

A photograph of a construction site. In the foreground, there is a complex steel structure. In the background, two workers wearing blue hard hats and safety vests are on a red and yellow JLG scissor lift. The lift has "United Rentals" and "JLG" branding. The sky is blue with some clouds.

Fleet Management

Dale Asplund, Senior Vice President – Business Services & CIO



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Introduction

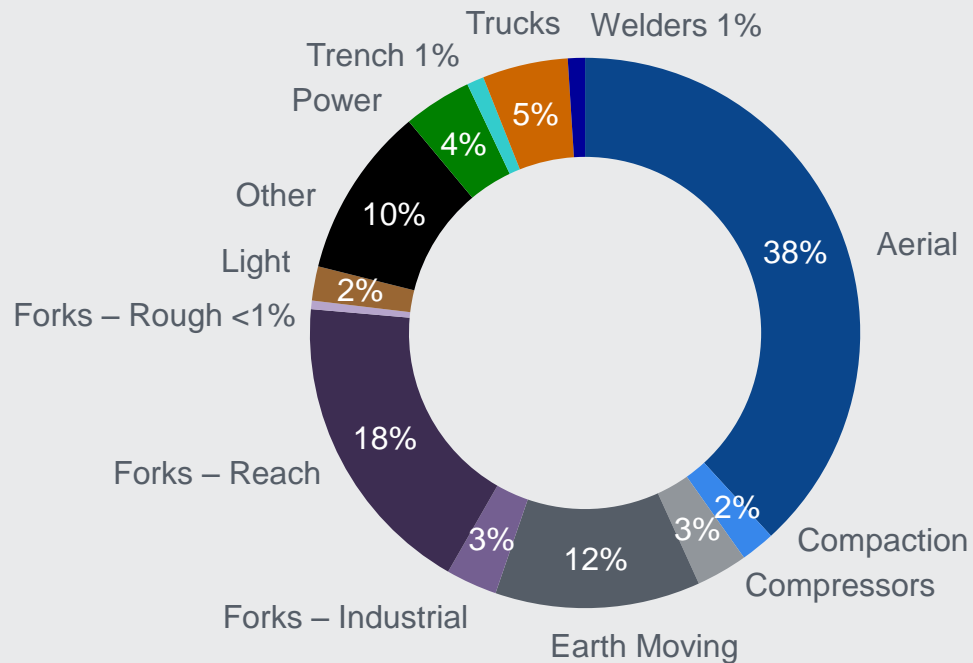


Dale Asplund Senior Vice President, Business Services / CIO

- Joined the company in 1998. Currently responsible for Fleet Management, Procurement, Shared Services, and Information Technology functions
- Various responsibilities for the company's information technology systems
- Served as director-operations support, and then vice president-supply chain, before being promoted to his current position
- Divisional Manager, United Waste Systems

Fleet mix

Customers know we have the fleet they need

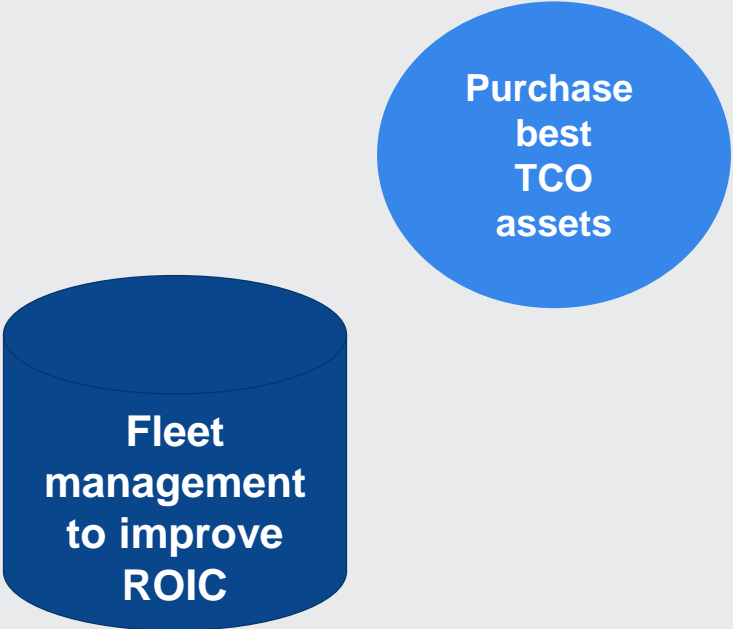


\$9.2 billion of fleet
comprised of
approximately
450,000 units

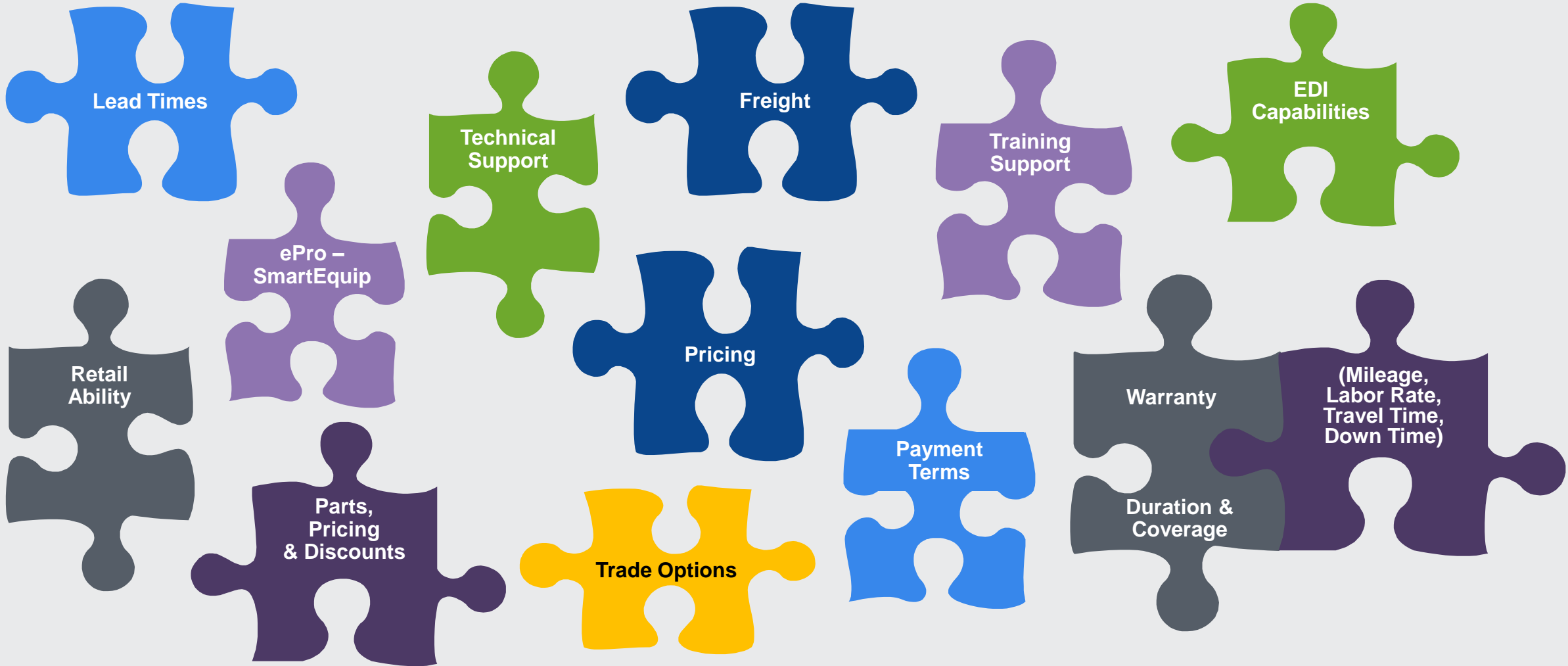
Serves diverse customer base

Note: Percentages based on ending balance as of 9/30/2016.

Fleet management to improve ROIC



Vendor negotiation topics



United Rentals strategic suppliers



JOHN DEERE



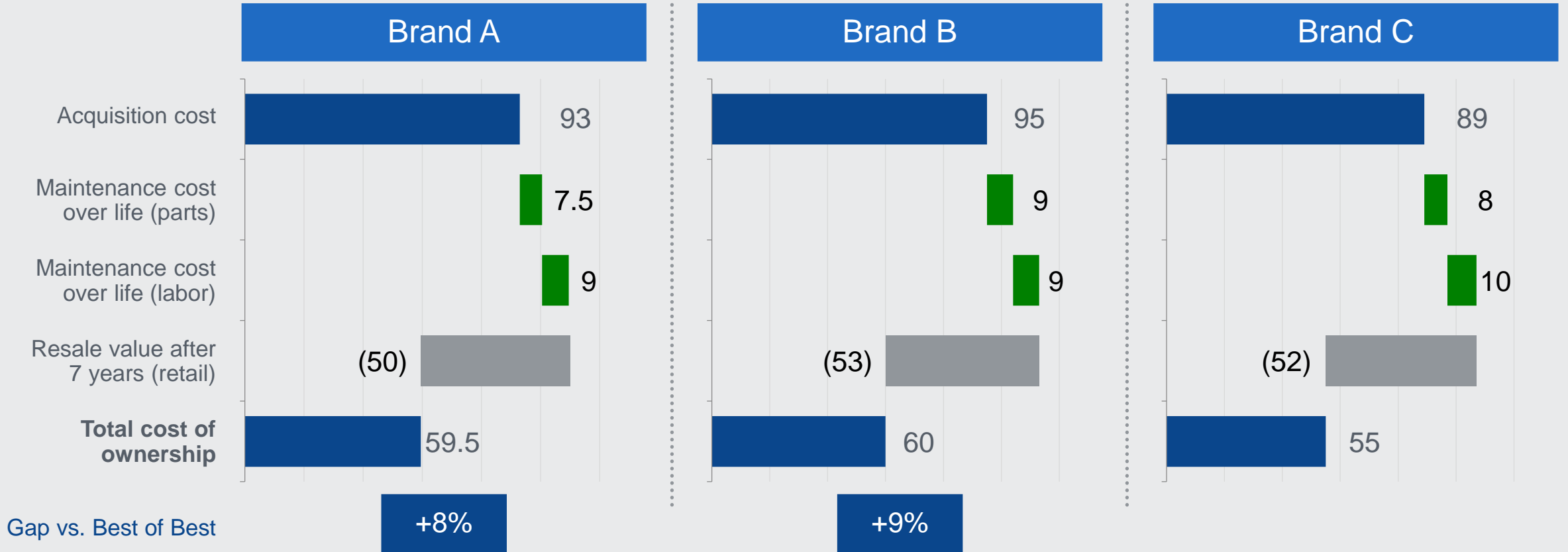
WACKER
NEUSON



Ditch
Witch®



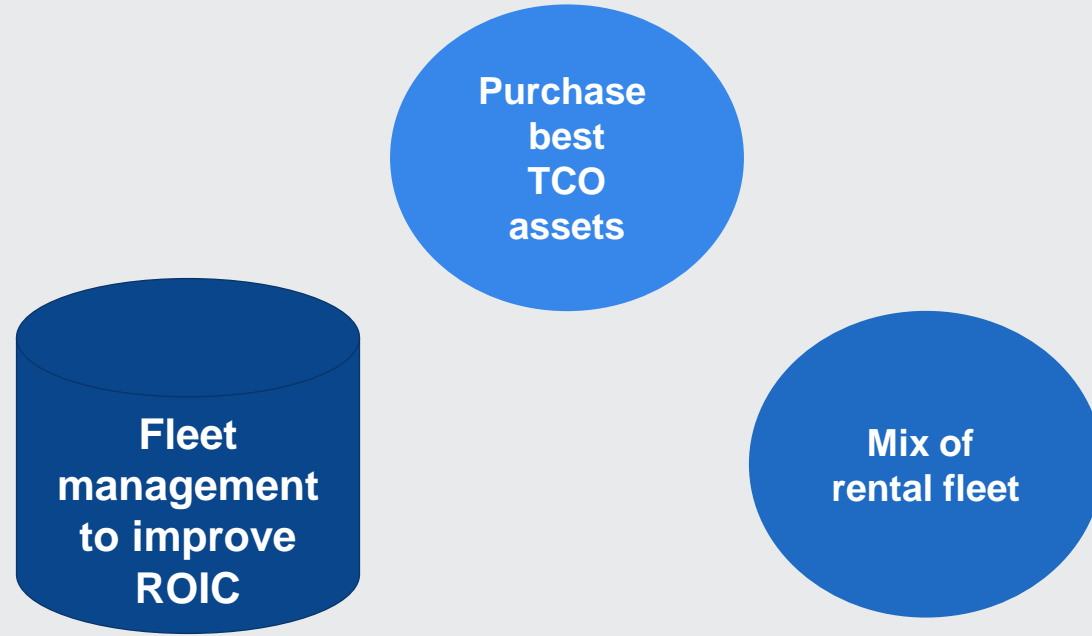
Total cost of ownership



Brand C has a 8%–9% total cost advantage

Note: Sample data only, in \$ thousands less percentages.

Fleet management to improve ROIC



Improving Fleet Mix returns

Purchase one excavator
= \$178,000



Est. annual ROI= 27.3%

Estimated annual revenue
= \$48,539



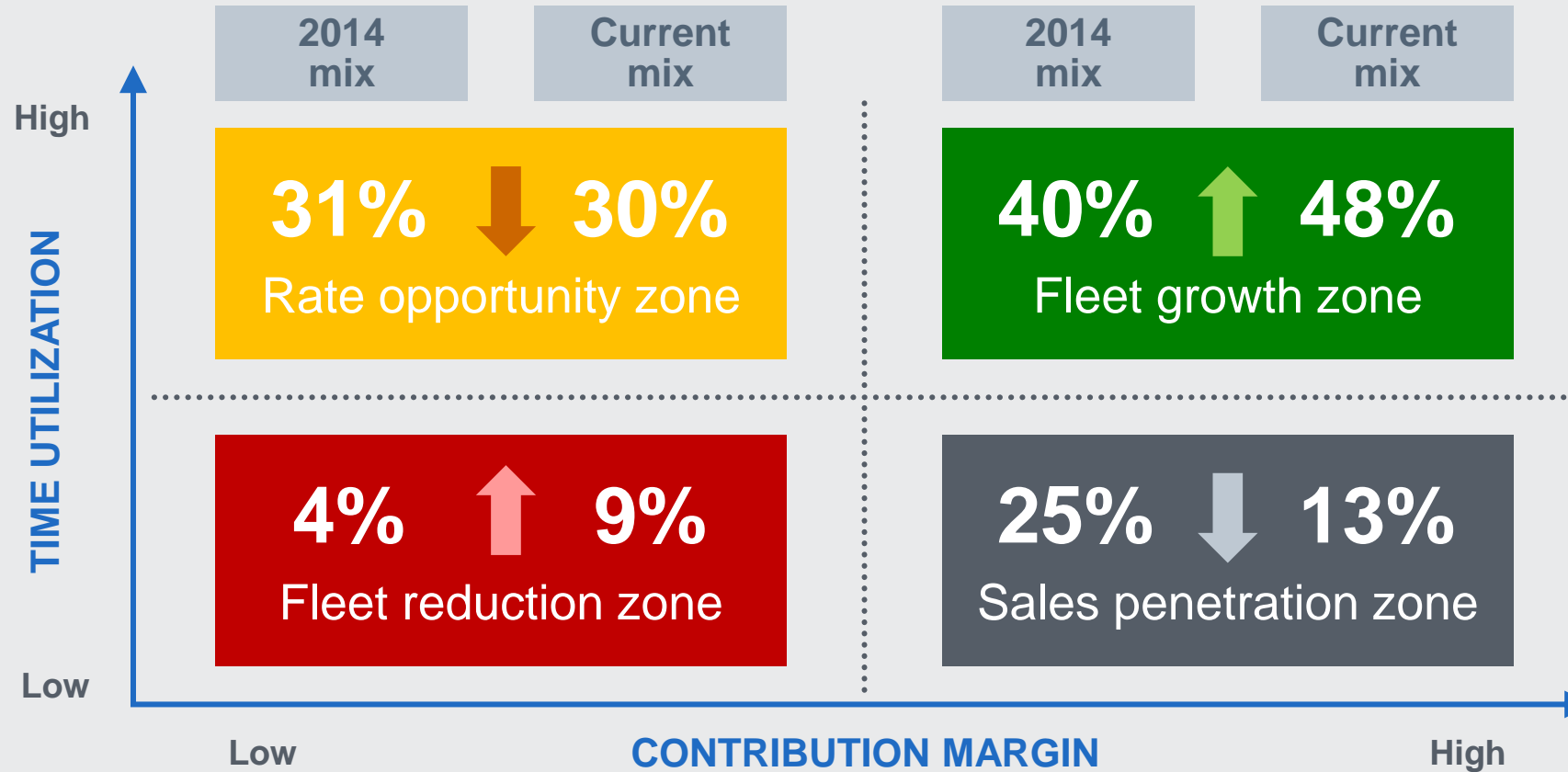
Blended Fleet Mix Investment
= \$178,000



Est. annual ROI= 69.2%

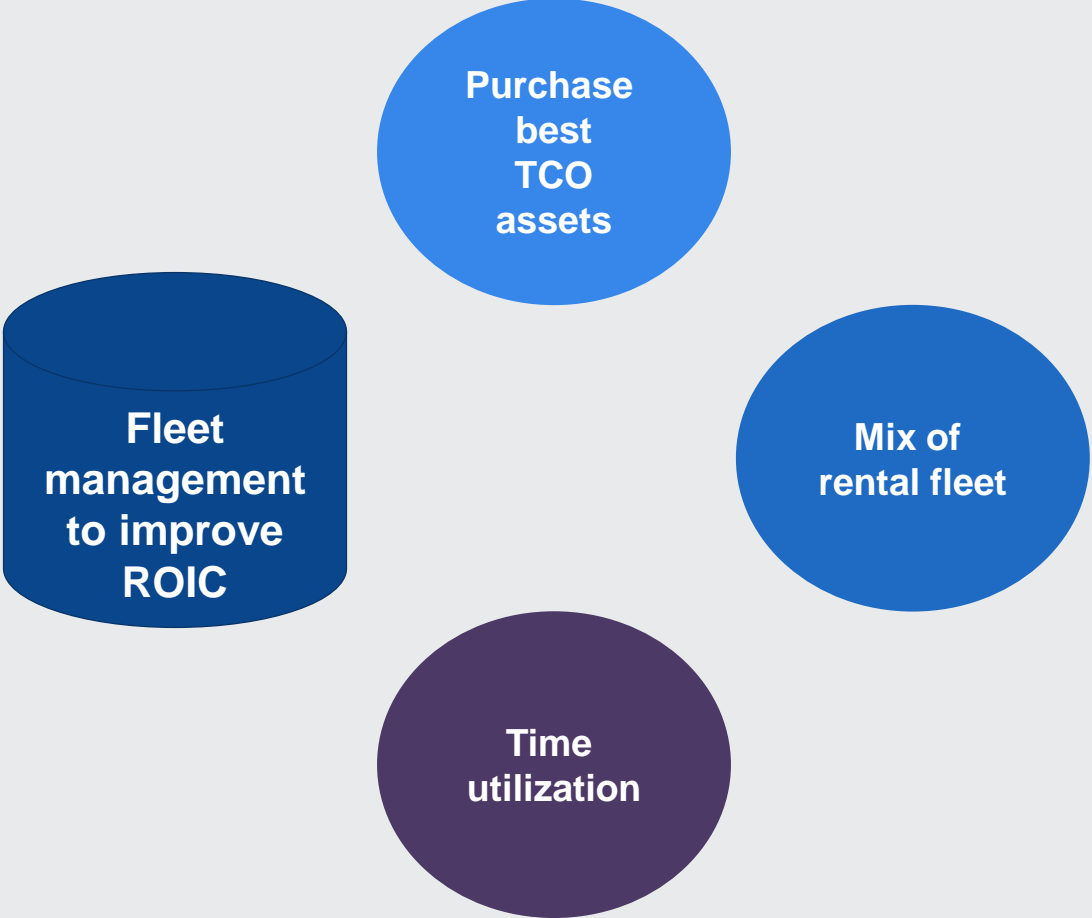
Estimated annual revenue
= \$123,102

Focused Fleet plan to improve margin

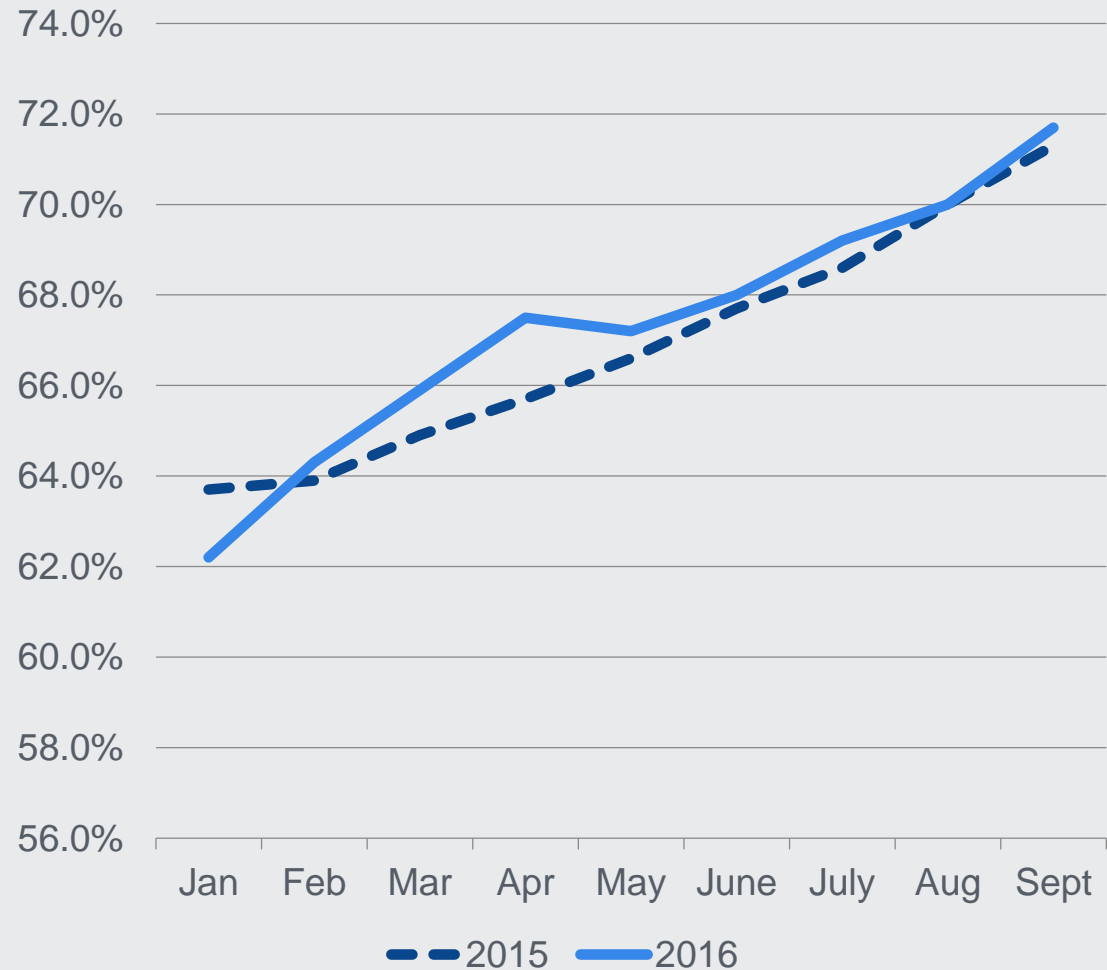


Focused on profitable growth with capital expenditures

Fleet management to improve ROIC

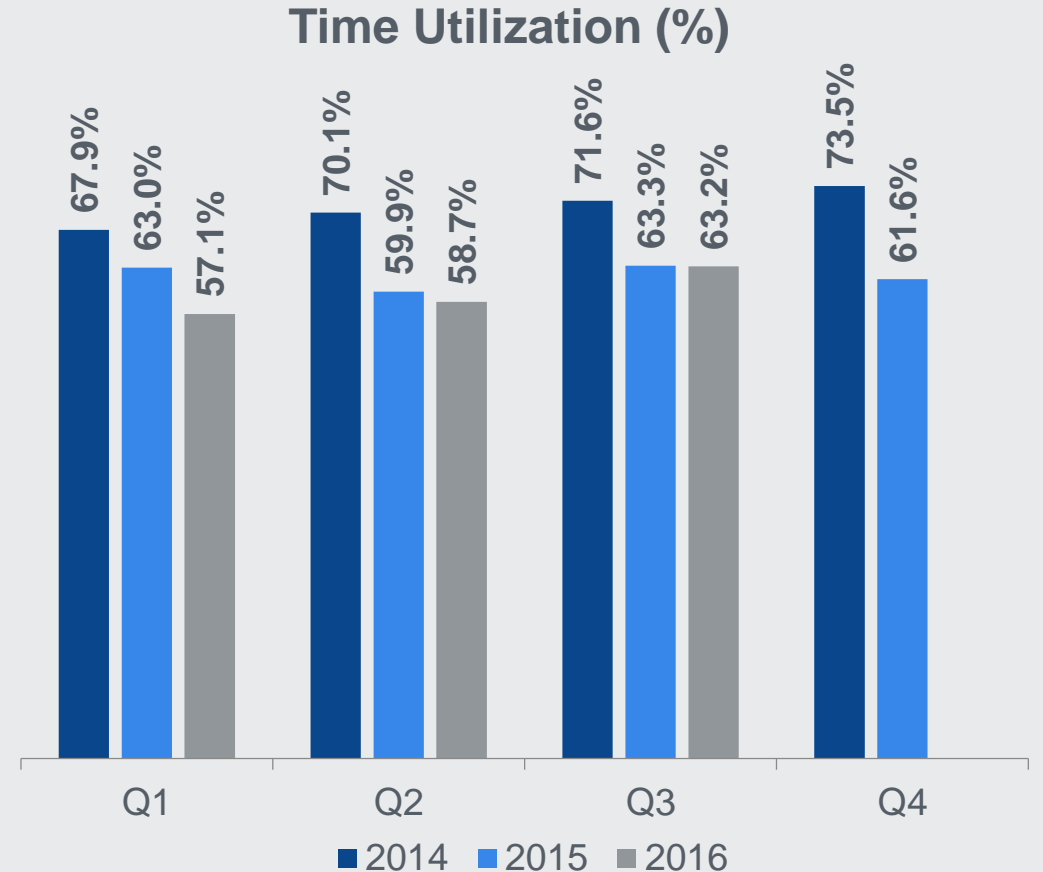
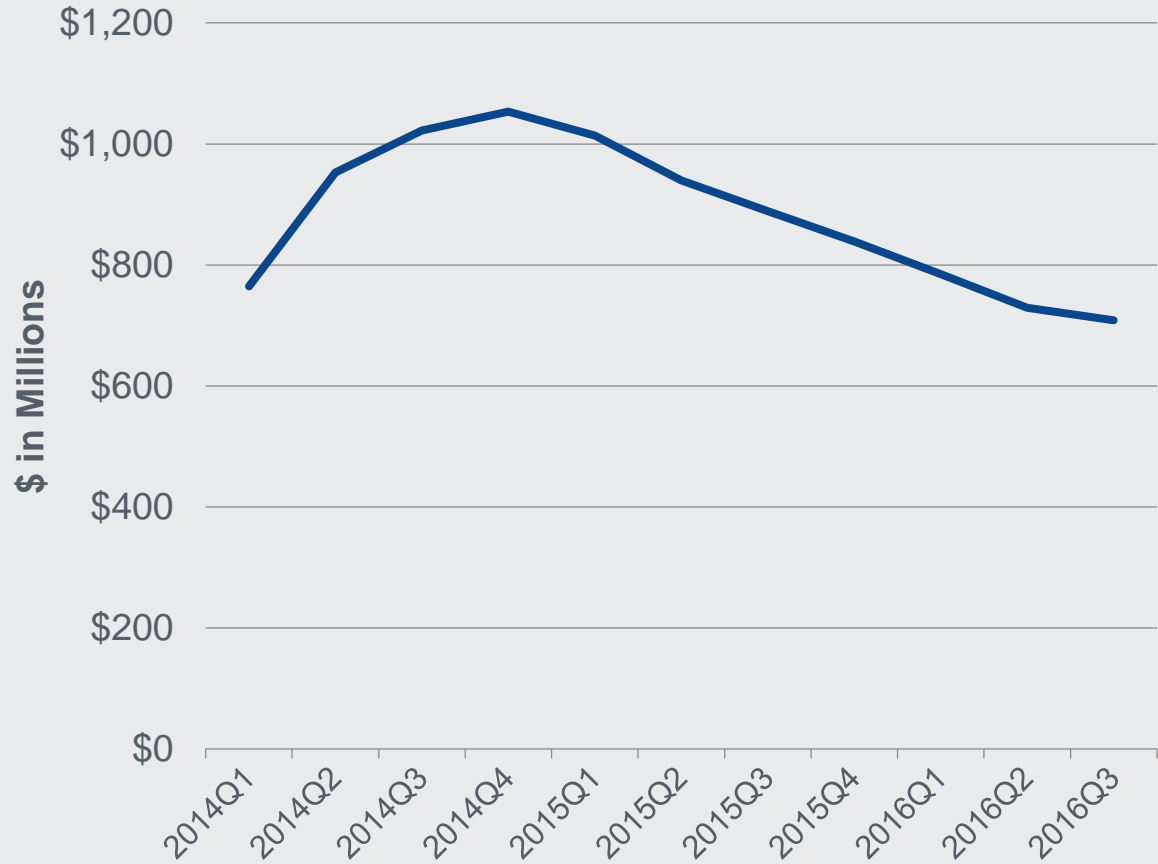


Time utilization



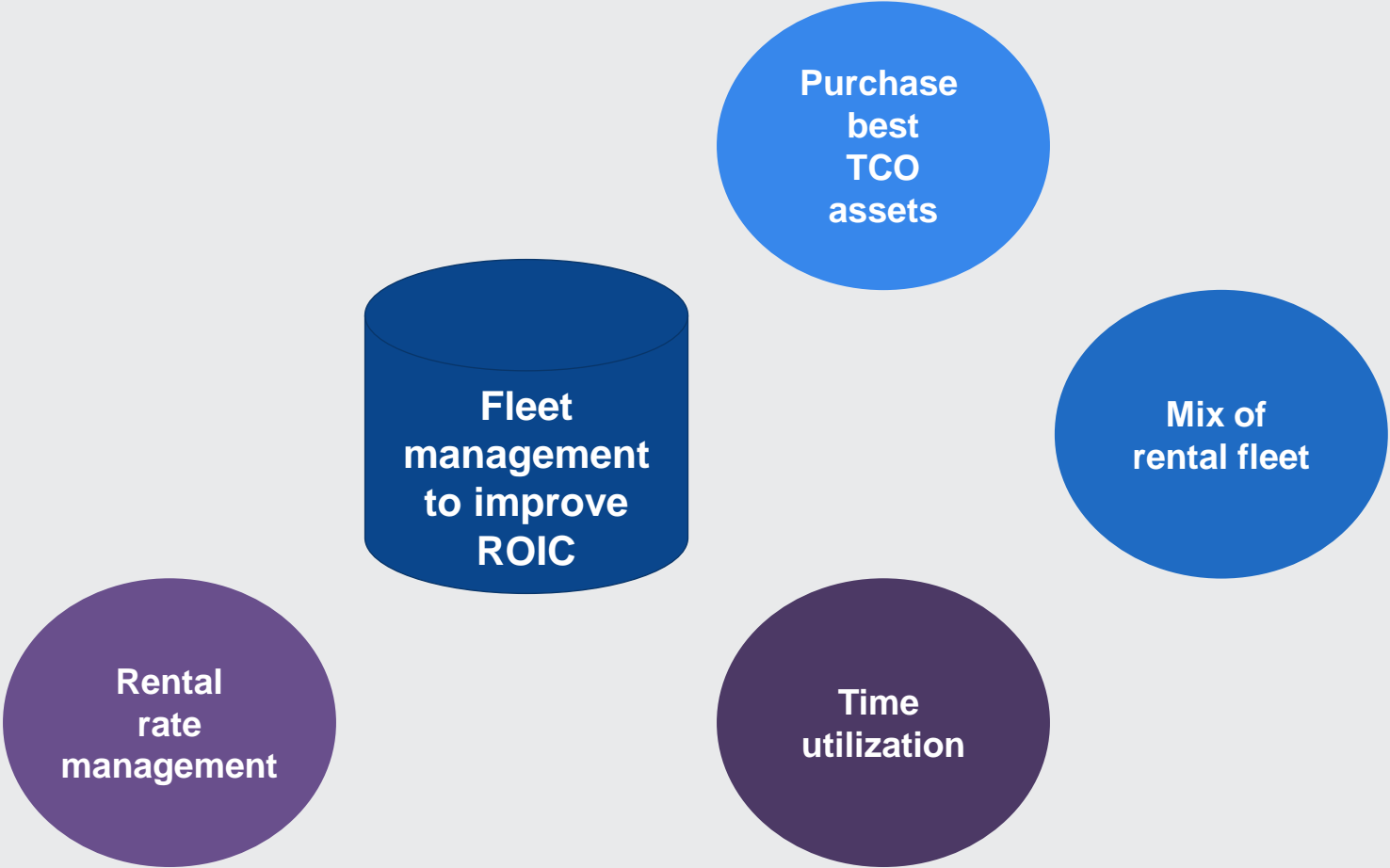
- Review units available for transfer
- Reduce fleet not available
- Balance rate with time utilization
- Capital allocation done based on market and customer demands
- Goal is profitable growth

Fleet change & time utilization in oil & gas markets

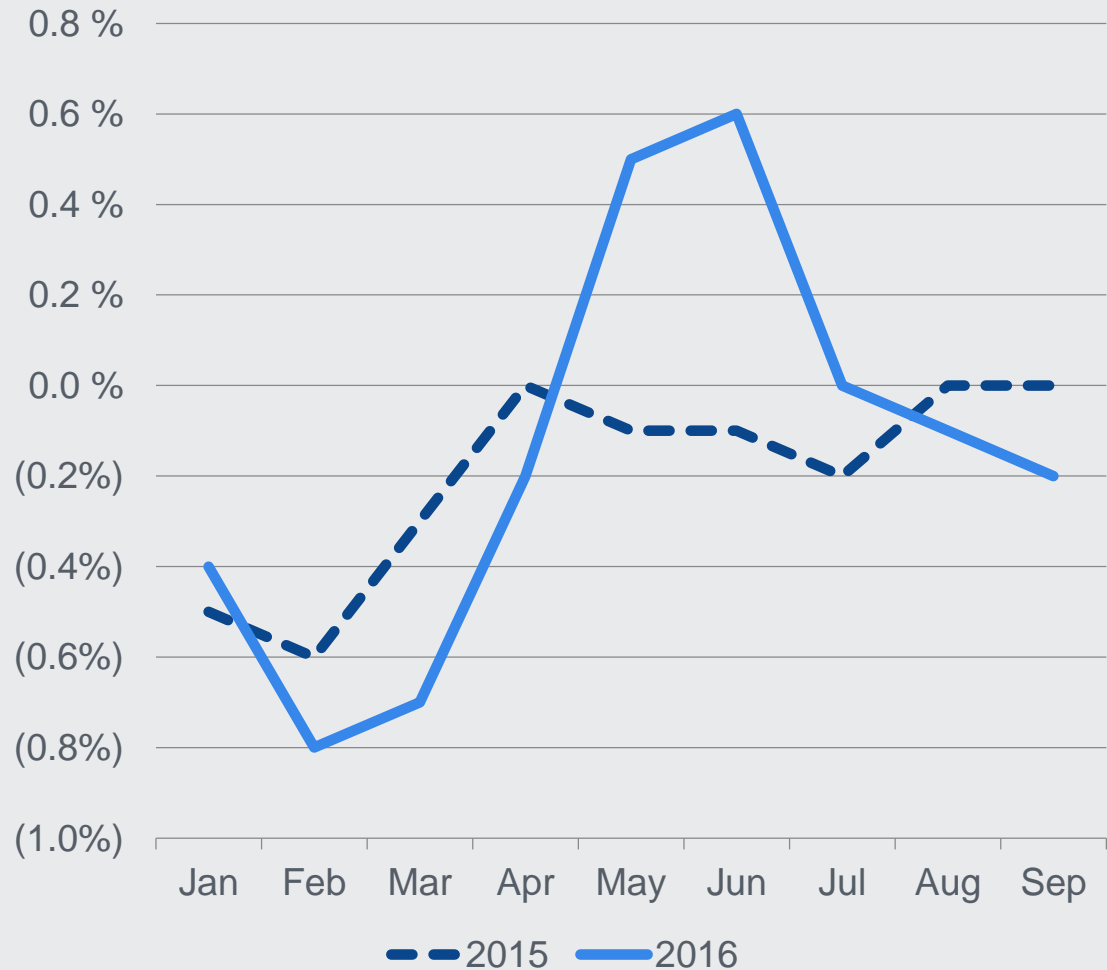


Gen Rent branches time utilization for Q3, 2014 – 70.9%, 2015 – 66.6%, 2016 – 69.8%

Fleet management to improve ROIC

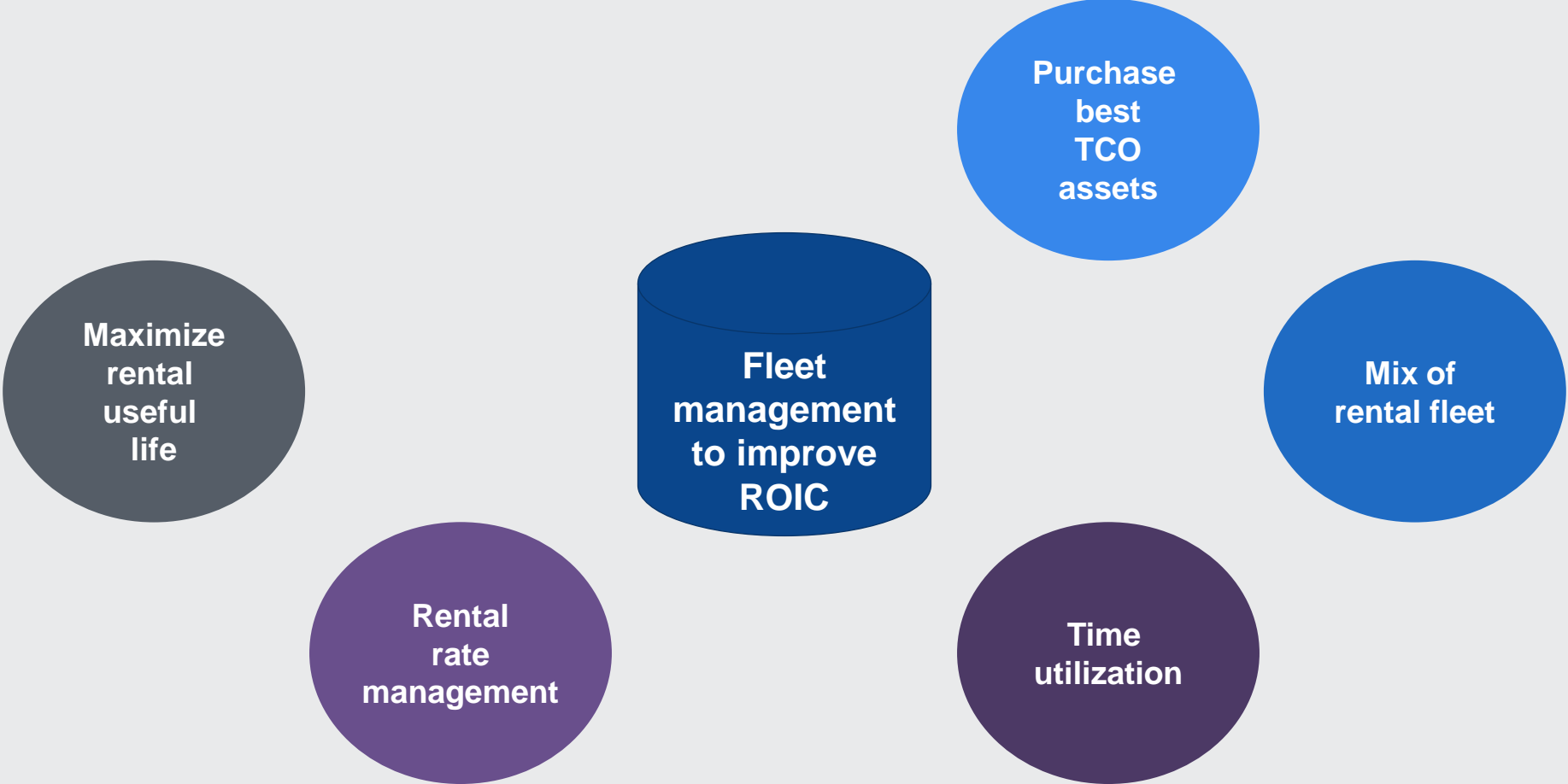


Sequential rental rate trends



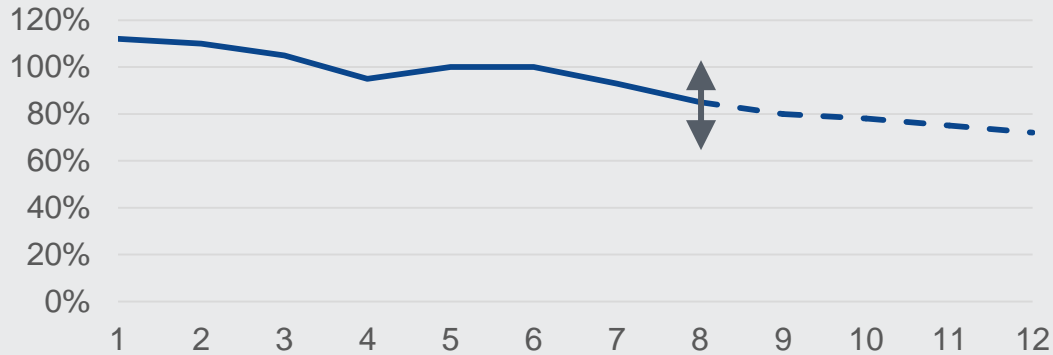
- Rates are analytically based with market input from management
- Consistent pricing practices across the sales network
- Support for customer segmentation
- Balance rate with time utilization
- Goal is profitable growth

Fleet management to improve ROIC



Rental useful life evaluation

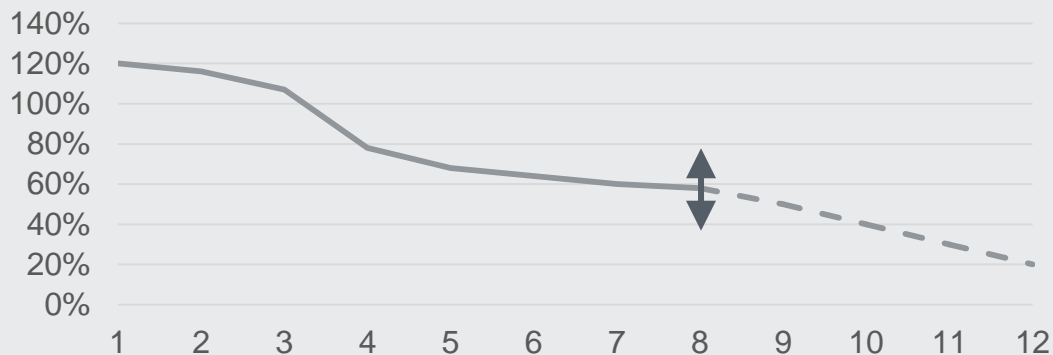
Rental revenue % of average



R&M cost of replacement cost (est)

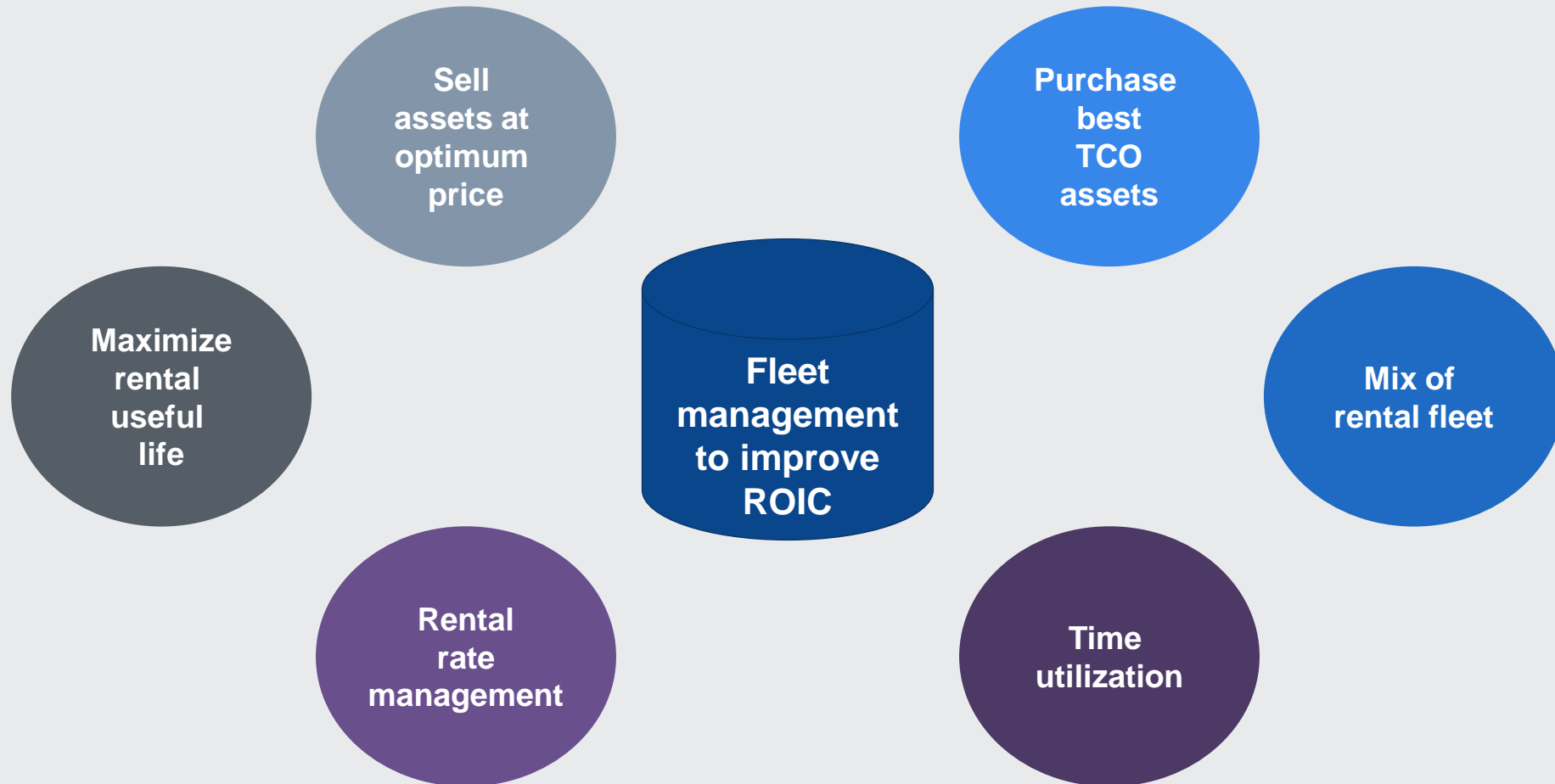


Resale value % of replacement cost

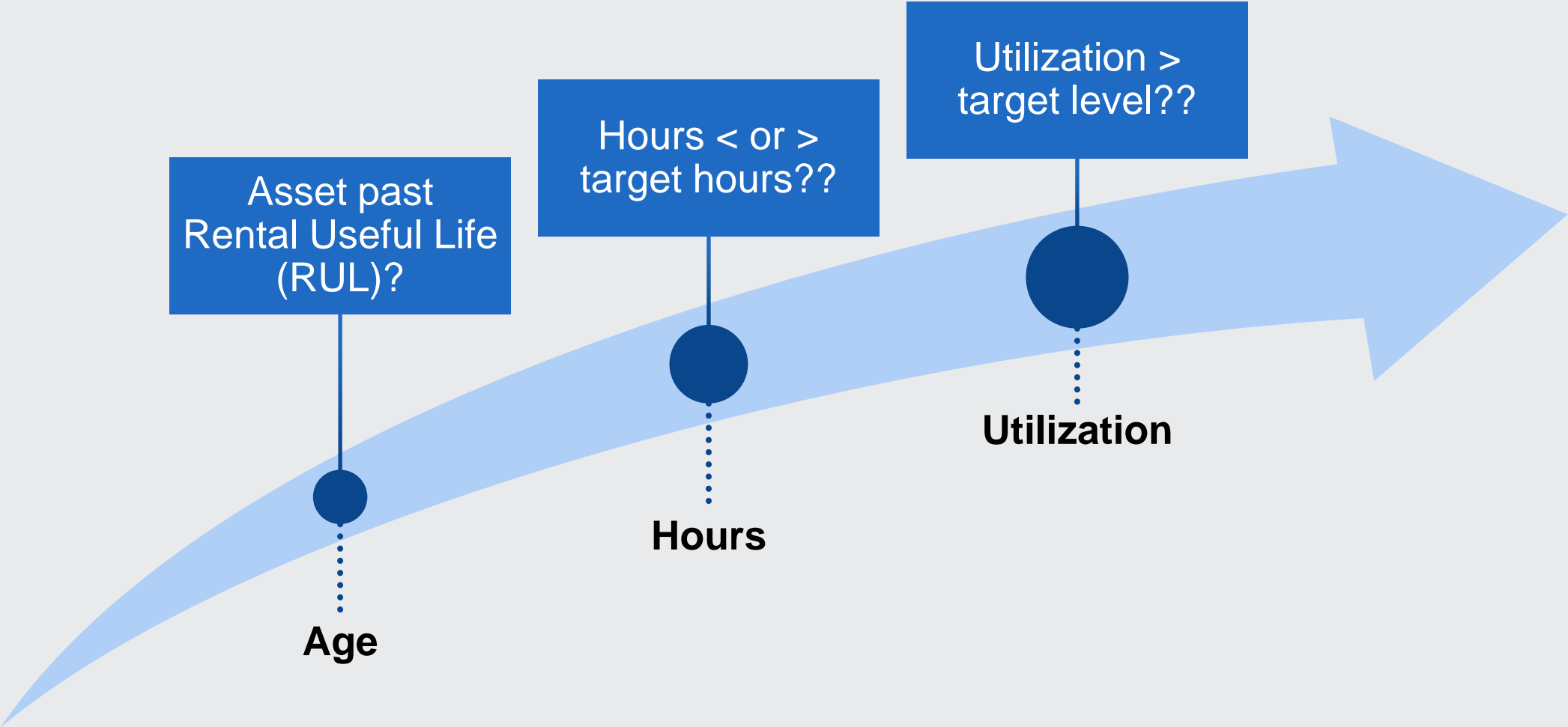


- Rental useful life evaluated to set optimal age to sell an asset
- Extending the life of our booms by 2 to 3 years can increase our IRR by 33%

Fleet management to improve ROIC



Used equipment pricing



Summary

- Fleet purchases focused on best total cost of ownership
- Fleet mix focused on profitable growth
- Focused on balanced time and rate improvements to optimize returns
- Assets are sold at optimal time for replacement and returns
- Analytics used to sell used assets at optimal price