentals"). Advanced Rentals is a general equipment business in Washington.

xiv) On 2 December 2019, Sunbelt Canada acquired the entire share capital of William F. White International, Inc. ("WFW") for a cash consideration of £136m (C$234m) with contingent consideration of up to £8m (C$14m), payable over the next year, depending on EBITDA meeting or exceeding certain thresholds. Including acquired debt, the total cash consideration was £151m (C$260m). WFW is a film and television equipment rental business operating across Canada.

xv) On 11 December 2019, Sunbelt US acquired the business and assets of S&S Diversified Inc. ("Midwest Sweepers & Scrubbers"). Midwest Sweepers and Scrubbers is a flooring solutions business in Missouri.

xvi) On 21 January 2020, Sunbelt US acquired the business and assets of Associated Power, Inc. ("Associated Power"). Associated Power is a temporary power rental business in Southern California.

xvii) On 29 January 2020, Sunbelt US acquired the business and assets of Gaston Rentals, Inc. and McArver Enterprises, Ltd (together, "Gaston"). Gaston is a general equipment business in North Carolina.

xviii) On 9 March 2020, Sunbelt US acquired the business and assets of BJ's Rentals, Inc. ("BJ's"). BJ's is a general equipment business in California.

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 Group
	£m
Net assets acquired	
Trade and other receivables	31.2
Inventory	0.4
Property, plant and equipment	
- rental equipment	155.9
- other assets	43.5
Right-of-use asset	74.8
Creditors	(20.3)
Debt	(14.7)
Lease liabilities	(74.8)
Current tax	(11.4)
Deferred tax	(17.3)
Intangible assets (non-compete agreements, brand names and customer relationships)	122.3
	289.6
Consideration:	
- cash paid and due to be paid (net of cash acquired)	438.8
- contingent consideration payable in cash	14.5
	453.3
Goodwill	163.7

The goodwill arising can be attributed to the key management personnel and workforce of the acquired businesses 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. £99m 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 £31m.

Due to the operational integration of acquired businesses with Sunbelt US, Sunbelt Canada and Sunbelt UK 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 2019 to their date of acquisition was not material.

27 Contingent liabilities

Following its state aid investigation, in April 2019 the European Commission announced its decision that the Group Financing Exemption in the UK controlled foreign company ("CFC") legislation constitutes state aid in some circumstances. In common with the UK Government and other UK-based international companies, the Group does not agree with the decision and has therefore lodged a formal appeal with the General Court of the European Union. If the decision reached by the European Commission is not successfully appealed, we have estimated the Group's maximum potential liability to be £36m as at 30 April 2020. Based on the current status of proceedings, we have concluded that no provision is required in relation to this matter.

The Company

The Company has guaranteed the borrowings of its subsidiary undertakings under the Group's senior secured credit and overdraft facilities. At 30 April 2020 the amount borrowed under these facilities was £2,142m (2019: £2,011m). Subsidiary undertakings are also able to obtain letters of credit under these facilities and, at 30 April 2020, letters of credit issued under these arrangements totalled £41m ($52m) (2019: £38m ($50m)). In addition, the Company has guaranteed the 4.125%, 5.250%, 4.375%, 4.0% and 4.25% senior notes each with a par value of $600m (£476m), issued by Ashtead Capital, Inc..

The Company has guaranteed lease commitments of subsidiary undertakings where the minimum lease commitment at 30 April 2020 totalled £30m (2019: £38m) in respect of land and buildings of which £6m is payable by subsidiary undertakings in the year ending 30 April 2021.

The Company has provided a guarantee to the Ashtead Group plc Retirement Benefits Plan ("the plan") that ensures the plan is at least 105% funded as calculated in accordance with Section 179 of the Pensions Act 2004. Based on the last actuarial valuation at 30 April 2019, this guarantee was the equivalent of £20m.

The Company has guaranteed the performance by subsidiaries of certain other obligations up to £2m (2019: £4m).

28 Capital commitments

At 30 April 2020 capital commitments in respect of purchases of rental and other equipment totalled £259m (2019: £309m), all of which had been ordered. There were no other material capital commitments at the year end.

29 Related party transactions

The Group's key management comprises the Company's executive and non-executive directors. Details of their remuneration are given in Note 4 and details of their share interests and share awards are given in the Directors' remuneration report. In relation to the Group's defined benefit pension plan, details are included in Note 23.

30 Employees

The average number of employees, including directors, during the year was as follows:

	2020	2019
	Number	Number
United States	13,946	12,148
United Kingdom	3,814	3,771
Canada	1,219	880
	18,979	16,799

31 Parent company information

a. Balance sheet of the Company (Company number: 01807982)

	Notes	2020	2019
		£m	£m
Current assets			
Prepayments and accrued income		0.5	0.4
Amounts due from subsidiary undertakings	(f)	—	274.5
		0.5	274.9
Non-current assets			
Right-of-use asset	(g)	6.8	—
Investments in Group companies	(h)	363.7	363.7
Deferred tax asset		1.5	1.9
		372.0	365.6
Total assets		372.5	640.5
Current liabilities			
Accruals and deferred income		6.7	12.4
Amounts due to subsidiary undertakings	(i)	20.4	—
Lease liabilities	(j)	0.8	—
		27.9	12.4
Non-current liabilities			
Lease liabilities	(j)	5.9	—
Total liabilities		33.8	12.4
Equity			
Share capital	(b)	45.4	49.9
Share premium account	(b)	3.6	3.6
Capital redemption reserve	(b)	10.8	6.3
Own shares held by the Company	(b)	(115.9)	(622.6)
Own shares held through the ESOT	(b)	(27.7)	(24.6)
Retained reserves	(b)	422.5	1,215.5
Equity attributable to equity holders of the Company		338.7	628.1
Total liabilities and equity		372.5	640.5

The Company reported a profit for the financial year ended 30 April 2020 of £350m (2019: £530m).

These financial statements were approved by the Board on 15 June 2020.

Brendan Horgan	Michael Pratt
Chief executive	Finance director

b. Statement of changes in equity of the Company

	Share capital	Share premium account	Capital redemption reserve	Own shares held by the Company	Own shares held through the ESOT	Retained reserves	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 May 2018	49.9	3.6	6.3	(161.0)	(20.0)	851.7	730.5
Profit for the year	—	—	—	—	—	529.5	529.5
Other comprehensive income for the year	—	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	—	529.5	529.5
Dividends paid	—	—	—	—	—	(164.2)	(164.2)
Own shares purchased by the ESOT	—	—	—	—	(14.2)	—	(14.2)
Own shares purchased by the Company	—	—	—	(461.6)	—	—	(461.6)
Share-based payments	—	—	—	—	9.6	(2.0)	7.6
Tax on share-based payments	—	—	—	—	—	0.5	0.5
At 30 April 2019	49.9	3.6	6.3	(622.6)	(24.6)	1,215.5	628.1
Effect of adoption of IFRS 16	—	—	—	—	—	1.0	1.0
At 1 May 2019 (restated)	49.9	3.6	6.3	(622.6)	(24.6)	1,216.5	629.1
Profit for the year	—	—	—	—	—	349.7	349.7
Other comprehensive income for the year	—	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	—	349.7	349.7
Dividends paid	—	—	—	—	—	(186.7)	(186.7)
Own shares purchased by the ESOT	—	—	—	—	(17.6)	—	(17.6)
Own shares purchased by the Company	—	—	—	(444.6)	—	—	(444.6)
Share-based payments	—	—	—	—	14.5	(6.1)	8.4
Tax on share-based payments	—	—	—	—	—	0.4	0.4
Cancellation of shares	(4.5)	—	4.5	951.3	—	(951.3)	—
At 30 April 2020	45.4	3.6	10.8	(115.9)	(27.7)	422.5	338.7

c. Cash flow statement of the Company

	Note	2020	2019
		£m	£m
Cash flows from operating activities			
Cash from operations	(l)	306.4	111.3
Financing costs paid		(2.9)	(2.0)
Dividends received from Ashtead Holdings PLC		350.0	529.5
Net cash from operating activities		653.5	638.8
Cash flows from financing activities			
Repayment of principal under lease liabilities		(0.6)	—
Purchase of own shares by the ESOT		(17.6)	(14.2)
Purchase of own shares by the Company		(448.6)	(460.4)
Dividends paid		(186.7)	(164.2)
Net cash used in financing activities		(653.5)	(638.8)
Change in cash and cash equivalents		—	—

d. Accounting policies

The Company financial statements have been prepared on the basis of the accounting policies set out in Note 2 above, supplemented by the policy on investments set out below.

Investments in subsidiary undertakings are stated at cost less any necessary provision for impairment in the parent company balance sheet. Where an investment in a subsidiary is transferred to another subsidiary, any uplift in the value at which it is transferred over its carrying value is treated as a revaluation of the investment prior to the transfer and is credited to the revaluation reserve.

e. Income statement

Ashtead Group plc has not presented its own profit and loss account as permitted by section 408 of the Companies Act 2006. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet. There were no other amounts of comprehensive income in the financial year.

The average number of employees, including directors, during the year was as follows:

	2020	2019
	Number	Number
Employees	16	15

Their aggregate remuneration comprised:

	2020	2019
	£m	£m
Salaries	8.3	8.5
Social security costs	1.1	1.6
Other pension costs	0.4	0.5
	9.8	10.6

f. Amounts due from subsidiary undertakings

	2020	2019
	£m	£m
Due within one year:		
Ashtead Holdings PLC	—	274.5

g. Right-of-use asset

	Property leases
	£m
Cost or valuation	
Effect of adoption of IFRS 16 at 1 May 2019	7.5
At 30 April 2020	**7.5**
Depreciation	
Effect of adoption of IFRS 16 at 1 May 2019	-
Charge for the period	0.7
At 30 April 2020	**0.7**
Net book value	
At 30 April 2020	**6.8**

On transition, the right-of-use asset has been adjusted for the impact of lease prepayments (£0.2m).

h. Investments

	Shares in Group companies	
	2020	2019
	£m	£m
At 30 April	363.7	363.7

Details of the Company's subsidiaries at 30 April 2020 are as follows:

Name	Address of registered office	Principal activity
USA		
Ashtead US Holdings, Inc.	The Corporation Trust Company 1209 Orange St. Wilmington, DE 19801	Investment holding company
Ashtead Holdings, LLC	The Corporation Trust Company 1209 Orange St. Wilmington, DE 19801	Investment holding company
Sunbelt Rentals, Inc.	CT Corporation System 150 Fayetteville Street, Box 1011 Raleigh, NC 28210	Equipment rental and related services
Sunbelt Rentals Industrial Services LLC	The Corporation Trust Company 1209 Orange St. Wilmington, DE 19801	Equipment rental and related services
Sunbelt Rentals Scaffold Services, Inc.	160 Mine Lake Ct., Ste. 200 Raleigh, NC 27615-6417	Equipment rental and related services
Sunbelt Rentals Scaffold Services, LLC	CT Corporation System 3867 Plaza Tower Dr. East Baton Rouge Parish, Baton Rouge, LA 70816	Equipment rental and related services
Pride Corporation	CT Corporation System 111 Eighth Avenue, 13th Floor New York, NY 10011	Equipment rental and related services
Ashtead Capital, Inc.	The Corporation Trust Company 1209 Orange St. Wilmington, DE 19801	Finance company

Name	Address of registered office	Principal activity
Sunbelt Rentals Exchange, Inc.	251 Little Falls Drive Wilmington, DE 19808	Dormant
UK		
Ashtead Holdings PLC	100 Cheapside, London, EC2V 6DT	Investment holding company
Ashtead Plant Hire Company Limited [1]	100 Cheapside, London, EC2V 6DT	Equipment rental and related services
Ashtead Financing Limited	100 Cheapside, London, EC2V 6DT	Finance company
Accession Group Limited	100 Cheapside, London, EC2V 6DT	Dormant
Accession Holdings Limited	100 Cheapside, London, EC2V 6DT	Dormant
Anglia Traffic Management Group Limited	100 Cheapside, London, EC2V 6DT	Dormant
Ashtead Canada Limited	100 Cheapside, London, EC2V 6DT	Dormant
Astra Site Services Limited	12 Hope Street, Edinburgh, Scotland, EH2 4DB	Dormant
ATM Traffic Solutions Limited	100 Cheapside, London, EC2V 6DT	Dormant
Eve Trakway Limited	100 Cheapside, London, EC2V 6DT	Dormant
Hoist It Limited	100 Cheapside, London, EC2V 6DT	Dormant
Opti-cal Survey Equipment Limited	100 Cheapside, London, EC2V 6DT	Dormant
Plantfinder (Scotland) Limited	12 Hope Street, Edinburgh, Scotland, EH2 4DB	Dormant
Precision Geometrics Limited	100 Cheapside, London, EC2V 6DT	Dormant
Ellerbeck Industries Limited	100 Cheapside, London, EC2V 6DT	Dormant
Inlec UK Limited	100 Cheapside, London, EC2V 6DT	Dormant
Sunbelt Rentals Limited [1]	100 Cheapside, London, EC2V 6DT	Dormant
Canada		
Sunbelt Rentals of Canada Inc.	725 Grandville Street, Suite 400 Vancouver, BC V7Y 1G5	Equipment rental and related services
William F. White International Inc.[2]	800 Islington Avenue, Toronto, ON M8Z 6A1	Equipment rental and related services
Whites Studios Inc.[2]	20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8	Equipment rental and related services
Whites Location Equipment Supply Inc.[2]	907 Oxford Street, Toronto, ON M8Z 5T1	Equipment rental and related services
Republic of Ireland		
Ashtead Financing (Ireland) Unlimited Company	10 Earlsfort Terrace, Dublin 2, D02 T380	Dormant
Ashtead Plant Hire Company (Ireland) Limited	10 Earlsfort Terrace, Dublin 2, D02 T380	Equipment rental and related services
Germany		
Live Trakway GmbH	Felix-Wankel-Straße 10, 74632 Neuenstein	Equipment rental and related services
France		
Sunbelt Rentals SAS	5 Avenue Carnot, 91330 Massy	Equipment rental and related services
Bahamas		
Sunbelt Rentals of the Bahamas, Inc.	Ocean Centre, Montagu Foreshore, East Bay Street, P.O. Box SS-19084, Nassau, Bahamas	Dormant

[1] On the 3 June 2020 Ashtead Plant Hire Company Limited changed its name to Sunbelt Rentals Limited while Sunbelt Rentals Limited changed its name to Ashtead Plant Hire Company Limited.

[2] Companies amalgamated into William F. White International Inc. on 1 May 2020

The issued share capital (all of which comprises ordinary shares) of subsidiaries is 100% owned by the Company or by subsidiary undertakings and all subsidiaries are consolidated.

i. Amounts due to subsidiary undertakings

	2020	2019
	£m	£m
Due within one year:		
Ashtead Holdings PLC	20.4	—

j. Lease liabilities

(i) Amounts recognised in the balance sheet

	2020
	£m
Maturity analysis – undiscounted cash flows:	
Less than one year	0.8
One to five years	3.2
More than five years	3.9
Total undiscounted lease liabilities at 30 April	7.9
Impact of discounting	(1.2)
Lease liabilities included in the balance sheet	6.7
Included in current liabilities	0.8
Included in non-current liabilities	5.9
	6.7

(ii) Amounts recognised in the income statement

	2020
	£m
Depreciation of right-of-use assets	0.7
Interest on lease liabilities	0.3
	1.0

(iii) Amounts recognised in the statement of cash flows

	2020
	£m
Financing costs paid in relation to lease liabilities	0.3
Repayment of principal under lease liabilities	0.6
Total cash outflow for leases	0.9

k. Financial instruments

The book value and fair value of the Company's financial instruments are not materially different.

l. Notes to the Company cash flow statement

Cash flow from operating activities	2020	2019
	£m	£m
Operating profit	2.6	1.8
Depreciation	0.8	0.1
EBITDA	3.4	1.9
(Increase)/decrease in prepayments and accrued income	(0.3)	0.1
(Decrease)/increase in accruals and deferred income	(0.9)	1.2
Decrease in intercompany payable and receivable	295.9	100.5
Other non-cash movement	8.3	7.6
Net cash outflow from operations before exceptional items	306.4	111.3

TEN YEAR HISTORY

	2020[1]	2019	2018	2017	2016	2015	2014	2013	2012	2011
In £m										
Income statement										
Revenue [+]	5,053.6	4,499.6	3,706.0	3,186.8	2,545.7	2,038.9	1,634.7	1,361.9	1,134.6	948.5
Operating costs [+]	(2,677.8)	(2,393.0)	(1,972.9)	(1,682.4)	(1,368.1)	(1,130.5)	(949.6)	(842.9)	(753.5)	(664.7)
EBITDA [+]	2,375.8	2,106.6	1,733.1	1,504.4	1,177.6	908.4	685.1	519.0	381.1	283.8
Depreciation [+]	(1,090.5)	(843.0)	(695.6)	(606.8)	(449.4)	(351.5)	(275.9)	(229.0)	(199.8)	(185.0)
Operating profit [+]	1,285.3	1,263.6	1,037.5	897.6	728.2	556.9	409.2	290.0	181.3	98.8
Interest [+]	(224.5)	(153.4)	(110.2)	(104.2)	(82.9)	(67.3)	(47.1)	(44.6)	(50.7)	(67.8)
Pre-tax profit [+]	1,060.8	1,110.2	927.3	793.4	645.3	489.6	362.1	245.4	130.6	31.0
Operating profit	1,223.6	1,212.9	994.0	869.3	699.6	541.1	403.6	284.2	178.2	97.1
Pre-tax profit	982.8	1,059.5	862.1	765.1	616.7	473.8	356.5	214.2	134.8	1.7
Cash flow										
Cash flow from operations before exceptional items and changes in rental fleet	2,430.4	2,042.5	1,681.2	1,444.2	1,070.6	841.4	645.5	501.3	364.6	279.7
Free cash flow	792.1	368.2	386.2	319.4	(68.0)	(87.9)	(48.5)	(34.0)	(9.4)	65.6
Balance sheet										
Capital expenditure	1,483.0	1,587.2	1,238.7	1,085.6	1,240.0	1,063.1	740.6	580.4	476.4	224.8
Book cost of rental equipment	9,409.5	8,282.4	6,566.8	5,846.4	4,480.8	3,638.2	2,575.8	2,186.5	1,854.1	1,621.6
Shareholders' funds	2,972.2	2,800.5	2,526.9	1,970.1	1,480.4	1,111.5	824.4	682.5	554.7	481.4
In pence										
Dividend per share	40.65p	40.0p	33.0p	27.5p	22.5p	15.25p	11.5p	7.5p	3.5p	3.0p
Earnings per share	162.1p	166.1p	195.3p	100.5p	81.3p	60.5p	46.1p	27.6p	17.8p	0.2p
Underlying earnings per share	175.0p	174.2p	127.5p	104.3p	85.1p	62.6p	46.6p	31.4p	17.3p	4.0p
In per cent										
EBITDA margin [+]	47.0%	46.8%	46.8%	47.2%	46.3%	44.6%	41.9%	38.1%	33.6%	29.9%
Operating profit margin [+]	25.4%	28.1%	28.0%	28.2%	28.6%	27.3%	25.0%	21.3%	16.0%	10.4%
Pre-tax profit margin [+]	21.0%	24.7%	25.0%	24.9%	25.3%	24.0%	22.2%	18.0%	11.5%	3.3%
Return on investment [+]	15.2%	17.8%	17.6%	17.3%	18.9%	19.4%	18.6%	16.2%	12.0%	7.0%
People										
Employees at year end	19,284	17,803	15,996	14,220	13,106	11,928	9,934	9,085	8,555	8,163
Locations										
Stores at year end	1,105	1,036	899	808	715	640	556	494	485	462

[+] Before exceptional items, amortisation and fair value remeasurements.

[1] The Group elected to apply IFRS 16 using the modified retrospective approach with no restatement of comparative figures. As a result, the results for the year are not comparable directly to the prior years with the adoption of IFRS 16 resulting in higher EBITDA and operating profit but lower profit before amortisation, exceptional items and tax than under the previous accounting standard.

GLOSSARY OF TERMS

The glossary of terms below sets out definitions of terms used throughout this Annual Report & Accounts. 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. Where relevant, the APMs exclude the impact of IFRS 16 to aid comparability with prior year metrics. 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.

<table>
<tr><th>Term</th><th>Closest equivalent statutory measure</th><th>Definition and purpose</th></tr>
<tr><td>Capital expenditure</td><td>None</td><td>Represents additions to rental equipment and other tangible assets (excluding assets acquired through a business combination).</td></tr>
<tr><td>Cash conversion ratio</td><td>None</td><td>Represents cash flow from operations before exceptional items and changes in rental equipment as a percentage of underlying EBITDA. This measure is utilised to show the proportion of EBITDA converted into cash flow from operations generated by the business before investment expenditures, interest, taxation and exceptional items.
<table>
<tr><th></th><th></th><th>2020
£m</th><th>2019
£m</th></tr>
<tr><td>EBITDA before exceptionals</td><td>Note 25[a]</td><td>2,376</td><td>2,107</td></tr>
<tr><td>Cash inflow from operations before exceptionals and changes in rental equipment</td><td>Note 25[a]</td><td>2,430</td><td>2,043</td></tr>
<tr><td>Cash conversion ratio</td><td></td><td>102%</td><td>97%</td></tr>
</table></td></tr>
<tr><td>Constant currency growth</td><td>None</td><td>Calculated by applying the current period exchange rate to the comparative period result. The relevant foreign currency exchange rates are provided within Note 2, Accounting policies, to the financial statements. This measure is used as a means of eliminating the effects of foreign exchange rate movements on the period-on-period changes in reported results.
<table>
<tr><th></th><th>2020
£m</th><th>2019
£m</th><th>%</th></tr>
<tr><td>Rental revenue</td><td></td><td></td><td></td></tr>
<tr><td>As reported</td><td>4,606</td><td>4,138</td><td>11%</td></tr>
<tr><td>Retranslation effect</td><td>—</td><td>110</td><td></td></tr>
<tr><td>At constant currency</td><td>4,606</td><td>4,248</td><td>8%</td></tr>
<tr><td>Underlying profit before tax</td><td></td><td></td><td></td></tr>
<tr><td>As reported</td><td>1,061</td><td>1,110</td><td>(4)%</td></tr>
<tr><td>Impact of IFRS 16</td><td>30</td><td>—</td><td></td></tr>
<tr><td>Retranslation effect</td><td>—</td><td>32</td><td></td></tr>
<tr><td>At constant currency</td><td>1,091</td><td>1,142</td><td>(4)%</td></tr>
</table></td></tr>
<tr><td>Dollar utilisation</td><td>None</td><td>Dollar utilisation is trailing 12-month rental revenue divided by average fleet 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. The components used to calculate this measure are shown within the 'Financial review'.</td></tr>
</table>

<table>
<tr><th>Term</th><th>Closest equivalent statutory measure</th><th>Definition and purpose</th></tr>
<tr><td>Drop through</td><td>None</td><td>Calculated as the incremental rental revenue which converts into EBITDA (excluding gains from sale of new equipment, merchandise and consumables and from sale of used equipment). In the current year, the impact of IFRS 16 has been excluded so as not to distort this metric.

<table>
<tr><th></th><th>2020</th><th>2019</th></tr>
<tr><td>Sunbelt US ($m)</td><td></td><td></td></tr>
<tr><td>Rental revenue</td><td>5,046</td><td>4,637</td></tr>
<tr><td>EBITDA exc. gains</td><td>2,505</td><td>2,362</td></tr>
<tr><td>Drop through</td><td>35%</td><td></td></tr>
</table>

This measure is utilised by the Group to demonstrate the incremental profitability generated by the Group as a result of growth in the year.</td></tr>
<tr><td>EBITDA</td><td>Profit before tax</td><td>EBITDA is not defined by IFRS but is a widely accepted profit measure being earnings before interest, tax, depreciation and amortisation. A reconciliation of EBITDA to profit before tax is shown on the income statement on page 114.</td></tr>
<tr><td>EBITDA margin</td><td>None</td><td>EBITDA margin is calculated as EBITDA before exceptional items 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.</td></tr>
<tr><td>Exceptional items</td><td>None</td><td>Exceptional items are those items that are material and non-recurring in nature that the Group believes should be disclosed separately to assist in the understanding of the financial performance of the Group.

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. Details are provided in Note 5 of the financial statements.</td></tr>
<tr><td>Free cash flow</td><td>Net cash inflow from operating activities</td><td>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. This measure shows the cash retained by the Group prior to discretionary expenditure on acquisitions and returns to shareholders. A reconciliation of free cash flow is shown in the Strategic report on page 45.</td></tr>
<tr><td>Leverage</td><td>None</td><td>Leverage calculated at constant exchange rates uses the current period exchange rate and is determined as net debt divided by underlying EBITDA.

<table>
<tr><th></th><th>2020</th><th></th><th>2019</th></tr>
<tr><th></th><th>£m</th><th></th><th>£m</th></tr>
<tr><th></th><th>Inc. IFRS 16</th><th>Exc. IFRS 16</th><th></th></tr>
<tr><td>Net debt (at constant currency)</td><td>5,363</td><td>4,256</td><td>3,850</td></tr>
<tr><td>EBITDA (at constant currency)</td><td>2,380</td><td>2,280</td><td>2,170</td></tr>
<tr><td>Leverage</td><td>2.3</td><td>1.9</td><td>1.8</td></tr>
</table>

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.</td></tr>
</table>

<table>
<tr><th>Term</th><th>Closest equivalent statutory measure</th><th>Definition and purpose</th></tr>
<tr><td>Net debt</td><td>None</td><td>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. It has been identified as one of the Group's key performance indicators. An analysis of net debt is provided in Note 25(c) of the financial statements.</td></tr>
<tr><td>Operating profit</td><td>Profit before tax</td><td>Operating profit is earnings before interest and tax. A reconciliation of operating profit to profit before tax is shown on the income statement on page 114.</td></tr>
<tr><td>Operating profit margin</td><td>None</td><td>Operating profit margin is calculated as operating profit before exceptional items and the amortisation of intangibles divided by revenue. Progression in operating profit margin is an important indicator of the Group's performance.</td></tr>
<tr><td>Organic measures</td><td>See definition</td><td>Organic measures are used to explain the financial and operational performance of Sunbelt US and comprise all locations, excluding locations arising from a bolt-on acquisition completed after the start of the comparative financial period.</td></tr>
<tr><td>Return on Investment ("RoI")</td><td>None</td><td>Last 12-month ('LTM') underlying operating profit divided by the last 12-month average of the sum of net tangible and intangible fixed assets, plus net working capital but excluding net debt and tax. In the current year, the impact of IFRS 16 has been excluded so as not to distort this metrics. RoI 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.

A reconciliation of Group RoI is provided below:
<table><tr><th></th><th>2020</th><th>2019</th></tr><tr><td>Underlying operating profit (£m)</td><td>1,270</td><td>1,264</td></tr><tr><td>Average net assets (£m)</td><td>8,347</td><td>7,117</td></tr><tr><td>Return on investment (%)</td><td>15%</td><td>18%</td></tr></table>
RoI for the businesses is calculated in the same way, but excludes goodwill and intangible assets:
<table><tr><th></th><th>US</th><th>Canada</th><th>UK</th></tr><tr><th></th><th>$m</th><th>C$m</th><th>£m</th></tr><tr><td>Underlying operating profit</td><td>1,544</td><td>53</td><td>36</td></tr><tr><td>Average net assets, excluding goodwill and intangibles</td><td>7,406</td><td>583</td><td>649</td></tr><tr><td>Return on investment</td><td>21%</td><td>9%</td><td>5%</td></tr></table></td></tr>
<tr><td>Underlying results</td><td>See definition</td><td>Underlying results are the results stated before exceptional items and the amortisation of acquired intangibles. Underlying results are utilised by the Group in its remuneration targets. A reconciliation is shown on the income statement on page 114.</td></tr>
</table>

Other terms used within this Annual Report & Accounts include:

- **Availability:** represents the headroom on a given date under the terms of our $4.6bn asset-backed senior bank facility, taking account of current borrowings.

- **Fleet age**: net book value 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.

- **Physical utilisation**: physical utilisation is measured as the daily average of the amount of itemised fleet at cost on rent as a percentage of the total fleet at cost and for Sunbelt US is measured only for equipment whose cost is over $7,500, which comprised 97% of its fleet at 30 April 2020. Physical utilisation has been identified as one of the Group's key performance indicators.

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

- **Same store**: same-stores are those locations which were open at the start of the comparative financial period.

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

- **Suppressed availability**: represents the amount on a given date that the asset base exceeds the facility size under the terms of our $4.6bn asset-backed senior bank facility.

- **Yield**: is the return we generate from our equipment. The change in yield is a combination of the rental rate charged, rental period and product and customer mix.