



M&A Growth Strategy & Core Competency

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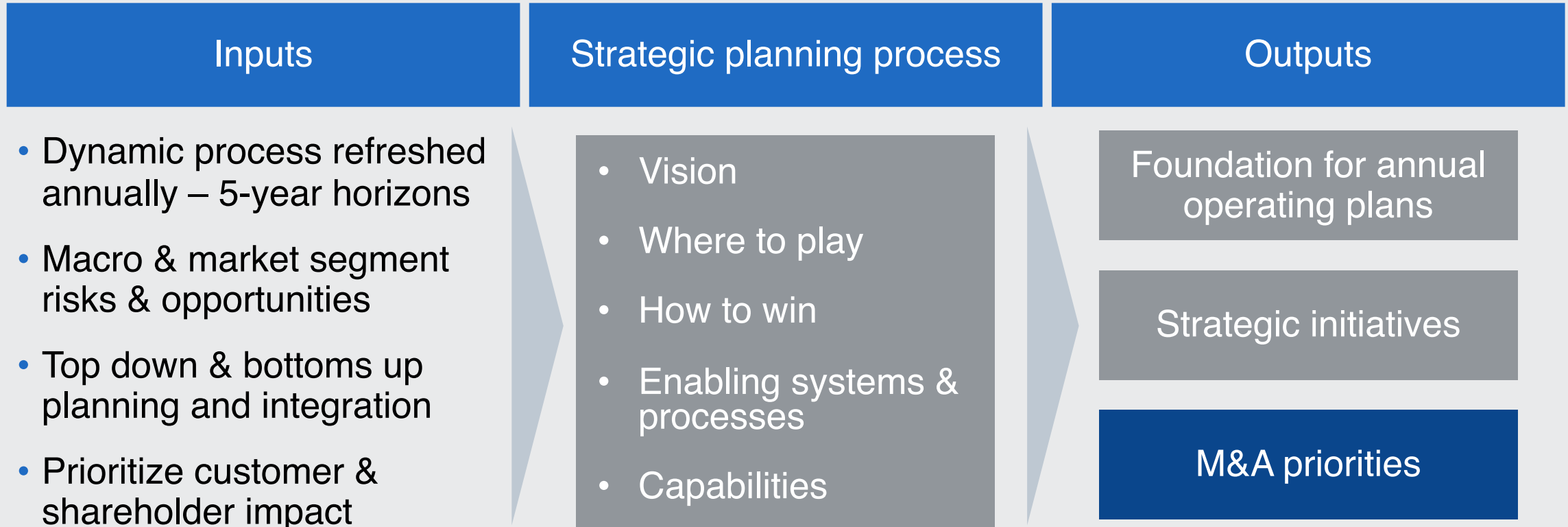
Introduction



Jeff Fenton SVP Business Development

- 38 year career – executive positions at GE, Private Equity, Devonshire Advisors LLC, Private and Public board experience
- Rental industry experience includes GE Railcar Services, ModSpace, Maxim Crane, TransAmerica Trailer Leasing, Annexus
- SVP Corporate Business Development, joined URI team in 2012; Advisor 2009–2012

Integrated growth strategy



M&A is a key element to our long-term growth strategy

Track record of value creation

20 years of execution experience involving 250+ transactions

		Scale	Bolt-on	Adjacency expansion	Minority investments
		Large scale acquisition with high overlap; cost and balance sheet productivity improvement	Accelerates “build out” of local scale, supports service to National Accounts	New products & services, enhances cross-sell	Next generation of innovative products & services, early adopter
2011	Blue Mountain		✓		
	Venator		✓		
	Ontario Laser		✓		
	Gulfstar		✓		
2012	RSC	✓			
	Coble Trench		✓		
2013	Rent World		✓		
2014	National Pump			✓	
	Gulf Co		✓		
	Blue Stream		✓		
2015	DDR			✓	
	5D Robotics				✓
2016	Quantas			✓	
	Rochester Portable			✓	

Broadening reach & customer base while driving scale benefits

Apply consistent framework for evaluating investment decisions



Strategic

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



Financial

- Invest capital at attractive returns over cycle
 - Revenue growth
 - Manage leverage
 - ROIC
 - IRR
 - Volatility



Cultural

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

High bar is set... we must be a “better owner”

Unique capability to scale & diversify

Team has successfully integrated assets in different environments and across the target spectrum from bolt-on's to transformational

RSC

- **Size: \$4.2B** transaction value (cash and stock)
- **Type: Scale acquisition** in the **gen rent** space
- **Rationale:** Positions URI as **leader in North American rental industry**
- **Value: Potential for \$200MM cost savings** from branch consolidation and overhead rationalization
 - **Exceeded initial cost savings estimates** - Raised target to \$230MM–\$250MM

National Pump

- **Size: \$780MM** transaction value (cash)
- **Type: Cross border specialty adjacency acquisition** in the pump rental sector
- **Rationale:** Expand offerings in **higher margin / higher return assets**
- **Value:** Delivered on **growth thesis** by capitalizing on **cross-selling opportunity**
 - **Secured strong foothold in energy-related end markets** despite current sector specific challenges

Solid track record of integrating M&A assets

Case Study: RSC Equipment Rental

Acquired #2 North American rental company

Strategic rationale

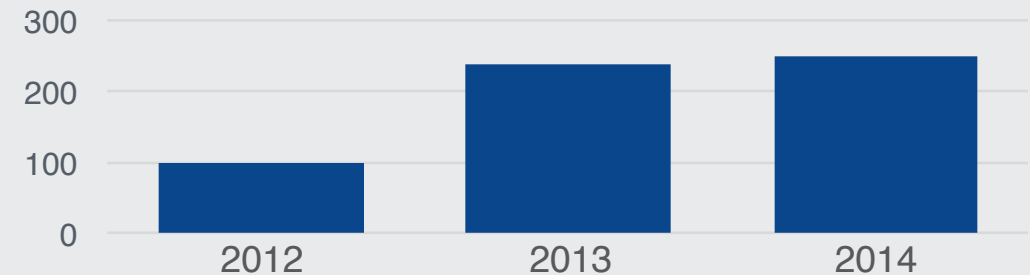
- Strengthen leadership with Key Accounts and Industrial customers
- Create the broadest footprint to better service customers
- Leverage best-of-both – talent, processes, and systems – to improve margins

What happened

- Successfully integrated and retained talent from RSC
- Captured \$250MM of run-rate cost synergies vs. original target of \$200MM
- Improved value proposition by leveraging Total Control and other 'best-of-both' tools

Results

Realized cumulative cost synergies (\$MM)



Run rate

~\$180

~\$235

~\$250

One-time costs

~\$150

~\$25

Exceeded expectations through a disciplined integration process

Case Study: National Pump

Acquired #1 pure pump rental company in North America

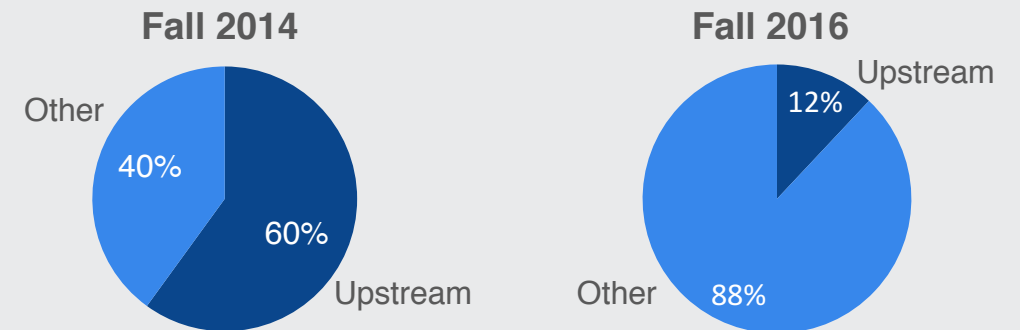
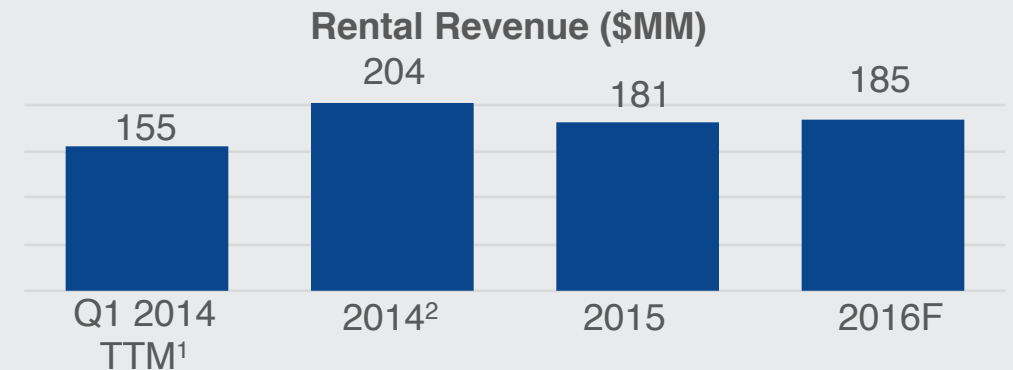
Strategic rationale

- Closed transaction April 2014
- Customer Synergies + Growth Platform
- Expectation to increase mix through cross sell, and that upstream would be flat
- Performance Hurdles provide some risk mitigation

What happened

- Upstream decline of 60%+
- Cross sell exceeding expectations, mitigating revenue decline from 2014
- Retained key talent
- YOY growth is accelerating into 2017

Results



Remain bullish on pump solutions as team diversifies mix

Note: 1- at the time of close; 2 - full year 2014 pro-forma rental revenue.

Strategic priorities drive pipeline development



Genrent

- ✓ Deliver a customer experience second to none
- ✓ Market penetration and scale advantages



Specialty

- ✓ Supplement cold starts
- ✓ Build out products, talent, geography
- ✓ Accelerate growth



Adjacencies

- ✓ Continue segment “deep dives”
- ✓ Evaluate scale vs. entry level investments
- ✓ Diversify and cross sell



New business models

- ✓ Innovative business models
- ✓ New products & services
- ✓ Low risk means to incubate ideas and accelerate learning



International

- ✓ Evaluate opportunities to serve customers globally
- ✓ Leverage skills and capabilities

~ 50 opportunities reviewed annually

Summary

- M&A is an important part of our growth strategy
- Disciplined process from strategy to integration
- Track record of success across transaction types and market environments
- Strict criteria to executing a transaction: strategic, financial, and cultural fit
- Multiple strategies to create value: benefits include scale, product breadth and differentiated value proposition