

HERC HOLDINGS INC.

Goldman Sachs Investor Meetings

March 2, 2020

Larry Silber
President & Chief Executive Officer

Mark Irion
Senior Vice President &
Chief Financial Officer

Elizabeth Higashi, CFA
Vice President, Investor Relations

HercRentals®

©2020 Herc Rentals Inc. All Rights Reserved.

Safe Harbor Statements and Non-GAAP Financial Measures

Forward-Looking Statements

This presentation includes forward-looking statements as that term is defined by the federal securities laws, including statements concerning our business plans and strategy; projected profitability, performance or cash flows, future capital expenditures; anticipated financing needs, business trends and other information that is not historical information. Forward looking statements are generally identified by the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "forecasts," and future or conditional verbs, such as "will," "should," "could" or "may," as well as variations of such words or similar expressions. All forward-looking statements are based upon our current expectations and various assumptions and, there can be no assurance that our current expectations will be achieved. They are subject to future events, risks and uncertainties - many of which are beyond our control - as well as potentially inaccurate assumptions, that could cause actual results to differ materially from those in the forward-looking statements. Further information on the risks that may affect our business is included in filings we make with the Securities and Exchange Commission from time to time, including our most recent annual report Form 10-K, subsequent quarterly reports on Form 10-Q, and in our other SEC filings. We undertake no obligation to update or revise forward-looking statements that have been made to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

Information Regarding Non-GAAP Financial Measures

In addition to results calculated according to accounting principles generally accepted in the United States (“GAAP”), the Company has provided certain information in this release that is not calculated according to GAAP (“non-GAAP”), such as adjusted net income, adjusted earnings per diluted share, EBITDA, adjusted EBITDA, adjusted EBITDA margin, REBITDA, REBITDA margin, REBITDA flow-through and free cash flow. Management uses these non-GAAP measures to evaluate operating performance and period-over-period performance of our core business without regard to potential distortions, and believes that investors will likewise find these non-GAAP measures useful in evaluating the Company’s performance. These measures are frequently used by security analysts, institutional investors and other interested parties in the evaluation of companies in our industry.

Non-GAAP measures should not be considered in isolation or as a substitute for our reported results prepared in accordance with GAAP and, as calculated, may not be comparable to similarly titled measures of other companies. For the definitions of these terms, further information about management’s use of these measures as well as a reconciliation of these non-GAAP measures to the most comparable GAAP financial measures, please see the supplemental schedules that accompany this presentation.

©2020 Herc Rentals Inc. All Rights Reserved.

A Leader in the Equipment Rental Industry

50+ years of experience in the equipment rental industry

One of the leading equipment rental suppliers in North America

Listed on the New York Stock Exchange on July 1, 2016 under the symbol "HRI"

Approximately 275 locations in 39 states and six Canadian provinces

OEC fleet of $3.82 billion as of December 31, 2019

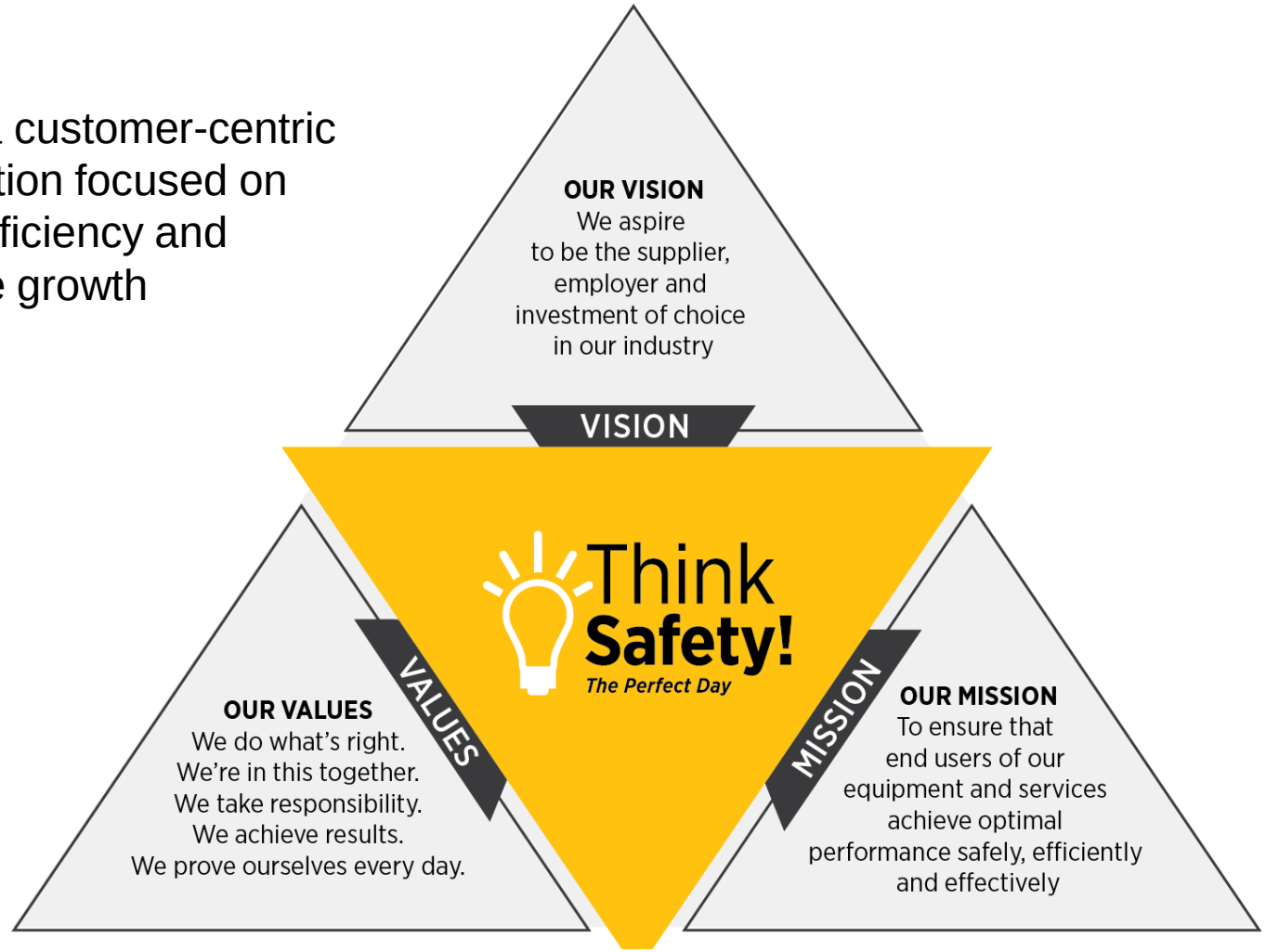
Approximately 5,100 employees



©2020 Herc Rentals Inc. All Rights Reserved.

Vision, Mission and Values

We are a customer-centric organization focused on safety, efficiency and profitable growth



©2020 Herc Rentals Inc. All Rights Reserved.

Aligning our Performance with a Shared Purpose

We equip our customers and communities to build a brighter future



©2020 Herc Rentals Inc. All Rights Reserved.

Our Strategic Initiatives



Develop Our People and Culture

Attract and retain talent

Align performance to shared purpose

Create supportive work place culture

Expand continuous learning



Expand and Diversify Revenues

Broaden customer base

Expand products and services

Grow pricing and ancillary revenues

Improve sales force effectiveness

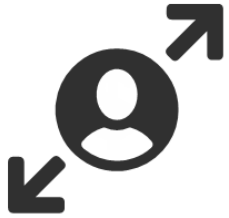


Improve Operating Effectiveness

Focus on safety, labor productivity, and warranty recovery

Increase density in large urban markets

Improve vendor management and fleet availability



Enhance Customer Experience

Provide premium products and solutions-based services

Introduce innovative technology solutions

Maintain customer friendly showrooms and facilities



Disciplined Capital Management

Drive EBITDA margin growth

Improve key financial metrics

Maximize fleet management and utilization

©2020 Herc Rentals Inc. All Rights Reserved.

Expanding Products and Services to Meet Customer Needs

Classic

78% of OEC



Our classic fleet includes aerial, earthmoving, material handling, trucks and trailers, air compressors, compaction and lighting.

ProSolutions®

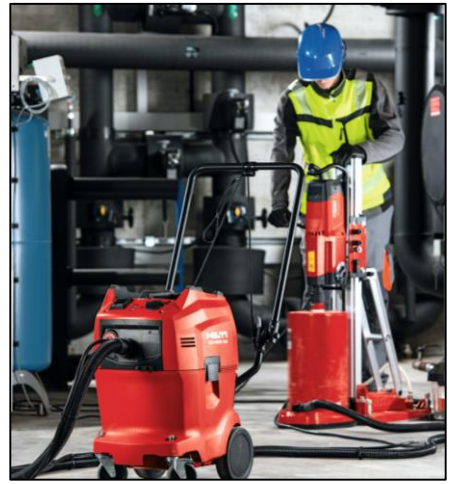
16% of OEC



ProSolutions®, our industry-specific solutions-based services, includes power generation, climate control, remediation and restoration, and studio and production equipment.

ProContractor

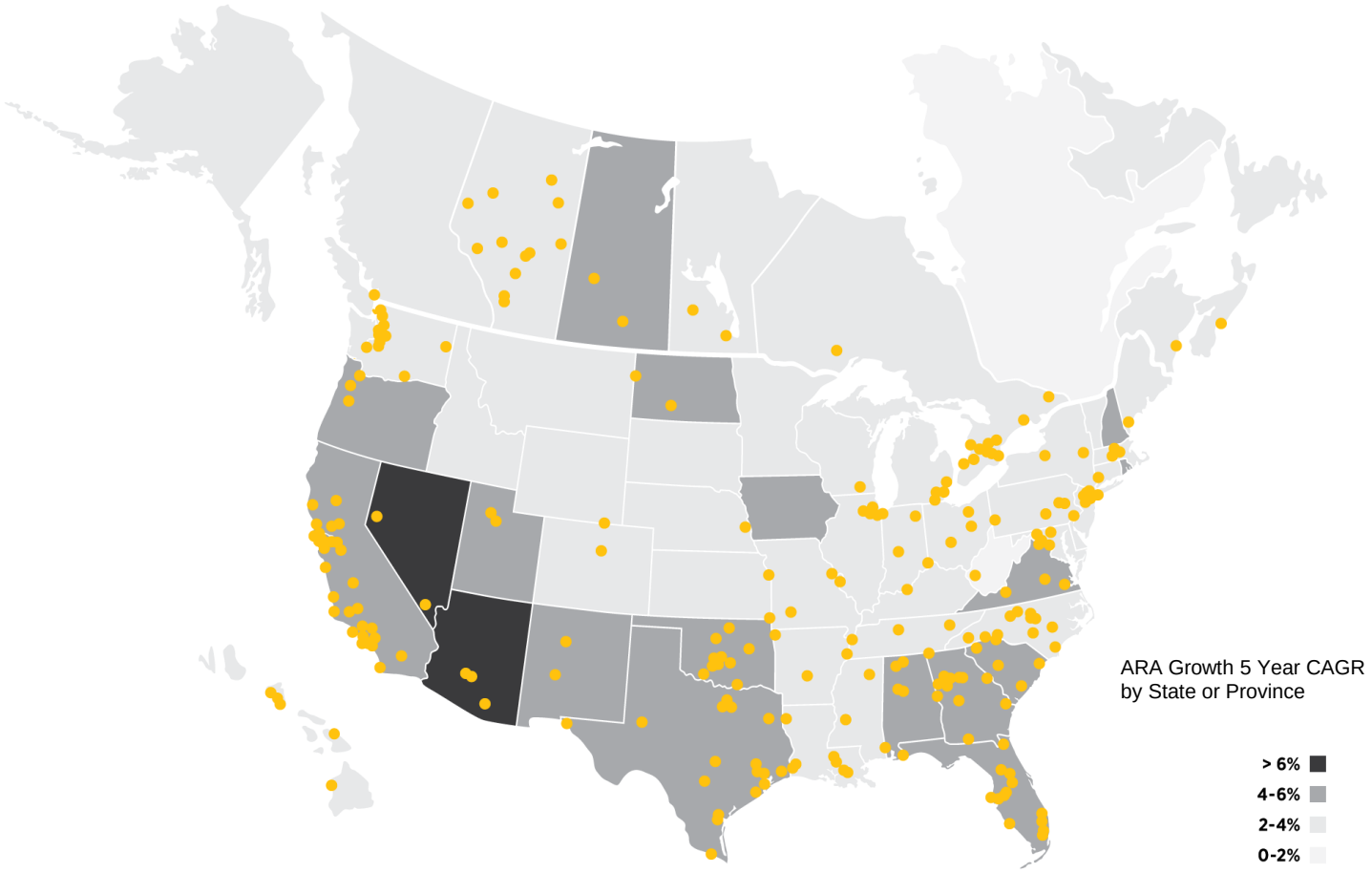
6% of OEC



ProContractor specialty equipment includes professional grade tools.

©2020 Herc Rentals Inc. All Rights Reserved.

Focusing on High Growth Urban Markets



275 **39 states**
6 provinces

Approximately 275 locations, principally in North America[1]

Strong geographic footprint in high growth markets

Targeting six to ten greenfield locations in 2020

Source: ARA IHS Global Insights February 2020
1. Locations as of December 31, 2019

©2020 Herc Rentals Inc. All Rights Reserved.

Focus on Quality of Earnings Delivered Strong Results



Our strategic initiatives are driving improved pricing, dollar utilization, margins and strong free cash flow

We are achieving excellent flow-through with better operating efficiencies

We are managing fleet capital expenditures and disposals to improve utilization

Our revenue growth initiatives will fuel future opportunities and profitability

©2020 Herc Rentals Inc. All Rights Reserved.

Full Year 2019 Highlights

Equipment Rental Revenue

$1,701.8M

FY
2.6% YoY

Total Revenues

$1,999.0M

FY
1.1% YoY

Adjusted EBITDA[1]

$741.0M

FY
8.2% YoY

1. For a reconciliation to the most comparable GAAP financial measure, see the Appendix beginning on Slide 22

Net Income[2]

$47.5M

2. Net income includes $53.6 million of debt extinguishment costs related to the refinancing of the Company's Notes and ABL Credit Facility

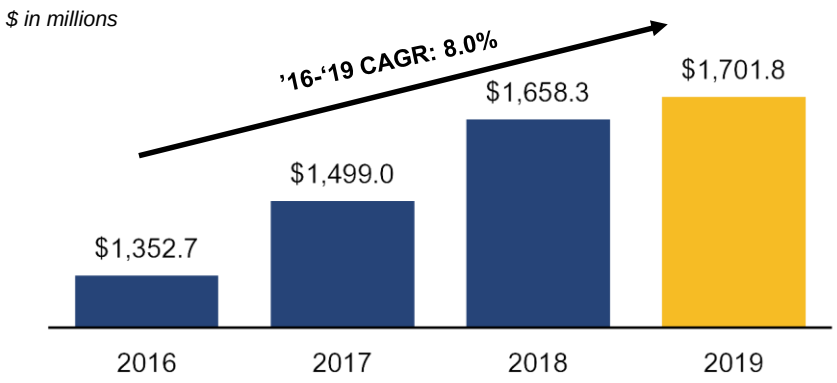
Earnings Per Diluted Share

$1.63

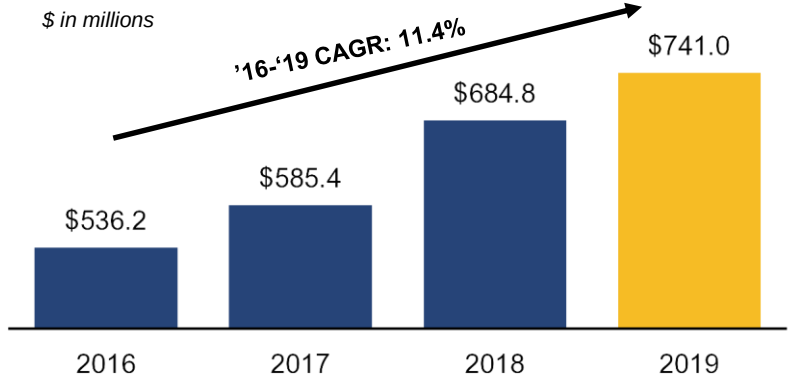
©2020 Herc Rentals Inc. All Rights Reserved.

Consistent Organic Growth Since Spin-off

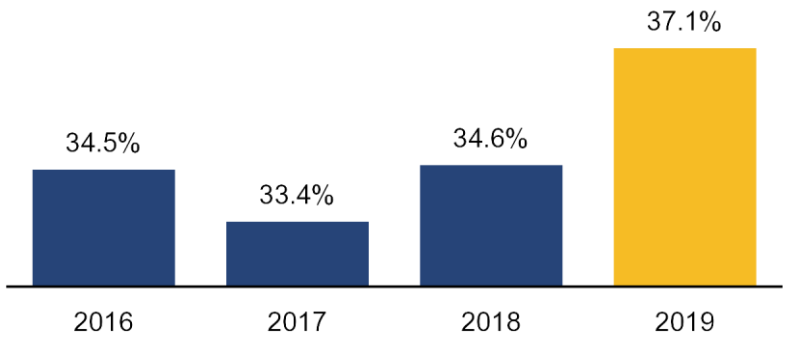
Equipment Rental Revenue



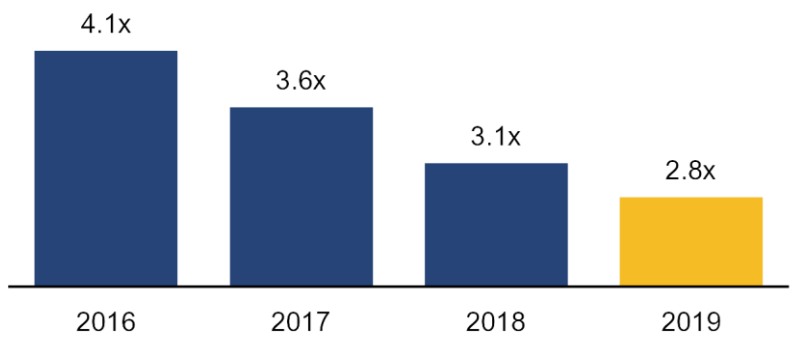
Adjusted EBITDA[1]



Adjusted EBITDA Margin[1]



Net Leverage[1]



1. For a definition and reconciliation to the most comparable GAAP financial measure, see the Appendix beginning on Slide 22

©2020 Herc Rentals Inc. All Rights Reserved.

Safety is at the Cornerstone of Everything We Do

Think **Safety!**

0.84

Reduced Total Recordable Incident Rate (TRIR) to .84 in the United States in FY 2019

≥85%

All branches achieved ≥ 85% Perfect Days through the fourth quarter of 2019

The Perfect Day

- No OSHA recordable incidents
- No "at fault" motor vehicle accidents
- No DOT violations

Ultimate goal is zero incidents and a safe environment for our team and customers

©2020 Herc Rentals Inc. All Rights Reserved.

Q4 and Full Year Financial Summary

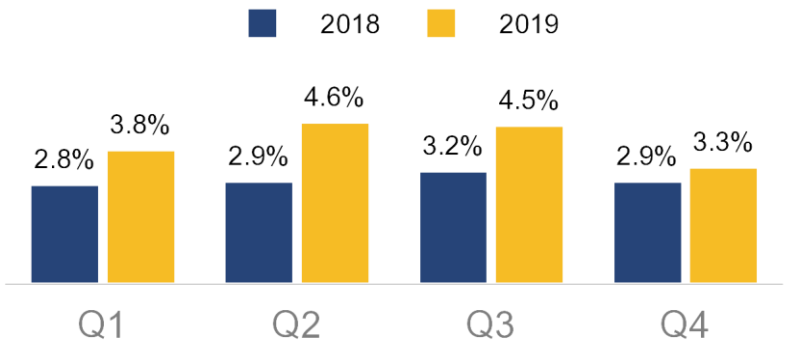
$ in millions, except per share data	Three Months Ended December 31,			Full Year Ended December 31,		
	2019	**2018**	***% Chg.***	**2019**	**2018**	**% Chg.**
Equipment Rental Revenue	$457.0	$447.7	*2.1%*	$1,701.8	$1,658.3	*2.6%*
Total Revenues	$540.1	$543.7	*(0.7)%*	$1,999.0	$1,976.7	*1.1%*
Net Income	$35.1	$33.3	*5.4%*	$47.5	$69.1	*(31.3)%*
Earnings Per Diluted Share	$1.20	$1.16	*3.4%*	$1.63	$2.39	*(31.8)%*
Adjusted Net Income[1]	$38.9	$33.4	*16.5%*	$91.6	$67.8	*35.1%*
Adjusted Earnings Per Diluted Share[1]	$1.33	$1.16	*14.7%*	$3.15	$2.35	*34.0%*
Adjusted EBITDA[1]	$214.4	$198.4	*8.1%*	$741.0	$684.8	*8.2%*
Adjusted EBITDA Margin[1]	39.7%	36.5%	*+320 bps*	37.1%	34.6%	*+250 bps*
REBITDA Margin[1,2]	46.6%	42.3%	*+430 bps*	42.7%	39.6%	*+310 bps*
REBITDA YoY Flow-Through[1,2]	263.3%			169.3%		
Average Fleet[3]	+0.7% YoY			+0.4% YoY		
Pricing[3]	+3.3% YoY			+4.0% YoY		

1. For a reconciliation to the most comparable GAAP financial measure, see the Appendix beginning on Slide 22
2. REBITDA measures contribution from our core rental business without impact of sales of equipment, parts and supplies
3. Based on ARA guidelines

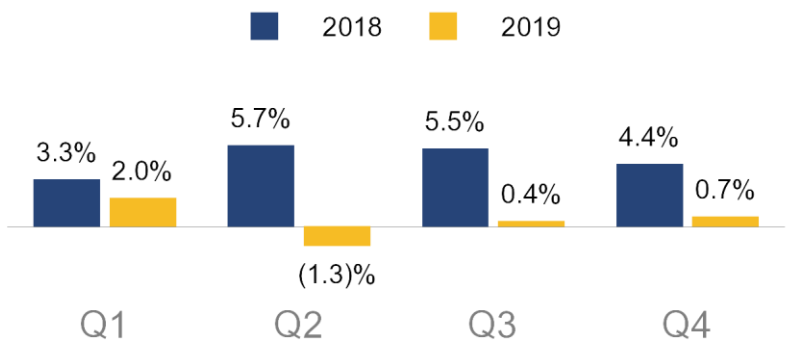
©2020 Herc Rentals Inc. All Rights Reserved.

Continuing Rate Performance and Improving Utilization

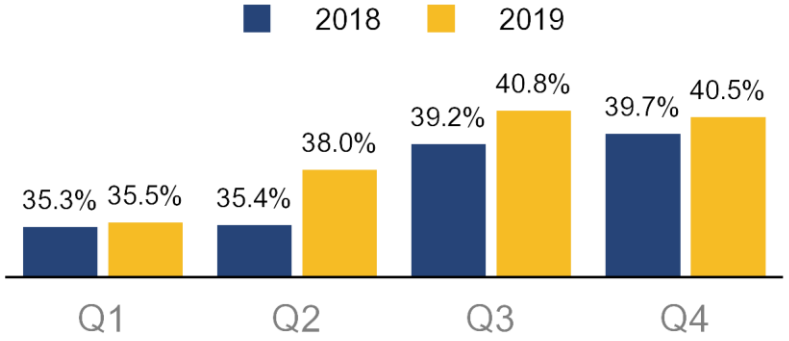
Pricing[1]



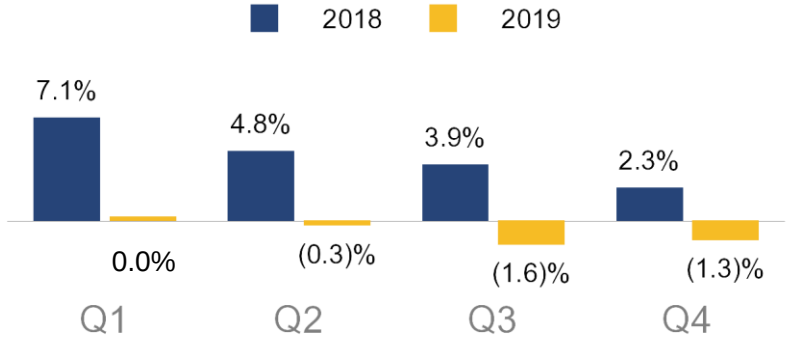
Average Fleet at OEC[1]



$ Utilization[2]



Average Fleet on Rent at OEC[1]

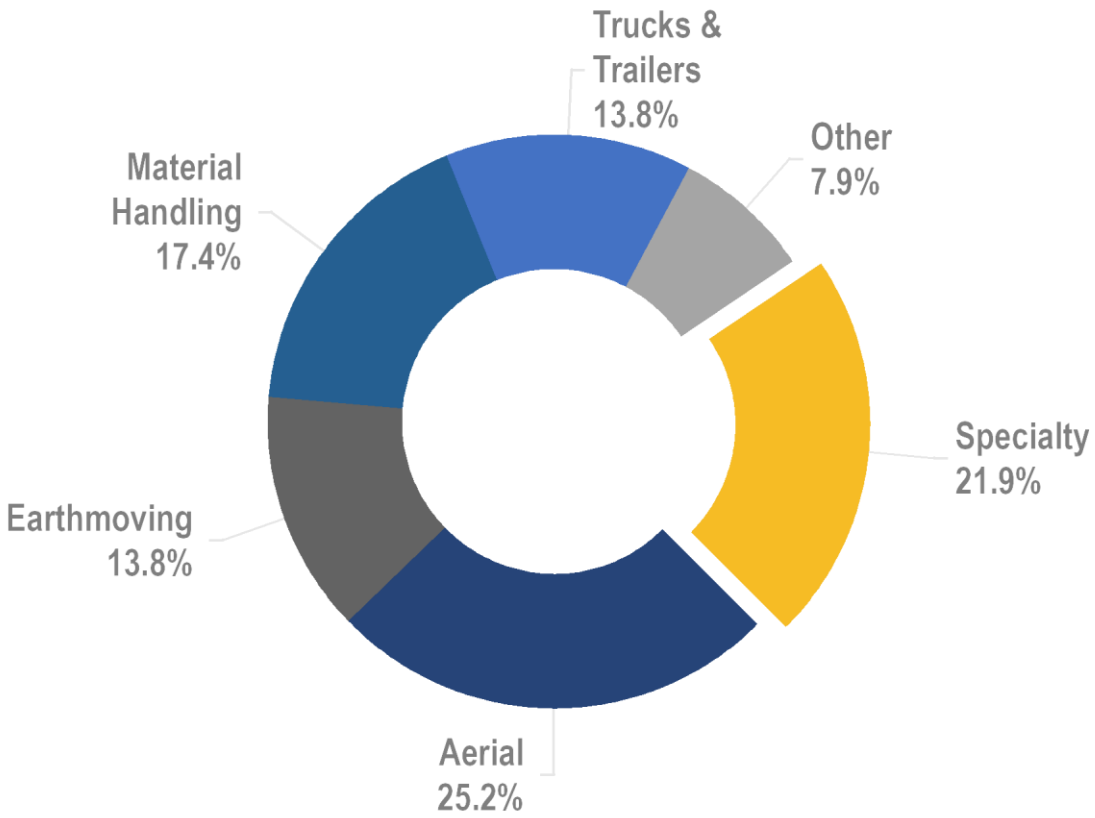


1. YoY Change. Based on ARA guidelines.
2. Based on ARA guidelines

©2020 Herc Rentals Inc. All Rights Reserved.

Improving Fleet Mix to Drive Growth

Fleet Composition at OEC[1,2]



$3.82B

Fleet at OEC[1]

Specialty 21.9%

ProSolutions® 15.6%

ProContractor 6.3%

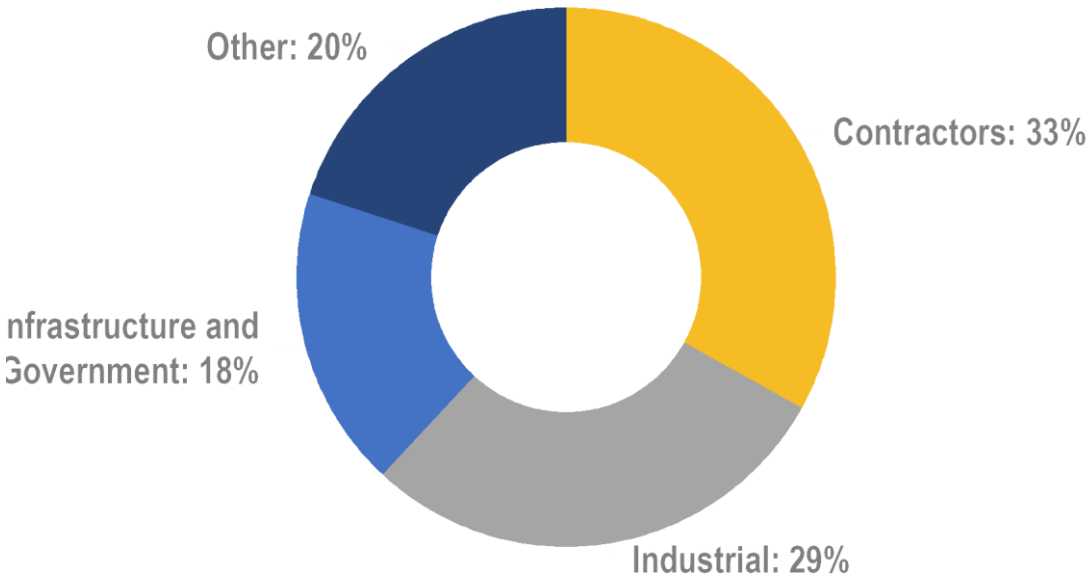
Average fleet age of 45 months in Q4 2019

1. Based on ARA guidelines
2. As of December 31, 2019

©2020 Herc Rentals Inc. All Rights Reserved.

Improving Customer Mix and Diversification

FY Revenue by Customer[1,2]



FY Local vs National Mix[1]

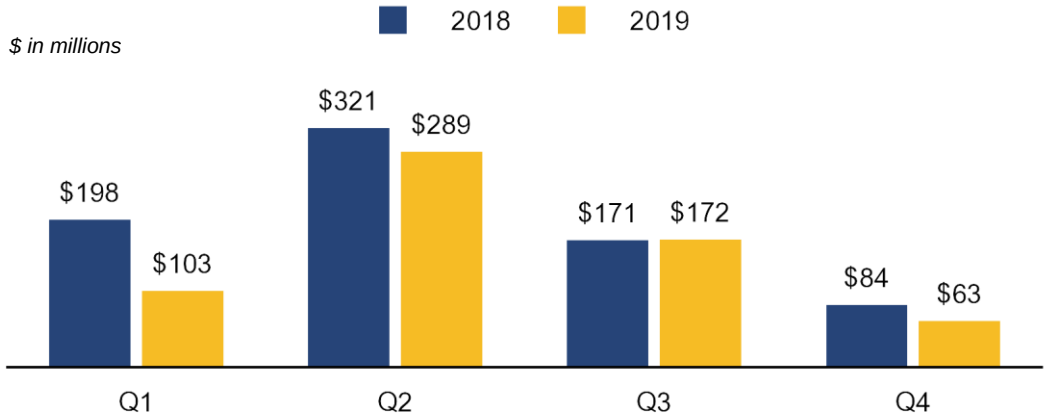


1. North America rental revenues
2. Refer to 10-K for description of industries related to each customer classification. Other includes commercial and retail service, hospitality, healthcare, recreation, and entertainment and special events

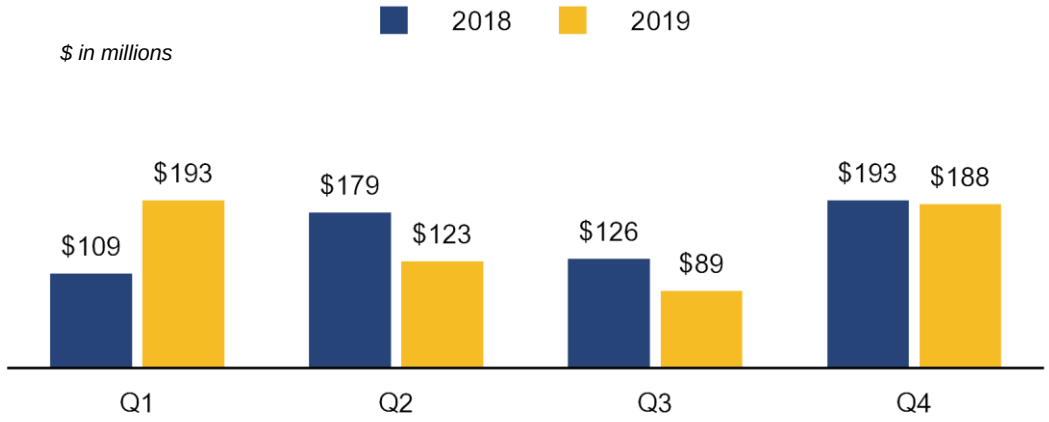
©2020 Herc Rentals Inc. All Rights Reserved.

Managing a Fleet of $3.82 billion at OEC[1] to Improve Utilization

Fleet Expenditures at OEC



Fleet Disposals at OEC



$414.2M

Net fleet capex, on a cash basis was $414.2 million for FY 2019 compared with $499.1 million in the prior year

Fleet expenditures at OEC in Q4 2019 were $63 million with disposals of $188 million, generating ~ 38% proceeds as a % of OEC[1]

Average age of disposals was 82 months in Q4 2019

Average fleet age improved to 45 months in Q4 2019

1. Original equipment cost based on ARA guidelines.

©2020 Herc Rentals Inc. All Rights Reserved.

Disciplined Capital Management

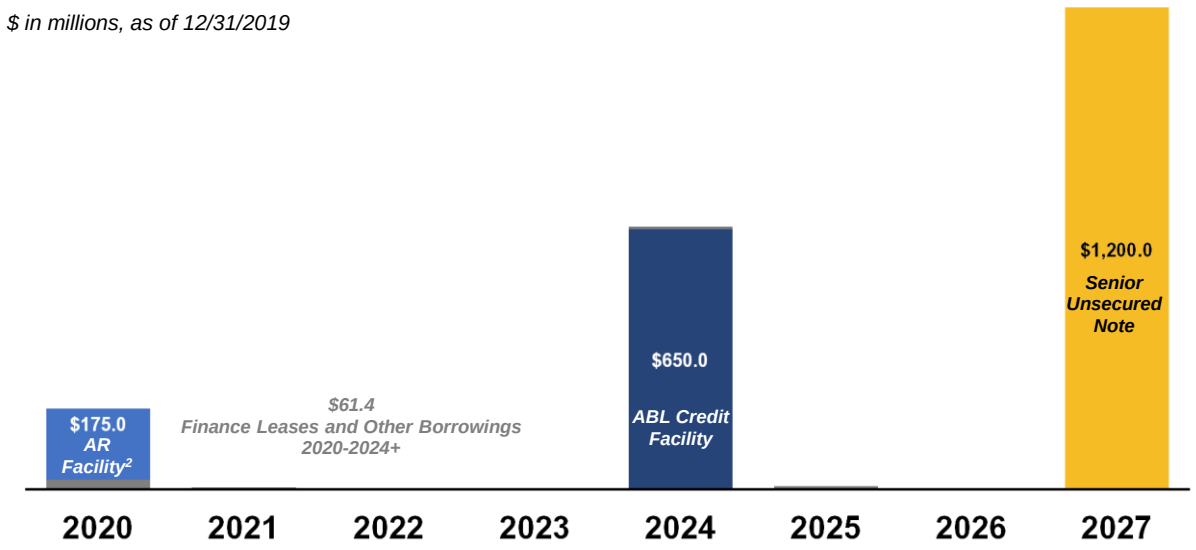
$172M

Free cash flow[1] of $172.0 million YTD 2019 compared with negative free cash flow of $7.9 million in 2018

2.8x

Net leverage[1] of 2.8x with compared with 3.1x at the end of 2018

Maturities



Total debt of $2.1 billion as of December 31, 2019

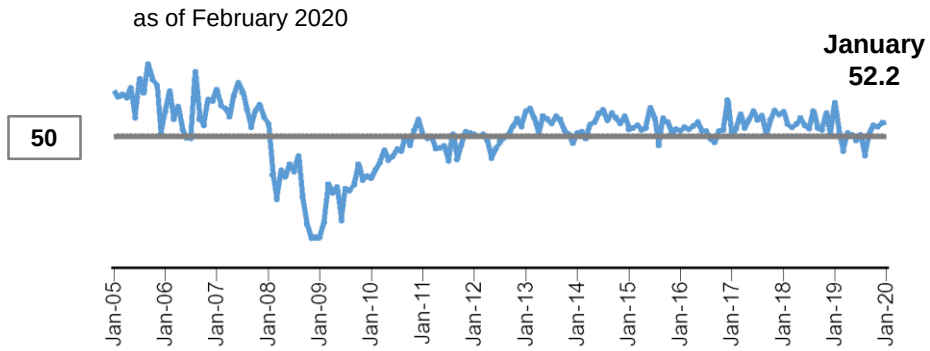
No near-term maturities and **ample liquidity** of $1.1 billion provides financial flexibility

1. For a definition and reconciliation to the most comparable GAAP financial measure, see the Appendix beginning on Slide 22
2. The AR Facility is excluded from current maturities of long-term debt as the Company has the intent and ability to consummate refinancing and extend the term of the agreement

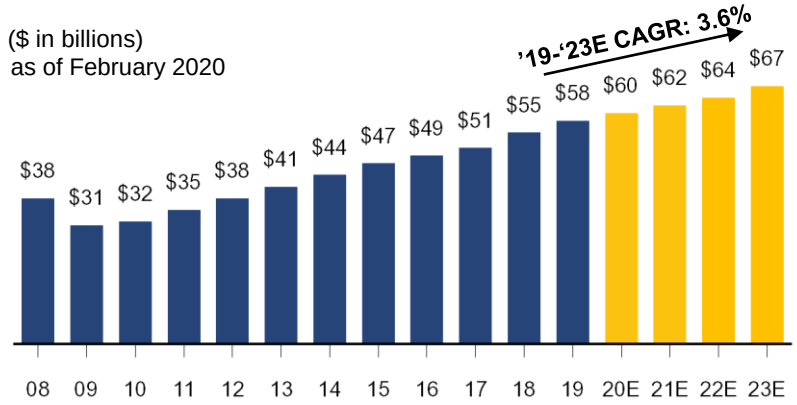
©2020 Herc Rentals Inc. All Rights Reserved.

Industry Outlook

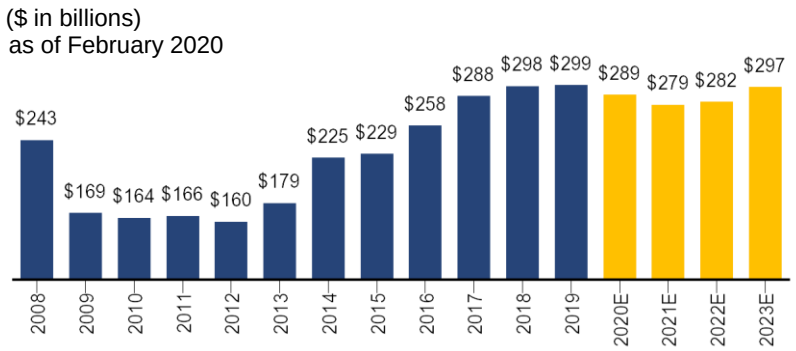
Architecture Billings Index[1]



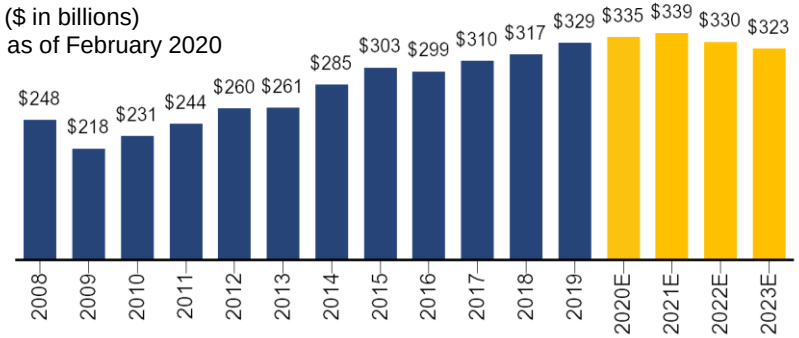
N.A. Equipment Rental Market[2]



Non-Residential Starts[3]



Industrial Spending[4]



1. Source: The American Institute of Architects (AIA) 2. Source: ARA / IHS Global Insight as of February 2020, excludes Party & Event data
3. Source: Dodge Analytics U.S. 4. Source: Industrial information resources U.S.

©2020 Herc Rentals Inc. All Rights Reserved.

2020 Full Year Guidance

Adjusted EBITDA

$760M to $790M

3% to 7% YoY Growth

Net Fleet Capital Expenditures

$410M to $450M

Strong Free Cash Flow

©2020 Herc Rentals Inc. All Rights Reserved.



Our Strategic Initiatives are Delivering Results

Our strategic initiatives continued to drive growth in rental revenues and $ utilization in our latest quarter

We improved Q4 2019 adjusted EBITDA margin 320 basis points YoY to 39.7%

We increased Q4 2019 $ utilization 80 basis points YoY to 40.5%

We improved YTD free cash flow from negative $7.9 million in 2018 to positive $172.0 million in 2019

©2020 Herc Rentals Inc. All Rights Reserved.

APPENDIX

NYSE: HRI
©2020 Herc Rentals Inc. All Rights Reserved.

Glossary of Terms Commonly Used in the Industry

OEC: Original Equipment Cost which is an operating measure based on the guidelines of the American Rental Association (ARA), which is calculated as the cost of the asset at the time it was first purchased plus additional capitalized refurbishment costs (with the basis of refurbished assets reset at the refurbishment date).

Fleet Age: The OEC weighted age of the entire fleet, based on ARA guidelines.

Net Fleet Capital Expenditures: Capital expenditures of rental equipment minus the proceeds from disposal of rental equipment.

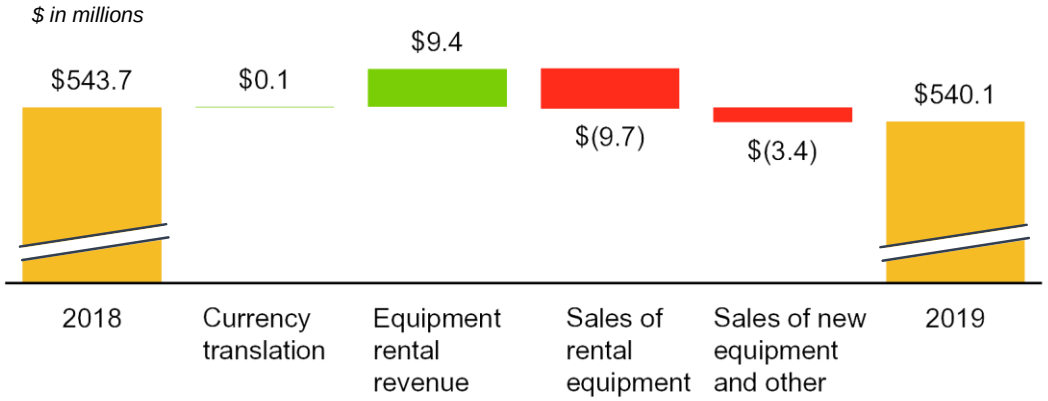
Dollar Utilization ($ UT): Dollar utilization is an operating measure calculated by dividing rental revenue by the average OEC of the equipment fleet for the relevant time period, based on ARA guidelines.

Pricing: Change in pure pricing achieved in one period versus another period. This is applied both to year-over-year and sequential comparisons. Rental rates are based on ARA guidelines and are calculated based on the category class rate variance achieved either year-over-year or sequentially for any fleet that qualifies for the fleet base and weighted by the prior year revenue mix.

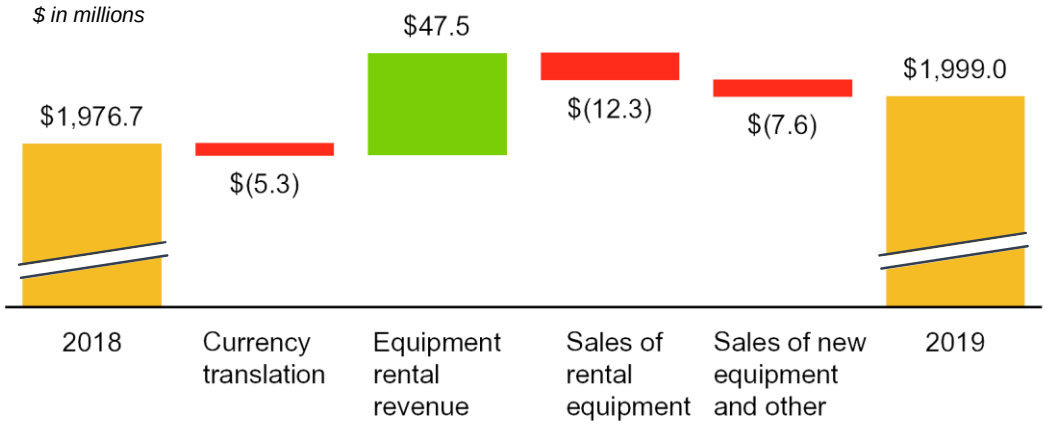
©2020 Herc Rentals Inc. All Rights Reserved.

Q4 and Full Year Total Revenues

Q4 Bridge



Full Year Bridge



+2.1%

Equipment rental revenue increased 2.1% in Q4 2019 with improvements in pricing and mix, partially offset by lower volume

Sales of rental equipment decreased 11.9% in Q4 2019

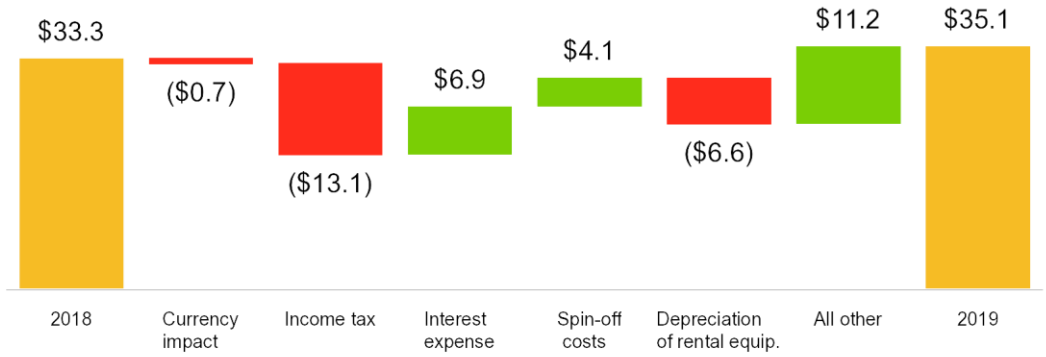
Total revenues decreased 0.7%, or $3.6 million, in Q4 2019

©2020 Herc Rentals Inc. All Rights Reserved.

Q4 and Full Year Net Results

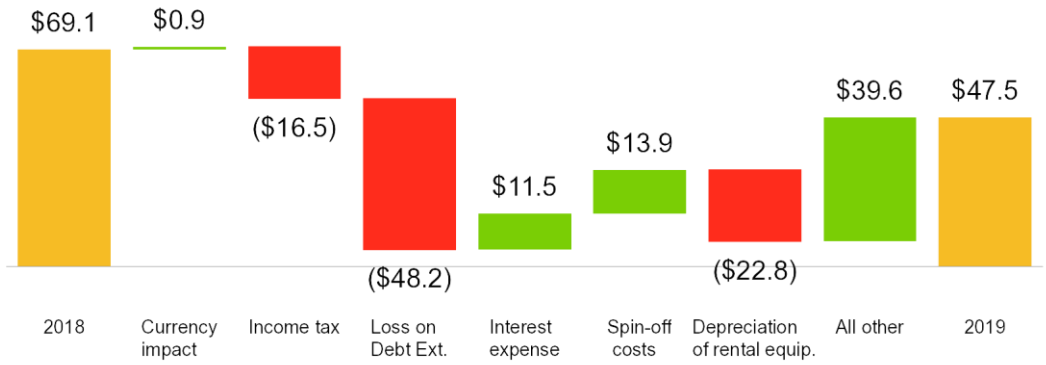
Q4 Bridge

$ in millions



Full Year Bridge

$ in millions



Net income was $35.1 million in Q4 2019 compared to $33.3 million in the prior year

Interest expense decreased in Q4 2019 primarily due to the refinancing of the Company's Notes and ABL Credit Facility during the third quarter of 2019

Spin-off related costs declined $4.1 million YoY in Q4 2019

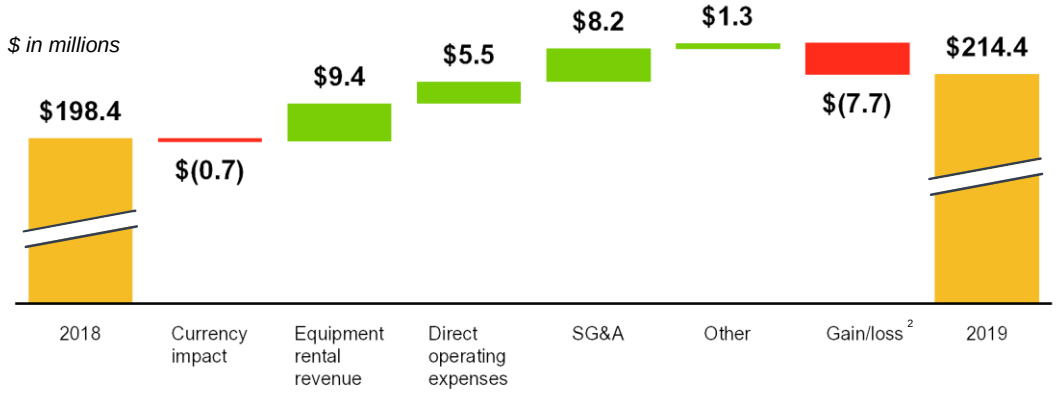
Depreciation of rental equipment increased $6.6 million YoY in Q4 2019 due to a reduction in fleet age

All other includes the positive impact of our improved operating results (See Slide 34 for additional details)

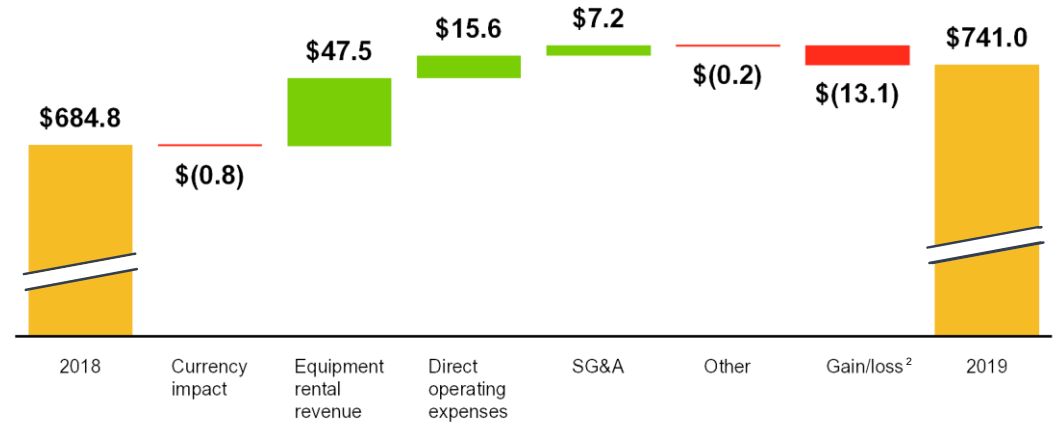
©2020 Herc Rentals Inc. All Rights Reserved.

Q4 and Full Year Adjusted EBITDA[1]

Q4 Bridge



Full Year Bridge



+8.1%

Adjusted EBITDA increased $16.0 million YoY or 8.1% in Q4 2019 primarily due to higher equipment rental revenue of $9.4 million

DOE decreased $5.5 million in Q4 2019 primarily due to strategic reductions in delivery and freight costs

SG&A was impacted in Q4 2019 primarily by reductions in bad debt and professional fees

REBITDA margin[1,3] in Q4 2019 increased 430 bps YoY to 46.6% with a strong flow-through of 263.3%

1. For a reconciliation to the most comparable GAAP financial measure, see Slides 28 and 29
2. Gain / loss on sales of new and rental equipment, parts, and supplies.
3. REBITDA measures contribution from our core rental business without impact of sales of equipment, parts and supplies

©2020 Herc Rentals Inc. All Rights Reserved.

Reconciliation of Adjusted Net Income and Adjusted Earnings Per Diluted Share

Adjusted Net Income and Adjusted Earnings Per Diluted Share - Adjusted Net Income represents the sum of net income (loss), restructuring and restructuring related charges, spin-off costs, loss on extinguishment of debt, impairment charges, gain (loss) on the disposal of a business and certain other items. Adjusted Earnings per Diluted Share represents Adjusted Net Income divided by diluted shares outstanding. Adjusted Net Income and Adjusted Earnings Per Diluted Share are important measures to evaluate our results of operations between periods on a more comparable basis and to help investors analyze underlying trends in our business, evaluate the performance of our business both on an absolute basis and relative to our peers and the broader market, provide useful information to both management and investors by excluding certain items that may not be indicative of our core operating results and operational strength of our business.

	Three Months Ended December 31,		Full Year Ended December 31,	
	2019	**2018**	**2019**	**2018**
Net income	$35.1	$33.3	$47.5	$69.1
Loss on extinguishment of debt	—	—	53.6	5.4
Restructuring	(0.1)	4.3	7.7	5.0
Restructuring related charges	—	—	—	0.3
Spin-Off costs	(0.2)	3.9	0.5	14.4
Impairment	4.4	—	5.1	—
Other[(1)]	1.0	—	1.0	1.1
Tax impact of adjustments[(2)]	(1.3)	(8.1)	(23.8)	(27.5)
Adjusted net income	**$38.9**	**$33.4**	**$91.6**	**$67.8**
Diluted common shares	**29.3**	**28.8**	**29.1**	**28.9**
Adjusted earnings per diluted common share	**$1.33**	**$1.16**	**$3.15**	**$2.35**

(1) Comprised primarily of a one-time cash separation benefit paid to our former Chief Financial Officer as part of a retirement and separation agreement for the year ended December 31, 2018 and a cash separation benefit paid to our former Chief Operating Officer as part of a separation agreement for the three months and year ended December 31, 2019.

(2)The tax rate applied for adjustments is 25.7% and reflects the statutory rates in the applicable entities. Additionally, the tax benefit of $6.3 million recognized in the full year of 2019 related to the debt transactions and the tax benefit of $6.0 million and $20.8 million recognized in the three month and full year periods of 2018, respectively, related to the Tax Cuts and Jobs Act of 2017, were also adjusted.

©2020 Herc Rentals Inc. All Rights Reserved.

Reconciliation of Net Income to Adj. EBITDA, Adj. EBITDA Margin, Rental Adj. EBITDA (REBITDA), REBITDA Margin and Flow-Through

EBITDA, Adjusted EBITDA, and REBITDA - EBITDA represents the sum of net income (loss), provision (benefit) for income taxes, interest expense, net, depreciation of rental equipment and non-rental depreciation and amortization. Adjusted EBITDA represents EBITDA plus the sum of merger and acquisition related costs, restructuring and restructuring related charges, spin-off costs, non-cash stock based compensation charges, loss on extinguishment of debt (which is included in interest expense, net), impairment charges, gain (loss) on disposal of a business and certain other items. REBITDA represents Adjusted EBITDA excluding the gain (loss) on sales of rental equipment and new equipment, parts and supplies. EBITDA, Adjusted EBITDA and REBITDA do not purport to be alternatives to net income as an indicator of operating performance. Additionally, none of these measures purports to be an alternative to cash flows from operating activities as a measure of liquidity, as they do not consider certain cash requirements such as interest payments and tax payments.

Adjusted EBITDA Margin, REBITDA Margin and REBITDA Flow-Through - Adjusted EBITDA Margin (Adjusted EBITDA / Total Revenues) is a commonly used profitability ratio. REBITDA Margin (REBITDA / Equipment rental, service and other revenues) and REBITDA Flow-Through (the year-over-year change in REBITDA/the year-over-year change in Equipment rental, service, and other revenues) are useful operating profitability ratios to management and investors.

©2020 Herc Rentals Inc. All Rights Reserved.

Reconciliation of Net Income to Adj. EBITDA, Adj. EBITDA Margin, Rental Adj. EBITDA (REBITDA), REBITDA Margin and Flow-Through

$ in millions

	Three Months Ended December 31,		Full Year Ended December 31,	
	2019	**2018**	**2019**	**2018**
Net income	**$35.1**	**$33.3**	**$47.5**	**$69.1**
Income tax provision (benefit)	18.1	5.0	16.1	(0.3)
Interest expense, net	27.1	34.0	173.5	137.0
Depreciation of rental equipment	105.5	98.9	409.1	387.5
Non-rental depreciation and amortization	16.5	15.5	61.0	57.3
EBITDA	**202.3**	**186.7**	**707.2**	**650.6**
Restructuring	(0.1)	4.3	7.7	5.0
Restructuring related charges	—	—	—	0.3
Spin-off costs	(0.2)	3.9	0.5	14.4
Impairment	4.4	—	5.1	—
Non-cash stock-based compensation charges	7.0	3.5	19.5	13.4
Other	1.0	—	1.0	1.1
Adjusted EBITDA	**$214.4**	**$198.4**	**$741.0**	**$684.8**
Less: Gain (loss) on sales of rental equipment	(2.0)	5.2	(0.4)	11.9
Less: Gain (loss) on sales of new equipment, parts and supplies	2.4	2.9	10.7	11.6
Rental Adjusted EBITDA (REBITDA)	**$214.0**	**$190.3**	**$730.7**	**$661.3**
Total Revenues	**$540.1**	**$543.7**	**$1,999.0**	**$1,976.7**
Less: Sales of rental equipment	71.0	80.6	242.8	256.2
Less: Sales of new equipment, parts and supplies	9.9	12.9	44.0	49.3
Equipment rental, service and other revenues	**$459.2**	**$450.2**	**$1,712.2**	**$1,671.2**
Total Revenues	$540.1	$543.7	$1,999.0	$1,976.7
Adjusted EBITDA	$214.4	$198.4	$741.0	$684.8
Adjusted EBITDA Margin	**39.7%**	**36.5%**	**37.1%**	**34.6%**
Equipment rental, service and other revenues	$459.2	$450.2	$1,712.2	$1,671.2
REBITDA	$214.0	$190.3	$730.7	$661.3
REBITDA Margin	**46.6%**	**42.3%**	**42.7%**	**39.6%**
YOY Change in REBITDA	$23.7		$69.4	
YOY Change in Equipment Rental, service and other revenues	$9.0		$41.0	
YOY REBITDA Flow-Through	**263.3%**		**169.3%**	

©2020 Herc Rentals Inc. All Rights Reserved.

REBITDA Margin Trend

$ in millions

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Total Revenues	**$431.3**	**$485.5**	**$516.2**	**$543.7**	**$1,976.7**	**$475.7**	**$475.1**	**$508.1**	**$540.1**	**$1,999**
Less: Sales of rental equipment	47.3	78.2	50.1	80.6	256.2	85.1	51.3	35.4	71.0	242.8
Less: Sales of new equipment, parts and supplies	11.4	10.8	14.2	12.9	49.3	10.9	13.2	10.0	9.9	44.0
Equipment rental, service and other revenues	**$372.6**	**$396.5**	**$451.9**	**$450.2**	**$1,671.2**	**$379.7**	**$410.6**	**$462.7**	**$459.2**	**$1,712.2**
Net income (loss)	**($10.1)**	**($0.3)**	**$46.2**	**$33.3**	**$69.1**	**($6.7)**	**$9.7**	**$9.4**	**$35.1**	**$47.5**
Income tax provision (benefit)	(5.1)	0.8	(1.0)	5.0	(0.3)	(3.1)	5.3	(4.2)	18.1	16.1
Interest expense, net	32.0	32.4	38.6	34.0	137.0	32.9	31.6	81.9	27.1	173.5
Depreciation of rental equipment	93.3	97.0	98.3	98.9	387.5	100.0	100.9	102.7	105.5	409.1
Non-rental depreciation and amortization	13.8	13.7	14.3	15.5	57.3	15.0	14.6	14.9	16.5	61.0
EBITDA	**$123.9**	**$143.6**	**$196.4**	**$186.7**	**$650.6**	**$138.1**	**$162.1**	**$204.7**	**$202.3**	**$707.2**
Restructuring	1.0	—	—	4.0	5.0	—	7.8	—	(0.1)	7.7
Restructuring related charges	—	—	—	0.3	0.3	—	—	—	—	—
Spin-off costs	4.9	3.9	1.7	3.9	14.4	—	0.3	0.4	(0.2)	0.5
Non-cash stock-based compensation charges	2.8	3.8	3.3	3.5	13.4	3.9	4.3	4.3	7.0	19.5
Impairment	—	0.1	—	—	0.1	—	—	—	4.4	5.1
Other[1]	0.1	0.8	0.1	—	1.0	0.3	0.4	—	1.0	1.0
Adjusted EBITDA	**$132.7**	**$152.2**	**$201.5**	**$198.4**	**$684.8**	**$142.3**	**$174.9**	**$209.4**	**$214.4**	**$741.0**
Less: Gain (loss) on sales of rental equipment	5.3	2.4	(1.0)	5.2	11.9	1.6	1.3	(1.3)	(2.0)	(0.4)
Less: Gain on sales of new equipment, parts and supplies	2.4	2.7	3.6	2.9	11.6	2.7	2.8	2.8	2.4	10.7
Rental Adjusted EBITDA (REBITDA)	**$125.0**	**$147.1**	**$198.9**	**$190.3**	**$661.3**	**$138.0**	**$170.8**	**$207.9**	**$214.0**	**$730.7**
REBITDA Margin	**33.5%**	**37.1%**	**44.0%**	**42.3%**	**39.6%**	**36.3%**	**41.6%**	**44.9%**	**46.6%**	**42.7%**
YOY REBITDA Flow-Through	**60.7%**	**30.5%**	**68%**	**62.5%**	**54.8%**	**183.1%**	**168.1%**	**83.3%**	**263.3%**	**169.3%**

1. Comprised primarily of a one-time cash separation benefit paid to our former Chief Financial Officer as part of a retirement and separation agreement for the year ended December 31, 2018 and a cash separation benefit paid to our former Chief Operating Officer as part of a separation agreement for the three months and year ended December 31, 2019.

©2020 Herc Rentals Inc. All Rights Reserved.

Reconciliation of Net Leverage Ratio

Net Leverage Ratio –The Company has defined its net leverage ratio as net debt, as calculated below, divided by adjusted EBITDA for the trailing twelve-month period. This measure should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. The Company's definition of this measure may differ from similarly titled measures used by other companies.

$ in millions	Q4 2019	Q4 2018
Long-Term Debt, Net	$2,051.5	$2,129.9
(Plus) Current maturities of long-term debt	27.0	26.9
(Plus) Unamortized debt issuance costs	7.9	10.6
(Less) Cash and Cash Equivalents	(33.0)	(27.8)
Net Debt	**$2,053.4**	**$2,139.6**
Trailing Twelve-Month Adjusted EBITDA	$741.0	$684.8
Net Leverage	**2.8x**	**3.1x**

©2020 Herc Rentals Inc. All Rights Reserved.

Reconciliation of Free Cash Flow

Free cash flow is not a recognized term under GAAP and should not be considered in isolation or as a substitute for our reported results prepared in accordance with GAAP. Further, since all companies do not use identical calculations, our definition and presentation of this measure may not be comparable to similarly titled measures reported by other companies.

Free cash flow represents net cash provided by (used in) operating activities less rental equipment expenditures and non-rental capital expenditures, plus proceeds from disposal of rental equipment, proceeds from disposal of property and equipment, and other investing activities. Free cash flow is used by management in analyzing the Company's ability to service and repay its debt and to forecast future periods. However, this measure does not represent funds available for investment or other discretionary uses since it does not deduct cash used to service debt or for other non-discretionary expenditures.

$ in millions

	Full Year Ended December 31,	
	2019	**2018**
Net cash provided by operating activities	**$635.6**	**$559.1**
Rental equipment expenditures	(638.4)	(771.4)
Proceeds from disposal of rental equipment	224.2	272.3
Net Fleet Capital Expenditures	**(414.2)**	**(499.1)**
Non-rental capital expenditures	(56.9)	(77.6)
Proceeds from disposal of property and equipment	7.7	9.7
Other investing activities	(0.2)	—
Free Cash Flow	**$172.0**	**$(7.9)**

©2020 Herc Rentals Inc. All Rights Reserved.

Historical Fleet at OEC[1]

$ in millions	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Beginning Balance	$3,651	$3,732	$3,873	$3,922	$3,651	$3,777	$3,694	$3,859	$3,943	$3,777
Expenditures	$198	$321	$171	$84	$774	$103	$289	$172	$63	$627
Disposals	($109)	($179)	($126)	($193)	($607)	($193)	($123)	($89)	($188)	($593)
Foreign Currency / Other	($8)	($1)	$4	($36)	($41)	$7	($1)	$1	$4	$11
Ending Balance	**$3,732**	**$3,873**	**$3,922**	**$3,777**	**$3,777**	**$3,694**	**$3,859**	**$3,943**	**$3,822**	**$3,822**

1. Original equipment cost based on ARA guidelines

©2020 Herc Rentals Inc. All Rights Reserved.

Q4 and Full Year Net Results Bridge

$ in millions	Three Months Ended December 31, 2019	2018	$ Change	Elements of Net Income (Loss) Bridge: Currency[1] impact	Income tax	Spin-off costs	Depreciation of rental equip.	Loss on Extinguishment of Debt	Interest expense	All other
Total revenues	**$540.1**	**$543.7**	**($3.6)**	**$0.1**	**$—**	**$—**	**$—**	**$—**	**$—**	**($3.7)**
Direct operating	195.8	200.3	(4.5)	—	—	—	—	—	—	(4.5)
Depreciation of rental equipment	105.5	98.9	6.6	—	—	—	6.6	—	—	—
Cost of sales of rental equipment	73.0	75.4	(2.4)	0.1		—	—	—	—	(2.5)
Cost of sales of new equipment, parts and supplies	7.5	10.0	(2.5)	—	—	—	—	—	—	(2.5)
Selling, general and administrative	73.6	81.9	(8.3)	0.6	—	(4.1)	—	—	—	(4.8)
Restructuring	(0.1)	4.2	(4.3)	—	—	—	—	—	—	(4.3)
Impairment	4.4	—	4.4	—	—	—	—	—	—	4.4
Interest expense, net	27.1	34.0	(6.9)	—	—	—	—	—	(6.9)	—
Other expense (income), net	0.1	0.7	(0.6)	0.1	—	—	—	—	—	(0.7)
Income (loss) before income taxes	**53.2**	**38.3**	**14.9**	**(0.7)**	**—**	**4.1**	**(6.6)**	**—**	**6.9**	**11.2**
Income tax benefit (provision)	(18.1)	(5.0)	(13.1)	—	(13.1)	—	—	—	—	—
Net income (loss)	**$35.1**	**$33.3**	**$1.8**	**($0.7)**	**($13.1)**	**$4.1**	**($6.6)**	**$—**	**$6.9**	**$11.2**

$ in millions	Full Year Ended December 31, 2019	2018	$ Change	Elements of Net Income (Loss) Bridge: Currency[1] impact	Income tax	Spin-off costs	Depreciation of rental equip.	Loss on Extinguishment of Debt	Interest expense	All other
Total revenues	**$1,999.0**	**$1,976.7**	**$22.3**	**($5.3)**	**$—**	**$—**	**$—**	**$—**	**$—**	**$27.6**
Direct operating	771.1	785.2	(14.1)	(2.3)	—	—	—	—	—	(11.8)
Depreciation of rental equipment	409.1	387.5	21.6	(1.2)	—	—	22.8	—	—	—
Cost of sales of rental equipment	243.2	244.3	(1.1)	(1.0)		—	—	—	—	(0.1)
Cost of sales of new equipment, parts and supplies	33.3	37.7	(4.4)	(0.1)	—	—	—	—	—	(4.3)
Selling, general and administrative	294.8	311.3	(16.5)	(1.3)	—	(13.9)	—	—	—	(1.3)
Restructuring	7.7	5.0	2.7	—	—	—	—	—	—	2.7
Impairment	5.1	0.1	5.0	—	—	—	—	—	—	5.0
Interest expense, net	173.5	137.0	36.5	(0.2)	—	—	—	48.2	(11.5)	—
Other expense (income), net	(2.4)	(0.2)	(2.2)	—	—	—	—	—	—	(2.2)
Income (loss) before income taxes	**63.6**	**68.8**	**(5.2)**	**0.8**	**—**	**13.9**	**(22.8)**	**(48.2)**	**11.5**	**39.6**
Income tax benefit (provision)	(16.1)	0.3	(16.4)	0.1	(16.5)	—	—	—	—	—
Net income (loss)	**$47.5**	**$69.1**	**($21.6)**	**$0.9**	**($16.5)**	**$13.9**	**($22.8)**	**($48.2)**	**$11.5**	**$39.6**

1. Currency impact includes the translational and transactional SG&A impact of foreign currency exchange

©2020 Herc Rentals Inc. All Rights Reserved.

SG&A Excluding Spin-off Costs

$ in millions	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
SG&A	$74.5	$77.3	$78.4	$82.4	$312.6	$71.5	$73.5	$76.2	$73.6	$294.8
Spin-off costs	($4.9)	($3.9)	($1.7)	($3.9)	($14.4)	$—	($0.3)	($0.4)	$0.2	($0.5)
SG&A excluding Spin-off costs	**$69.6**	**$73.4**	**$76.7**	**$78.5**	**$298.2**	**$71.5**	**$73.2**	**$75.8**	**$73.8**	**$294.3**
% of Total Revenue	**16.1%**	**15.1%**	**14.9%**	**14.4%**	**15.1%**	**15.0%**	**15.4%**	**14.9%**	**13.7%**	**14.7%**

©2020 Herc Rentals Inc. All Rights Reserved.

Fleet Mix: Driving $ Utilization

	December 31, 2018	December 31, 2019
Aerial - Booms	18.3%	17.7%
Aerial - Scissors & Other	7.6%	7.5%
Earthmoving - Compact	8.5%	8.2%
Earthmoving - Heavy	5.7%	5.6%
Material Handling - Telehandlers	13.5%	13.4%
Material Handling - Industrial	4.2%	4.0%
Trucks and Trailers	13.0%	13.8%
ProSolutions®	14.5%	15.6%
ProContractor	6.3%	6.3%
Air Compressors	2.6%	2.4%
Other	2.6%	2.4%
Lighting	1.7%	1.7%
Compaction	1.5%	1.4%
Total	**100.0%**	**100.0%**
OEC[1]	**$3.78B**	**$3.82B**

1. Original equipment cost based on ARA guidelines

©2020 Herc Rentals Inc. All Rights Reserved.



NYSE: HRI

©2020 Herc Rentals Inc. All Rights Reserved.