

Ashtead Group

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Ashtead Group predicts full-year results in line with expectations as it prepares investor event

Ashtead Group PLC (LON:AHT) said it expects full-year results to be in line with expectations as it prepared to host an investor event in New York.

The FTSE 100-listed equipment rental company said it had continued to perform well in the fourth quarter, and that the event would provide an update on its North American business, Sunbelt Rentals.

READ: Ashtead's finance director steps down as Trump and hurricanes lift quarterly earnings

The firm said it is currently engaged in a 5-year plan, known as "Project 2021", to increase to location footprint of Sunbelt by circa 50%.

Ashtead also said it would seek to highlight the importance of bolt-on acquisitions to its growth plans for Sunbelt, particularly an aerial work platform in Long Island which was acquired last year.

In a note to clients, analysts at Liberum commented: "Our detailed analysis of Project 2021 suggests that it is well placed to deliver c10% p.a. underlying revenue growth and further improve its sector leading margin. This should see the company deliver 13% EBITA growth over the FY17-20 period and 22% at the EPS level thanks to the recently announced tax reforms."

They added: "With this growth funded internally we expect the leverage to reach just 1.5x in FY19, providing management with significant optionality to further accrete shareholder value. In this regard we expect the company to provide an update on its acquisition pipeline, as well on shareholder returns."

Ashtead shares were down 1.5% at 2,069p in late-morning trading Thursday.

--Adds share price and broker comment--

Price: 2211p

Market Cap: £10265.2M

1 Year Share Price Graph



Share Information

Code: AHT

Listing: LSE

52 week High Low
2,461.00p 1,572.50p

Sector: Support Services

Website: www.ashtead-group.com

Company Synopsis:

Ashtead Group is a leading provider of rental equipment with operations in the US and the UK. We provide equipment that lifts, powers, generates, moves, digs, supports, scrubs, pumps, directs, ventilates, whatever the job needs.

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