

2 September 2024

Ashtead Technology Holdings plc

("Ashtead Technology" or the "Group")

Unaudited Half Year Results for the Six-Months Ended 30 June 2024

Another record trading performance with positive outlook unchanged

Ashtead Technology Holdings plc (AIM: AT.), a leading subsea equipment rental and solutions provider for the global offshore energy sector, announces its unaudited results for the six months ended 30 June 2024 ("HY24" or "the period").

Financial Performance (£'m)

	HY24	HY23 (restated)*	% Movement
Revenue	80.5	49.8	61.4%
Gross profit	61.0	39.3	55.3%
Gross profit %	75.8%	78.8%	(299)bps
Adjusted EBITDA ¹	31.4	21.1	48.6%
Adjusted EBITDA %	39.1%	42.4%	(336)bps
Adjusted EBITA ²	22.6	15.5	45.6%
Adjusted EBITA %	28.1%	31.1%	(304)bps
Adjusted profit before tax ³	19.6	14.1	38.6%
Adjusted basic earnings per share	19.1p	14.0p	36.3%
Return on Invested Capital (ROIC) ⁴	25.3%	25.4%	(3)bps
Leverage ⁵	1.2	0.7	

Additional Statutory Accounting Measures (£'m)

	HY24	HY23 (restated)*	% Movement
Operating profit	20.6	15.1	36.4%
Profit before tax	17.6	13.2	33.3%
Basic earnings per share	16.7p	13.1p	27.5%

- Strong year-on-year increase in revenue (61.4%) driven by continued high demand across both offshore renewables and offshore oil and gas
 - 16% organic growth, outperforming underlying markets, and 47% growth from the acquisition of ACE Winches that was completed during H2 2023, with the delta due to FX headwind
 - Offshore renewables revenue increased by 41.9% to £23.1m (HY23: £16.3m)
 - Offshore oil and gas revenue increased by 70.9% to £57.3m (HY23: £33.5m)
- Adjusted EBITA increased by 45.6% to £22.6m (HY23: £15.5m) driven by top line growth with an adjusted EBITA margin of 28.1% (HY23: 31.1%) in line with expectations
- Increased adjusted basic earnings per share of 19.1p (HY23: 14.0p)
- Delivered ROIC of 25.3% (HY23: 25.4%), well in excess of our cost of capital
- Robust balance sheet with net debt of £72.0m (HY23: £26.4m) representing leverage of 1.2x (1.0x proforma)

Operational Highlights and Outlook

- Year to date investment of £16.4m in rental fleet capital expenditure (HY23: £8.0m) with full year forecast of £30m. Organic growth remains a key priority as we continue to expand our capabilities and international reach
- Promoted Brett Lestrangle into the newly created role of Chief Operating Officer as we continue to strengthen the team at all levels through the organisation. Head count increased from 527 to 559 through HY24

- ACE Winches acquisition completed in November 2023, integration progressing well with strengthening sales pipeline into 2025 and beyond
- M&A continues to be a key element of the strategy as we focus on broadening both our product and services offering, and our geographic exposure to build a platform to sustain medium term double digit organic revenue growth
- The Board is encouraged by the Group's performance in HY24 which gives us increased confidence on our full year 2024 outturn and our expectations remain unchanged

Allan Pirie, Chief Executive Officer, said:

"I am extremely pleased to deliver another record trading performance as we build on the strong momentum seen through 2023. We have continued to execute on our strategy to expand the breadth and depth of our offering through both organic and inorganic investment, increasing the resilience and differentiated nature of our business model.

The outlook for our business remains positive given the strength of the global offshore energy market and our continued investment to support longer term growth. The Board is encouraged by the Group's performance in HY24 which gives us increased confidence on our full year 2024 outturn and our expectations remain unchanged."

For further information, please contact:

Ashtead Technology

(via Vigo Consulting)

Allan Pirie, Chief Executive Officer
Ingrid Stewart, Chief Financial Officer

Vigo Consulting (Financial PR)

Tel: +44 (0)20 7390 0230

Patrick d'Ancona
Finlay Thomson
Verity Snow

ashteadtechnology@vigoconsulting.com

Numis Securities Limited (Nomad and Broker)

Tel: +44 (0)20 7260 1000

Julian Cater
George Price
Kevin Cruickshank (QE)

**See Note 1 for an explanation of the prior period restatement. Negative impact on Adjusted EBITDA and Adjusted EBITA in HY23 is £0.2m*

¹Adjusted EBITDA is defined as operating profit adjusted to add back depreciation, amortisation, foreign exchange movements and non-trading items as shown in Note 18 of the HY24 accounts

²Adjusted EBITA is defined as operating profit adjusted to add back amortisation, foreign exchange movements and non-trading items as shown in Note 18 of the HY24 accounts

³Adjusted profit before tax is defined as profit before tax adjusted to add back amortisation, foreign exchange movements and non-trading items as shown in Note 18 of the HY24 accounts

⁴Return on Invested Capital (ROIC) is defined as LTM⁶ Adjusted EBITA divided by Invested Capital. Invested capital is defined as average net debt plus average equity

⁵Leverage is defined as net debt divided by LTM Adjusted EBITDA

⁶LTM is defined as latest twelve months to 30 June 2024

Notes to editors:

Ashtead Technology is a leading subsea equipment rental and solutions provider for the global offshore energy sector.

Ashtead Technology's specialist equipment, advanced-technologies and support services enable its customers to understand the subsea environment and manage offshore energy production infrastructure.

The Company's service offering is applicable across the lifecycle of offshore wind farms and offshore oil and gas infrastructure.

In the fast-growing offshore wind sector, Ashtead Technology's specialist equipment and services are essential through the project development, construction and installation phases. Once wind farms are operational, Ashtead Technology supports customers with inspection, maintenance and repair ("IMR") equipment and services. In the more mature oil and gas sector,

Ashtead Technology's focus is on IMR and decommissioning.

Headquartered in the UK, the Group operates globally, servicing customers from its twelve facilities located in key offshore energy hubs.

Cautionary Statement

This announcement contains certain forward-looking statements, including with respect to the Group's current targets, expectations and projections about future performance, anticipated events or trends and other matters that are not historical facts. These forward-looking statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan", "estimate", "expect" and words of similar meaning, include all matters that are not historical facts and reflect the directors' beliefs and expectations, made in good faith and based on the information available to them at the time of the announcement. Such statements involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement and should be treated with caution. Any forward-looking statements made in this announcement by or on behalf of Ashtead Technology speak only as of the date they are made. Except as required by applicable law or regulation, Ashtead Technology expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in its expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

CEO STATEMENT

Ashtead Technology delivered another record trading performance for the first six months of the financial year, maintaining the strong momentum seen through 2023. We have continued to execute on our strategy to expand the breadth and depth of our offering through both organic and inorganic investment, increasing the resilience and differentiated nature of our business model.

Revenue growth of 61% on the prior year is split 16% organic growth and 47% from the ACE Winches acquisition completed during H2 2023, offset by a FX headwind. EBITDA and EBITA margins of 39% and 28% respectively are in line with expectations and we have delivered an EPS increase of 36% over the past 12 months.

Our markets

Market dynamics remain strong with continued evidence of long-term structural growth. Rystad's latest market forecast remains unchanged at 11% CAGR from 2023 through to 2027 with the total addressable market expected to reach close to 3.5bn by 2027.

Ashtead Technology's customers continue to increase the size and quality of their backlogs which are extending in duration to 2026 and beyond as evidenced by published backlogs from our larger listed customers. This creates a multi-year growth runway for the business.

As the offshore energy market evolves, Ashtead Technology's expanding geographical footprint, fungible equipment fleet (>85% fungible across oil and gas and renewables), own technology development credentials, and increasing services capability, all position the business well to support the growing international market.

Within oil and gas, the global market remains very buoyant with global offshore greenfield committed capex increasing by 65% in 2023 compared to the average of the previous eight years. Overall, Rystad forecasts a 8% CAGR in oil and gas markets with a 5% CAGR in decommissioning spend from 2023 through 2027.

Within offshore wind, activity remains high with Rystad forecasting a 23% CAGR market growth in the period 2023 through to 2027. The sector shows significant promise with 2023 final investment decision (FID) activity reaching record breaking capacity levels in Europe at 8.6GW, up from an average 4.3GW in the previous three years despite cost inflation and higher interest rates. Globally, excluding China, 2024 auction activity is forecast to hit a record 64.6GW, the majority of which is in Europe. This provides Ashtead Technology with significant confidence in the scale of the future opportunity given our ability to provide support across the lifecycle of offshore wind infrastructure.

Continuing organic growth investment

Our primary focus remains on organic investment which continues to deliver strong revenue growth.

The expansion of our new survey and ROV tooling equipment operations in Norway during 2024 to complement the acquired ACE Winches Norway operation is progressing well with the recruitment of a local survey & robotics and ROV tooling team to service the increasing opportunities in country.

Brett Lestrangle, who has been with the business since 2017, was appointed to the new role of Chief Operating Officer in July as we continue to strengthen the team at all levels through the organisation. Brett joined Ashtead Technology seven years ago and has extensive experience and a proven track record in subsea technology. During H1 2024 we have further increased global headcount by 6% to 559, enhancing sales and technical capability to support future top line growth. We have also expanded our in-house learning and development team to further invest in our people through training and competency development.

On capital expenditure, we have invested £16.4m (HY23 £7.8m) during HY24 to increase our rental fleet, and FY24 capital expenditure is still anticipated to be £30m. Our acquisition of ACE Winches has significantly enhanced our in-house design, engineering and manufacturing capability which has enabled us to accelerate our mechanical solutions in-house capex build programme.

We continue to broaden our range of complementary equipment and services through both in-house equipment design and supply chain partnerships, increasing our offering to our customers and ensuring that we maintain our market leading position.

M&A

M&A is also a key element of the strategy as we focus on broadening our product and services offering, and geographic exposure to build a platform to sustain medium term double digit organic revenue growth.

The ACE Winches acquisition, completed in November 2023, added critical lifting, pulling and deployment capability to our expanding service offering. Integration is on track, and, with the benefit of a broadened fleet our sales teams are already seeing increasing traction with customers as we seek to expand our packaged service offering to them.

Sustainability

At the heart of our strategy is maintaining our relevance in a changing offshore energy market and ensuring that we support our customers, and the wider energy sector, in achieving its energy transition targets. Offshore renewables represented 29% of our revenues in HY24 with 42% growth on HY23 revenues. A key part of our strategy is to acquire businesses that have traditionally serviced the oil and gas market and reposition them into offshore renewables leveraging Ashtead Technology's customer network. ACE Winches revenues were predominantly derived from oil and gas on acquisition and we are already seeing an increase in renewables opportunities in the first nine months of owning the business.

Outlook

The outlook for our business remains positive given the strength of the global offshore energy market, our continued investment to support organic growth and the building of our M&A pipeline. The Board is encouraged by the Group's performance in HY24 which gives us increased confidence on our full year 2024 outturn and our expectations remain unchanged.

Allan Pirie

Chief Executive Officer

CFO STATEMENT

The Group has continued to deliver strong financial performance through HY24 with revenue growth of 61%, split 47% growth from acquisitions and 16% organic growth, offset by a small negative impact from FX. An EBITDA margin of 39% and EBITA margin of 28% are in line with expectations.

We grew our revenues from both renewables and oil and gas with renewables representing 29% of our business in HY24. Renewables revenue was 42% up on HY23, while oil and gas growth was 71%. We continue our focus on achieving 50% of our revenues from renewables within the medium term, supported by the fungibility of our fleet and the expansion of the ACE Winches offering into renewables, a market it has not traditionally focussed on.

Organically, we saw our European operations grow 9% compared to HY23 with Americas growing at 12%, APAC at 19%, and Middle East significantly outperforming at 75% revenue growth driven largely by an increase in market activity in the region. All regions grew profits as we continue to invest in broadening out our capability across all of our international footprint.

Gross profit

The Group achieved gross profit of £61.0m (HY23: £39.3m) and a gross profit margin of 75.8% (HY23: 78.8%). The gross margin was in line with expectations and the reduction primarily driven by revenue mix. Our average annualised cost utilisation decreased slightly to 44% (HY23: 45%).

Administration costs

Administration costs (excluding depreciation, amortisation and exchange gain/loss) for HY24 were £30.5m (HY23: £18.8m), a £11.7m increase on HY23 of which £8.4m was due to the addition of ACE Winches. Excluding ACE Winches, the largest increase resulted from payroll as we continue to scale the business for further growth. Our headcount at June 2024 was 559 (HY23: 289), up 270 on June 2023 of which 203 were added through the ACE Winches acquisition.

Profitability

Adjusted EBITA of £22.6m (HY23: £15.5m) represents an EBITA margin of 28.1% compared to 31.1% in HY23. The EBITA margin is in line with expectations with the decrease on HY23 primarily driven by revenue mix. ROIC remains significantly ahead of our cost of capital at 25.3%.

Finance costs of £3m (net) compares to £1.9m in HY23. HY23 costs included a £0.5m write-off of deferred finance costs due to the refinancing which completed in April 2023. The increase in financing costs was due to the ACE Winches acquisition which was funded entirely through RCF draw.

Profit Before Tax of £17.6m compares to £13.2m in HY23, an increase of 33%.

The tax provision for the period was £4.3m (HY22: £2.8m) representing an effective tax rate of 24.2% (HY23: 21.2%).

Adjusting for amortisation and exceptional costs results in an Adjusted basic earnings per share of 19.1p which compares to 14.2p in HY23.

Cash flow and balance sheet

Net cash generated from operating activities was £9.7m, down from £12.9m in HY23 due to working capital. Working capital represented 14% of trailing twelve months revenues compared to 9% at June 2023. We expect working capital to be back in line with the long term target of 10% of TTM revenues by year end.

With the business continuing to invest in organic growth and as a result of the final completion accounts payment for ACE Winches, there was a net decrease in cash of £5m in HY24. Overall net debt of £72m represents leverage of 1.2x (1.0x proforma).

Continued investment in our equipment rental fleet has resulted in an increase in fixed asset net book value (NBV) from £69m at FY23 to £76m. Overall net assets increased to £110.6m, up £26.2m on HY23.

Our full year dividend for 2023 was paid in May and in line with previous periods and as the business continues its investment in growth, the Board has not recommended an interim dividend for HY24. In line with previous guidance the Board intends to continue its small, progressive dividend policy as part of its full year reporting.

Prior year restatement

As noted in our FY23 annual report and accounts, the Group identified an error in application of IAS 38 "Intangible Assets"

As noted in our FY23 annual report and accounts, the Group identified an error in application of IAS 38 Intangible Assets. The correction of this error has resulted in a negligible change (<£0.1m) to HY23 profit after tax but results in a £1.4m reduction in intangible assets in our balance sheet at HY23. Comparatives in the HY24 accounts have been restated and further details are given in Note 1 of the accounts.

Ingrid Stewart

Chief Financial Officer

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

The Directors of Ashtead Technology Holdings plc (set out on page 36 and 37 of the latest Annual Report and Accounts) confirm that to the best of their knowledge:

- the condensed consolidated set of financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK;
- the interim management report includes a fair review of the information required by:
 - (i) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (ii) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board of Directors

Allan Pirie
Chief Executive Officer
1 September 2024

Ingrid Stewart
Chief Financial Officer
1 September 2024

Consolidated income statement

for the six-month period ended 30 June 2024

		<i>Unaudited six months to 30 June 2024 £000</i>	<i>Unaudited six months to 30 June 2023 (restated)* £000</i>	<i>Audited year ended 31 December 2023 £000</i>
	<i>Notes</i>			
Revenue	2	80,452	49,846	110,466
Cost of sales	2	(19,470)	(10,573)	(24,168)
Gross profit	2	60,982	39,273	86,298
Administrative expenses	2	(41,167)	(24,339)	(55,291)
Impairment loss on trade receivables	2	–	(320)	(501)
Other operating income	2	808	508	704
Operating profit	2	20,623	15,122	31,210
Finance income	3	83	50	283
Finance costs	3	(3,074)	(1,949)	(4,000)
Profit before taxation		17,632	13,223	27,493
Taxation charge	4	(4,271)	(2,799)	(5,914)
Profit for the financial period		13,361	10,424	21,579

See Note 1 for further details

Profit attributable to:
Equity shareholders of the
Company

13,361	10,424	21,579
--------	--------	--------

Earnings per share

Basic	5	16.7	13.1	27.0
Diluted	5	16.5	12.9	26.7

The below financial measures are Alternative Performance Measures used by management and are not an IFRS disclosure:

Adjusted EBITDA	18	31,418	21,143	48,253
Adjusted EBITA	18	22,579	15,506	36,224
Adjusted Profit After Tax	18	15,292	11,181	26,664

* See Note 1 for an explanation of the prior period restatement.

Adjusted EBITDA is calculated as earnings before interest, tax, depreciation, amortisation and items not considered part of underlying trading including foreign exchange gains and losses, is an Alternative Profit Measure used by management and is not an IFRS disclosure.

See Note 18 to the condensed consolidated interim financial statements for calculations.

Adjusted EBITA is calculated as earnings before interest, tax, amortisation and items not considered part of underlying trading including foreign exchange gains and losses, is an Alternative Profit Measure used by management and is not an IFRS disclosure. See Note 18 to the condensed consolidated interim financial statements for calculations.

Adjusted Profit After Tax is calculated as profit after tax adjusted for amortisation and items not considered part of underlying trading including foreign exchange gains and losses, all adjusted for tax, is an Alternative Profit Measure used by management and is not an IFRS disclosure. See Note 18 to the condensed consolidated interim financial statements for calculations.

All results derive from continuing operations.

Consolidated statement of comprehensive income

for the six-month period ended 30 June 2024

	<i>Unaudited six months to 30 June 2024 £000</i>	<i>Unaudited Six months to 30 June 2023 (restated)* £000</i>	<i>Audited year ended 31 December 2023 £000</i>
Profit for the period	13,361	10,424	21,579
Other comprehensive (loss)/income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	(118)	(1,098)	(554)
Other comprehensive (loss)/income for the period, net of tax	(118)	(1,098)	(554)
Total comprehensive income	13,243	9,326	21,025
Total comprehensive income attributable to:			
Equity shareholders of the Company	13,243	9,326	21,025

* See Note 1 for an explanation of the prior period restatement.

Consolidated balance sheet

at 30 June 2024

		<i>Unaudited as at 30 June 2024 £000</i>	<i>Unaudited as at 30 June 2023 (restated)* £000</i>	<i>Audited as at 31 December 2023 £000</i>
Notes				
Non-current assets				
Property, plant and equipment	6	76,499	34,193	68,707
Goodwill	7	77,697	65,796	77,739
Intangible assets	7	15,886	3,985	17,709
Right-of-use assets	13	2,128	2,342	2,584
Deferred tax asset		52	-	52
		172,262	106,316	166,791

		2023	2022	2021
Current assets				
Inventories	8	4,630	2,679	4,064
Trade and other receivables	9	44,925	24,616	32,015
Income tax recoverable		223	-	-
Cash and cash equivalents		6,256	6,492	10,824
		<u>56,034</u>	<u>33,787</u>	<u>46,903</u>
Total assets		<u>228,296</u>	<u>140,103</u>	<u>213,694</u>
Current liabilities				
Trade and other payables	10	29,815	18,779	32,021
Income tax payable		-	1,827	2,207
Loans and borrowings	11	20	-	23
Lease liabilities	13	970	797	1,154
		<u>30,805</u>	<u>21,403</u>	<u>35,405</u>
Non-current liabilities				
Loans and borrowings	11	75,909	30,347	69,673
Lease liabilities	13	1,313	1,723	1,656
Deferred tax liability		9,198	2,076	9,018
Provisions for liabilities		642	135	356
		<u>87,062</u>	<u>34,281</u>	<u>80,703</u>
Total liabilities		<u>117,867</u>	<u>55,684</u>	<u>116,108</u>
Equity				
Share capital	16	4,016	3,997	3,997
Share premium	16	14,115	14,115	14,115
Merger reserve	16	9,435	9,435	9,435
Share based payment reserve	16	3,230	1,780	2,538
Foreign currency translation reserve	16	(783)	(1,209)	(665)
Retained earnings	16	80,416	56,301	68,166
Total equity		<u>110,429</u>	<u>84,419</u>	<u>97,586</u>
Total equity and liabilities		<u>228,296</u>	<u>140,103</u>	<u>213,694</u>

* See Note 1 for an explanation of the prior period restatement.

Consolidated statement of changes in equity

for the six-month period ended 30 June 2024

	Share capital £000	Share premium £000	Merger reserve £000	Share based payment reserve £000	Foreign currency translation reserve £000	Retained earnings £000	Total £000
At 1 January 2023 audited originally presented	3,979	14,115	9,435	827	(111)	47,558	75,803
Correction of error	-	-	-	-	-	(867)	(867)
Restated balance at 1 January 2023 audited*	3,979	14,115	9,435	827	(111)	46,691	74,936
Profit for the period	-	-	-	-	-	10,424	10,424
Other comprehensive loss	-	-	-	-	(1,098)	-	(1,098)
Total comprehensive income	-	-	-	-	(1,098)	10,424	9,326
Share based payment charge	-	-	-	953	-	-	953
Issue of shares	18	-	-	-	-	(18)	-
Dividends paid	-	-	-	-	-	(796)	(796)
Restated balance at 30 June 2023 unaudited*	3,997	14,115	9,435	1,780	(1,209)	56,301	84,419
Profit for the period	-	-	-	-	-	11,155	11,155
Other comprehensive income	-	-	-	-	544	-	544
Total comprehensive income	-	-	-	-	544	11,155	11,699
Share based payment charge	-	-	-	758	-	-	758
Tax on share based payment charge	-	-	-	-	-	710	710
At 31 December 2023 audited	3,997	14,115	9,435	2,538	(665)	68,166	97,586
Profit for the period	-	-	-	-	-	13,361	13,361

Other comprehensive loss	-	-	-	-	(118)	-	(118)
Total comprehensive income	-	-	-	-	(118)	13,361	13,243
Share based payment charge	-	-	-	692	-	-	692
Tax on share based payment charge	-	-	-	-	-	(209)	(209)
Issue of shares	19	-	-	-	-	(19)	-
Dividends paid	-	-	-	-	-	(883)	(883)
At 30 June 2024 unaudited	4,016	14,115	9,435	3,230	(783)	80,416	110,429

* See Note 1 for an explanation of the prior period restatement.

Consolidated cash flow statement

for the six-month period ended 30 June 2024

		Unaudited six months to 30 June 2024	Unaudited six months to 30 June 2023 (restated)*	Audited year ended 31 December 2023
Notes	£000	£000	£000	£000
Cash generated from operating activities				
Profit before taxation		17,632	13,223	27,493
Adjustments to reconcile profit before taxation to net cash from operating activities				
Finance income	3	(83)	(50)	(283)
Finance costs	3	3,074	1,949	4,000
Depreciation	6, 13	8,839	5,637	12,029
Amortisation	7	1,823	597	1,431
Gain on sale of property, plant and equipment		(807)	(508)	(704)
Share based payment charges		961	1,281	2,496
Provision for bad debts movement		-	-	514
Provision for liabilities		287	24	48
Cash generated before changes in working capital		31,726	22,153	47,024
Increase in inventories		(571)	(848)	(157)
Increase in trade and other receivables		(13,096)	(5,398)	(2,120)
Increase in trade and other payables		909	818	4,082
Cash inflow from operations		18,968	16,725	48,829
Interest paid		(2,837)	(1,257)	(3,064)
Tax paid		(6,410)	(2,535)	(6,717)
Net cash generated from operating activities		9,721	12,933	39,048
Cash flow used in investing activities				
Purchase of property, plant and equipment		(16,611)	(7,780)	(19,459)
Proceeds from customer loss/damage of assets held for rental		1,227	818	1,428
Acquisition of subsidiary undertakings net of cash acquired		(3,897)	(1,674)	(51,183)
Interest received		83	50	283
Net cash used in investing activities		(19,198)	(8,586)	(68,931)
Cash flow generated from/(used in) financing activities				
Loans received		11,300	2,014	62,014
Transaction fees on loans received		(189)	(1,241)	(1,241)
Repayment of bank loans		(5,000)	(5,628)	(26,587)
Payment of lease liability		(772)	(628)	(1,199)
Payment of finance lease liability		(11)	-	(2)
Dividends paid		(883)	(796)	(796)
Net cash generated from/(used in) financing activities		4,445	(6,279)	32,189
Net (decrease)/increase in cash and cash equivalents		(5,032)	(1,932)	2,306
Cash and cash equivalents at beginning of the period		10,824	9,037	9,037
Net foreign exchange difference		464	(613)	(519)
Cash and cash equivalents at end of the period		6,256	6,492	10,824

* See Note 1 for an explanation of the prior period restatement.

1. General information

Background

Ashtead Technology Holdings plc (the "Company") is a public limited company incorporated in the United Kingdom under the Companies Act 2006, whose shares are traded on AIM. The condensed consolidated interim financial statements of the Company for the six-month period ended 30 June 2024 comprise the Company and its interest in subsidiaries (together referred to as the "Group"). The Company is domiciled in the United Kingdom and its registered address is 1 Gateshead Close, Sunderland Road, Sandy, Bedfordshire, SG19 1RS, United Kingdom. The Company registration number is 13424040.

Basis of preparation

The annual consolidated financial statements of Ashtead Technology Holdings plc will be prepared in accordance with UK-adopted International Accounting Standards. These condensed consolidated interim financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with UK adopted International Accounting Standard ("IAS") 34, 'Interim Financial Reporting' and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The financial information for the six-month period ended 30 June 2024 is unaudited. It does not constitute statutory financial statements within the meaning of Section 434 of the Companies Act 2006. This report should be read in conjunction with the Group's Annual Report and Accounts as at and for the year ended 31 December 2023 ("last Annual Report and Accounts"), which were prepared in accordance with UK-adopted International Accounting Standards. The last Annual Report and Accounts have been filed with the Registrar of Companies and are available from the Group's website (www.ashtead-technology.com). The auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The condensed consolidated interim financial statements unless otherwise stated are presented in sterling, to the nearest thousand. The functional currency of the Group is sterling.

The condensed consolidated interim financial statements were approved by the Board of Directors on 1 September 2024.

Prior period adjustment

During 2023, management has re-evaluated the impact of the IFRIC guidance released during the prior year relating to accounting for cloud-based Software as a Service ("SaaS") arrangements. This guidance was incorrectly applied in 2022, resulting in costs associated with a cloud-based SaaS being capitalised and not expensed as incurred in the consolidated income statement.

During the first half of 2023, £269,000 was capitalised and amortisation of £263,000 was charged. The H1 2023 Consolidated Income Statement and the Consolidated Cash Flow Statement have been restated to recognise the impact of £269,000 SaaS costs being recognised as an operating expense and the reversal of £263,000 amortisation. The H1 2023 Consolidated Balance Sheet has been restated to derecognise the impact of previously capitalised SaaS costs. A summary of the impact, including taxation, is included in the following table:

	H1 2023 (previously reported) £000	Restatement £000	H1 2023 Restated £000
Consolidated income statement			
Administrative expenses	(24,323)	(16)	(24,339)
Operating profit	15,138	(16)	15,122
Profit before taxation	13,239	(16)	13,223
Taxation charge	(2,799)	-	(2,799)
Profit for the financial year	10,440	(16)	10,424
Basic earnings per share (pence)	13.1	-	13.1
Diluted earnings per share (pence)	12.9	-	12.9
Consolidated balance sheet			
Intangible assets	5,387	(1,402)	3,985
Trade and other receivables	24,298	318	24,616
Total assets	141,187	(1,084)	140,103
Income tax payable	1,863	(36)	1,827
Deferred tax liability	2,241	(165)	2,076
Total liabilities	55,885	(201)	55,684
Retained earnings	57,184	(883)	56,301
Total equity	85,302	(883)	84,419
Total equity and liabilities	141,187	(1,084)	140,103
Consolidated cash flow statement			
Profit before taxation	13,239	(16)	13,223
Amortisation	860	(263)	597
Cash generated before changes in working capital	22,432	(279)	22,153
Increase in trade and other receivables	(5,408)	10	(5,398)
Cash inflow from operations	16,994	(269)	16,725
Net cash generated from operating activities	13,202	(269)	12,933
Purchase of computer software	(269)	269	-
Net cash used in investing activities	(8,855)	269	(8,586)

Accounting policies

The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies set out on pages 68-77 of the last Annual Report and Accounts.

policies set out on pages 69-77 of the last Annual Report and Accounts.

Taxation

Tax on income in the interim periods are accrued using management's best estimate of the weighted average annual tax rate that would be applicable to expected total annual earnings.

Critical accounting judgements and estimates

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The area of judgement and estimate which has the greatest potential effect on the amounts recognised in these financial statements is the provision for bad debts. This is consistent with matters disclosed on page 77 of the last Annual Report and Accounts.

Standards, amendments, and interpretations not yet effective

A number of amendments and interpretations have been issued which are not expected to have any significant impact on the accounting policies and reporting.

Standards and amendments effective for the period

There are no new or amended standards or interpretations from 1 January 2024 onwards that have a significant impact on the accounting policies and reporting.

Going concern

These condensed consolidated financial statements of the Group are prepared on a going concern basis. The Directors of the Group assert that the preparation of the condensed consolidated financial statements on a going concern basis is appropriate, which is based upon a review of the future forecast performance of the Group for an eighteen-month period ending 31 December 2025.

During the six months ended 30 June 2024 the Group has continued to generate positive cash flow from operating activities, has a cash and cash equivalents balance of £6,256,000 at 30 June 2024 (31 December 2023: £10,824,000) and access to a multi currency RCF with total commitments of £100,000,000. In addition, the Group has the ability to call upon an additional accordion facility of £50,000,000 subject to credit approval. The RCF and accordion facility expire in April 2028. As at 30 June 2024 the RCF had an undrawn balance of £23,063,000 and the £50,000,000 accordion facility was undrawn.

The Facility Agreement is subject to a leverage covenant of 3.0x and an interest cover covenant of 4:1, which are both to be tested on a quarterly basis. The Group has complied with all covenants from entering the Facility Agreement until the date of these financial statements.

The Group monitors its funding and liquidity position throughout the period to ensure it has sufficient funds to meet its ongoing cash requirements. Cash forecasts are produced based on a number of inputs such as estimated revenues, margins, overheads, collection and payment terms, capex requirements and the payment of interest and capital on its existing debt facilities. Consideration is also given to the availability of bank facilities. In preparing these forecasts, the Directors have considered the principal risks and uncertainties to which the business is exposed.

Taking account of reasonable changes in trading performance and bank facilities available, the application of severe but plausible downside scenarios to the forecasts, the cash forecasts prepared by management and reviewed by the Directors indicate that the Group is cash generative and has adequate financial resources to continue to trade for the foreseeable future and to meet its obligations as they fall due.

2. Segmental analysis

The Chief Operating Decision Maker (CODM) is determined as the Group's Board of Directors. The Group's Board of Directors reviews the internal management reports of each geographic region monthly as part of the monthly management reporting. The operations within each of the regional segments display similar economic characteristics. There are no reportable segments which have been aggregated for the purpose of the disclosure of segment information.

The Group operates in the following four geographic regions, which have been determined as the Group's reportable segments. The operations of each geographic region are similar.

- Europe
- Americas
- Asia-Pacific
- Middle East

Unaudited for the six-month period ended 30 June 2024

	Europe	Americas	Asia Pacific	Middle East	Head Office	Total
	£000	£000	£000	£000	£000	£000
Total revenue	55,969	12,256	6,831	5,396	-	80,452
Cost of sales	(12,806)	(3,841)	(1,402)	(1,421)	-	(19,470)
Gross profit	43,163	8,415	5,429	3,975	-	60,982
Administrative expenses	(18,482)	(3,786)	(1,636)	(1,106)	(5,465)	(30,475)
Other operating income**	482	177	70	79	-	808
Operating profit before depreciation, amortisation and foreign exchange gain/(loss)	25,163	4,806	3,863	2,948	(5,465)	31,315
Foreign exchange loss						(30)
Depreciation						(8,839)
						(1,821)

Amortisation						(1,823)
Operating profit						20,623
Finance income						83
Finance costs						(3,074)
Profit before taxation						17,632
Taxation charge						(4,271)
Profit for the financial period						13,361
Total assets	176,080	21,842	12,347	10,507	7,520	228,296
Total liabilities	27,535	4,897	1,722	1,071	82,642	117,867

Unaudited for the six-month period ended 30 June 2023

	<i>Europe</i>	<i>Americas</i>	<i>Asia Pacific</i>	<i>Middle East</i>	<i>Head Office (restated)*</i>	<i>Total (restated)*</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Total revenue	32,675	8,775	5,314	3,082	-	49,846
Cost of sales	(6,191)	(2,846)	(945)	(591)	-	(10,573)
Gross profit	26,484	5,929	4,369	2,491	-	39,273
Administrative expenses	(8,624)	(2,781)	(1,805)	(751)	(4,831)	(18,792)
Other operating income**	313	51	126	18	-	508
Operating profit before depreciation, amortisation and foreign exchange gain/(loss)	18,173	3,199	2,690	1,758	(4,831)	20,989
Foreign exchange gain						367
Depreciation						(5,637)
Amortisation						(597)
Operating profit						15,122
Finance income						50
Finance costs						(1,949)
Profit before taxation						13,223
Taxation charge						(2,799)
Profit for the financial period						10,424
Total assets	100,084	16,392	10,233	5,601	7,793	140,103
Total liabilities	17,678	4,662	2,038	837	30,469	55,684

* See Note 1 for an explanation of the prior period restatement.

* * Other operating income relates to the gain on sale of property, plant and equipment and arises from compensation from third parties for items of property, plant and equipment that were lost, given up or damaged beyond repair by customers. The gross compensation proceeds are disclosed in the consolidated cash flow statement.

Audited for the year ended 31 December 2023

	<i>Europe</i>	<i>Americas</i>	<i>Asia Pacific</i>	<i>Middle East</i>	<i>Head Office</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Total revenue	71,601	19,343	11,186	8,336	-	110,466

Cost of sales	(13,730)	(5,646)	(2,140)	(2,652)	-	(24,168)
Gross profit	57,871	13,697	9,046	5,684	-	86,298
Administrative expenses	(18,909)	(6,516)	(3,950)	(1,978)	(11,208)	(42,561)
Other operating income**	374	53	208	69	-	704
Operating profit before depreciation, amortisation and foreign exchange gain/(loss)	39,336	7,234	5,304	3,775	(11,208)	44,441
Foreign exchange gain						229
Depreciation						(12,029)
Amortisation						(1,431)
Operating profit						31,210
Finance income						283
Finance costs						(4,000)
Profit before taxation						27,493
Taxation charge						(5,914)
Profit for the financial period						21,579
Total assets	167,063	17,293	9,991	7,012	12,335	213,694
Total liabilities	30,051	5,966	2,413	1,853	75,825	116,108

Central administrative expenses represent expenditures which are not directly attributable to any single operating segment. The expenditure has not been allocated to individual operating segments.

The revenues generated by each geographic segment almost entirely comprise revenues generated in a single country. Revenues in the Europe, Americas, Asia Pacific and Middle East segments are almost entirely generated in the UK, USA, Singapore and UAE respectively. Revenues generated outside of these jurisdictions are not material to the Group. The basis for the allocation of revenues to individual countries is dependent upon the facility from which the equipment is provided.

No single customer or group of customers under common control account for 15% or more of Group revenue.

The carrying value of non-current assets, other than deferred tax assets, split by the country in which the assets are held is as follows:

	<i>Unaudited as at 30 June 2024 £000</i>	<i>Unaudited as at 30 June 2023 (restated)* £000</i>	<i>Audited as at 31 December 2023 £000</i>
UK	142,128	82,855	141,745
USA	14,596	11,456	13,111
Singapore	8,664	7,932	7,665
UAE	6,822	4,073	4,218

* See Note 1 for an explanation of the prior period restatement.

** Other operating income relates to the gain on sale of property, plant and equipment and arises from compensation from third parties for items of property, plant and equipment that were lost, given up or damaged beyond repair by customers. The gross compensation proceeds are disclosed in the consolidated cash flow statement.

3. Finance income and costs

	<i>Unaudited six months to 30 June 2024 £000</i>	<i>Unaudited six months to 30 June 2023 £000</i>	<i>Audited year ended 31 December 2023 £000</i>
Finance income	83	50	283
Bank interest receivable			
	<i>Unaudited six months to 30 June 2024</i>	<i>Unaudited six months to 30 June 2023</i>	<i>Audited year ended 31 December 2023</i>

<i>Finance costs</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Interest on bank loans (held at amortised cost)	2,788	1,236	3,069
Amortisation of deferred finance costs	171	650	805
Interest expense on lease liability (Note 13)	60	63	124
Other interest and charges	55	-	2
	<u>3,074</u>	<u>1,949</u>	<u>4,000</u>

4. Tax

The tax expense for the six-month period ended 30 June 2024 is based upon management's best estimate of the weighted average annual tax rate expected for each jurisdiction for the full year ending 31 December 2024 applied to the profit before tax for the interim period. The effective tax rate for the six-month period ended 30 June 2024 is 24.2% and the income tax expense is lower than the standard UK rate of 25% for the period due to lower tax rates in overseas jurisdictions. The effective tax rate for the year ended 31 December 2023 was 21.5% and the income tax expense was lower than the standard UK rate of 23.5% during 2023 (19% to 31 March 2023 increasing to 25% from 1 April 2023) due to lower tax rates in overseas jurisdictions.

5. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of Ordinary Shares in issue during the period.

Diluted earnings per share

For diluted earnings per share, the weighted average number of Ordinary Shares in issue is adjusted to assume conversion of all potentially dilutive Ordinary Shares. The Group has potentially dilutive Ordinary Shares arising from share options granted to employees under the share schemes as detailed in Note 15 of these condensed consolidated interim financial statements.

Adjusted earnings per share

Earnings attributable to ordinary shareholders of the Group for the period, adjusted to remove the impact of adjusting items and the tax impact of these, divided by the weighted average number of Ordinary Shares outstanding during the period.

	<i>Unaudited Adjusted Six months to 30 June 2024</i>	<i>Unaudited Statutory Six months to 30 June 2024</i>	<i>Unaudited Adjusted Six months to 30 June 2023 (restated)*</i>	<i>Unaudited Statutory Six months to 30 June 2023 (restated)*</i>	<i>Audited Adjusted Year ended 31 December 2023</i>	<i>Audited Statutory Year ended 31 December 2023</i>
Earnings attributable to equity shareholders of the Group:						
Profit for the period (£000)	15,292**	13,361	11,181**	10,424	26,664**	21,579
Number of shares:						
Weighted average number of Ordinary Shares at period end	80,098,710	80,098,710	79,798,317	79,798,317	79,873,733	79,873,733
Add dilutive effect of share based payment plans	1,112,794	1,112,794	1,019,564	1,019,564	1,095,629	1,095,629
Weighted average number of Ordinary Shares for calculating diluted earnings per share at period end	81,211,504	81,211,504	80,817,881	80,817,881	80,969,362	80,969,362
Earnings per share attributable to equity holders of the Group - continuing operations:						
Basic earnings per share (pence)	19.1	16.7	14.0	13.1	33.4	27.0
Diluted earnings per share (pence)	18.8	16.5	13.8	12.9	32.9	26.7

* See Note 1 for an explanation of the prior period restatement.

** Refer to Note 18 for the reconciliation of Alternative Performance Measures.

6. Property, plant and equipment

	<i>Assets held for rental</i>	<i>Assets under construction</i>	<i>Leasehold improvements</i>	<i>Freehold property</i>	<i>Fixtures and fittings</i>	<i>Motor vehicles</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:							
At 1 January 2023 audited	129,073	-	2,365	197	4,531	339	136,505
Additions	8,033	-	24	-	192	-	8,249
Disposals	(4,487)	-	-	-	(6)	-	(4,493)
Foreign exchange movements	(2,347)	-	(43)	-	(78)	(1)	(2,469)
At 30 June 2023 unaudited	<u>130,272</u>	<u>-</u>	<u>2,346</u>	<u>197</u>	<u>4,639</u>	<u>338</u>	<u>137,792</u>
Acquisitions	25,870	1,356	-	3,432	446	61	31,165
Fair value adjustment on acquisitions	(798)	(909)	-	(486)	365	(16)	(1,844)
Additions	11,104	59	18	-	194	-	11,375
Disposals	(6,225)	-	(196)	-	(199)	(9)	(6,629)
Foreign exchange movements	439	-	12	1	22	2	476
At 31 December 2023 audited	<u>160,662</u>	<u>506</u>	<u>2,180</u>	<u>3,144</u>	<u>5,467</u>	<u>376</u>	<u>172,335</u>
Additions	15,201	1,168	-	249	246	-	16,864
Disposals	(2,150)	-	-	-	(102)	(21)	(2,273)
Foreign exchange movements	(1,357)	-	(14)	114	(1)	(10)	(1,268)
At 30 June 2024 unaudited	<u>172,356</u>	<u>1,674</u>	<u>2,166</u>	<u>3,507</u>	<u>5,610</u>	<u>345</u>	<u>185,658</u>
Accumulated depreciation:							
At 1 January 2023 audited	(98,956)	-	(1,829)	(76)	(3,597)	(235)	(104,693)
Charge for the period	(4,799)	-	(114)	(4)	(179)	(18)	(5,114)
Disposals	4,178	-	-	-	5	-	4,183
Foreign exchange movements	1,929	-	36	1	61	(2)	2,025
At 30 June 2023 unaudited	<u>(97,648)</u>	<u>-</u>	<u>(1,907)</u>	<u>(79)</u>	<u>(3,710)</u>	<u>(255)</u>	<u>(103,599)</u>
Charge for the period	(5,475)	-	(110)	(22)	(199)	(19)	(5,825)
Disposals	5,811	-	196	-	163	8	6,178
Foreign exchange movements	(344)	-	(10)	-	(27)	(1)	(382)
At 31 December 2023 audited	<u>(97,656)</u>	<u>-</u>	<u>(1,831)</u>	<u>(101)</u>	<u>(3,773)</u>	<u>(267)</u>	<u>(103,628)</u>
Charge for the period	(7,563)	-	(79)	(20)	(510)	(23)	(8,195)
Disposals	1,849	-	-	-	97	21	1,967
Foreign exchange movements	666	-	12	17	(1)	3	697
At 30 June 2024 unaudited	<u>(102,704)</u>	<u>-</u>	<u>(1,898)</u>	<u>(104)</u>	<u>(4,187)</u>	<u>(266)</u>	<u>(109,159)</u>
Net book value:							
At 31 December 2022 audited	<u>30,117</u>	<u>-</u>	<u>536</u>	<u>121</u>	<u>934</u>	<u>104</u>	<u>31,812</u>
At 30 June 2023 unaudited	<u>32,624</u>	<u>-</u>	<u>439</u>	<u>118</u>	<u>929</u>	<u>83</u>	<u>34,193</u>
At 31 December 2023 audited	<u>63,006</u>	<u>506</u>	<u>349</u>	<u>3,043</u>	<u>1,694</u>	<u>109</u>	<u>68,707</u>
At 30 June 2024 unaudited	<u>69,652</u>	<u>1,674</u>	<u>268</u>	<u>3,403</u>	<u>1,423</u>	<u>79</u>	<u>76,499</u>

7. Goodwill and intangible assets

	<i>Goodwill</i>	<i>Customer relationships</i>	<i>Trade name</i>	<i>Non- compete arrangements</i>	<i>Documented processes</i>	<i>Computer software (restated)*</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:							
Restated at 1 January 2023 audited*	66,043	8,863	-	482	-	2,647	78,035
Additions	-	-	-	-	-	-	-
Foreign exchange movements	(247)	-	-	-	-	-	(247)
At 30 June 2023 unaudited	<u>65,796</u>	<u>8,863</u>	<u>-</u>	<u>482</u>	<u>-</u>	<u>2,647</u>	<u>77,788</u>
Acquisitions	11,900	8,503	544	4,134	1,377	-	26,458
Additions	-	-	-	-	-	-	-
Foreign exchange movements	43	-	-	-	-	-	43
At 31 December 2023 audited	<u>77,739</u>	<u>17,366</u>	<u>544</u>	<u>4,616</u>	<u>1,377</u>	<u>2,647</u>	<u>104,289</u>
Additions	-	-	-	-	-	-	-

Foreign exchange movements	(42)	-	-	-	-	-	(42)
At 30 June 2024 unaudited	77,697	17,366	544	4,616	1,377	2,647	104,247
Amortisation: Restated at 1 January 2023 audited*	-	(4,548)	-	(215)	-	(2,647)	(7,410)
Charge for the period	-	(549)	-	(48)	-	-	(597)
Foreign exchange movements	-	-	-	-	-	-	-
At 30 June 2023 unaudited	-	(5,097)	-	(263)	-	(2,647)	(8,007)
Charge for the period	-	(687)	(23)	(113)	(11)	-	(834)
Foreign exchange movements	-	-	-	-	-	-	-
At 31 December 2023 audited	-	(5,784)	(23)	(376)	(11)	(2,647)	(8,841)
Charge for the period	-	(1,159)	(136)	(459)	(69)	-	(1,823)
Foreign exchange movements	-	-	-	-	-	-	-
At 30 June 2024 unaudited	-	(6,943)	(159)	(835)	(80)	(2,647)	(10,664)
Net book value: Restated at 31 December 2022 audited*	66,043	4,315	-	267	-	-	70,625
Restated at 30 June 2023 unaudited*	65,796	3,766	-	219	-	-	69,781
At 31 December 2023 audited	77,739	11,582	521	4,240	1,366	-	95,448
At 30 June 2024 unaudited	77,697	10,423	385	3,781	1,297	-	93,583

* See Note 1 for an explanation of the prior period restatement.

Goodwill has arisen on the acquisition of the following subsidiaries: Amazon Group Limited (the parent company of the existing Ashtead Technology Group at the time of acquisition in April 2016), TES Survey Equipment Services LLC, Welaptega Marine Limited, Aqua-Tech Solutions LLC and its subsidiary Alpha Subsea LLC, Underwater Cutting Solutions Limited, WeSubsea AS and its subsidiary WeSubsea UK Limited, Hiretech Limited and Rathmay Limited and its subsidiaries Alfred Cheyne Engineering Limited, ACE Winches Inc, ACE Winches DMCC and ACE Winches Norge AS, as well as the acquisition of the trade and assets of Forum Subsea Rentals, a division of Forum Energy Technologies (UK) Limited, Forum Energy Asia Pacific PTE Ltd and Forum US, Inc.

The Group tests annually for impairment, or more frequently if there are indicators that goodwill might be impaired.

For each of the operating segments to which goodwill has been allocated, the recoverable amount has been determined on the basis of a value in use calculation. In each case, the value in use was found to be greater than the carrying amount of the group of CGUs to which the goodwill has been allocated. Accordingly, no impairment to goodwill has been recognised. The value in use has been determined by discounting future cash flows forecast to be generated by the relevant regional segment. The key assumptions on which management has based its cash flow projections are the same as those used in the last Annual Report and Accounts.

8. Inventories

	Unaudited 30 June 2024 £000	Unaudited 30 June 2023 £000	Audited 31 December 2023 £000
Raw materials and consumables	4,630	2,679	4,064

The cost of inventories recognised as an expense and included in cost of sales during the period was £4,657,000 (H1 2023: £3,282,000). The impairment gain recognised as an expense during the period was £3,000 (H1 2023: £54,000 loss).

9. Trade and other receivables

	Unaudited 30 June 2024 £000	Unaudited 30 June 2023 (restated)* £000	Audited 31 December 2023 £000
Trade receivables	31,758	21,959	23,139
Prepayments	4,048	1,704	2,815
Contract assets	-	-	473
Accrued income	9,119	953	5,588
	44,925	24,616	32,015

* See Note 1 for an explanation of the prior period restatement.

The Directors consider that the carrying amount of trade receivable and accrued income approximates to fair value. The impairment gain recognised as an expense during the period was £14,000 (H1 2023: £320,000 loss).

10. Trade and other payables

	<i>Unaudited</i> 30 June 2024 £000	<i>Unaudited</i> 30 June 2023 £000	<i>Audited</i> 31 December 2023 £000
Trade payables	10,258	4,990	9,721
Accruals	19,557	13,789	22,300
	<u>29,815</u>	<u>18,779</u>	<u>32,021</u>

The Directors consider that the carrying amount of trade and other payables equates to fair value. The amounts due to related parties bear no interest and are due on demand.

11. Loans and borrowings

	<i>Unaudited</i> 30 June 2024 £000	<i>Unaudited</i> 30 June 2023 £000	<i>Audited</i> 31 December 2023 £000
Current			
Bank loans (held at amortised cost)	–	–	–
Finance lease liability	20	–	23
	<u>20</u>	<u>–</u>	<u>23</u>
Non-current			
Bank loans (held at amortised cost)	75,909	30,347	69,665
Finance lease liability	–	–	8
	<u>75,909</u>	<u>30,347</u>	<u>69,673</u>

At 30 June 2024 the bank loans comprise a revolving credit facility of £76,937,000 (H1 2023: £31,512,000) (of which (£3,937,000 is denominated in USD (H1 2023: £5,512,000)) which during the period carried interest at SONIA plus 2.25%. The interest margin fluctuates between 2.25% and 3.25% depending on leverage. The lenders are ABN AMRO Bank N.V., Citibank N.A., Clydesdale Bank plc and HSBC Bank plc. The Facility Agreement is subject to a leverage covenant of 3.0x and an interest cover covenant of 4:1. The total commitments are £100,000,000 for the RCF with an additional £50,000,000 accordion facility available subject to credit approval. As at 30 June 2024 the RCF had an undrawn balance of £23,063,000 (H1 2023: £68,488,000) and the £50,000,000 accordion facility was undrawn (H1 2023: £50,000,000). A non-utilisation fee representing 35% of the applicable margin (being 0.7875% during the period) is charged on the non-utilised element of the RCF facility. The revolving credit facility is fully repayable by April 2028.

Certain companies within the Group are party to cross guarantees with respect to bank loans totalling £76,937,000 (H1 2023: £31,512,000) advanced to Ashtead Technology Limited and Ashtead Technology Offshore Inc. The lenders have a floating charge over the assets of certain entities within the Group.

At 30 June 2024 the finance lease liability of £20,000 (H1 2023: £nil) relates to the financing of certain IT equipment and carried interest at a fixed rate of 6.67%. The lender is Wesleyan Bank and will be repaid in full by May 2025.

Bank loans are repayable as follows:

	<i>Unaudited</i> 30 June 2024 £000	<i>Unaudited</i> 30 June 2023 £000	<i>Audited</i> 31 December 2023 £000
Within one year	–	–	–
Within one to two years	–	–	–
Within two to three years	–	–	–
Within three to four years	76,937	31,512	–
Within four to five years	–	–	70,675
	<u>76,937</u>	<u>31,512</u>	<u>70,675</u>
Deferred finance costs	(1,028)	(1,165)	(1,010)
	<u>75,909</u>	<u>30,347</u>	<u>69,665</u>

Finance lease liability is repayable as follows:

	<i>Unaudited</i> 30 June 2024 £000	<i>Unaudited</i> 30 June 2023 £000	<i>Audited</i> 31 December 2023 £000
Within one year	20	–	23
Within one to two years	–	–	8
	<u>20</u>	<u>–</u>	<u>31</u>

12. Financing liabilities reconciliation

	<i>Audited 1 January 2023 £000</i>	<i>Cash flows £000</i>	<i>Interest (paid) / received £000</i>	<i>Other non-cash changes £000</i>	<i>Changes in exchange rates £000</i>	<i>Unaudited 30 June 2023 £000</i>
Cash at bank and in hand	9,037	(1,933)	–	–	(612)	6,492
Bank loans	(34,865)	4,855	–	(650)	313	(30,347)
Lease liabilities	(2,856)	628	63	(171)	(184)	(2,520)
Net debt	(28,684)	3,550	63	(821)	(483)	(26,375)

The non-cash movement relates to the amortisation of deferred finance costs, accrual of finance costs on lease liability and the addition of new leases during the period.

	<i>Unaudited 30 June 2023 £000</i>	<i>Cash flows £000</i>	<i>Acquisitions £000</i>	<i>Interest (paid) / received £000</i>	<i>Other non-cash changes £000</i>	<i>Changes in exchange rates £000</i>	<i>Audited 31 December 2023 £000</i>
Cash at bank and in hand	6,492	(5,826)	10,065	283	(283)	93	10,824
Bank loans	(30,347)	(39,041)	–	(3,062)	2,907	(122)	(69,665)
Lease liabilities	(2,520)	571	(220)	(63)	(775)	197	(2,810)
Finance lease liability	–	2	(33)	(2)	2	–	(31)
Net debt	(26,375)	(44,294)	9,812	(2,844)	1,851	168	(61,682)

The non-cash movement relates to the amortisation of deferred finance costs, accrual of finance costs on lease liability and the addition of new leases during the period.

	<i>Audited 31 December 2023 £000</i>	<i>Cash flows £000</i>	<i>Interest (paid) / received £000</i>	<i>Other non-cash changes £000</i>	<i>Changes in exchange rates £000</i>	<i>Unaudited 30 June 2024 £000</i>
Cash at bank and in hand	10,824	(5,033)	29	(29)	465	6,256
Bank loans	(69,665)	(6,111)	(2,782)	2,611	38	(75,909)
Lease liabilities	(2,810)	772	–	(262)	17	(2,283)
Finance lease liability	(31)	11	(1)	1	–	(20)
Net debt	(61,682)	(10,361)	(2,754)	2,321	520	(71,956)

The non-cash movement relates to the amortisation of deferred finance costs, accrual of finance costs on lease liability and the addition of new leases during the period.

13. Leases

Leases as lessee

The Group leases warehouses, offices, and other facilities in different locations (UK, UAE, Singapore, Canada, USA, Norway). The lease terms range from 2 to 15 years with an option to renew available for some of the leases. The Group has elected not to recognise right-of-use assets and lease liabilities for leases that are short-term and/or of low-value items. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Further information about leases is presented below:

a) Amounts recognised in consolidated balance sheet

Right-of-use assets

£000

Balance at 1 January 2023 audited	2,631
Additions to right-of-use assets	108
Depreciation charge for the period	(523)
Effects of movements in exchange rates	126

Balance at 30 June 2023 unaudited	2,342

Additions to right-of-use assets	962
Depreciation charge for the period	(567)
Effects of movements in exchange rates	(153)

Balance at 31 December 2023 audited	2,584

Additions to right-of-use assets	202
Depreciation charge for the period	(644)
Effects of movements in exchange rates	(14)

Balance at 30 June 2024 unaudited	2,128

	<i>Unaudited</i> 30 June 2024 £000	<i>Unaudited</i> 30 June 2023 £000	<i>Audited</i> 31 December 2023 £000
Lease liabilities:			
Current	970	797	1,154
Non-current	1,313	1,723	1,656
Total lease liabilities	<u>2,283</u>	<u>2,520</u>	<u>2,810</u>

b) *Amounts recognised in the income statement*

	<i>Unaudited</i> six months to 30 June 2024 £000	<i>Unaudited</i> six months to 30 June 2023 £000	<i>Audited</i> year ended 31 December 2023 £000
Depreciation charge	644	523	1,090
Interest expense on lease liability	60	63	124
Expenses relating to short-term leases	154	119	254
Total amount recognised in the income statement	<u>858</u>	<u>705</u>	<u>1,468</u>

c) *Amounts recognised in the cash flow statement*

	<i>Unaudited</i> six months to 30 June 2024 £000	<i>Unaudited</i> six months to 30 June 2023 £000	<i>Audited</i> year ended 31 December 2023 £000
Total cash payments for leases	<u>832</u>	<u>691</u>	<u>1,323</u>

14. Capital commitments

	<i>Unaudited</i> 30 June 2024 £000	<i>Unaudited</i> 30 June 2023 £000	<i>Audited</i> 31 December 2023 £000
Capital expenditure contracted for but not provided	<u>11,806</u>	<u>9,364</u>	<u>4,307</u>

15. Share based payments

IPO LTIP Awards

The IPO LTIP awards were granted on 5 September 2022 and comprise three equal tranches, with the first tranche vested on the publication of the annual report for the year ended 31 December 2022, the second tranche vested on the publication of the annual report for the year ended 31 December 2023 and the third tranche vesting on the publication of the annual report for the year ended 31 December 2024. Certain senior managers from various Group companies are eligible for nil cost share option awards with Ashtead Technology Holdings plc granting the awards. On exercise, the awards will be equity settled with Ordinary Shares in Ashtead Technology Holdings plc. The IPO LTIP share awards vesting is subject to the achievement of a target annual Adjusted EPS and participants remaining employed by the Group over the vesting period.

The outstanding number of IPO LTIP awards at 30 June 2024 is 378,279 (30 June 2023: 1,011,329).

Share based payments	Tranche 1	Tranche 2	Tranche 3
Valuation model	Black-Scholes	Black-Scholes	Black-Scholes
Weighted average share price (pence)	260.5	260.5	260.5
Exercise price (pence)	0	0	0

Expected dividend yield	0.76%	0.81%	0.85%
Expected volatility	41.93%	41.93%	41.93%
Risk-free interest rate	2.79%	3.14%	3.04%
Expected term (years)	0.67	1.67	2.67
Weighted average fair value (pence)	259.2	257.0	254.7
Attrition	5%	5%	5%
Weighted average remaining contractual life (years)	8.17	8.17	8.17

The expected volatility has been calculated using the Group's historical market data history since IPO in 2021.

	Number of shares	Weighted average exercise price (£)
Share based payments		
Outstanding at beginning of the period	1,011,329	-
Granted	-	-
Exercised	(633,070)	£7.595
Forfeited	-	-
Outstanding at the end of the period	378,259	-
Exercisable at the end of the period	12,346	-

Share-based payments expense recognised in the consolidated income statement during the period was £488,000 (H1 2023: £1,185,000), inclusive of employer's national insurance contributions of £123,000 (H1 2023: £214,000).

2023 LTIP Awards

The first 2023 LTIP scheme awards were granted on 4 May 2023, with vesting on the announcement of the annual results for the year ended 31 December 2025. Certain senior managers from various Group companies are eligible for nil cost share option awards with Ashtead Technology Holdings plc granting the awards and on exercise, the awards will be equity settled with Ordinary Shares in Ashtead Technology Holdings plc. The share awards vesting is subject to the achievement of agreed Adjusted EPS, ROIC and Total Shareholder Return ("TSR") targets and participants remaining employed by the Group over the vesting period. On 16 April 2024 new awards were granted under the 2023 LTIP scheme and will vest on the announcement of the annual results for the year ended 31 December 2026.

The outstanding number of awards at 30 June 2024 is 664,605 (30 June 2023: 438,622).

Share based payments	EPS	ROIC	TSR
Valuation model	Black-Scholes	Black-Scholes	Monte Carlo
Weighted average share price (pence)	379.0 / 687.0	379.0 / 687.0	379.0 / 687.0
Exercise price (pence)	0	0	0
Expected dividend yield	0.0%	0.0%	0.0%
Expected volatility	40.17% / 39.01%	40.17% / 39.01%	40.17% / 39.01%
Risk-free interest rate	3.71% / 4.31%	3.71% / 4.31%	3.71% / 4.31%
Expected term (years)	3.02 / 3.06	3.02 / 3.06	3.02 / 3.06
Weighted average fair value (pence)	379.0 / 687.0	379.0 / 687.0	298.0 / 544.0
Attrition	5%	5%	5%
Weighted average remaining contractual life (years)	8.84 / 9.79	8.84 / 9.79	8.84 / 9.79

The expected volatility has been calculated using the Group's historical market data history since IPO in 2021.

	Number of shares	Weighted average exercise price (£)
Share based payments		
Outstanding at beginning of the period	438,622	-
Granted	225,983	-
Exercised	-	-
Forfeited	-	-
Outstanding at the end of the period	664,605	-
Exercisable at the end of the period	-	-

Share-based payments expense recognised in the consolidated income statement during the period was £473,000 (H1 2023: £94,000), inclusive of employer's national insurance contributions of £115,000 (H1 2023: £13,000).

16. Share capital and reserves

The Group considers its capital to comprise its called up share capital, share premium, merger reserve, share based payment reserve, retained earnings and foreign exchange translation reserve. Quantitative detail is shown in the consolidated statement of changes in equity. The Directors' objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders.

	Unaudited 30 June 2024		Unaudited 30 June 2023		Audited 31 December 2023	
Called up share capital	No.	£000	No.	£000	No.	£000
Allotted, called up and fully paid						
Ordinary shares of £0.05 each	80,313,838	4,016	79,947,919	3,997	79,947,919	3,997
		<u>4,016</u>		<u>3,997</u>		<u>3,997</u>

Ordinary share capital represents the number of shares in issue at their nominal value. The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On 16 April 2024, the Company issued 365,919 newly authorised shares at a subscription price of £0.05 (being the nominal value) to the Employee Benefit Trust in anticipation of the vesting of the second tranche of IPO LTIP share options. The shares are held by the Employee Benefit Trust on the behalf of certain option holders and are non-voting until each of the option holders choose to exercise their options at which point they are transferred to the option holder and become voting shares. As of 30 June 2024, 12,346 shares (H1 2023: 279,497) were held by the Company's Employee Benefit Trust.

Employee Benefit Trust.

Share premium

Share premium represents the amount over the par value which was received by the Group upon the sale of the Ordinary Shares.

Merger reserve

The merger reserve was created as a result of the share for share exchange under which Ashtead Technology Holdings plc became the parent undertaking prior to the IPO. Under merger accounting principles, the assets and liabilities of the subsidiaries were consolidated at book value in the Group financial statements and the consolidated reserves of the Group were adjusted to reflect the statutory share capital, share premium and other reserves of the Company as if it had always existed, with the difference presented as the merger reserve.

Share based payment reserve

The share based payment reserve is built up of charges in relation to equity settled share based payment arrangements which have been recognised within the consolidated income statement.

Foreign currency translation reserve

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for each month where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve, within invested capital. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the foreign currency translation reserve is recycled to the income statement as part of the gain or loss on disposal.

Retained earnings

The movement in retained earnings is as set out in the consolidated statement of changes in equity. Retained earnings represent cumulative profits or losses, net of dividends and other adjustments.

17. Related parties

There were no transactions with related parties, other than key management personnel, in the six-month period ended 30 June 2024.

Compensation of key management personnel:

	Unaudited six months to 30 June 2024 £000	Unaudited six months to 30 June 2023 £000	Audited year ended 31 December 2023 £000
Salaries and fees	479	428	856
Bonus	578	530	530
Other benefits	46	38	77
Share based payment charges (Note 15)	533	756	1,369
Total	1,636	1,752	2,832

18. Reconciliation of Alternative Performance Measures

Reconciliation of Adjusted EBITDA

	Notes	Unaudited six months to 30 June 2024 £000	Unaudited six months to 30 June 2023 (restated)* £000	Audited year ended 31 December 2023 £000
Adjusted EBITDA		31,418	21,143	48,253
Cost associated with M&A		-	-	(2,533)
Restructuring costs		(103)	(20)	(216)
Software development costs		-	(134)	(683)
Other exceptional costs		-	-	(380)
		-----	-----	-----
Operating profit before depreciation, amortisation and foreign exchange gain/(loss)		31,315	20,989	44,441
Depreciation on property, plant and equipment	6	(8,195)	(5,114)	(10,939)
Depreciation on right-of-use asset	13	(644)	(523)	(1,090)
		-----	-----	-----
Operating profit before amortisation and foreign exchange gain/(loss)		22,476	15,352	32,412
Amortisation of intangible assets	7	(1,823)	(597)	(1,431)
Foreign exchange (loss)/gain		(30)	367	229
		-----	-----	-----
Operating profit		20,623	15,122	31,210

Reconciliation of Adjusted EBITA

Unaudited	Unaudited six months to 30	Audited
-----------	-------------------------------	---------

		Unaudited six months to 30 June 2024 £000	Unaudited six months to 30 June 2023 (restated)* £000	Audited year ended 31 December 2023 £000
	Notes			
Adjusted EBITA		22,579	15,506	36,224
Cost associated with M&A		-	-	(2,533)
Restructuring costs		(103)	(20)	(216)
Software development costs		-	(134)	(683)
Other exceptional costs		-	-	(380)
Amortisation of intangible assets	7	(1,823)	(597)	(1,431)
Foreign exchange (loss)/gain		(30)	367	229
		-----	-----	-----
Operating profit		<u>20,623</u>	<u>15,122</u>	<u>31,210</u>

18. Reconciliation of Alternative Performance Measures (continued)

Reconciliation of Adjusted Profit Before Tax		Unaudited six months to 30 June 2024 £000	Unaudited six months to 30 June 2023 (restated)* £000	Audited year ended 31 December 2023 £000
	Notes			
Adjusted Profit Before Tax		19,588	14,129	33,029
Cost associated with M&A		-	-	(2,533)
Restructuring costs		(103)	(20)	(216)
Software development costs		-	(134)	(683)
Deferred finance costs write off		-	(522)	(522)
Other exceptional costs		-	-	(380)
Foreign exchange (loss)/gain		(30)	367	229
Amortisation of intangible assets	7	(1,823)	(597)	(1,431)
		-----	-----	-----
Profit before taxation		<u>17,632</u>	<u>13,223</u>	<u>27,493</u>

Reconciliation of Adjusted Profit After Tax		Unaudited six months to 30 June 2024 £000	Unaudited six months to 30 June 2023 (restated)* £000	Audited year ended 31 December 2023 £000
	Notes			
Adjusted Profit After Tax		15,292	11,181	26,664
Cost associated with M&A		-	-	(2,533)
Restructuring costs		(103)	(20)	(216)
Software development costs		-	(134)	(683)
Deferred finance cost write off		-	(522)	(522)
Other exceptional costs		-	-	(380)
Foreign exchange (loss)/gain		(30)	367	229
Amortisation of intangible assets	7	(1,823)	(597)	(1,431)
Tax impact of the adjustments above		25	149	451
		-----	-----	-----
Profit for the financial period		<u>13,361</u>	<u>10,424</u>	<u>21,579</u>

Adjusted Profit After Tax is used to calculate the Adjusted earnings per share in Note 5.

* See Note 1 for an explanation of the prior period restatement.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IR LBMBTMTBMTAI