



# First Quarter 2021 Investor Presentation

## *Managing Key Value Drivers to Maximize Full Cycle Returns*



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# Introductory Information

Unless otherwise specified, the information in this presentation, including forward-looking statements, is as of our most recent earnings call held on April 29, 2021. We make no commitment to update any such information contained in this presentation.

Certain statements in this presentation are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, known as the PSLRA. These statements can generally be identified by the use of forward-looking terminology such as “believe,” “expect,” “may,” “will,” “should,” “seek,” “on-track,” “plan,” “project,” “forecast,” “intend,” “anticipate” or “target,” or the negative thereof or comparable terminology, or by discussions of vision, strategy or outlook. These statements are based on current plans, estimates and projections, and, therefore, you should not place undue reliance on them. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. Factors that could cause actual results to differ materially from those projected include, but are not limited to, the following: (1) the cyclical nature of our business, which is highly sensitive to North American construction and industrial activities; if construction or industrial activity decline, our revenues and, because many of our costs are fixed, our profitability may be adversely affected; (2) uncertainty regarding the length of time it will take for the coronavirus (COVID-19) pandemic to subside, including the time it will take for vaccines to be broadly distributed and accepted in the United States and the rest of the world, and the effectiveness of such vaccines in slowing or stopping the spread of COVID-19 and mitigating the economic effects of the pandemic; (3) the impact of the COVID-19 pandemic on global economic conditions, including the impact of the various measures that have been implemented to protect public health, many of which have reduced demand for equipment rentals; (4) the impact of global economic conditions (including potential trade wars) and public health crises and epidemics, such as COVID-19, on us, our customers and our suppliers, in the United States and the rest of the world; (5) rates we charge and time utilization we achieve being less than anticipated (including as a result of COVID-19); (6) excess fleet in the equipment rental industry, including as a result of reduced demand for fleet due to the impacts of COVID-19 on our customers; (7) inability to benefit from government spending, including spending associated with infrastructure projects; (8) trends in oil and natural gas could adversely affect the demand for our services and products; (9) competition from existing and new competitors; (10) our significant indebtedness, which requires us to use a substantial portion of our cash flow for debt service and can constrain our flexibility in responding to unanticipated or adverse business conditions; (11) the inability to refinance our indebtedness on terms that are favorable to us (including as a result of volatility and uncertainty in capital markets due to COVID-19), or at all; (12) the incurrence of additional debt, which could exacerbate the risks associated with our current level of indebtedness; (13) noncompliance with financial or other covenants in our debt agreements, which could result in our lenders terminating the agreements and requiring us to repay outstanding borrowings; (14) restrictive covenants and amount of borrowings permitted in our debt instruments, which can limit our financial and operational flexibility; (15) inability to access the capital that our businesses or growth plans may require (including as a result of uncertainty in capital or other financial markets due to COVID-19); (16) the possibility that companies that we have acquired or may acquire could have undiscovered liabilities or involve other unexpected costs, may strain our management capabilities or may be difficult to integrate; (17) the incurrence of impairment charges; (18) fluctuations in the price of our common stock and inability to complete stock repurchases in the time frame and/or on the terms anticipated (for example, due to COVID-19); (19) our charter provisions as well as provisions of certain debt agreements and our significant indebtedness may have the effect of making more difficult or otherwise discouraging, delaying or deterring a takeover or other change of control of us; (20) inability to manage credit risk adequately or to collect on contracts with a large number of customers; (21) turnover in our management team and inability to attract and retain key personnel, as well as loss, absenteeism or the inability of employees to work or perform key functions in light of public health crises or epidemics (including COVID-19); (22) costs we incur being more than anticipated and the inability to realize expected savings in the amounts or time frames planned; (23) inability to obtain equipment and other supplies for our business from key suppliers on acceptable terms or at all, as a result of supply chain disruptions, insolvency, financial difficulties or other factors; (24) increases in our maintenance and replacement costs and/or decreases in the residual value of our equipment; (25) inability to sell our new or used fleet in the amounts, or at the prices, we expect; (26) risks related to security breaches, cybersecurity attacks, failure to protect personal information, compliance with data protection laws and other significant disruptions in our information technology systems; (27) risks related to climate change and climate change regulation; (28) the fact that our holding company structure requires us to depend in part on distributions from subsidiaries and such distributions could be limited by contractual or legal restrictions; (29) shortfalls in our insurance coverage; (30) increases in our loss reserves to address business operations or other claims and any claims that exceed our established levels of reserves; (31) incurrence of additional expenses (including indemnification obligations) and other costs in connection with litigation, regulatory and investigatory matters; (32) the costs of complying with environmental, safety and foreign laws and regulations, as well as other risks associated with non-U.S. operations, including currency exchange risk (including as a result of Brexit), and tariffs; (33) the outcome or other potential consequences of regulatory matters and commercial litigation; (34) labor disputes, work stoppages or other labor difficulties, which may impact our productivity, and potential enactment of new legislation or other changes in law affecting our labor relations or operations generally; and (35) the effect of changes in tax law. For a more complete description of these and other possible risks and uncertainties, please refer to our Annual Report on Form 10-K for the year ended December 31, 2020, as well as to our subsequent filings with the SEC. The forward-looking statements contained herein speak only as of the date hereof, and we make no commitment to update or publicly release any revisions to forward-looking statements in order to reflect new information or subsequent events, circumstances or changes in expectations.

**Note:** This presentation provides information about free cash flow, EBITDA, adjusted EBITDA and adjusted EPS, which are non-GAAP financial measures. This presentation includes a reconciliation between free cash flow and GAAP cash from operations, a reconciliation between both adjusted EBITDA and EBITDA, on the one hand, and GAAP net income, on the other hand, a reconciliation between both adjusted EBITDA and EBITDA, on the one hand, and GAAP cash from operations, on the other hand, a reconciliation between adjusted EPS and GAAP EPS and a reconciliation between forward-looking free cash flow and forward-looking GAAP cash from operations. Information reconciling forward-looking adjusted EBITDA to GAAP financial measures is unavailable to the company without unreasonable effort. The company is not able to provide reconciliations of forward looking adjusted EBITDA to GAAP financial measures because certain items required for such reconciliations are outside of the company’s control and/or cannot be reasonably predicted, such as the provision for income taxes. Preparation of such reconciliations would require a forward-looking balance sheet, statement of income and statement of cash flow, prepared in accordance with GAAP, and such forward-looking financial statements are unavailable to the company without unreasonable effort. The company provides a range for its adjusted EBITDA forecast that it believes will be achieved, however it cannot accurately predict all the components of the adjusted EBITDA calculation.



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# 1 Introduction

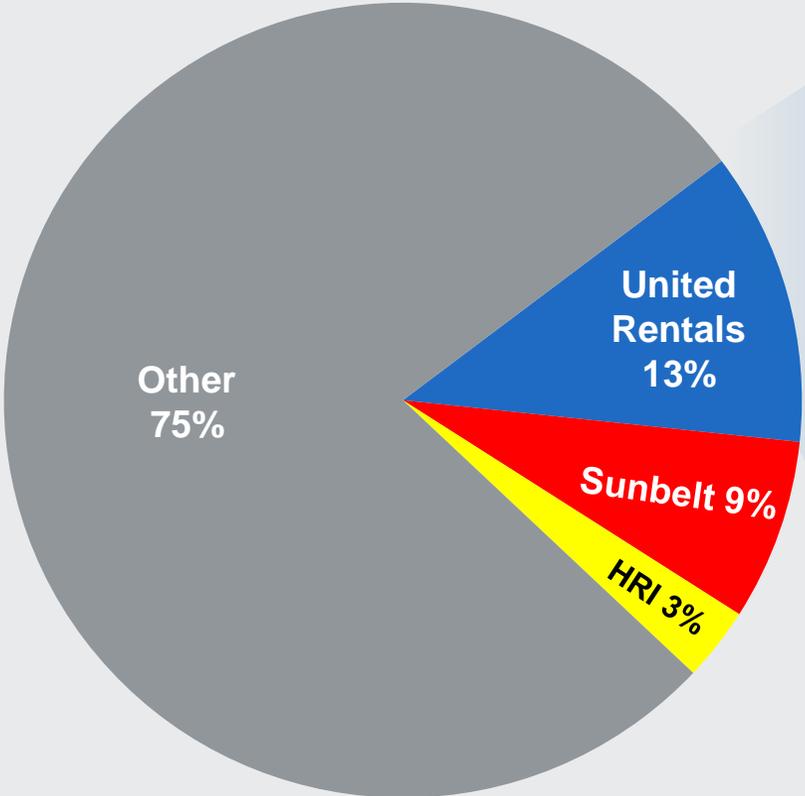




**Maximizing value creation across the cycle by balancing growth, margins and free cash flow to drive returns**

**Aggressive management of key value drivers within our control**

# Company overview



## #1 Market Share<sup>(1)</sup>

- 2020 total revenue \$8.53 billion (-8.8% Y/Y)
- 2020 adjusted EBITDA<sup>(2)</sup> \$3.93 billion (-9.7 Y/Y; 46.1% margin)

## 1,156 locations across North America<sup>(3)</sup>

- 1,020 branches in the U.S.; locations in 49 of 50 states
- 136 branches in Canada; locations in all 10 provinces
- 11 European branches in France, Germany, the United Kingdom and the Netherlands

## \$13.5B of fleet comprised of 605,000 units<sup>(4)</sup>

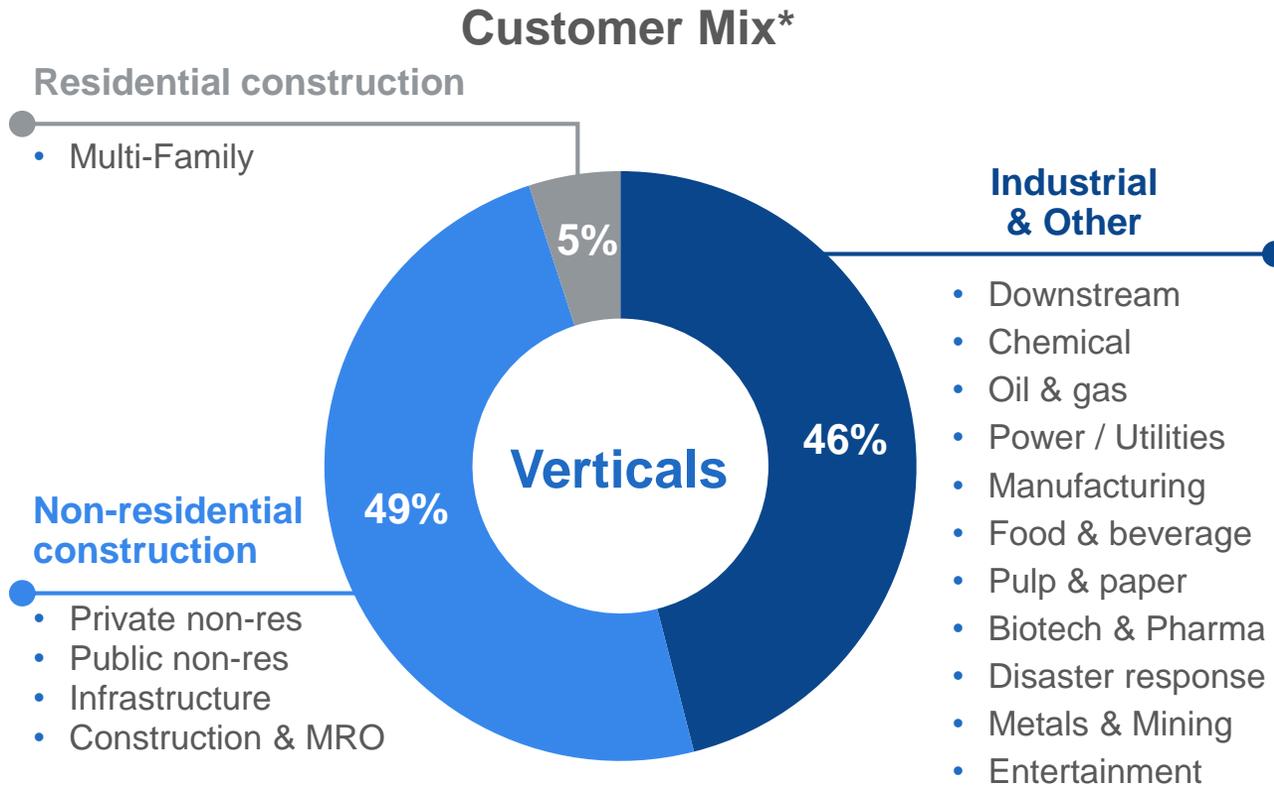
## Highly diversified product and end-market mix

## Team of approximately 18,250 employees<sup>(5)</sup>

**United Rentals is the North American equipment rental leader**

(1) North American market share is based on 2020 rental revenues and American Rental Association (“ARA”) industry estimates. Based on the ARA estimates, 2020 North American equipment rental industry revenue decreased approximately 12 percent year-over-year. In 2020, our full year rental revenue decreased by 10.3 percent year-over-year. The decline in rental revenue includes the impact of COVID-19. We estimate that our North American market share of approximately 13 percent increased slightly in 2020.  
 (2) Adjusted EBITDA is a non-GAAP measure. See the tables provided elsewhere in this presentation for reconciliations to the most comparable GAAP measures.  
 (3) As of March 31, 2021. Excludes 11 European branches in France, Germany, the United Kingdom and the Netherlands. Total branch count 1,167. As of March 31, 2021.  
 (4) As of March 31, 2021. Average fleet age 54.9 months.  
 (5) As of March 31, 2021.

# Our customers and the benefits of renting vs. owning



## Why Customers Rent Instead of Buy

- Control expenses and inventory
- The right equipment for any job
- 24/7 customer care / support
- No need for maintenance
- Save on storage/warehousing
- Reliability / reduce downtime
- Save on disposable costs
- Equipment tracking
- Conserve capital
- Manage risk

Despite diverse needs, customers derive many benefits from renting

\*Note: Based on 2020 rental revenue.



# Diverse end-market exposure

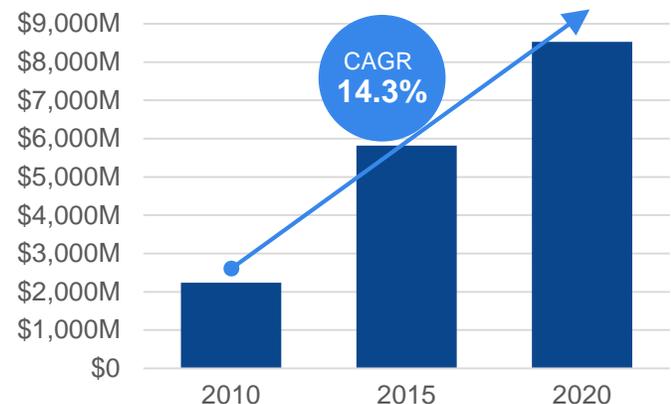


**Broad customer base helps reduce full-cycle volatility**

\*Note: Based on 2020 rental revenue.

# A decade of continued financial improvement...

## Total Revenue



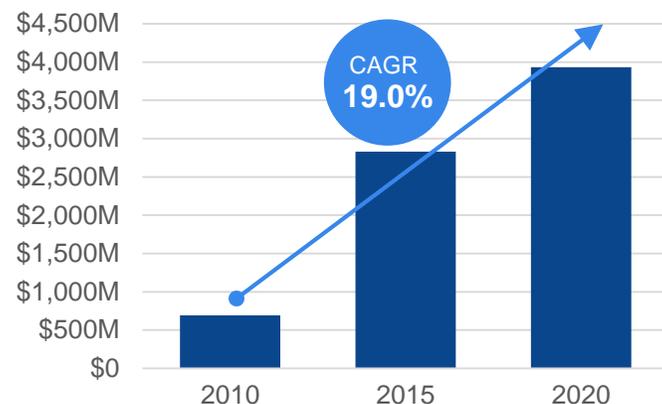
### Strong revenue growth

- Trailing 5-year CAGR: +8.0%
- Trailing 10-year CAGR: +14.3%

### Improved diversification

- Increased industrial exposure
- Increased non-cyclical specialty exposure

## Adjusted EBITDA<sup>(1)</sup>



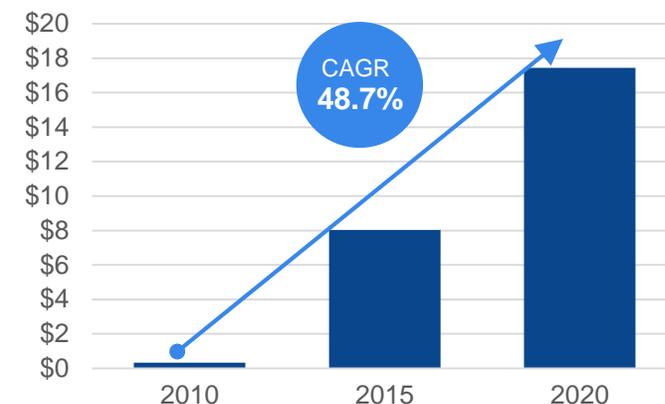
### Powerful EBITDA growth

- Trailing 5-year CAGR: +6.8%
- Trailing 10-year CAGR: +19.0%

### Sharply higher margins

- Adj. EBITDA margins up ~1,300 bps vs. 2008 <sup>(2)</sup>
- Adj. EBITDA margins up ~2,000 bps vs 2009 <sup>(3)</sup>

## Adjusted EPS<sup>(1)</sup>



### Meaningful EPS growth

- Trailing 5-year CAGR: +16.8% vs. +2.9% for the S&P 500 over the same period
- Trailing 10-year CAGR: +48.7% vs. +4.4% for the S&P 500 over the same period

## Ongoing transformation of the company's financial performance

Notes:

(1) Adjusted EBITDA and Adjusted EPS are non-GAAP measures. Adjusted EBITDA margin represents adjusted EBITDA divided by total revenue. See the tables provided elsewhere in this presentation for reconciliations to the most comparable GAAP measures.

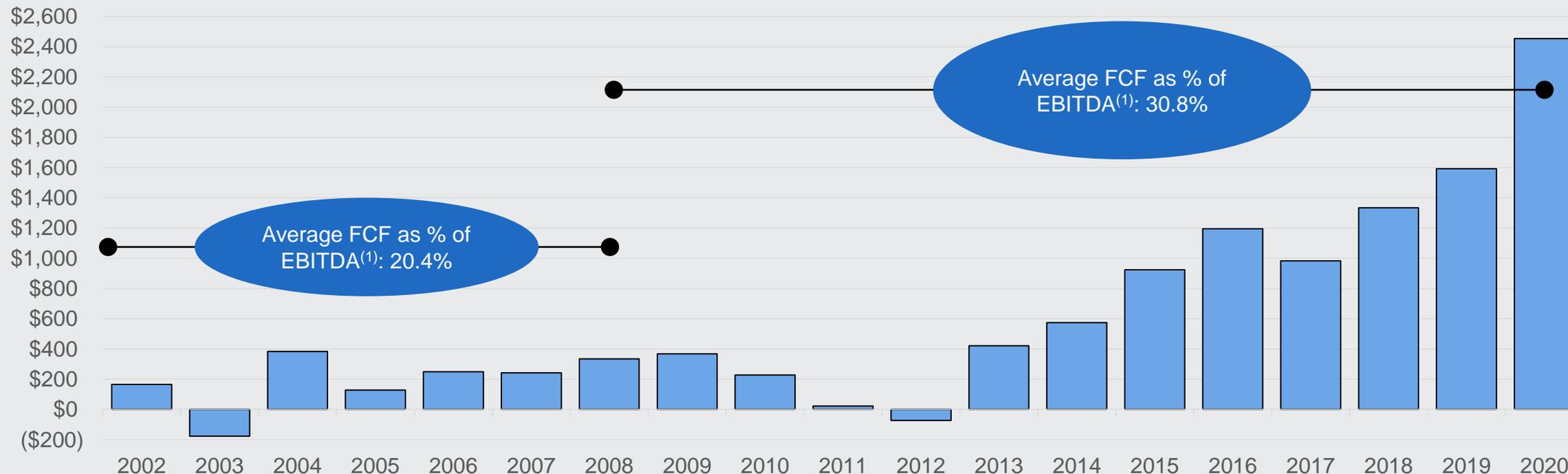
(2) Reflects change/ improvement since peak of the last cycle relative to 2020.

(3) Reflects change/ improvement since trough of the last cycle relative to 2020.

# ...that has ultimately been reflected in free cash flow

**2011-2020 Average Free Cash Flow Conversion: 124%<sup>(2)</sup>**

**Free Cash Flow (\$M)**



**Durable Free Cash Flow generated throughout the cycle**

(1) Free Cash Flow (FCF) and EBITDA are non-GAAP financial measures. See the Appendix for reconciliations to the most comparable GAAP measures for 2008-2020.

(2) Reflects average annual free cash flow, excluding the impact of merger and restructuring payments, relative to reported net income with 2017 net income adjusted to exclude tax reform benefits.

# Driving and extending our competitive advantages

- Company transformed to be considerably more profitable and efficient
- Operations, technology and culture differentiate us, and make us far more agile
- Diversified end-market exposure across customers, verticals and geographies
- Strong balance sheet and robust cash generation with disciplined approach to smart capital allocation provide powerful optionality
- Focused on balancing growth, margins, returns and FCF to maximize long-term value creation for our shareholders



**Operating model supports self-reinforcing growth, margins, returns and cash generation**

# 2 End-market overview



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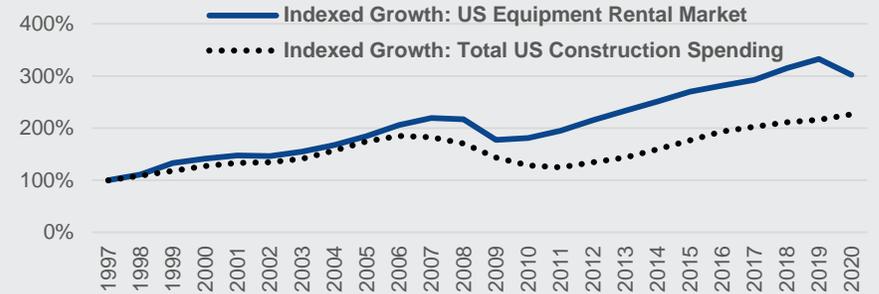


# U.S. equipment rental industry overview

## Combined U.S. General Rental and Construction & Industrial Equipment Rental Market Size (\$bn)

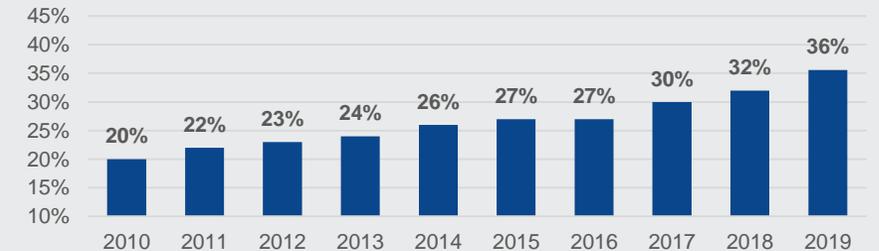


## The U.S. equipment rental market has outgrown its underlying market by over 50% in the last 20 years



## Largest players capturing a growing share of the U.S. equipment rental market

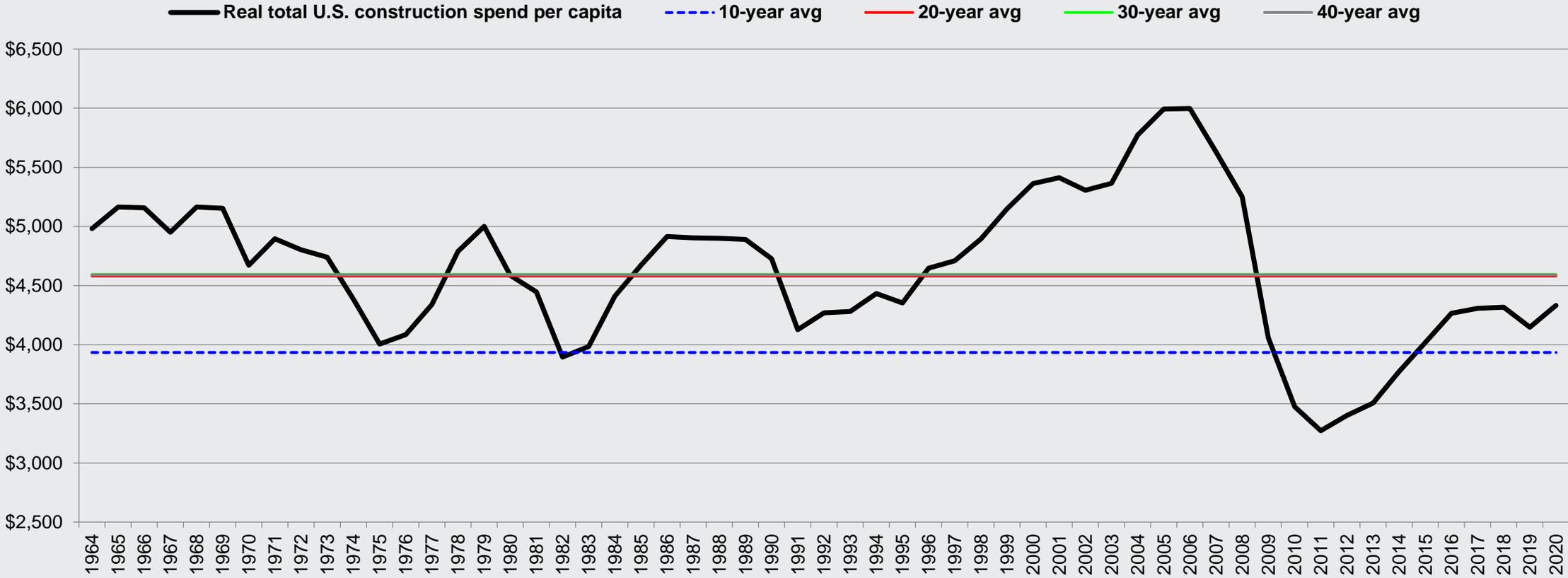
### Top 10 U.S. Rental Companies as % of Total Industry Revenues



## Equipment rental value proposition continues to drive secular penetration

Sources: Company reports, ARA, RER, and U.S. Census Bureau (based on most current data available as of April 2021).

# Real total U.S. construction spending per capita



**U.S. construction investment remains below long-term average**

Sources: U.S. Census Bureau (based on most current data available as of April 2021).

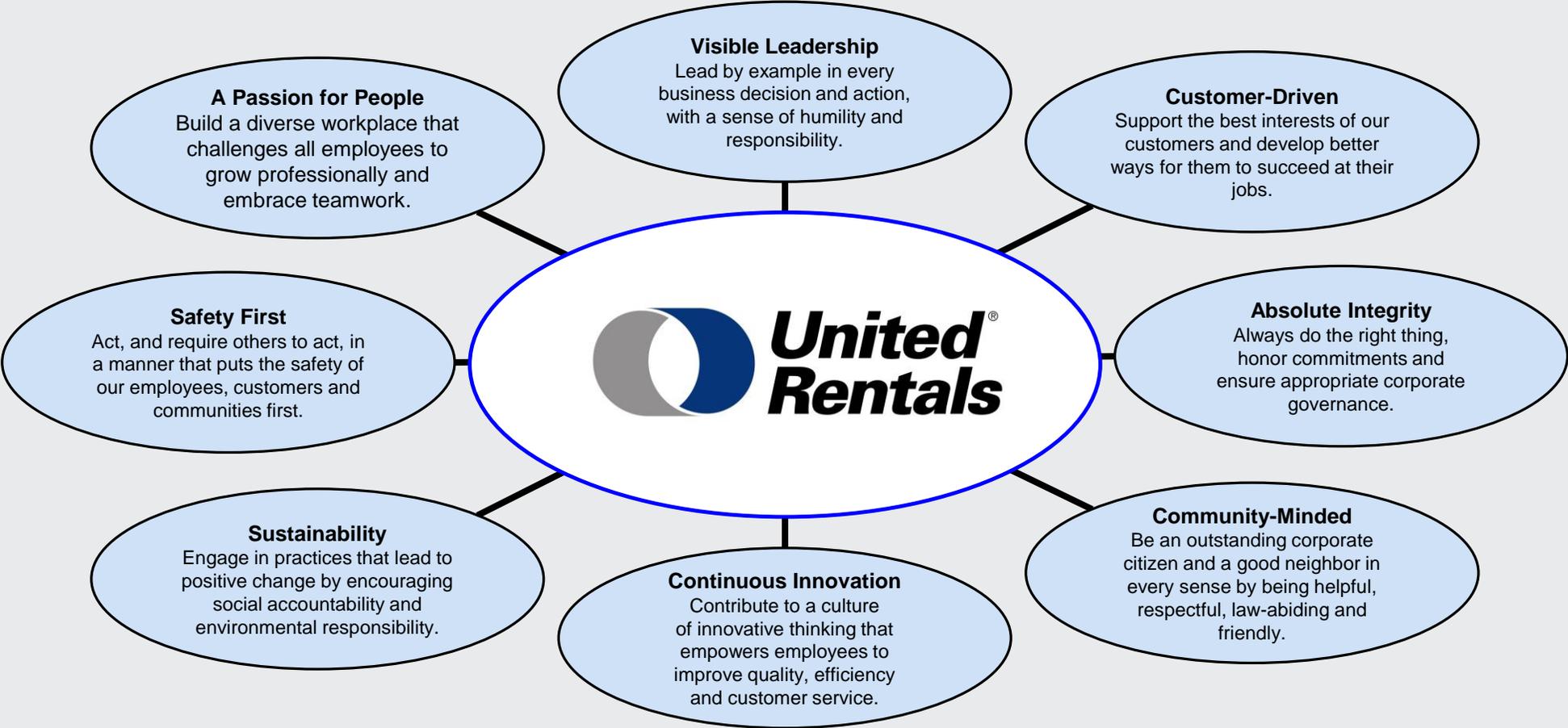
# 3 Company overview



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# Core Values Provide the Foundation of Our Culture



Building a better future is our commitment to the people and communities we serve

# Strategic evolution over 20+ years

1997–2008

## Become a market leader



1997: Founded / IPO



1998–2001: Becomes the largest equipment rental company in North America through ~250 acquisitions



2002–2008: Strong organic growth in powerful up cycle

2009–2013

## Optimize scale, diversify, and drive profitable growth



2009: Increased focus on customer service and improving returns through financial and operating discipline



2009–2011: Introduction of Operation United; focused on process improvements to streamline branch operations & logistics



2012–2013: Acquisition and integration of RSC

2014–present

## Building on and transforming the Core



Continued build-up of GenRent platform



Increased focus on Specialty business to increase returns and reduce volatility through cross-selling



Development of services businesses and solutions to increase customer relevance and competitive differentiation



Launch of digital capabilities to better serve customers and support internal efficiency

# Long-term growth and margin opportunities

## Revenue Related

- ✓ Capitalize on ongoing secular shift towards rental over ownership
- ✓ Leverage cross-selling to capture more wallet share and maximize cyclical growth
- ✓ Evolve sales strategies and asset base to better serve customers and capture secular opportunities (infrastructure, digital, etc.)
- ✓ Differentiate services through new technologies and accelerated innovation
- ✓ Smart M&A

## Cost and Margin Related

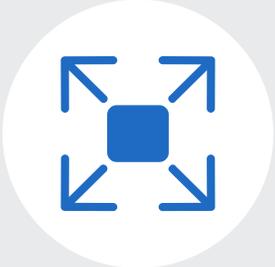
- ✓ Further leveraging of LEAN
  - Optimization of operating costs
  - Continual improvement of labor productivity
- ✓ Fixed cost leverage via organic and M&A growth
- ✓ Mix shift as Specialty outpaces total growth
- ✓ Product and customer mix
- ✓ Further leveraging of technology and systems

**Optimizing growth and margins to maximize long-term value creation**

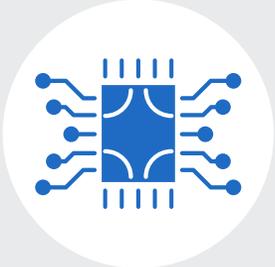
# Competitive positioning aided by structural advantages



**Size, Breadth and Diversity of Fleet**



**Benefits of Scale, Scope & Diversification**



**Investments in Technology**



**Strong Balance Sheet + Cash Flow**



**Strong Culture Focused on Customers & Shareholders**

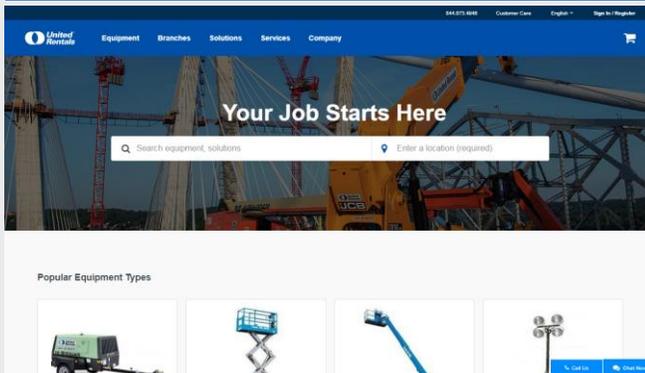


**Proven Management Team**

**Focus on driving and extending our leadership position**

# Online digital strategy and results: 2020

## Increase Demand Through Digital Marketplace

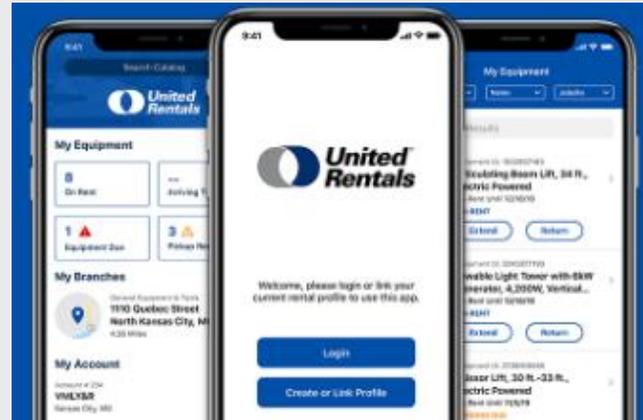


- Generate awareness and interest
- Acquire new customers
- Capture demand through online digital transactions

**UR.com revenue increase of ~20% YOY**

+

## Enhance the Customer Experience

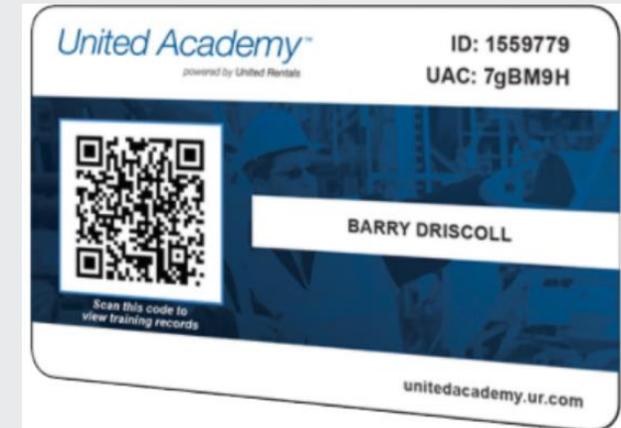


- Access real-time account and equipment GPS information
- Desktop access through Total Control® and mobile access through the United Rentals Mobile app

**Customers who represent over half of revenue engaged digitally in Q4 2020**

+

## Extend Service offerings



- Conduct Safety training through United Academy (UA)
- Service owned fleet with Customer Equipment Services (CES)

**Either UA or CES are used by customers who represent ~65% of revenue**

# Enhance Customer Experience: Digital Tools

## Total Control®

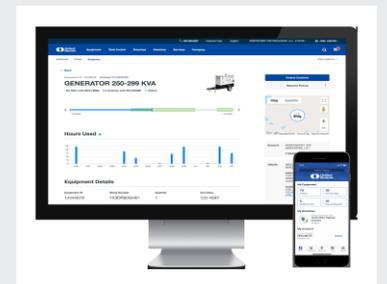
### Rental Fleet Management platform which enables:

- Open and close rental contracts
- View invoices and pay bills
- Locate GPS enabled equipment
- Customize alerts to proactively manage utilization
- Customize reports and KPIs

## United Rentals Mobile App

### On the go functionality:

- View equipment catalogue and pricing
- View upcoming deliveries
- View current contracts, extend rentals, or call off rent
- Locate GPS enabled equipment and view utilization
- Easily locate branches and contact information



**Digital tools provide 24x7 account access wherever customers work**

# Telematics & FAST

## Telematics & Related Technologies

- Internal Benefits:
  - Performance monitoring and service alerts
  - More efficient location and pick-up capabilities
  - Overtime and revenue recovery
- Customer Benefits:
  - Visibility into equipment utilization
  - Ability to more easily locate equipment
  - Billing and Account access
  - Fuel alerts

## Field Automation Systems & Technologies (FAST)

- Internal Benefits:
  - Increased driver and dispatcher productivity
  - Improved fleet efficiency
  - Reduced fuel consumption
  - Safety benefits
  - Environmental benefits

**Using technology to drive greater efficiencies and improve customer experience**

# Investing in Specialty services



## Trench Safety

- Excavation support solutions, confined space entry equipment and customer training
- Used for construction, utility installs, manhole work, and other underground applications



## Power & HVAC

- Complete solutions for mobile power and air flow
- Used for disaster response, plant shut downs, commercial renovations, and seasonal climate control



## Fluid Solutions

- Full range of equipment to contain, transfer, and treat fluids
- Used by municipalities, industrial plants, and mining, construction, municipal and agri-business customers



## Tool Solutions

- Tool trailers stocked with hoisting, torqueing, pipe fitting, and air tools
- Used during refinery and other industrial shutdowns, and also at large construction sites

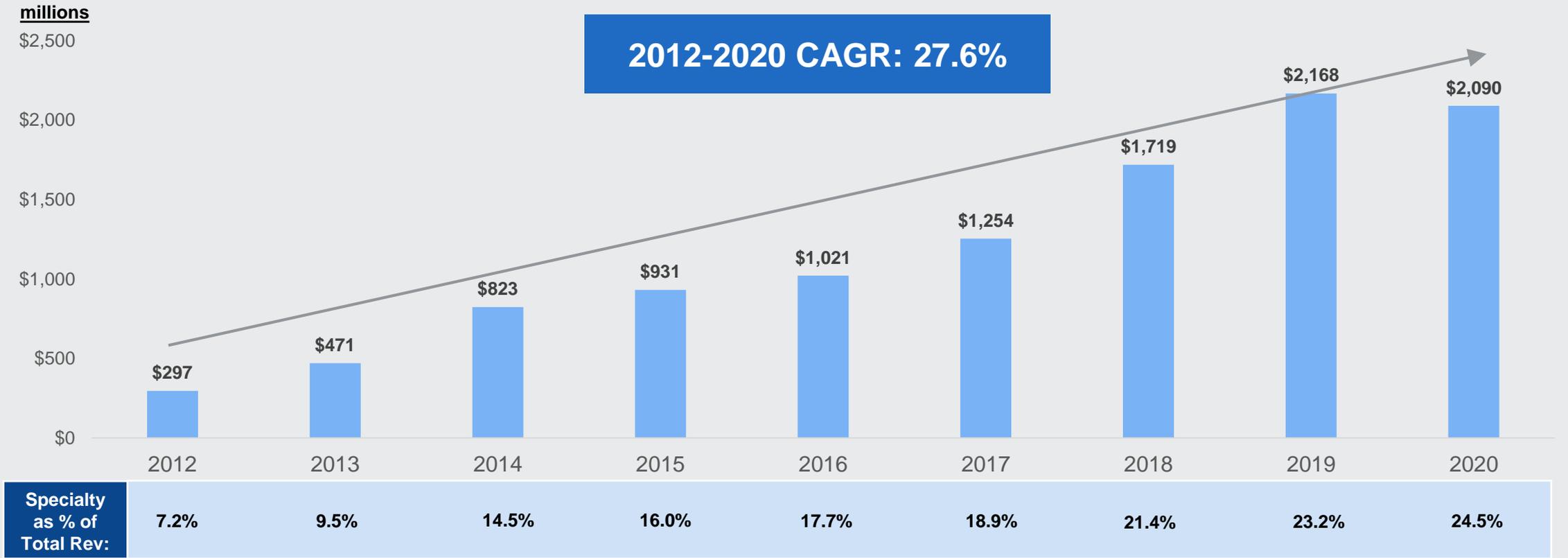


## Onsite Services

- Plastic port-a-potties, luxury restroom trailers, sinks, and showers
- Core rental item used across all types of special events, construction sites, and industrial projects

**Aggressive growth in Specialty improves returns with reduced volatility**

# Specialty provides strong growth opportunities<sup>(1)</sup>



**Specialty represented 24.5% of total revenue in 2020 at almost \$2.1 billion**

(1) Tool Solutions was added in 2013 and Fluid Solutions was added in April 2014.

Note: Data includes 1) Fluid Solutions, Trench Safety and Power & HVAC and 2) Reliable Onsite Services and Tools revenues, which are included in our General Rentals reporting segment.

# Long-term capital allocation strategy



## Manage Leverage

- Target leverage range over the cycle of 2.0x–3.0x.
- Net leverage<sup>(1,2)</sup>: 2.3x
- Total liquidity<sup>(2)</sup>: \$3.745 billion
- Next long-term note maturity: 2026
- Credit ratings<sup>(3)</sup>:
  - S&P: BB+/Stable
  - Moody's: Ba1/Stable



## Invest in Growth



### Organic

- Continued organic investments to support growth and boost productivity.
- Opened 15 specialty branches in 2020. Targeting 30 openings in 2021, consistent with 2018 and 2019 levels.



### M&A

- Balance sheet strategy creates flexibility to pursue strategic assets as opportunities arise.
- Acquisition of National Pump in 2014 and BakerCorp in 2018 expanded specialty.
- Acquisitions of NES and Neff in 2017 and BlueLine in 2018 to support our 'grow the core' strategy.



## Return Excess Cash to Investors

- \$500 million repurchase program commenced in the first quarter of 2020. \$257 million purchased through March 31, 2021. The program was paused in March 2020 due to COVID-19. While the company is currently unable to estimate if, or when, the program will be restarted, it may restart the program at any time.
- Since 2012, United Rentals has returned \$4.0 billion to shareholders via share repurchases, representing 37% of total issued shares.

**Disciplined, prudent, efficient, and opportunistic approach to capital allocation**

(1) Leverage ratio calculated as net debt, divided by adjusted EBITDA. Net debt calculated as the balance sheet value of debt less cash and cash equivalents.

(2) As of March 31, 2021.

(3) As of April 26, 2021.

# M&A strategy: Disciplined and opportunistic



## Strategic

- Proactively supports growth in attractive markets
- Difficult to replicate organically
- Access to new customers
- Enhance cross-selling
- Best practice adoption
- Geographic coverage
- Diversification



## Financial

- Invest capital at attractive returns over cycle
  - Revenue growth
  - Margin opportunities
  - Manage leverage
  - Internal Rate of Return
  - ROIC
  - Volatility



## Cultural

- Safety
- Talent
- Ethics and integrity
- Management philosophy
- Customer focus
- Community

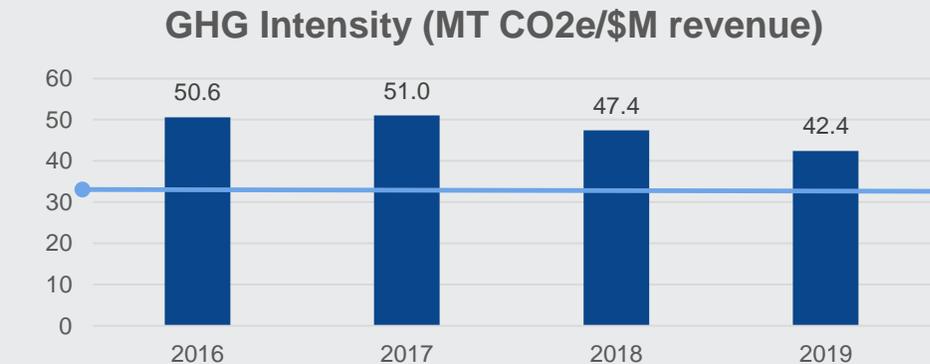
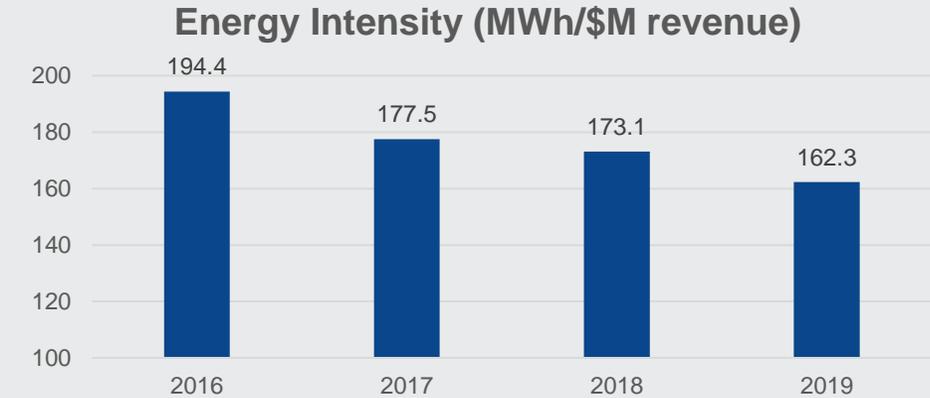
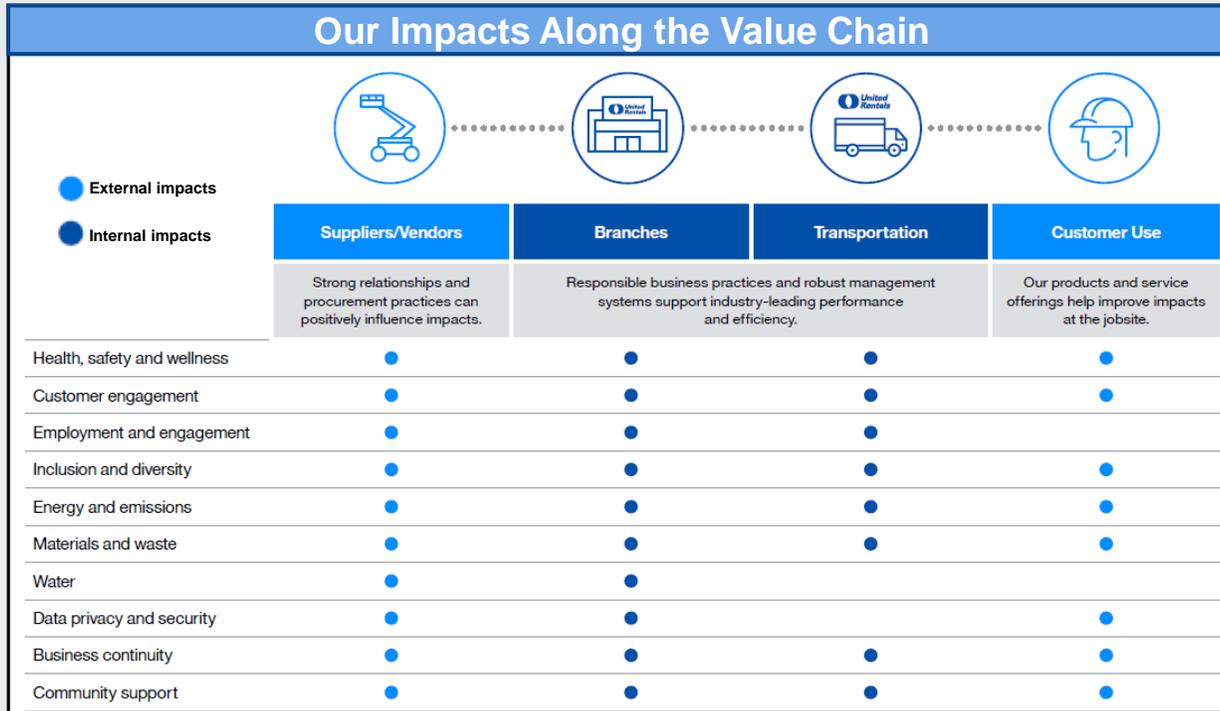
**Proven integration capabilities are a key advantage in realizing greater value from M&A**

# Record of value creation through M&A

RSC (2012)	National Pump (2014)	NES (2017)	Neff Rentals (2017)	BakerCorp (2018)	BlueLine (2018)
<ul style="list-style-type: none"> <li>• <b>Size: \$4.2B</b> transaction value (cash and stock)</li> <li>• <b>Type:</b> 'Grow-the-core' gen rent acquisition</li> <li>• <b>Rationale:</b> Positions URI as <b>leader in North American rental industry</b></li> <li>• <b>Value: Targeted \$200M cost savings</b> from branch consolidation and overhead rationalization               <ul style="list-style-type: none"> <li>• <b>Exceeded initial cost savings estimates</b> - Raised target to \$230M - \$250M</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Size: \$780M</b> transaction value (cash)</li> <li>• <b>Type: Specialty adjacency</b> in the pump rental sector</li> <li>• <b>Rationale:</b> Expand offerings in <b>higher margin / return assets</b></li> <li>• <b>Value:</b> Delivered on <b>growth thesis</b> by capitalizing on <b>cross-selling opportunity</b> <ul style="list-style-type: none"> <li>• Secured foothold in energy-related end markets</li> <li>• Strongly diversified into core construction and industrial</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Size: \$965M</b> transaction value (cash)</li> <li>• <b>Type:</b> 'Grow-the-core' gen rent acquisition</li> <li>• <b>Rationale:</b> Strengthened aerial capabilities and added two-way cross-selling opportunities</li> <li>• <b>Value: Targeted \$40M cost savings</b> and \$35M of revenue cross-sell opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Size: \$1.3B</b> transaction value (cash)</li> <li>• <b>Type:</b> 'Grow-the-core' gen rent acquisition</li> <li>• <b>Rationale:</b> Introduced new dirt capabilities and expertise in infrastructure; provided two-way cross-selling opportunities</li> <li>• <b>Value: Targeted \$35M cost savings</b> and \$15M of revenue cross-sell opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Size: \$720M</b> transaction value (cash)</li> <li>• <b>Type: Specialty adjacency</b> in the fluid control sector</li> <li>• <b>Rationale:</b> Expand offerings in <b>higher return and lower volatility assets</b></li> <li>• <b>Value: Targeted \$19M cost savings</b> and \$60M of cross-sell revenue opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Size: \$2.1B</b> transaction value (cash)</li> <li>• <b>Type:</b> 'Grow-the-core' gen rent acquisition</li> <li>• <b>Rationale:</b> Bolstered URI's position as a <b>leader in the North American rental industry</b> while also adding to presence with <b>local and mid-sized customer segment</b></li> <li>• <b>Value: Targeted \$45M cost savings</b> and \$35M of cross-sell revenue opportunity</li> </ul>

**With 20 years of execution experience for 275+ transactions, team has successfully integrated assets in different environments and across the spectrum from bolt-ons to transformational**

# ESG Highlights: Environmental



- ✓ **Integration of LEAN practices to support Continuous Improvement across operations**
- ✓ **Energy: Energy management across entire branch network**
- ✓ **Emissions: Emissions management within both rental fleet and delivery trucks**
- ✓ **Transportation: New and efficient trucks, route and load optimization, telematics, etc.**
- ✓ **Technology: Customer-facing consumption management tools (i.e., Total Control)**

Helping build a better future for all stakeholders including the environment

# ESG Highlights: Social & Employee Related

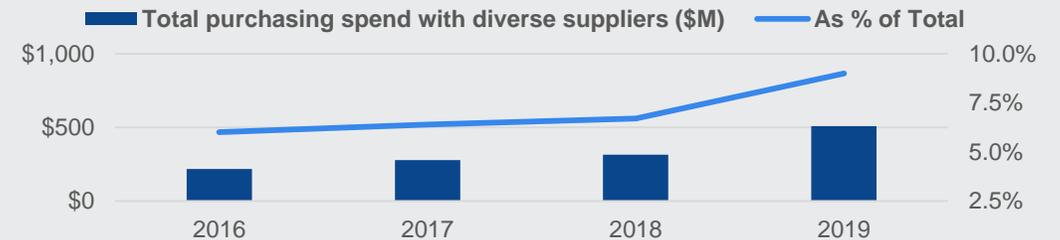
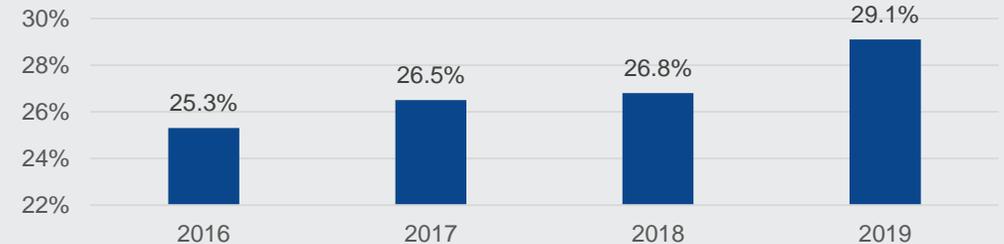
## 2019 Selected Highlights

- ✓ 62% increase in diverse supplier spending to 9% of overall spend in North America
- ✓ 137% increase in spending with minority-owned enterprises
- ✓ Adopted a Human Rights Policy and Statement on Modern Slavery and Human Trafficking
- ✓ Internal 1UR peer recognition program celebrated 16,000+ points of exceptional service
- ✓ #1 provider of confined space training in the world with a focus on safety
- ✓ 91% of branches were injury-free
- ✓ 0.78 Total Recordable Incident Rate (TRIR)
- ✓ Almost 717,000 hours of employee training
- ✓ Almost \$740,000 distributed to employees through the United Compassion Fund
- ✓ Approximately 1,800 veterans employed or ~10% of total employee base
- ✓ Awarded the large employer Platinum Award by the HIRE Vets Award Program
- ✓ Awarded the Diversity and Inclusion Excellence Award and ABC National Diversity Excellence Award by Associated Builders and Contractors of America

TRIR Rate (Safety Measurement)



Diverse employees in sales and management positions as % of total



Making a difference for our employees, their families, and our communities

# ESG Highlights: Corporate Governance

## Corporate Governance Highlights

### Board Independence

- Nine of 11 Directors are independent
- Lead Independent Director
- Required committees are fully independent

### Board Performance

- Risk oversight
- Robust board evaluations
- Commitment to board refreshment and succession planning
- Management succession planning

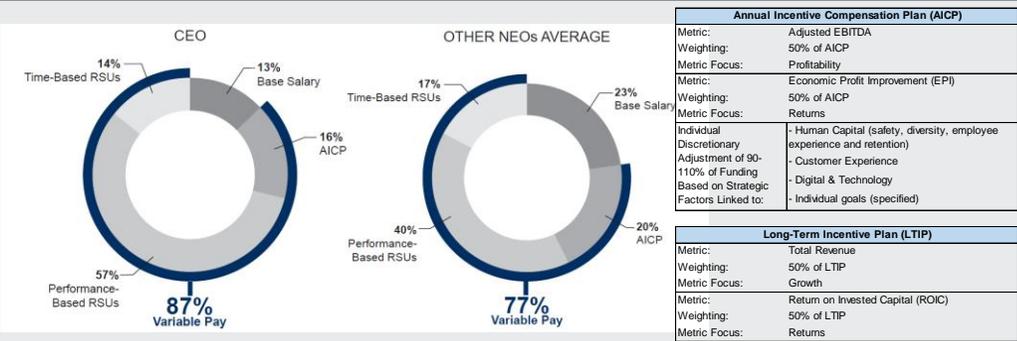
### Other Board & Board Committee Practices

- Separate Chair and CEO
- Annual election of Directors
- No hedging or pledging of company shares
- Robust stock ownership guidelines
- Authority to retain outside advisors
- Director retirement age policy
- Diverse in gender, ethnicity, experience and perspectives

### Shareholder Rights

- Proxy access
- Shareholder rights to call special meetings
- Shareholder right to act by written consent
- No poison pill
- Simple majority voting requirements
- Annual election of all Directors
- Majority voting for Director elections

## Executive Compensation Overview

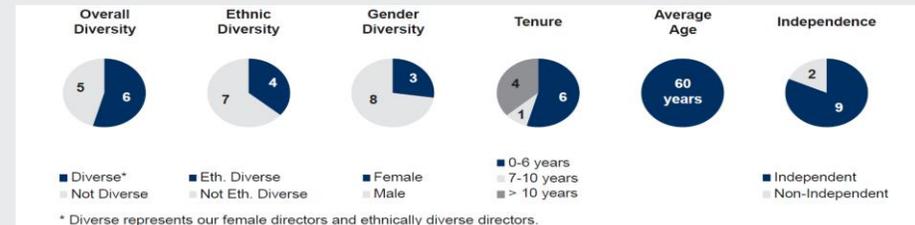


## Board of Directors Overview

The strength of our Board is highlighted by our directors' collective skills and expertise, as illustrated by the following list of aggregate prioritized director competencies:

Key Characteristic / Experience / Skill Set	Number of Directors Possessing each Competency
Public Company CEO	3
P&L Owner	8
Financial Acumen & Capital Markets Experience	6
Digital	3
Sales & Marketing	6
Product Development & Distribution	8
Rental Industry	4
Capital Intensive Industry	9
International Experience	7

The strength of our Board is further illustrated by the diversity and other characteristics of our directors:

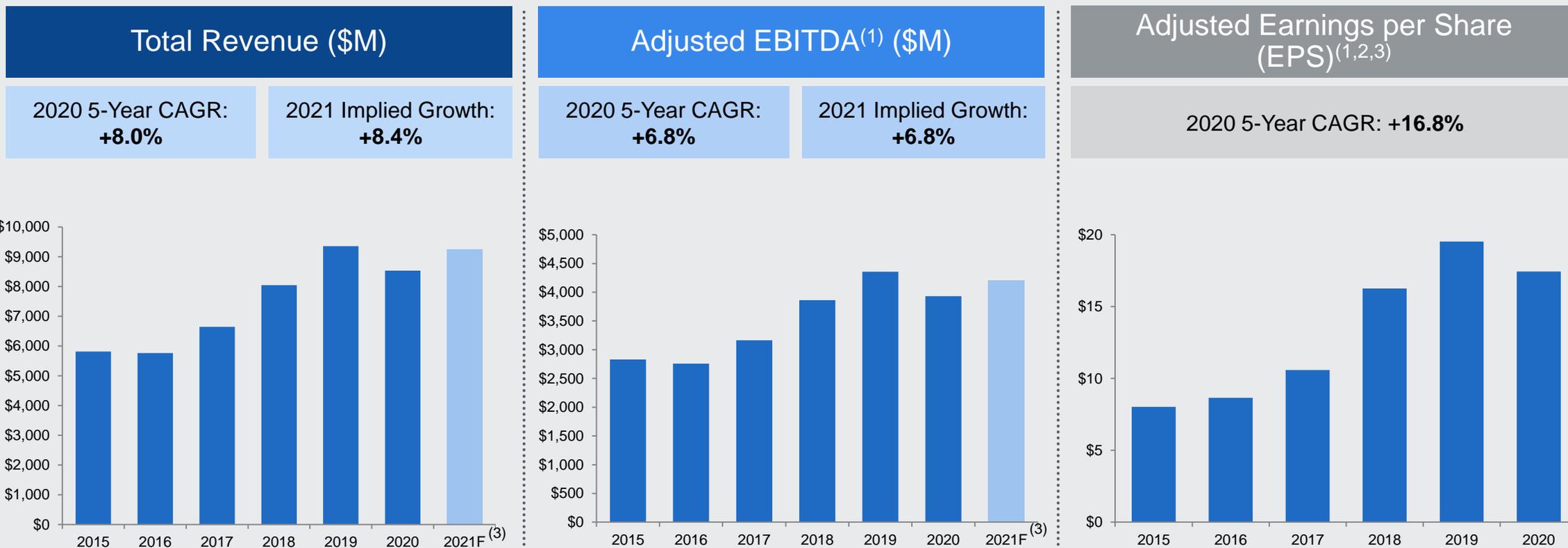


Policies ensure alignment of interests between management and investors

# 4 Summary of key financial data



# Key financial results snapshot



Notes:

- (1) Adjusted EBITDA and Adjusted EPS are non-GAAP measures. See the tables provided elsewhere in this presentation for reconciliations to the most comparable GAAP measures.
- (2) 2017 EPS excludes a one-time benefit from the Tax Act of \$8.05. 2018, 2019 and 2020 reflect a reduction in the U.S. federal corporate statutory rate from 35% to 21% as a result of the Tax Act.
- (3) 2021F reflects the mid-point of guidance. Adjusted EPS is not forecasted.

# Structural changes are key to increased margins

## Adjusted EBITDA Margin<sup>(1)</sup> (%)



## Key Drivers of Margin Gains

- Strong fixed-cost absorption
  - Cyclical leverage (e.g., SG&A as % of sales)
  - M&A cost synergies (e.g., RSC, NES, Neff)
- Operational efficiency gains
  - Process improvements (e.g., LEAN, 5S, etc.)
  - Technology (e.g., logistics, CORE, telematics)
- Improved mix
  - Shift towards higher margin Specialty
  - Improved segment/end-market mix
  - De-emphasis of low margin/return businesses
- Improved used equipment sales strategies

## Dramatic cycle-over-cycle margin improvement

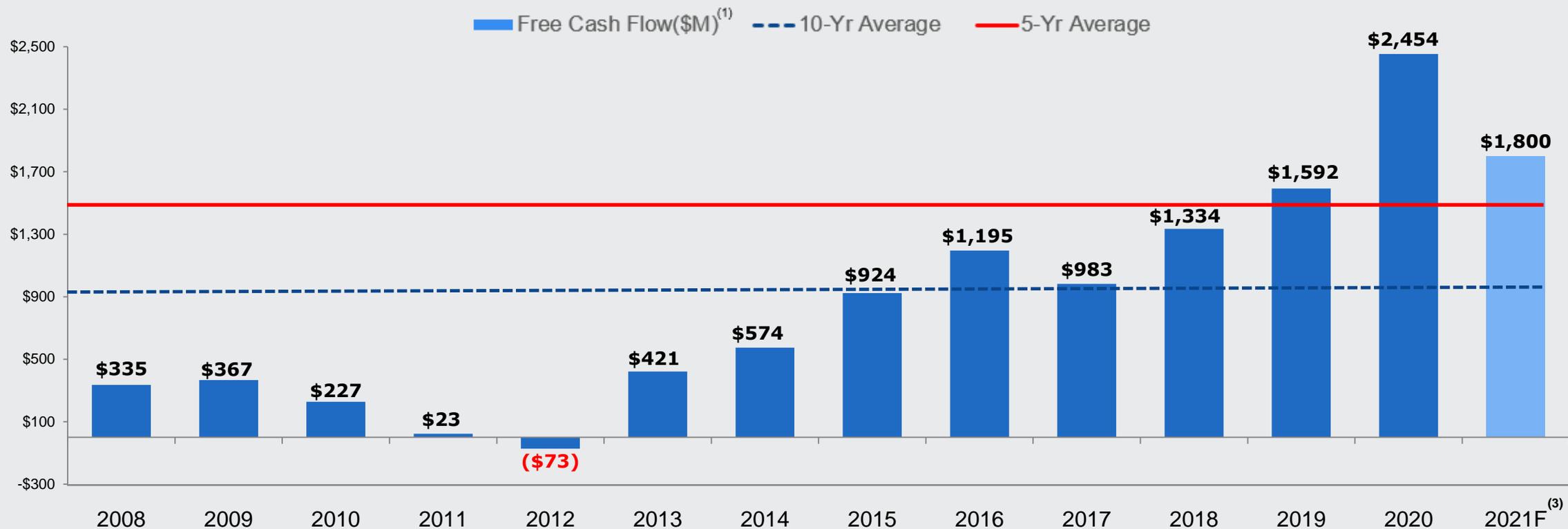
Notes:

(1) Adjusted EBITDA is a non-GAAP measure. Adjusted EBITDA margin represents adjusted EBITDA divided by total revenue. See the tables provided elsewhere in this presentation for reconciliations to the most comparable GAAP measures.

(2) 2021F reflects the mid-point of guidance.

(3) Reflects change between 2008 and 2021F.

# Consistent free cash flow generation



**~\$7.6B of free cash flow generated over last 5 years<sup>(2)</sup>**

**Notes:**

- (1) Free cash flow is a non-GAAP measure. See tables provided elsewhere in this presentation for reconciliations to the most comparable GAAP measure. Merger and restructuring related payments were first reported for 2012. The information required to determine the amount of merger and restructuring related payments for periods prior to 2012 is unavailable without unreasonable effort. Free cash flow for 2012 and subsequent periods above excludes merger and restructuring related payments.
- (2) Reflects 5 year period from 2016 to 2020, excluding merger and restructuring related payments.
- (3) 2021F reflects the mid-point of guidance.

# 1Q 2021 Results

<b>Total Revenue</b>	<ul style="list-style-type: none"><li>• \$2.057 billion (-3.2% Y/Y)</li></ul>
<b>Net Income*</b>	<ul style="list-style-type: none"><li>• \$203 million (9.9% margin; +180 bps Y/Y)</li></ul>
<b>Adjusted EBITDA**</b>	<ul style="list-style-type: none"><li>• \$873 million (42.4% margin; -70 bps Y/Y)</li></ul>
<b>Net Rental Capital Expenditures</b>	<ul style="list-style-type: none"><li>• \$28 million, after gross purchases of \$295 million</li></ul>
<b>Net Cash Provided by Operating Activities (Year-to-Date)</b>	<ul style="list-style-type: none"><li>• \$758 million</li></ul>
<b>Free Cash Flow** (Year-to-Date)</b>	<ul style="list-style-type: none"><li>• \$728 million***</li></ul>

\* The first quarter of 2020 included a \$26 million non-cash asset impairment charge, which was not related to the COVID-19 pandemic. Excluding the impact of asset impairment charges, net income margin increased 50 basis points year-over-year.

\*\* Adjusted EBITDA and Free Cash Flow are non-GAAP measures. See the tables provided elsewhere in this presentation for reconciliations to the most comparable GAAP measures.

\*\*\* Excludes aggregate merger and restructuring related payments of \$3 million.

# 2021 Financial Outlook

<b>Total Revenue</b>	<ul style="list-style-type: none"><li>• \$9.05 billion to \$9.45 billion</li></ul>
<b>Adjusted EBITDA*</b>	<ul style="list-style-type: none"><li>• \$4.1 billion to \$4.3 billion</li></ul>
<b>Net Rental Capital Expenditures</b>	<ul style="list-style-type: none"><li>• \$1.25 billion to \$1.45 billion, after gross purchases of \$2.2 billion to \$2.4 billion</li></ul>
<b>Net Cash Provided by Operating Activities</b>	<ul style="list-style-type: none"><li>• \$3.1 billion to \$3.5 billion</li></ul>
<b>Free Cash Flow*</b>	<ul style="list-style-type: none"><li>• \$1.7 billion to \$1.9 billion**</li></ul>

Note: Includes the contribution from the acquisition of Franklin Equipment but does not include the impact of the pending acquisition of General Finance Corporation.

\*Adjusted EBITDA and Free Cash Flow are non-GAAP measures. See the table provided elsewhere in this presentation for a reconciliation of forecasted Free Cash Flow to the most comparable GAAP measure. Information reconciling forecasted adjusted EBITDA to the most comparable GAAP financial measures is unavailable to the company without unreasonable effort, as discussed in the "Introductory Information" slide.

\*\*Excludes aggregate merger and restructuring related payments. FCF outlook assumptions include 2021 cash taxes of \$315M and cash interest of \$390M.

# Fleet productivity: overview

- ✓ *Fleet Productivity* provides greater insight into the interplay and combined impact of key decisions made by managers every day across (a) rental rates, (b) time utilization, and (c) changes in mix on our Owned Equipment Rental Revenue (i.e., the revenue we generate with our owned rental assets).
  - Mix includes impact of changes in customer mix, fleet mix, geographic mix and business mix (i.e., Specialty).
- ✓ *Fleet Productivity* is a metric that better explains how the combined changes in rental rates, time utilization, and mix come together to produce revenue and how management flexes the combination of these factors to drive efficient growth and benefits returns.
- ✓ *Fleet Productivity* is a comprehensive measure that combines the impact of the change in rental rates **plus** the impact of changes in time utilization **plus** the revenue impact from changes in mix in one metric.

**Fleet Productivity provides better insight into the decisions made to optimize growth and returns**

# Fleet productivity: historical results<sup>(1)</sup>

As Reported Historical Results					
	Actual YoY Change in Average OEC	Assumed YoY Impact of OEC Inflation on Rent Rev	Fleet Productivity <sup>(2)</sup>	Contribution from Ancillary and Re-Rent	Reported YoY Change in Rental Revenue
1Q 2017	3.9%	(1.5%)	1.4%	0.6%	4.4%
2Q 2017 <sup>(3)</sup>	14.3%	(1.5%)	0.7% * (NES)	0.1%	13.5%
3Q 2017	15.7%	(1.5%)	1.7%	0.3%	16.2%
4Q 2017 <sup>(3)</sup>	27.5%	(1.5%)	0.5% * (Neff)	0.3%	26.8%
1Q 2018	27.7%	(1.5%)	(0.8%)	(0.3%)	25.1%
2Q 2018	16.2%	(1.5%)	4.5%	0.1%	19.3%
3Q 2018 <sup>(3)</sup>	19.5%	(1.5%)	2.3% * (BakerCorp)	0.8%	21.2%
4Q 2018 <sup>(3)</sup>	18.8%	(1.5%)	1.5% * (BlueLine)	2.0%	20.8%
1Q 2019	23.7%	(1.5%)	(1.3%)	2.1%	23.0%
2Q 2019	23.2%	(1.5%)	(3.1%)	1.6%	20.2%
3Q 2019	18.1%	(1.5%)	(1.3%)	0.1%	15.4%
4Q 2019	7.6%	(1.5%)	(2.4%)	0.0%	3.7%
1Q 2020	2.2%	(1.5%)	(1.2%)	(0.2%)	(0.7%)
2Q 2020	(0.7%)	(1.5%)	(13.6%) <sup>(4)</sup>	(0.4%)	(16.2%)
3Q 2020	(4.6%)	(1.5%)	(8.0%) <sup>(4)</sup>	0.8%	(13.3%)
4Q 2020	(5.6%)	(1.5%)	(3.8%) <sup>(4)</sup>	0.8%	(10.1%)
Q1 2021	(5.7%)	(1.5%)	(0.5%) <sup>(4)</sup>	1.2%	(6.5%)

(1) Provided on an As Reported basis.

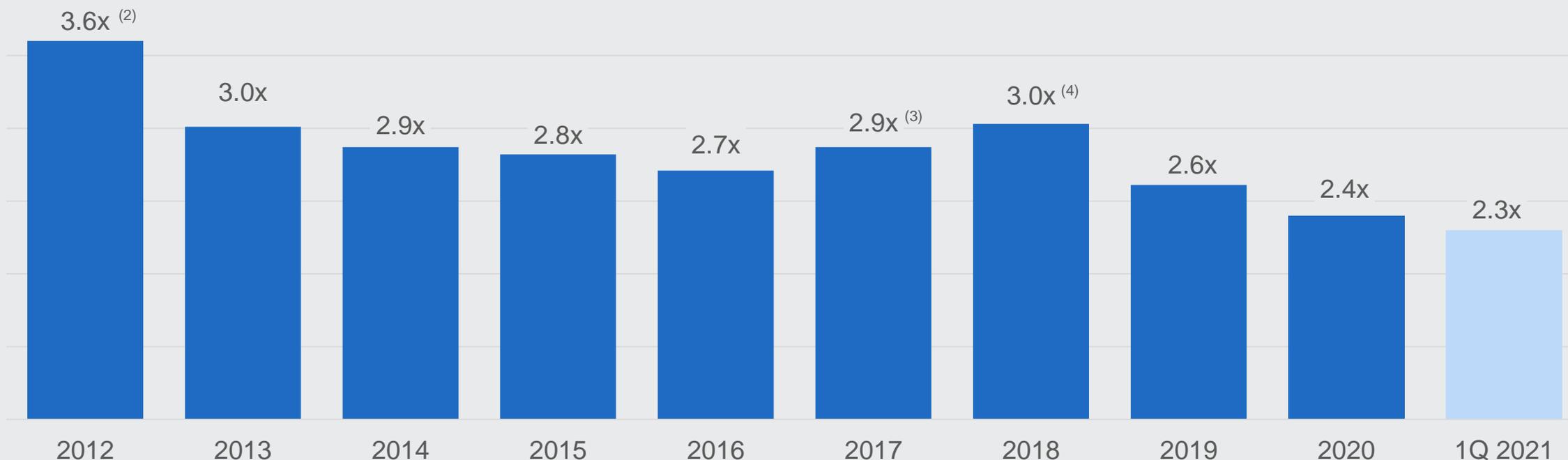
(2) Fleet Productivity reflects the combined impact of changes in rental rates, time utilization, and mix that contribute to Owned Equipment Rental revenue (OER).

(3) Denotes quarter in which URI closed a material acquisition (NES = 2Q17; Neff = 4Q17; BakerCorp = 3Q18; BlueLine = 4Q18).

(4) The negative fleet productivity above includes the impact of COVID-19.

# Balance sheet strength has improved

Leverage Ratio<sup>(1)</sup>



**2.0x – 3.0x targeted leverage range across the cycle**

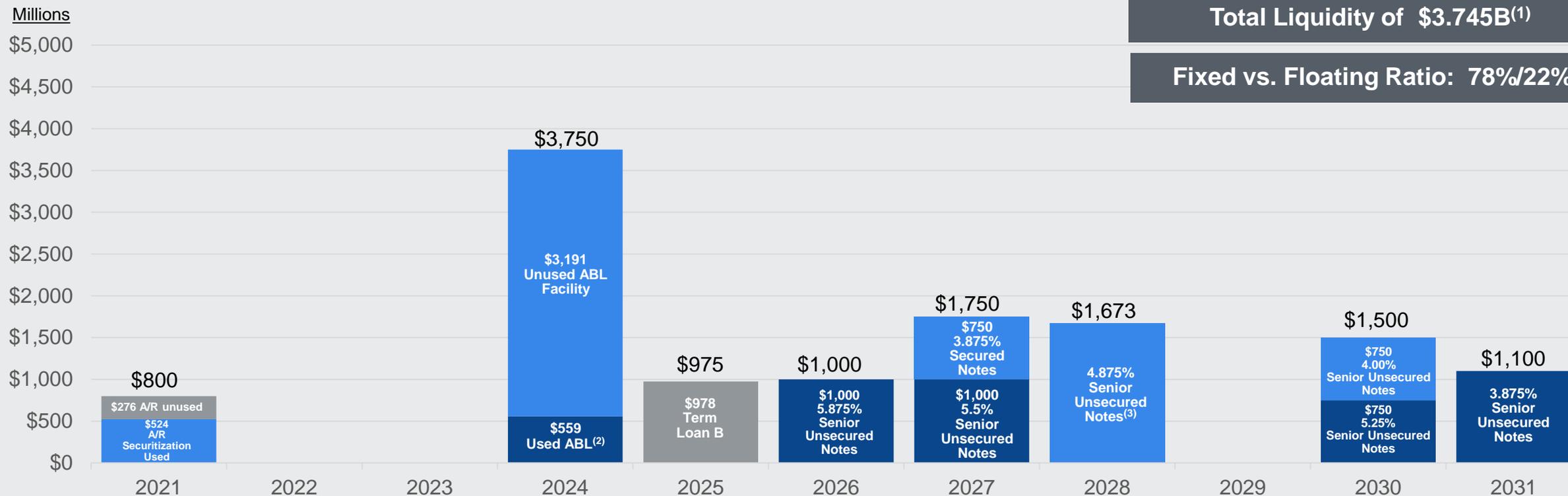
(1) Leverage Ratio calculated as net debt divided by adjusted EBITDA.

(2) Pro Forma assumes RSC acquisition occurred on January 1, 2012.

(3) Reflects leverage as reported, which includes borrowings related to the acquisitions of both NES and Neff without full-year benefits of EBITDA contribution.

(4) Reflects leverage as reported, which includes borrowings related to the acquisitions of both Baker and BlueLine without full-year benefits of EBITDA contribution.

# No long-term note maturities until 2026



## Aggressive management of long-term maturity towers

**Note: As of March 31, 2021.**

(1) Includes total cash, cash equivalents and availability under ABL and AR facilities as of March 31, 2021.

(2) Includes \$60M in Letters of Credit.

(3) Comprised of two separate 4.875% notes, a note with \$1.669M principal amount and a note with \$4M principal amount.

# 5 Appendix



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# Adjusted Earnings Per Share GAAP Reconciliation

We define “earnings per share – adjusted” as the sum of earnings per share – GAAP, as-reported plus the impact of the following special items: merger related intangible asset amortization, impact on depreciation related to acquired fleet and property and equipment, impact of the fair value mark-up of acquired fleet, restructuring charge and asset impairment charge. Management believes that earnings per share - adjusted provides useful information concerning future profitability. However, earnings per share - adjusted is not a measure of financial performance under GAAP. Accordingly, earnings per share - adjusted should not be considered an alternative to GAAP earnings per share. The table below provides a reconciliation between earnings per share – GAAP, as-reported, and earnings per share – adjusted.

\$ Millions	Three Months Ended	
	March 31,	
	2021	2020
<b>Earnings per share - GAAP, as-reported</b>	<b>\$ 2.80</b>	<b>\$ 2.33</b>
After-tax impact of:		
Merger related intangible asset amortization (2)	0.50	0.59
Impact on depreciation related to acquired fleet and property and equipment (3)	0.02	0.03
Impact of the fair value mark-up of acquired fleet (4)	0.12	0.12
Restructuring charge (5)	0.01	0.02
Asset impairment charge (6)	—	0.26
<b>Earnings per share - adjusted</b>	<b>\$ 3.45</b>	<b>\$ 3.35</b>
Tax rate applied to above adjustments (1)	25.3 %	25.2 %

- (1) The tax rates applied to the adjustments reflect the statutory rates in the applicable entities.
- (2) Reflects the amortization of the intangible assets acquired in major acquisitions completed since 2012 (the "major acquisitions," each of which had annual revenues of over \$200 million prior to acquisition).
- (3) Reflects the impact of extending the useful lives of equipment acquired in certain major acquisitions, net of the impact of additional depreciation associated with the fair value mark-up of such equipment.
- (4) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in certain major acquisitions and subsequently sold.
- (5) Primarily reflects severance and branch closure charges associated with our closed restructuring programs and our current restructuring program. We only include such costs that are part of a restructuring program as restructuring charges. Since the first such restructuring program was initiated in 2008, we have completed five restructuring programs. We have cumulatively incurred total restructuring charges of \$351 million under our restructuring programs.
- (6) Reflects write-offs of leasehold improvements and other fixed assets. The 2020 charges primarily reflect the discontinuation of certain equipment programs, and were not related to COVID-19.

# EBITDA and Adjusted EBITDA GAAP Reconciliations

EBITDA represents the sum of net income, provision for income taxes, interest expense, net, depreciation of rental equipment, and non-rental depreciation and amortization. Adjusted EBITDA represents EBITDA plus the sum of the restructuring charge, stock compensation expense, net, and the impact of the fair value mark-up of acquired fleet. These items are excluded from adjusted EBITDA internally when evaluating our operating performance and for strategic planning and forecasting purposes, and allow investors to make a more meaningful comparison between our core business operating results over different periods of time, as well as with those of other similar companies. The net income and adjusted EBITDA margins represent net income or adjusted EBITDA divided by total revenue. Management believes that EBITDA and adjusted EBITDA, when viewed with the company's results under GAAP and the accompanying reconciliation, provide useful information about operating performance and period-over-period growth, and provide additional information that is useful for evaluating the operating performance of our core business without regard to potential distortions. Additionally, management believes that EBITDA and adjusted EBITDA help investors gain an understanding of the factors and trends affecting our ongoing cash earnings, from which capital investments are made and debt is serviced.

The table below provides a reconciliation between net income and EBITDA and adjusted EBITDA.

<b>\$ Millions</b>	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Net income</b>	<b>\$ 203</b>	<b>\$ 173</b>
Provision for income taxes	72	53
Interest expense, net	99	136
Depreciation of rental equipment	375	426
Non-rental depreciation and amortization	91	100
<b>EBITDA</b>	<b>\$ 840</b>	<b>\$ 888</b>
Restructuring charge (1)	1	2
Stock compensation expense, net (2)	21	13
Impact of the fair value mark-up of acquired fleet (3)	11	12
<b>Adjusted EBITDA</b>	<b>\$ 873</b>	<b>\$ 915</b>
<i>Net income margin</i>	9.9 %	8.1 %
<i>Adjusted EBITDA margin</i>	42.4 %	43.1 %

- (1) Primarily reflects severance and branch closure charges associated with our closed restructuring programs and our current restructuring program. We only include such costs that are part of a restructuring program as restructuring charges. Since the first such restructuring program was initiated in 2008, we have completed five restructuring programs. We have cumulatively incurred total restructuring charges of \$351 million under our restructuring programs.
- (2) Represents non-cash, share-based payments associated with the granting of equity instruments.
- (3) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in certain major acquisitions and subsequently sold.

# Reconciliation of Net Cash Provided by Operating Activities to EBITDA and Adjusted EBITDA

The table below provides a reconciliation between net cash provided by operating activities and EBITDA and adjusted EBITDA.

\$ Millions	Three Months Ended	
	March 31,	
	2021	2020
<b>Net cash provided by operating activities</b>	<b>\$ 758</b>	<b>\$ 644</b>
Adjustments for items included in net cash provided by operating activities but excluded from the calculation of EBITDA:		
Amortization of deferred financing costs and original issue discounts	(3)	(4)
Gain on sales of rental equipment	103	83
Gain on sales of non-rental equipment	1	1
Insurance proceeds from damaged equipment	7	6
Restructuring charge (1)	(1)	(2)
Stock compensation expense, net (2)	(21)	(13)
Changes in assets and liabilities	(177)	(4)
Cash paid for interest	167	174
Cash paid for income taxes, net	6	3
<b>EBITDA</b>	<b>\$ 840</b>	<b>\$ 888</b>
Add back:		
Restructuring charge (1)	1	2
Stock compensation expense, net (2)	21	13
Impact of the fair value mark-up of acquired fleet (3)	11	12
<b>Adjusted EBITDA</b>	<b>\$ 873</b>	<b>\$ 915</b>

- (1) Primarily reflects severance and branch closure charges associated with our closed restructuring programs and our current restructuring program. We only include such costs that are part of a restructuring program as restructuring charges. Since the first such restructuring program was initiated in 2008, we have completed five restructuring programs. We have cumulatively incurred total restructuring charges of \$351 million under our restructuring programs.
- (2) Represents non-cash, share-based payments associated with the granting of equity instruments.
- (3) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in certain major acquisitions and subsequently sold.

# Free Cash Flow GAAP Reconciliation

We define “free cash flow” as net cash provided by operating activities less purchases of, and plus proceeds from, equipment. The equipment purchases and proceeds are included in cash flows from investing activities. Management believes that free cash flow provides useful additional information concerning cash flow available to meet future debt service obligations and working capital requirements. However, free cash flow is not a measure of financial performance or liquidity under GAAP. Accordingly, free cash flow should not be considered an alternative to net income or cash flow from operating activities as an indicator of operating performance or liquidity. The table below provides a reconciliation between net cash provided by operating activities and free cash flow.

\$ Millions	Three Months Ended	
	March 31,	
	2021	2020
<b>Net cash provided by operating activities</b>	<b>\$ 758</b>	<b>\$ 644</b>
Purchases of rental equipment	(295)	(208)
Purchases of non-rental equipment	(19)	(53)
Proceeds from sales of rental equipment	267	208
Proceeds from sales of non-rental equipment	7	9
Insurance proceeds from damaged equipment	7	6
<b>Free cash flow (1)</b>	<b>\$ 725</b>	<b>\$ 606</b>

(1) Free cash flow included aggregate merger and restructuring related payments of \$3 million and \$2 million for the three months ended March 31, 2021 and 2020, respectively.

The table below provides a reconciliation between 2021 forecasted net cash provided by operating activities and free cash flow.

<b>Net cash provided by operating activities</b>	<b>\$3,100- \$3,500</b>
Purchases of rental equipment	\$(2,200)-\$(2,400)
Proceeds from sales of rental equipment	\$900-\$1,000
Purchases of non-rental equipment, net of proceeds from sales and insurance proceeds from damaged equipment	\$(100)-\$(200)
<b>Free cash flow (excluding the impact of merger and restructuring related payments)</b>	<b>\$1,700- \$1,900</b>

# Historical Adjusted Earnings Per Share GAAP Reconciliation

Adjusted EPS (earnings per share) is a non-GAAP measure that reflects diluted earnings (loss) per share from continuing operations excluding the impact of the special items described below. Management believes that adjusted EPS provides useful information concerning future profitability. However, adjusted EPS is not a measure of financial performance under GAAP. Accordingly, adjusted EPS should not be considered an alternative to GAAP earnings per share. The table below provides a reconciliation between diluted earnings (loss) per share and adjusted EPS.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
<b>Diluted earnings (loss) per share (EPS) from continuing operations</b>	<b>\$ (12.62)</b>	<b>\$ (0.98)</b>	<b>\$ (0.38)</b>	<b>\$ 1.38</b>	<b>\$ 0.79</b>	<b>\$ 3.64</b>	<b>\$ 5.15</b>	<b>\$ 6.07</b>	<b>\$ 6.45</b>	<b>\$ 15.73</b>	<b>\$ 13.12</b>	<b>\$ 15.11</b>	<b>\$ 12.20</b>	<b>\$ 2.80</b>	
EPS adjustments (after-tax):															
Merger related costs (1)	—	—	—	0.25	0.72	0.05	0.06	(0.17)	—	0.36	0.32	0.01	—	—	—
Merger related intangible asset amortization (2)	—	—	—	—	0.74	0.94	1.10	1.15	1.12	1.15	1.76	2.48	2.22	0.50	—
Impact on depreciation related to acquired fleet and property and equipment (3)	—	—	—	—	(0.03)	(0.04)	(0.03)	(0.02)	—	0.05	0.19	0.39	0.08	0.02	—
Impact of the fair value mark-up of acquired fleet (4)	—	—	—	—	0.24	0.25	0.21	0.19	0.25	0.59	0.59	0.72	0.51	0.12	—
Pre-close RSC merger related interest expense (5)	—	—	—	—	0.19	—	—	—	—	—	—	—	—	—	—
Impact on interest expense related to fair value adjustment of acquired RSC indebtedness (6)	—	—	—	—	(0.03)	(0.04)	(0.03)	(0.02)	(0.01)	—	—	—	—	—	—
Restructuring charge (7)	0.17	0.29	0.34	0.16	0.64	0.07	(0.01)	0.04	0.11	0.36	0.28	0.18	0.18	0.01	—
Asset impairment charge (8)	0.06	0.12	0.09	0.04	0.10	0.02	—	—	0.03	0.01	—	0.05	0.37	—	—
(Gain) loss on extinguishment of debt securities, including subordinated convertible debentures, and amendments of debt facilities (9)	(0.32)	(0.19)	0.28	0.04	0.45	0.02	0.46	0.78	0.70	0.39	—	0.58	1.88	—	—
Gain on sale of software subsidiary (10)	—	—	—	—	(0.05)	—	—	—	—	—	—	—	—	—	—
Goodwill impairment charge (11)	12.19	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Charge related to settlement of SEC inquiry (12)	0.19	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Preferred stock redemption charge (13)	3.19	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Foreign tax credit valuation allowance and other (14)	0.10	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total EPS adjustments</b>	<b>\$ 15.58</b>	<b>\$ 0.22</b>	<b>\$ 0.71</b>	<b>\$ 0.49</b>	<b>\$ 2.97</b>	<b>\$ 1.27</b>	<b>\$ 1.76</b>	<b>\$ 1.95</b>	<b>\$ 2.20</b>	<b>\$ 2.91</b>	<b>\$ 3.14</b>	<b>\$ 4.41</b>	<b>\$ 5.24</b>	<b>\$ 0.65</b>	
<b>Adjusted EPS</b>	<b>\$ 2.96</b>	<b>\$ (0.76)</b>	<b>\$ 0.33</b>	<b>\$ 1.87</b>	<b>\$ 3.76</b>	<b>\$ 4.91</b>	<b>\$ 6.91</b>	<b>\$ 8.02</b>	<b>\$ 8.65</b>	<b>\$ 18.64</b>	<b>\$ 16.26</b>	<b>\$ 19.52</b>	<b>\$ 17.44</b>	<b>\$ 3.45</b>	
2017 Tax Act impact (15)															\$ 8.05
<b>Total revenues (\$M) (16)</b>	<b>\$ 3,267</b>	<b>\$ 2,358</b>	<b>\$ 2,237</b>	<b>\$ 2,611</b>	<b>\$ 4,117</b>	<b>\$ 4,955</b>	<b>\$ 5,685</b>	<b>\$ 5,817</b>	<b>\$ 5,762</b>	<b>\$ 6,641</b>	<b>\$ 8,047</b>	<b>\$ 9,351</b>	<b>\$ 8,530</b>	<b>\$ 2,057</b>	

# Historical Adjusted Earnings Per Share GAAP Reconciliation (cont'd)

- (1) We have made a number of acquisitions in the past and may continue to make acquisitions in the future. Merger related costs only include costs associated with major acquisitions that significantly impacted our operations (the "major acquisitions," each of which had annual revenues of over \$200 million prior to acquisition).
- (2) Reflects the amortization of the intangible assets acquired in the major acquisitions.
- (3) Reflects the impact of extending the useful lives of equipment acquired in certain major acquisitions, net of the impact of additional depreciation associated with the fair value mark-up of such equipment
- (4) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in certain major acquisitions and subsequently sold.
- (5) In March 2012, we issued \$2.825 billion of debt in connection with the RSC acquisition. The pre-close RSC merger related interest expense reflects the interest expense recorded on this debt prior to the acquisition of RSC on April 30, 2012.
- (6) Reflects a reduction of interest expense associated with the fair value mark-up of debt acquired in the RSC acquisition.
- (7) Primarily reflects severance and branch closure charges associated with our closed restructuring programs and our current restructuring program. We only include such costs that are part of a restructuring program as restructuring charges. Since the first such restructuring program was initiated in 2008, we have completed five restructuring programs. We have cumulatively incurred total restructuring charges of \$351 million under our restructuring programs.
- (8) Primarily reflects write-offs of leasehold improvements and other fixed assets.
- (9) Reflects gains/losses on the extinguishment of certain debt securities, including subordinated convertible debentures, and write-offs of debt issuance costs associated with amendments to our debt facilities. In 2013, we retired all outstanding subordinated convertible debentures.
- (10) Reflects a gain recognized upon the sale of a former subsidiary that developed and marketed software.
- (11) We recognized a goodwill impairment charge in the fourth quarter of 2008 that reflected the challenges of the construction cycle, as well as the broader economic and credit environment. Substantially all of the impairment charge related to goodwill arising out of acquisitions made between 1997 and 2000.
- (12) In the third quarter of 2008 we settled, without admitting or denying the allegations in the SEC's complaint, to the entry of a judgment requiring us to pay a civil penalty of \$14 million associated with an SEC inquiry into our historical accounting practices.
- (13) Reflects a preferred stock redemption charge associated with the June 2008 repurchase of our Series C and D preferred stock.
- (14) Primarily relates to the establishment of a valuation allowance related to certain foreign tax credits that, as a result of the preferred stock redemption discussed above, were no longer expected to be realized.
- (15) The Tax Cuts and Jobs Act (the "Tax Act"), which was enacted in December 2017, reduced the U.S. federal corporate statutory tax rate from 35% to 21%. The benefit in 2017 reflects an aggregate benefit of \$689 million, or \$8.05 per diluted share, reflecting 1) a one-time non-cash tax benefit reflecting the revaluation of our net deferred tax liability using a U.S. federal corporate statutory tax rate of 21% and 2) a one-time transition tax on our unremitted foreign earnings and profits. Periods subsequent to 2017 reflect the lower 21% U. S. federal corporate statutory tax rate.
- (16) Total revenue is provided for context.

# Historical EBITDA and Adjusted EBITDA GAAP Reconciliations (\$M)

EBITDA represents the sum of net income (loss), loss on discontinued operations, net of tax, provision (benefit) for income taxes, interest expense, subordinated convertible debentures, net, depreciation of rental equipment, and non-rental depreciation and amortization. Adjusted EBITDA represents EBITDA plus the adjusting items (determined at the time of the historic reporting) discussed below. These items are excluded from adjusted EBITDA internally when evaluating our operating performance and for strategic planning and forecasting purposes, and allow investors to make a more meaningful comparison between our core business operating results over different periods of time, as well as with those of other similar companies. The net income and adjusted EBITDA margins represent net income or adjusted EBITDA divided by total revenue. Management believes that EBITDA and adjusted EBITDA, when viewed with the Company's results under GAAP and the accompanying reconciliations, provide useful information about operating performance and period-over-period growth, and provide additional information that is useful for evaluating the operating performance of our core business without regard to potential distortions. Additionally, management believes that EBITDA and adjusted EBITDA help investors gain an understanding of the factors and trends affecting our ongoing cash earnings, from which capital investments are made and debt is serviced. The tables below provide 1) a reconciliation between net income and EBITDA and adjusted EBITDA and 2) a reconciliation between net cash provided by operating activities and EBITDA and adjusted EBITDA.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD 2021
<b>Net income (loss)</b>	<b>\$ (704)</b>	<b>\$ (62)</b>	<b>\$ (26)</b>	<b>\$ 101</b>	<b>\$ 75</b>	<b>\$ 387</b>	<b>\$ 540</b>	<b>\$ 585</b>	<b>\$ 566</b>	<b>\$ 1,346</b>	<b>\$ 1,096</b>	<b>\$ 1,174</b>	<b>\$ 890</b>	<b>\$ 203</b>
Loss on discontinued operations, net of tax	—	2	4	—	—	—	—	—	—	—	—	—	---	—
Provision (benefit) for income taxes	(109)	(47)	(41)	63	13	218	310	378	343	(298)	380	340	249	72
Interest expense, net	174	226	255	228	512	475	555	567	511	464	481	648	669	99
Interest expense-subordinated convertible debentures, net (1)	9	(4)	8	7	4	3	—	—	—	—	—	—	---	---
Depreciation of rental equipment	455	417	389	423	699	852	921	976	990	1,124	1,363	1,631	1,601	375
Non-rental depreciation and amortization	58	57	60	57	198	246	273	268	255	259	308	407	387	91
<b>EBITDA</b>	<b>(117)</b>	<b>589</b>	<b>649</b>	<b>879</b>	<b>1,501</b>	<b>2,181</b>	<b>2,599</b>	<b>2,774</b>	<b>2,665</b>	<b>2,895</b>	<b>3,628</b>	<b>4,200</b>	<b>3,796</b>	<b>840</b>
Merger related costs (2)	—	—	—	19	111	9	11	(26)	—	50	36	1	---	---
Restructuring charge (3)	20	31	34	19	99	12	(1)	6	14	50	31	18	17	1
Charge related to settlement of SEC inquiry (4)	14	—	—	—	—	—	—	—	—	—	—	—	---	---
Goodwill impairment charge (5)	1,147	—	—	—	—	—	—	—	—	—	—	—	---	---
Impact of the fair value mark-up of acquired fleet (6)	—	—	—	—	37	44	35	29	35	82	66	75	49	11
(Gain) loss on sale of software subsidiary (7)	—	—	—	—	(8)	1	—	—	—	—	—	—	---	---
Stock compensation expense, net (8)	6	8	8	12	32	46	74	49	45	87	102	61	70	21
<b>Adjusted EBITDA</b>	<b>\$ 1,070</b>	<b>\$ 628</b>	<b>\$ 691</b>	<b>\$ 929</b>	<b>\$ 1,772</b>	<b>\$ 2,293</b>	<b>\$ 2,718</b>	<b>\$ 2,832</b>	<b>\$ 2,759</b>	<b>\$ 3,164</b>	<b>\$ 3,863</b>	<b>\$ 4,355</b>	<b>\$ 3,932</b>	<b>\$ 873</b>
<b>Net income (loss) margin</b>	<b>(21.5)%</b>	<b>(2.6)%</b>	<b>(1.2)%</b>	<b>3.9%</b>	<b>1.8%</b>	<b>7.8%</b>	<b>9.5%</b>	<b>10.1%</b>	<b>9.8%</b>	<b>20.3%</b>	<b>13.6%</b>	<b>12.6%</b>	<b>10.4%</b>	<b>9.9%</b>
<b>Adjusted EBITDA margin</b>	<b>32.8%</b>	<b>26.6%</b>	<b>30.9%</b>	<b>35.6%</b>	<b>43.0%</b>	<b>46.3%</b>	<b>47.8%</b>	<b>48.7%</b>	<b>47.9%</b>	<b>47.6%</b>	<b>48.0%</b>	<b>46.6%</b>	<b>46.1%</b>	<b>42.4%</b>

# Historical EBITDA and Adjusted EBITDA GAAP Reconciliations (\$M) (cont'd)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD 2021
<b>Net cash provided by operating activities (9)</b>	<b>\$ 438</b>	<b>\$ 452</b>	<b>\$ 612</b>	<b>\$ 721</b>	<b>\$ 1,551</b>	<b>\$ 1,801</b>	<b>\$ 1,987</b>	<b>\$ 1,941</b>	<b>\$ 2,209</b>	<b>\$ 2,853</b>	<b>\$ 3,024</b>	<b>\$ 2,658</b>	<b>\$ 758</b>
Adjustments for items included in net cash provided by operating activities but excluded from the calculation of EBITDA:													
Loss from discontinued operation, net of taxes	2	4	—	—	—	—	—	—	—	—	—	---	---
Amortization of deferred financing costs and original issue discounts	(17)	(23)	(22)	(23)	(21)	(17)	(10)	(9)	(9)	(12)	(15)	(14)	(3)
Gain on sales of rental equipment	7	41	66	125	176	229	227	204	220	278	313	332	103
(Loss) gain on sales of non-rental equipment	(1)	—	2	2	6	11	8	4	4	6	6	8	1
Insurance proceeds on damaged equipment (10)	—	—	—	—	—	—	8	12	21	22	24	40	7
Gain (loss) on sale of software subsidiary (7)	—	—	—	8	(1)	—	—	—	—	—	—	---	---
Merger related costs (2)	—	—	(19)	(111)	(9)	(11)	26	—	(50)	(36)	(1)	---	---
Restructuring charge (3)	(31)	(34)	(19)	(99)	(12)	1	(6)	(14)	(50)	(31)	(18)	(17)	(1)
Stock compensation expense, net (8)	(8)	(8)	(12)	(32)	(46)	(74)	(49)	(45)	(87)	(102)	(61)	(70)	(21)
Gain (loss) on extinguishment of debt securities, and amendments of debt facilities	7	(28)	(3)	(72)	(1)	(80)	(123)	(101)	(54)	—	(61)	(183)	---
Loss on retirement of subordinated convertible debentures (1)	13	—	(2)	—	(2)	—	—	—	—	—	—	---	---
Excess tax benefits from share-based payment arrangements (11)	—	—	—	—	—	—	5	58	—	—	—	---	---
Changes in assets and liabilities	(58)	65	49	571	31	182	194	101	129	124	170	241	(177)
Cash paid for interest, including subordinated convertible debentures (1)	234	229	203	371	461	457	447	415	357	455	581	483	167
Cash paid (received) for income taxes, net	3	(49)	24	40	48	100	60	99	205	71	238	318	6
<b>EBITDA</b>	<b>589</b>	<b>649</b>	<b>879</b>	<b>1,501</b>	<b>2,181</b>	<b>2,599</b>	<b>2,774</b>	<b>2,665</b>	<b>2,895</b>	<b>3,628</b>	<b>4,200</b>	<b>3,796</b>	<b>840</b>
Add back:													
Merger related costs (2)	—	—	19	111	9	11	(26)	—	50	36	1	---	---
Restructuring charge (3)	31	34	19	99	12	(1)	6	14	50	31	18	17	1
Stock compensation expense, net (8)	8	8	12	32	46	74	49	45	87	102	61	70	21
Impact of the fair value mark-up of acquired fleet (6)	—	—	—	37	44	35	29	35	82	66	75	49	11
(Gain) loss on sale of software subsidiary (7)	—	—	—	(8)	1	—	—	—	—	—	—	---	---
<b>Adjusted EBITDA</b>	<b>\$ 628</b>	<b>\$ 691</b>	<b>\$ 929</b>	<b>\$ 1,772</b>	<b>\$ 2,293</b>	<b>\$ 2,718</b>	<b>\$ 2,832</b>	<b>\$ 2,759</b>	<b>\$ 3,164</b>	<b>\$ 3,863</b>	<b>\$ 4,355</b>	<b>\$ 3,932</b>	<b>\$ 873</b>

# Historical EBITDA and Adjusted EBITDA GAAP Reconciliations (\$M) (cont'd)

- (1) In 2013, we retired all outstanding subordinated convertible debentures.
- (2) We have made a number of acquisitions in the past and may continue to make acquisitions in the future. Merger related costs only include costs associated with the major acquisitions that significantly impacted our operations (the "major acquisitions," each of which had annual revenues of over \$200 million prior to acquisition).
- (3) Primarily reflects severance and branch closure charges associated with our closed restructuring programs and our current restructuring program. We only include such costs that are part of a restructuring program as restructuring charges. Since the first such restructuring program was initiated in 2008, we have completed five restructuring programs. We have cumulatively incurred total restructuring charges of \$351 million under our restructuring programs.
- (4) In the third quarter of 2008 we settled, without admitting or denying the allegations in the SEC's complaint, to the entry of a judgment requiring us to pay a civil penalty of \$14 million associated with an SEC inquiry into our historical accounting practices.
- (5) We recognized a goodwill impairment charge in the fourth quarter of 2008 that reflected the challenges of the construction cycle, as well as the broader economic and credit environment. Substantially all of the impairment charge related to goodwill arising out of acquisitions made between 1997 and 2000.
- (6) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in certain major acquisitions and subsequently sold.
- (7) Reflects a gain recognized upon the sale of a former subsidiary that developed and marketed software.
- (8) Represents non-cash, share-based payments associated with the granting of equity instruments.
- (9) We first reported the reconciliation between net cash provided by operating activities and EBITDA and adjusted EBITDA in 2011, and 2009 is the earliest reported period with such a reconciliation. The presentation of our statement of cash flows for periods prior to 2009 differs from the presentation used in 2011, on account of which the information required to prepare the reconciliation between net cash provided by operating activities and EBITDA and adjusted EBITDA for periods prior to 2009 is unavailable without unreasonable effort.
- (10) In 2018, we adopted accounting guidance that addressed the cash flow presentation for proceeds from the settlement of insurance claims. Adoption of this guidance decreased net cash provided by operating activities, relative to previously reported amounts, but did not change EBITDA or adjusted EBITDA for 2017, 2016 and 2015 in the table above. The information required to determine the amount of insurance proceeds for periods prior to 2015 is unavailable without unreasonable effort. The insurance proceeds do not impact EBITDA or adjusted EBITDA.
- (11) The excess tax benefits from share-based payment arrangements result from stock-based compensation windfall deductions in excess of the amounts reported for financial reporting purposes. We adopted accounting guidance in 2017 that changed the cash flow presentation of excess tax benefits from share-based payment arrangements. In the table above, the excess tax benefits from share-based payment arrangements for periods after 2016 are presented as a component of net cash provided by operating activities, while, for 2015 and 2016, they are presented as a separate line item.

# Historical Free Cash Flow GAAP Reconciliation (\$M)

We define “free cash flow” as net cash provided by operating activities less purchases of, and plus proceeds from, equipment, and plus excess tax benefits from share-based payment arrangements. The equipment purchases and proceeds are included in cash flows from investing activities. Management believes that free cash flow provides useful additional information concerning cash flow available to meet future debt service obligations and working capital requirements. However, free cash flow is not a measure of financial performance or liquidity under GAAP. Accordingly, free cash flow should not be considered an alternative to net income or cash flow from operating activities as an indicator of operating performance or liquidity. The table below provides a reconciliation between net cash provided by operating activities and free cash flow.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD 2021
<b>Net cash provided by operating activities</b>	<b>\$ 764</b>	<b>\$ 438</b>	<b>\$ 452</b>	<b>\$ 612</b>	<b>\$ 721</b>	<b>\$ 1,551</b>	<b>\$ 1,801</b>	<b>\$ 1,987</b>	<b>\$ 1,941</b>	<b>\$ 2,209</b>	<b>\$ 2,853</b>	<b>\$ 3,024</b>	<b>\$ 2,658</b>	<b>\$ 758</b>
Purchases of rental equipment	(624)	(260)	(346)	(774)	(1,272)	(1,580)	(1,701)	(1,534)	(1,246)	(1,769)	(2,106)	(2,132)	(961)	(295)
Purchases of non-rental equipment	(80)	(51)	(28)	(36)	(97)	(104)	(120)	(102)	(93)	(120)	(185)	(218)	(197)	(19)
Proceeds from sales of rental equipment	264	229	144	208	399	490	544	538	496	550	664	831	858	267
Proceeds from sales of non-rental equipment	11	13	7	13	31	26	33	17	14	16	23	37	42	7
Insurance proceeds from damaged equipment <sup>(1)</sup>	—	—	—	—	—	—	—	8	12	21	22	24	40	7
Excess tax benefits from share-based payment arrangements <sup>(2)</sup>	—	(2)	(2)	—	(5)	—	—	5	58	—	—	—	—	—
<b>Free cash flow</b>	<b>\$ 335</b>	<b>\$ 367</b>	<b>\$ 227</b>	<b>\$ 23</b>	<b>\$ (223)</b>	<b>\$ 383</b>	<b>\$ 557</b>	<b>\$ 919</b>	<b>\$ 1,182</b>	<b>\$ 907</b>	<b>\$ 1,271</b>	<b>\$ 1,566</b>	<b>\$ 2,440</b>	<b>\$ 725</b>
Merger and restructuring related payments included in free cash flow <sup>(3)</sup>					150	38	17	5	13	76	63	26	14	3
Free cash flow excluding merger and restructuring related payments <sup>(3)</sup>					\$ (73)	\$ 421	\$ 574	\$ 924	\$ 1,195	\$ 983	\$ 1,334	\$ 1,592	\$ 2,454	\$ 728

(1) In 2018, we adopted accounting guidance that addressed the cash flow presentation for proceeds from the settlement of insurance claims. Adoption of this guidance decreased net cash provided by operating activities, relative to previously reported amounts, but did not change free cash flow, for 2017, 2016 and 2015 in the table above. The information required to determine the amount of insurance proceeds for periods prior to 2015 is unavailable without unreasonable effort. The adoption of this accounting guidance did not impact free cash flow, as the reduction to net cash provided by operating activities was offset by the increase in insurance proceeds from damaged equipment.

(2) The excess tax benefits from share-based payment arrangements result from stock-based compensation windfall deductions in excess of the amounts reported for financial reporting purposes. We adopted accounting guidance in 2017 that changed the cash flow presentation of excess tax benefits from share-based payment arrangements. In the table above, the excess tax benefits from share-based payment arrangements for periods after 2016 are presented as a component of net cash provided by operating activities, while, for 2016 and prior, they are presented as a separate line item. Because we historically included the excess tax benefits from share based payment arrangements in the free cash flow calculation, the adoption of this guidance did not change the calculation of free cash flow.

(3) Merger and restructuring related payments were first reported for 2012. The information required to determine the amount of merger and restructuring related payments for periods prior to 2012 is unavailable without unreasonable effort.