Sunbelt Rentals

Ashtead Group (LSE: AHT)

Decentralized, relationship-driven network with Bennett-restricted broker access.

2025 YTD SHIPMENTS	REVENUE RUN-RATE	GROSS MARGIN	2026 REVENUE TARGET
2,322	$2.5–$2.6M	~28%	$3.4–$3.6M

Executive Overview

- Sunbelt Rentals is the #2 rental operator in North America (~$10B; 1,200+ branches) and operates a decentralized, branch-driven freight model.
- Access is restricted through the Bennett-managed system, creating a closed network despite decentralized decision-making.
- 2025 baseline: 2,322 shipments YTD across ~40–50 branches; $706K net revenue at ~28% margin; annualized $2.5–$2.6M revenue and $770–$800K margin (Peakstone case study).
- Sunbelt is Core's largest organic growth runway: relationship-led share expansion with superior margin profile (28–30%+).

Verified Baseline & Positioning

Metric	Detail
Network structure	Decentralized branch decision-making; onboarding restricted through Bennett (closed broker pool).
2025 YTD shipments	2,322 across ~40–50 branches (Peakstone case study).
Net revenue / margin	$706K net revenue at ~28% margin (Peakstone case study).
Annualized run rate	$2.5–$2.6M revenue and $770–$800K margin (Peakstone case study).
Why it matters	United-sized opportunity with better yield per load because decisions are relationship-driven.

Closed Ecosystem Thesis

- Sunbelt is effectively closed via Bennett-managed access, limiting the broker universe.
- Once inside, branches award freight based on trust and responsiveness — creating stickiness and pricing power.
- Core's field-based Account Manager model is structurally advantaged in decentralized networks.

2026 Organic Growth Plan

1 Field-Based Account Management Expansion

- Add 5–6 regional Account Managers (ideally ex-rental talent) to scale from ~15–20 active branches to nationwide coverage (Peakstone growth plan).
- Standardize a repeatable playbook: branch visits, cadence, emergency readiness, and service guarantees.

2 Relationship-First Freight Capture

- Shift mix toward pre-booked branch freight with less price competition and higher yield.
- Expand penetration across new branches and deepen wallet share where Core is already trusted.

3 High-Margin Scaling

- Protect the 28–30%+ margin profile while scaling volume by focusing on complex, time-sensitive moves.
- Use nearshore operations to absorb load growth without proportional headcount.

4 Hurricane / Emergency Response

- Expand Gulf Coast storm lanes and codify rapid-response mobilization.
- Make Core the default emergency call-list partner across priority states.

2026 Outlook

Metric	2025 Baseline	2026 Base	Notes
Shipments	2,322 YTD	**3,000–3,200**	Branch expansion.
Revenue run rate	$2.5–$2.6M annualized	**$3.4–$3.6M**	From narrative; aligns to growth targets.
Gross margin %	~28% avg	**~30%**	Relationship-led pricing power.
Gross margin $	$770–$800K annualized	**$1.0–$1.1M**	Base; upside higher.

Investor Takeaway

Sunbelt combines a near-United-sized freight pool with a superior margin model because freight decisions are decentralized and relationship-driven. Core is already inside a Bennett-restricted broker ecosystem, and the growth plan is a direct, scalable playbook: deploy field Account Managers, expand branch coverage, capture relationship-led freight with higher yield, and leverage nearshore capacity to scale without SG&A bloat. This is Core's cleanest "organic growth at higher margins" engine.

Notes & Assumptions

- Baseline metrics (shipments, net revenue, margin, annualized run rate) are summarized from Peakstone case study materials for Sunbelt.
- Forward-looking ranges reflect management targets and are subject to internal review and market conditions (storm season variance, capacity, pricing).
- All metrics shown are for strategic planning and do not constitute guarantees.

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