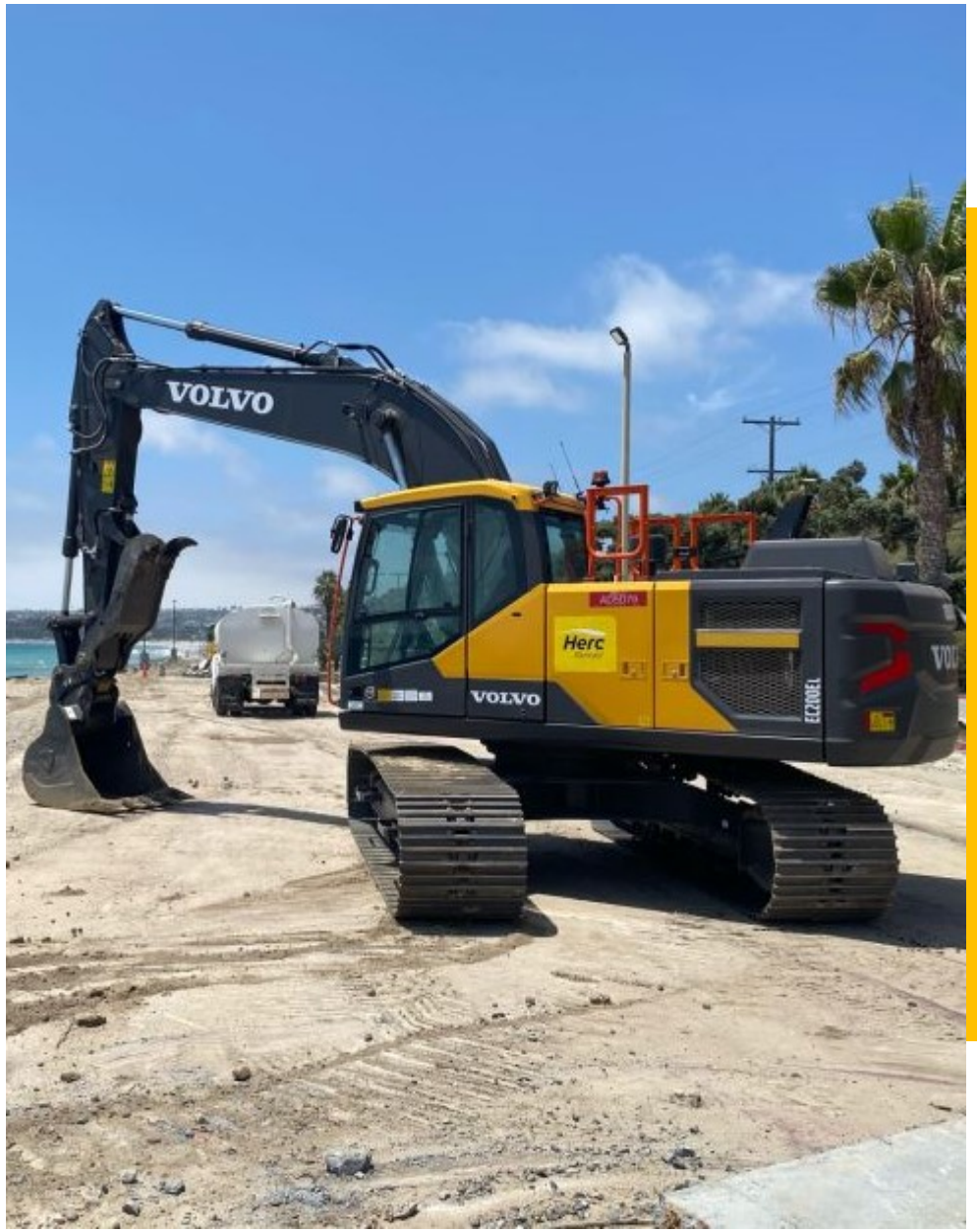


HERC HOLDINGS INC.

Q2 and First Half 2021 Earnings Conference Call

July 22, 2021

HercRentals®

©2021 Herc Rentals Inc. All Rights Reserved.

Herc Rentals Team



Larry Silber
President & Chief Executive Officer



Mark Irion
Senior Vice President & Chief Financial Officer



Aaron Birnbaum
Senior Vice President & Chief Operating Officer



Elizabeth Higashi
Vice President, Investor Relations & Sustainability

©2021 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, our growth strategy, anticipated financing needs, business trends, the impact of and our response to COVID-19, liquidity and capital management, 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," "looks," 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 on 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 presentation 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 appendix that accompanies this presentation.

©2021 Herc Rentals Inc. All Rights Reserved.

Q2 2021 Takeaways - Raising Full Year Guidance

Tight Supply + Steady Demand = Good Operating Environment



Industry leading rate management delivers results in favorable operating environment

Strong Q2 performance provides momentum for balance of 2021

Given the current operating environment, we are raising net fleet capital expenditures for the year by $100 million from prior guidance

We are also raising 2021 guidance for adjusted EBITDA a second time this year to $840 to $870 million

©2021 Herc Rentals Inc. All Rights Reserved.

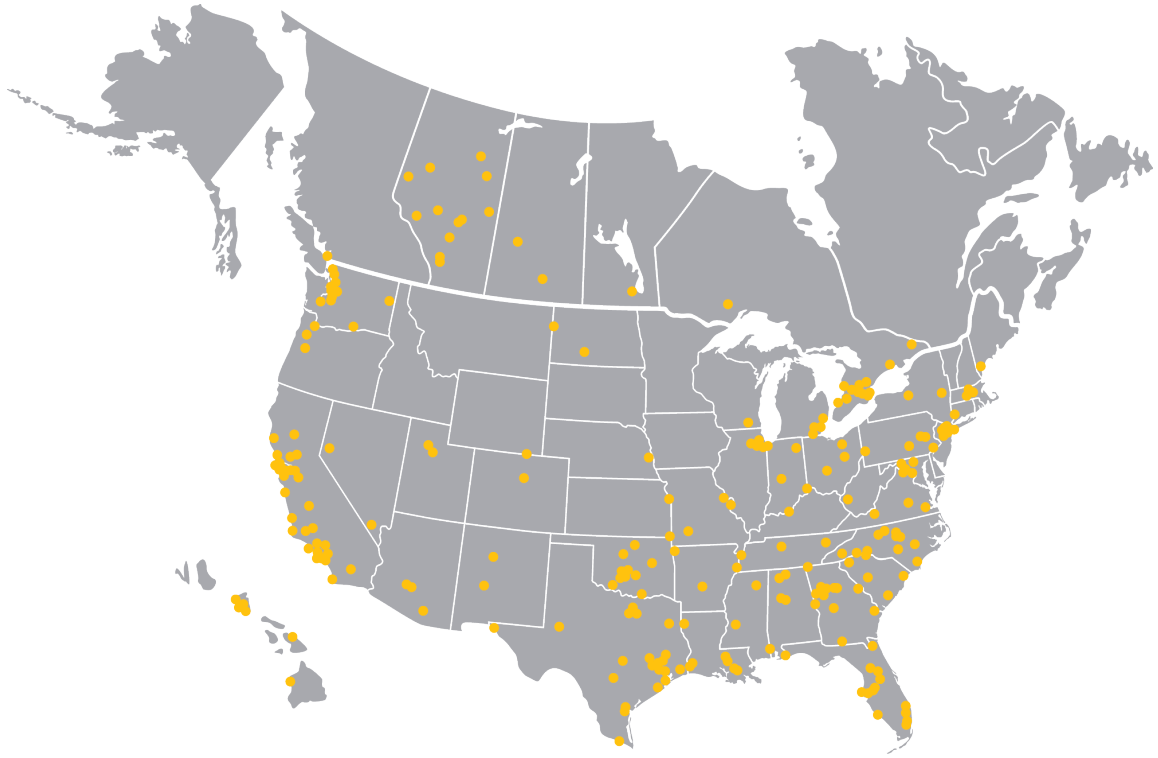
A Leader in the Equipment Rental Industry

HRI

Listed on the New York Stock Exchange on July 1, 2016

56

Years in the equipment rental industry



280[(1)]

Locations in 39 states and five Canadian provinces

4,800

Employees serving North America

(1) Location count as of July 22, 2021

©2021 Herc Rentals Inc. All Rights Reserved.

Second Quarter 2021 Financial Highlights

Equipment Rental Revenue

$448.0M

36.8% over 2020
9.9% over 2019

Net Income

$47.1M

$45.1M over 2020
$37.4M over 2019

Total Revenues

$490.9M

33.4% over 2020
3.3% over 2019

Earnings Per Diluted Share

$1.55

$1.48 over 2020
$1.22 over 2019

Adjusted EBITDA[1]

$207.7M

39.0% over 2020
18.8% over 2019

Adjusted EBITDA Margin[1]

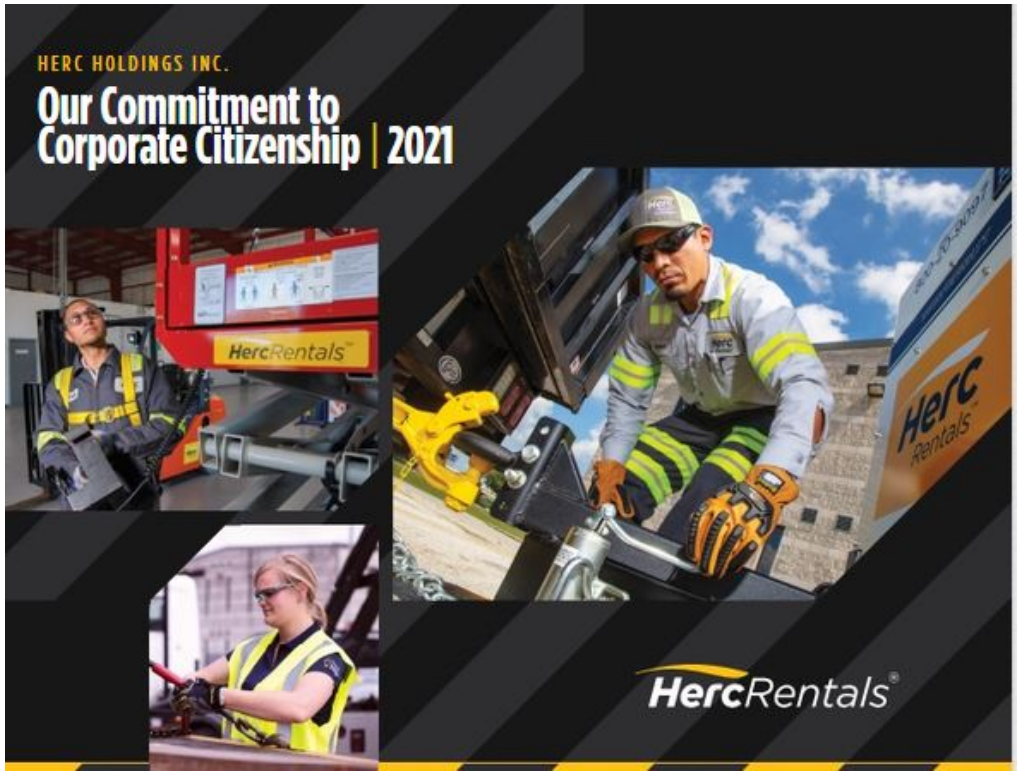
42.3%

+170bps over 2020
+ 550bps over 2019

1. For a reconciliation to the most comparable GAAP financial measure, see the Appendix beginning on Slide 21

©2021 Herc Rentals Inc. All Rights Reserved.

Commitment to Sustainability



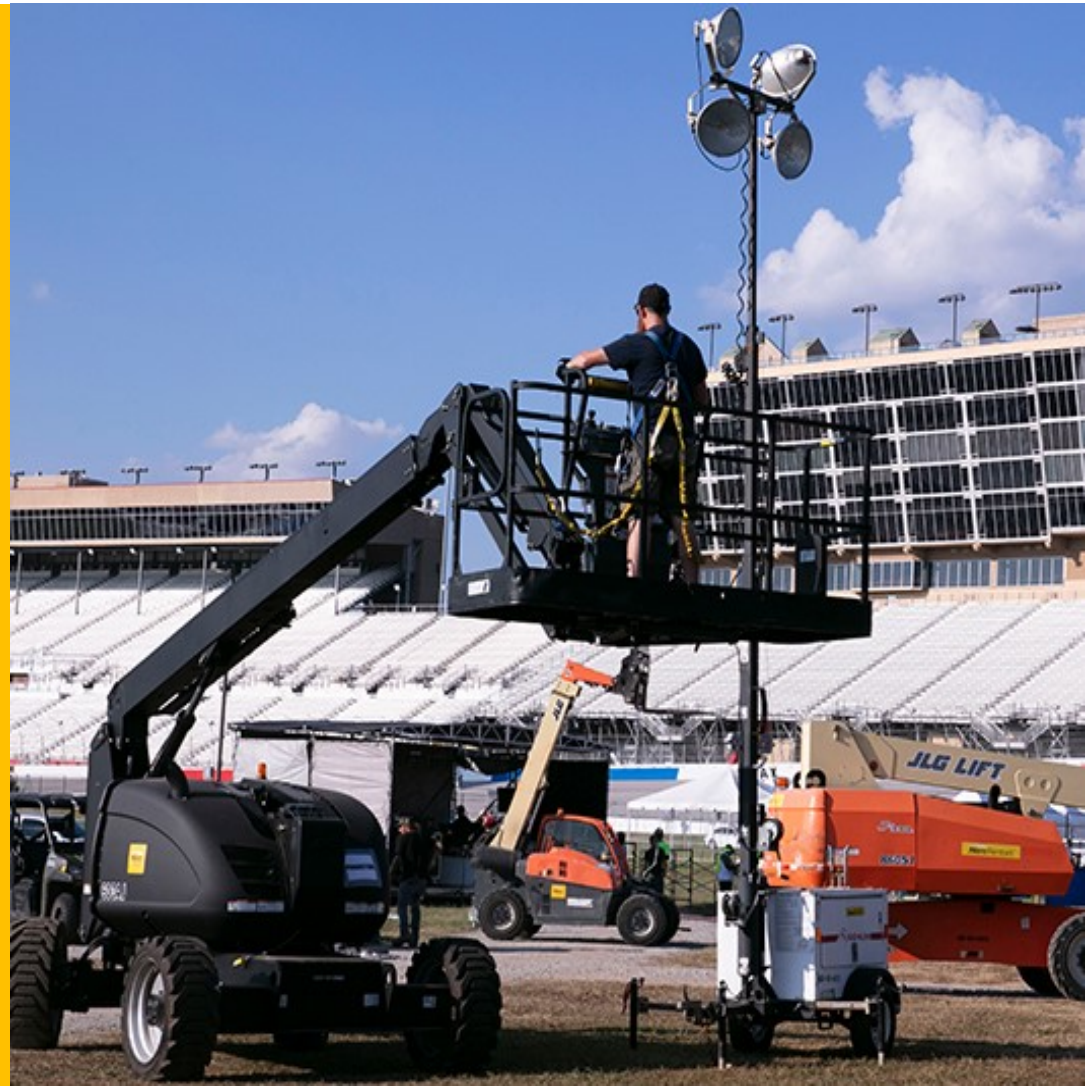
We recently published our 2021 Corporate Citizenship Report, which aligns to the Global Reporting Initiative Standards

We established three major goals for 2030 using 2019 as the base year:

- Reducing our GHG emissions intensity by 25%
- Reducing our non-toxic waste to landfill by 25%
- Continuing to improve safety annually with a target TRIR of 0.49 or lower

©2021 Herc Rentals Inc. All Rights Reserved.

Operations Review



Driving Solid Operational Performance



Q2 rental revenue growth continued to show positive performance compared to the same quarter in 2020 and 2019

Business activity solid and all of our end markets are showing positive momentum

Growth in core equipment rental revenue was enhanced by ProSolutions® and entertainment services performance

Integration of acquisitions on track and developing M&A pipeline

Herc Operating Model continues to drive operational performance

©2021 Herc Rentals Inc. All Rights Reserved.

Focused on Health and Safety



Continued focus on health and safety of our employees, customers and communities

New Health & Safety Management System implemented this year helps us work more safely and streamlines reviews and audits

Achieved 98% Perfect Days at our branches in Q2 2021

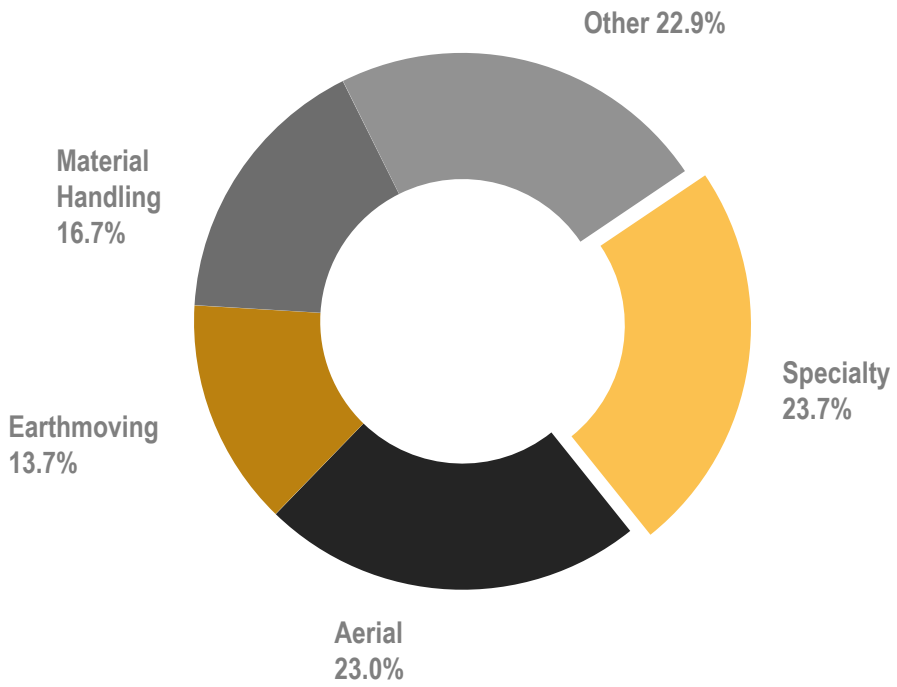
Enhancing the well-being of our team by investing in training and new tools for working safely

©2021 Herc Rentals Inc. All Rights Reserved.

Managing Fleet to Enhance Utilization

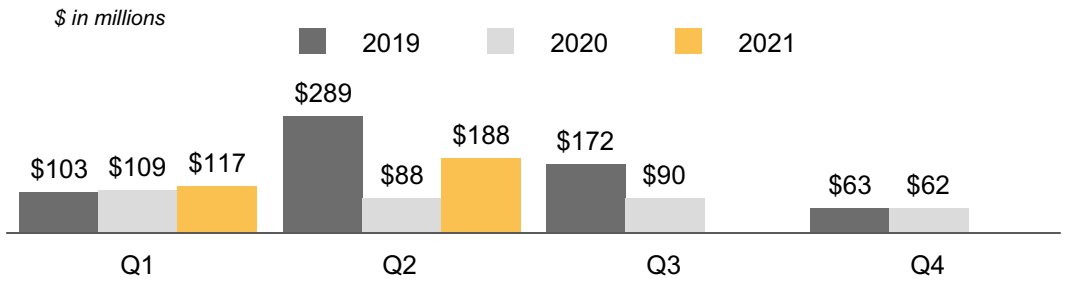
Fleet Composition at OEC[1]

$3.76 billion at OEC

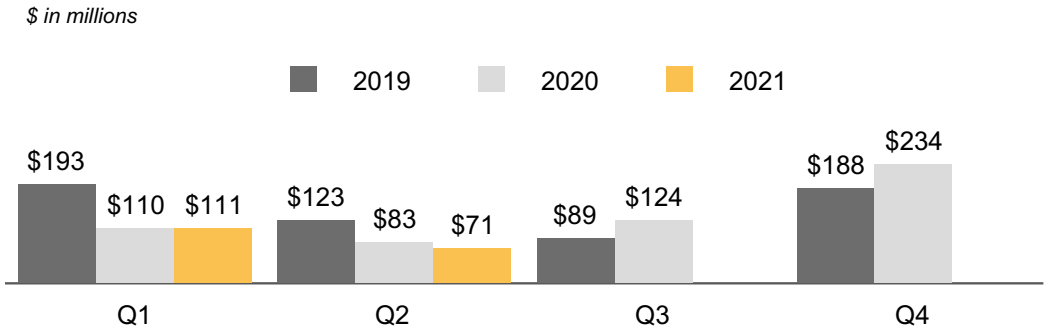


Q2 2021 $ Utilization increased to 42.1% from 30.8% last year

Fleet Expenditures at OEC[1]



Fleet Disposals at OEC[1]



Fleet disposals at OEC in Q2 2021 were $71 million, generating ~41% proceeds as a percent of OEC

Average age of disposals was 86 months in Q2 2021

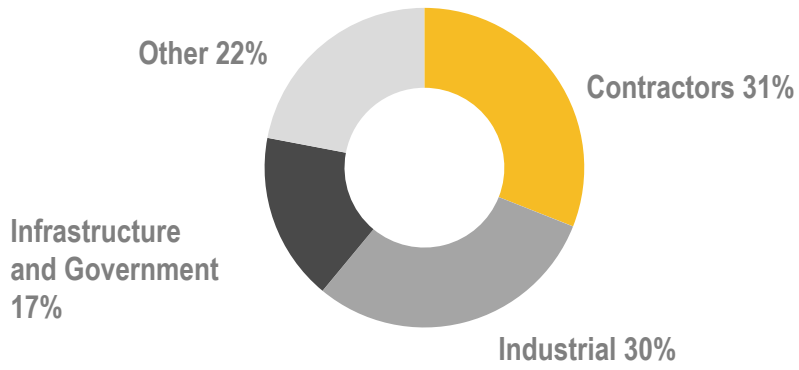
Average fleet age of 48 months in Q2 2021

1. Original equipment cost based on ARA guidelines. As of June 30, 2021

©2021 Herc Rentals Inc. All Rights Reserved.

Business Model Driving Growth

Q2 Revenue by Customer[1]



Q2 Local vs National Mix



Our diverse customer mix, our base of national customers and expanded specialty business continues to provide growth opportunities

Continued investment in ProSolutions® business

Entertainment activities are exceeding pre-pandemic highs

Expanding in fast-growing urban markets to drive top-line growth

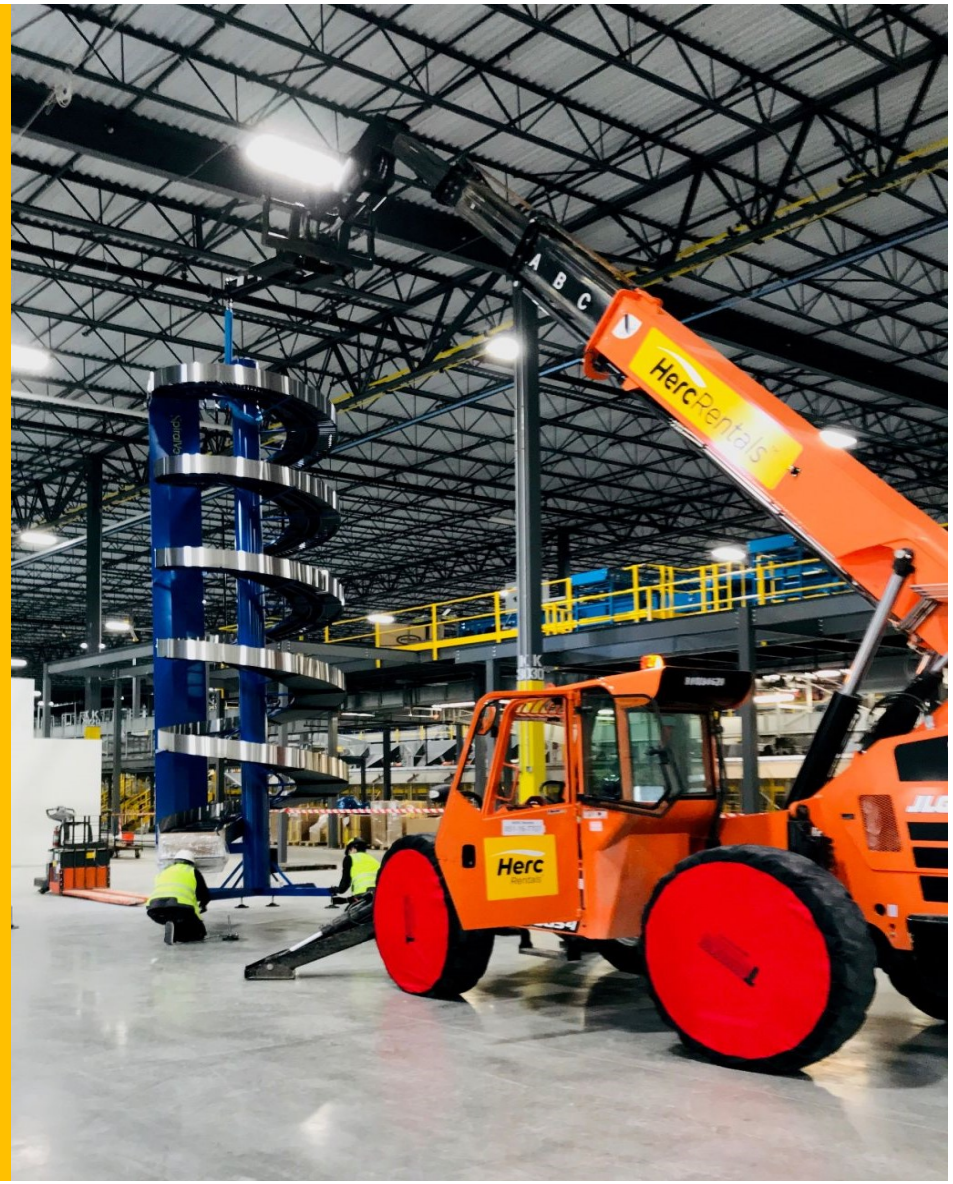
Providing excellent customer service and premium equipment to our customers

Operating a lean cost structure and improving margins

1. Refer to our 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

©2021 Herc Rentals Inc. All Rights Reserved.

Financial Review



Q2 & Six Months 2021 Results

$ in millions, except per share data	Three Months Ended June 30,					Six Months Ended June 30,				
	2021	2020	2019	*2021 vs 2020 % Change*	*2021 vs 2019 % Change*	2021	2020	2019	*2021 vs 2020 % Change*	*2021 vs 2019 % Change*
Equipment Rental Revenue	$448.0	$327.6	$407.6	*36.8%*	*9.9%*	$848.4	$714.1	$785.2	*18.8%*	*8.0%*
Total Revenues	$490.9	$368.0	$475.1	*33.4%*	*3.3%*	$944.7	$804.2	$950.8	*17.5%*	*(0.6)%*
Net Income (Loss)	$47.1	$2.0	$9.7	*NM*	*NM*	$80.0	($1.7)	$3.0	*NM*	*NM*
Earnings (Loss) Per Diluted Share	$1.55	$0.07	$0.33	*NM*	*NM*	$2.64	$(0.06)	$0.10	*NM*	*NM*
Adjusted Net Income (Loss)[1]	$47.6	$7.3	$16.0	*NM*	*NM*	$81.0	$8.4	$9.5	*NM*	*NM*
Adjusted Earnings Per Diluted Share[1]	$1.57	$0.25	$0.55	*NM*	*NM*	$2.67	$0.29	$0.33	*NM*	*NM*
Adjusted EBITDA[1]	$207.7	$149.4	$174.9	*39.0%*	*18.8%*	$392.3	$297.0	$317.2	*32.1%*	*23.7%*
Adjusted EBITDA Margin[1]	42.3 %	40.6 %	36.8 %	*170 bps*	*550 bps*	41.5 %	36.9 %	33.4 %	*460 bps*	*810 bps*
REBITDA Margin[1,2]	44.0 %	44.2 %	41.6 %	*(20) bps*	*240 bps*	43.9 %	40.9 %	39.1 %	*300 bps*	*480 bps*
REBITDA YoY Flow-Through[1,2]				43.4%	67.3%				59.9%	102.0%
Average Fleet[3] (YoY)	(1.9)%	(0.5)%	(1.3)%			(3.5)%	0.6 %	0.3 %		
Pricing[3] (YoY)	1.9 %	(0.3)%	4.6 %			0.9 %	1.1 %	4.2 %		

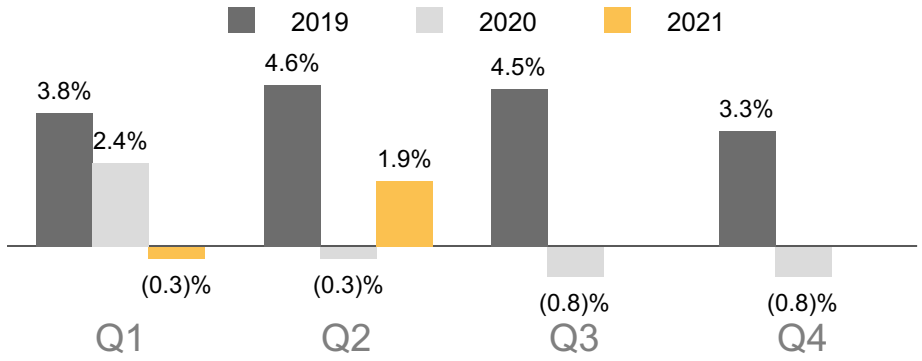
NM - Not meaningful

1. For a reconciliation to the most comparable GAAP financial measure, see the Appendix beginning on Slide 21
2. REBITDA measures contribution from our core rental business without impact of sales of equipment, parts and supplies
3. Based on ARA guidelines

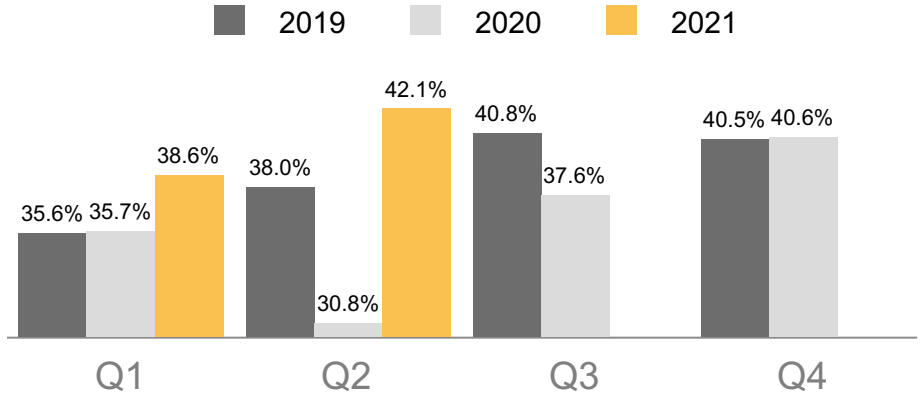
©2021 Herc Rentals Inc. All Rights Reserved.

Pricing and Utilization Performance

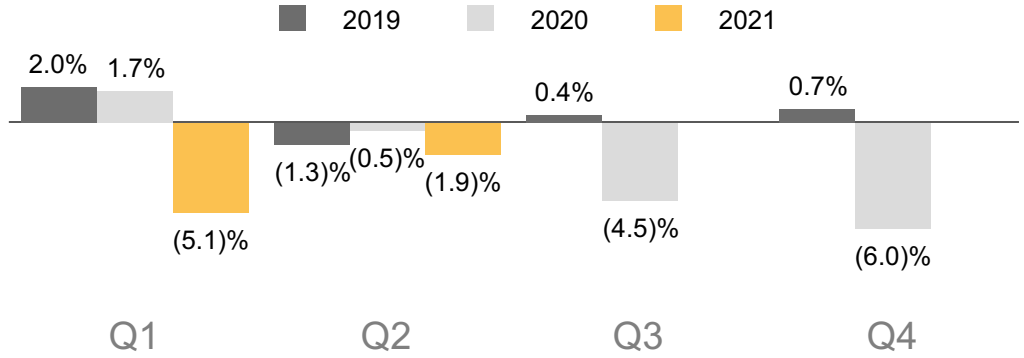
Pricing[1]



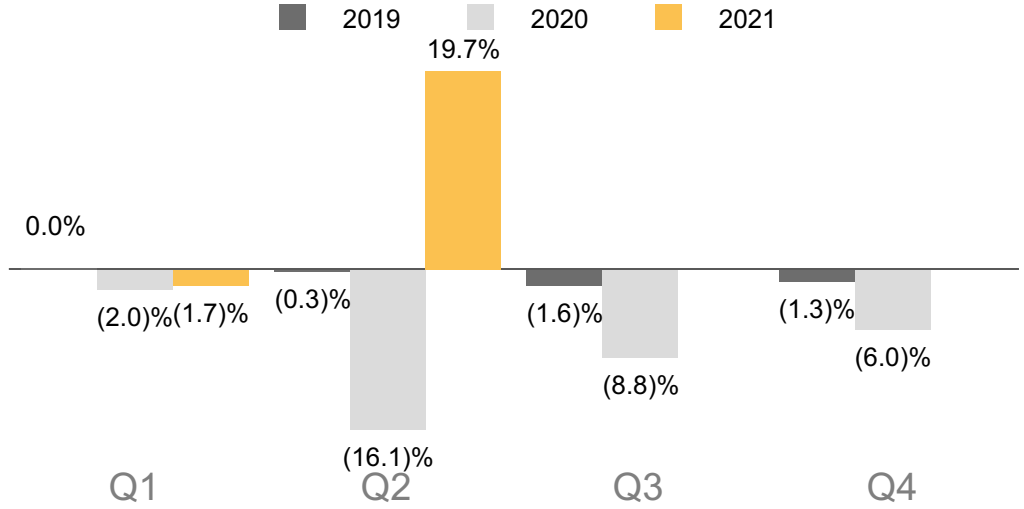
$ Utilization[2]



Average Fleet at OEC[1]



Average Fleet on Rent at OEC[1]

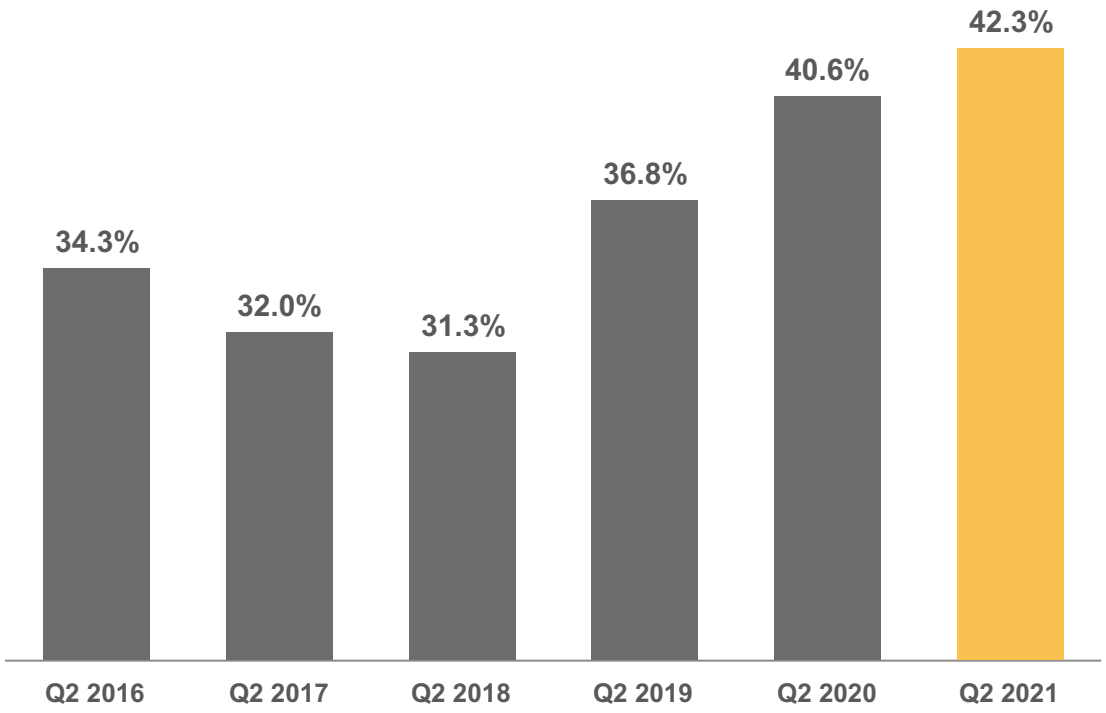


1. YoY Change. Based on ARA guidelines.
2. Based on ARA guidelines

©2021 Herc Rentals Inc. All Rights Reserved.

Record Q2 Adjusted EBITDA[1] Margin

Second Quarter Adjusted EBITDA Margins (2016 through 2021)



Adjusted EBITDA increased 39.0% or $58.3 million to $207.7 million in Q2 2021

DOE increased $58.3 million primarily due to higher personnel, delivery and freight, maintenance and re-rent expenses in Q2 2021

SG&A increased $17.2 million in Q2 2021 primarily due to increases in selling expense, including commissions and bonus incentives, stock compensation and travel expense

REBITDA margin[1,3] declined 20 bps YoY to 44.0% in Q2 2021

REBITDA margin flow-through was 43.4% in Q2 2021

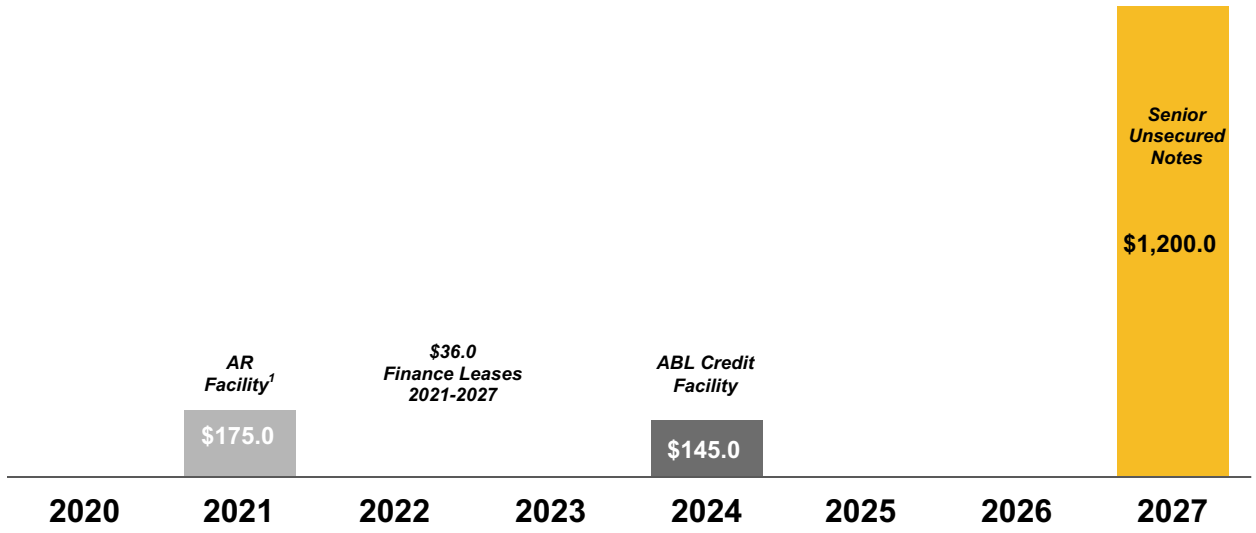
1. For a reconciliation to the most comparable GAAP financial measure, see the Appendix beginning on Slide 21
2. Gain / loss on sales of rental equipment, new equipment, parts and supplies.
3. REBITDA measures contribution from our core rental business without impact of sales of equipment, parts and supplies

©2021 Herc Rentals Inc. All Rights Reserved.

Disciplined Capital Management

Maturities

$ in millions, as of June 30, 2021



Total debt of $1.5 billion as of June 30, 2021, down by approximately $114 million from December 31, 2020

No near-term maturities and **ample liquidity** of $1.5 billion provides financial flexibility[2]

$141M

Free cash flow[3] of approximately $141 million in the first half 2021

1.9x

Net leverage[3] of 1.9x compared with 2.6x in June 2020 - is currently **below our target range of 2.0x to 3.0x**

Credit Ratings: Moody's CFR Ba3

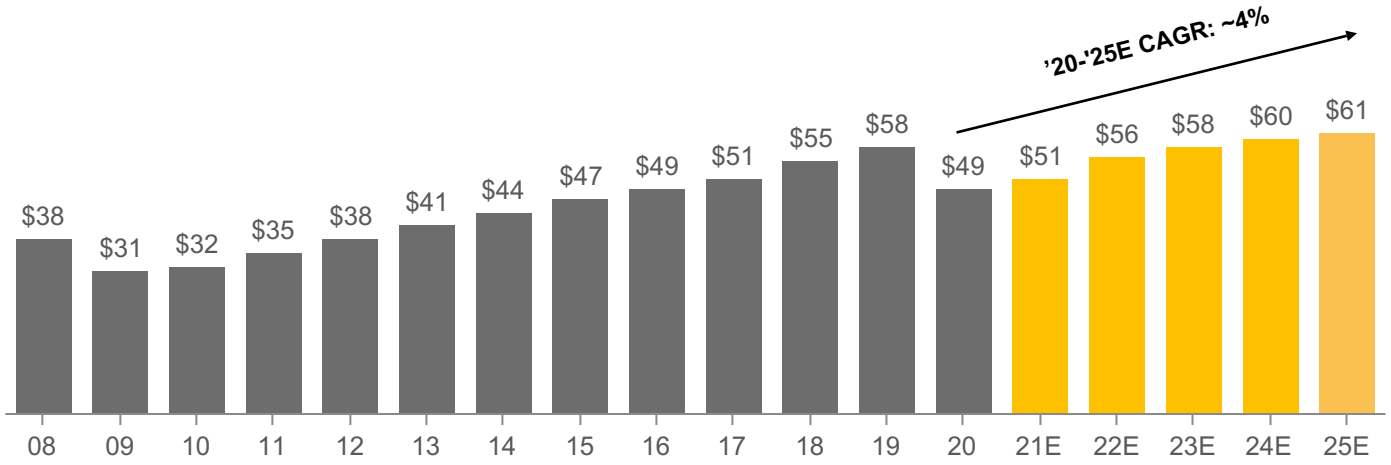
S&P BB-/Stable

1. 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
2. Total liquidity includes cash and cash equivalents and the unused commitments under the ABL Credit Facility and AR Facility.
3. For a definition and reconciliation to the most comparable GAAP financial measure, see the Appendix beginning on Slide 21

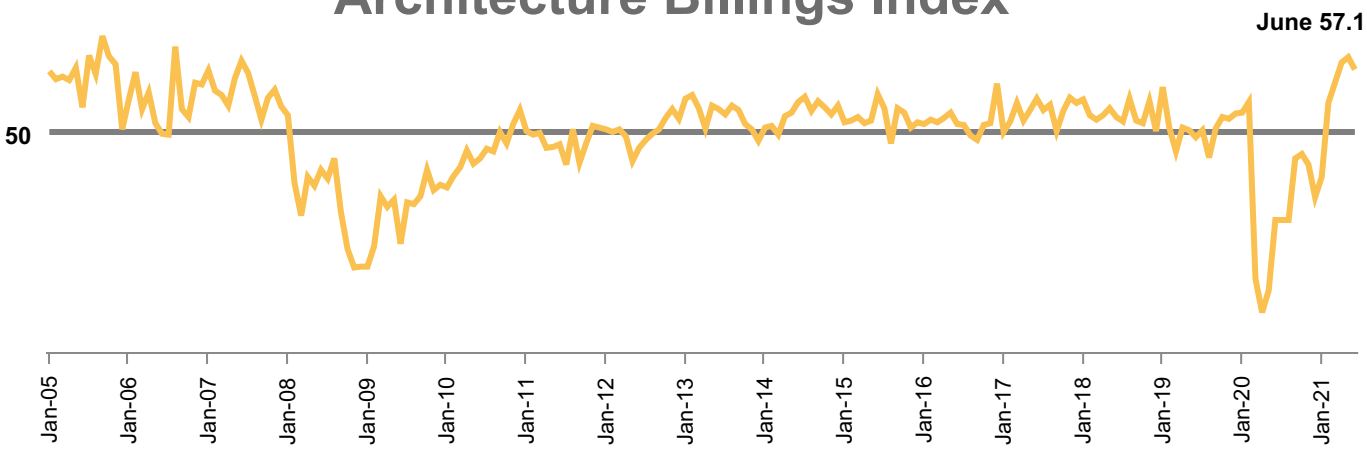
©2021 Herc Rentals Inc. All Rights Reserved.

A New Cycle in the Making

N.A. Equipment Rental Market[1]



Architecture Billings Index[3]



Select Market Forecasts[2]

U.S. Nonresidental Building Starts

	Actual	Forecast			
	2020	**2021**	**2022**	**2023**	**2024**
YOY Growth	(20)%	+3%	+8%	+10%	+5%

Sectors with Tailwinds

	Actual	Forecast			
	2020	**2021**	**2022**	**2023**	**2024**
Healthcare	(5)%	+7%	+8%	+14%	+7%
Warehouse	+8%	+14%	+7%	+4%	(1)%
Infrastructure	(11)%	+4%	+8%	+12%	+10%

Equipment rental market forecast to grow from about $49 billion in 2020 to $61 billion in 2025

Secular trends favor rental versus ownership

Healthcare, warehouse and infrastructure sectors reflect strong growth

1. Source: ARA / IHS Global Insights as of May 2021
2. Source: Dodge Analytics U.S. as of July 2021
3. Source: The American Institute of Architects (AIA) as of June 2021

©2021 Herc Rentals Inc. All Rights Reserved.

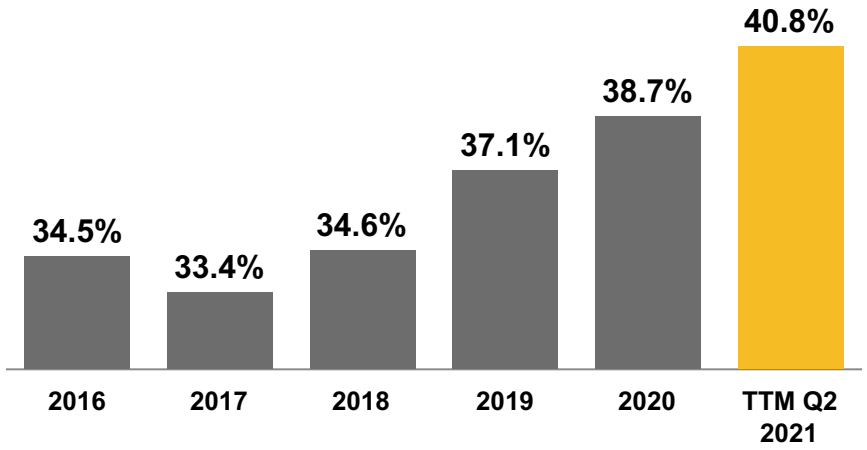
Raising 2021 Full Year Guidance

	Previous	Current
Adjusted EBITDA	$800 to $840 million	$840 to $870 million
Net Rental Equipment Capital Expenditures	$400 to $450 million	$500 to $550 million

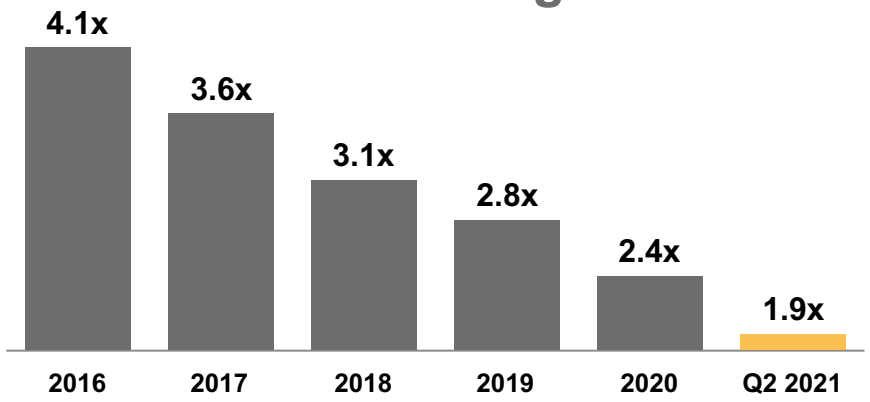
©2021 Herc Rentals Inc. All Rights Reserved.

Improving Metrics Position Growth and Share Value

Adjusted EBITDA Margin[1]



Net Leverage[2]



Diversity of customers, geographic regions and end markets will drive solid market opportunities

Focused on increased scale in high growth urban markets through new greenfield and M&A opportunities

Operating leverage expected to improve margins longer term

2021 is likely to be a record year

Strong free cash flow and lower net leverage provide opportunity to review our capital allocation model going forward

1. For a definition and reconciliation to the most comparable GAAP financial measure, see slides 25 and 26 and previously filed presentations
2. For a definition and calculation, see slide 28

©2021 Herc Rentals Inc. All Rights Reserved.

Appendix


HercRentals
800-29-8327
SJ3219
ECOTRAY
RAPIDFOLD
HercRentals
SKYJACK
SKYJACK
SKYCODED
HercRentals

Our Strategic Initiatives are Delivering Results



Develop Our People and Culture

Attract and retain diverse talent

Align performance to shared purpose

Support a safe and healthy work place culture

Expand continuous learning to all employees



Expand and Diversify Revenues

Broaden customer base

Expand products and services

Grow pricing and ancillary revenues

Seek accretive M&A in selective geographies, verticals and selected products



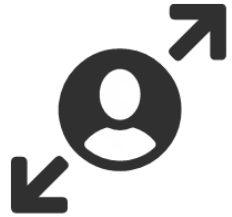
Improve Operating Effectiveness

Improve sales force effectiveness

Improve safety and labor productivity

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 COVID-19 protocols to protect customers and employees



Disciplined Capital Management

Drive EBITDA margin growth

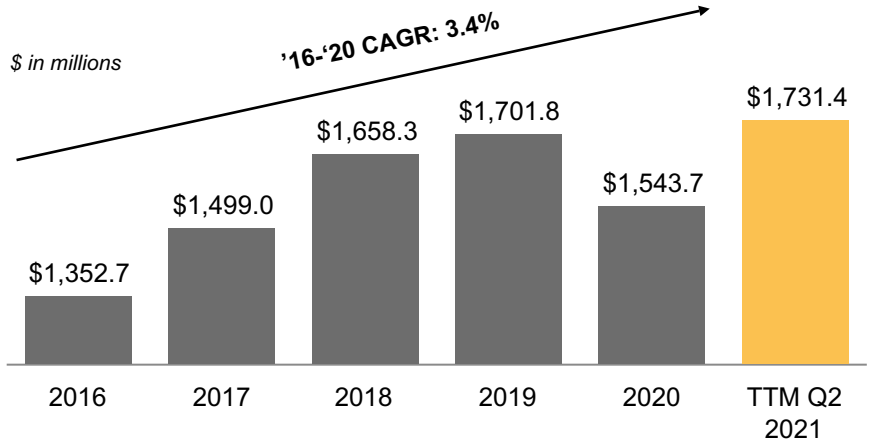
Maximize fleet management and utilization

Operate within new net leverage target range of 2.0x to 3.0x

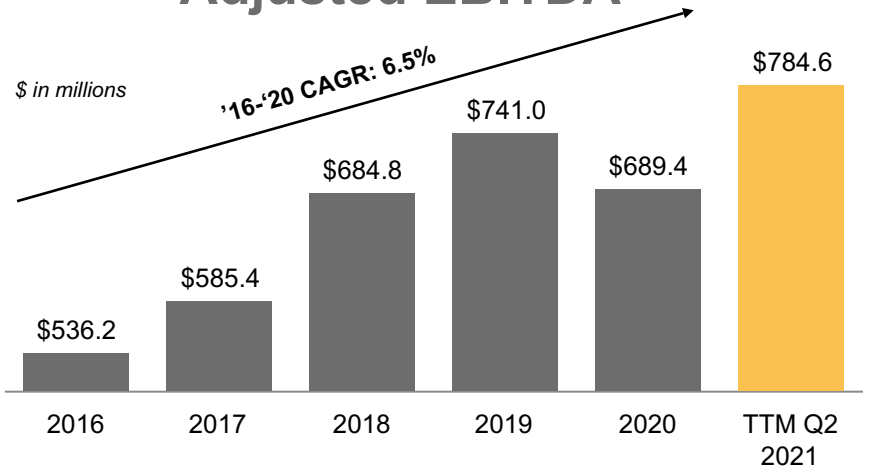
©2021 Herc Rentals Inc. All Rights Reserved.

Margin and Net Leverage Show Positive Trends

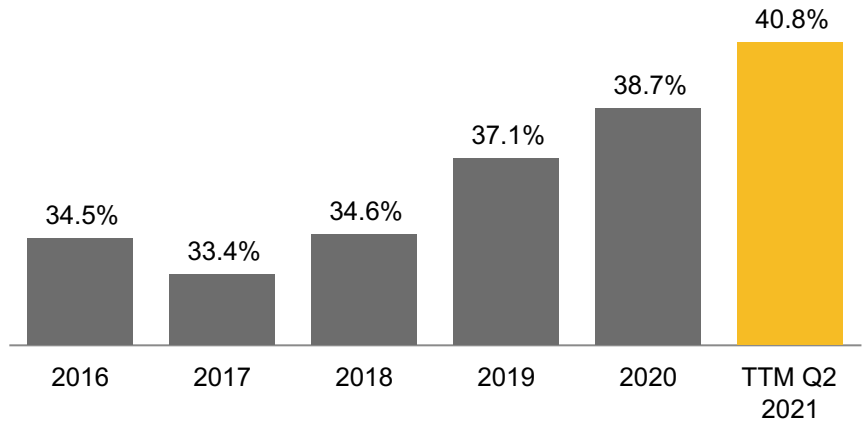
Equipment Rental Revenue



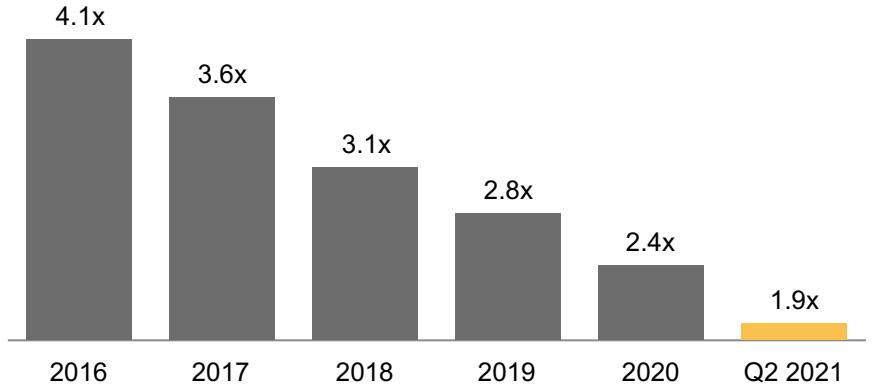
Adjusted EBITDA[1]



Adjusted EBITDA Margin[1]



Net Leverage[2]



1. For a definition and reconciliation to the most comparable GAAP financial measure, see slides 26 and 27 and previously filed presentations
2. For a definition and calculation, see slide 29

©2021 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 equipment rental revenue (excluding re-rent, delivery, pick-up and other ancillary 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.

©2021 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 June 30,			Six Months Ended June 30,		
	2021	2020	2019	2021	2020	2019
Net income	$47.1	$2.0	$9.7	$80.0	$(1.7)	$3.0
Restructuring	—	0.7	7.8	—	0.7	7.8
Impairment	0.4	3.2	—	0.4	9.5	—
Loss on disposal of business	—	2.8	—	—	2.8	—
Other[(1)]	0.3	0.5	0.7	0.9	0.6	1.0
Tax impact of adjustments[(2)]	(0.2)	(1.9)	(2.2)	(0.3)	(3.5)	(2.3)
Adjusted net income	$47.6	$7.3	$16.0	$81.0	$8.4	$9.5
Diluted common shares	**30.4**	**29.2**	**29.1**	**30.3**	**29.0**	**29.0**
Adjusted earnings per diluted share	**$1.57**	**$0.25**	**$0.55**	**$2.67**	**$0.29**	**$0.33**

(1) Merger and acquisition related and spin-off costs are included in Other.

(2) The tax rate applied for adjustments is 25.7% and reflects the statutory rates in the applicable entities.

©2021 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.

©2021 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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income	**$47.1**	**$2.0**	**$80.0**	**($1.7)**
Income tax provision	14.7	(1.9)	22.9	(0.8)
Interest expense, net	21.0	23.3	42.4	47.7
Depreciation of rental equipment	101.1	101.4	201.5	201.8
Non-rental depreciation and amortization	16.0	15.7	31.8	31.5
EBITDA	**199.9**	**140.5**	**378.6**	**278.5**
Non-cash stock-based compensation charges	7.1	1.7	12.4	4.9
Loss on dispoal of business	—	2.8	—	2.8
Impairment	0.4	3.2	0.4	9.5
Other[(1)]	0.3	1.2	0.9	1.3
Adjusted EBITDA	**207.7**	**149.4**	**392.3**	**297.0**
Less: Gain (loss) on sales of rental equipment	5.6	1.8	11.4	(0.6)
Less: Gain (loss) on sales of new equipment, parts and supplies	2.9	1.9	4.8	3.8
Rental Adjusted EBITDA (REBITDA)	**$199.2**	**$145.7**	**$376.1**	**$293.8**
Total Revenues	**$490.9**	**$368.0**	**$944.7**	**$804.2**
Less: Sales of rental equipment	30.3	31.4	74.5	71.4
Less: Sales of new equipment, parts and supplies	7.8	7.0	13.9	14.0
Equipment rental, service and other revenues	**$452.8**	**$329.6**	**$856.3**	**$718.8**
Total Revenues	$490.9	$368.0	$944.7	$804.2
Adjusted EBITDA	$207.7	$149.4	$392.3	$297.0
Adjusted EBITDA Margin	**42.3 %**	**40.6 %**	**41.5 %**	**36.9 %**
Equipment rental, service and other revenues	$452.8	$329.6	$856.3	$718.8
REBITDA	$199.2	$145.7	$376.1	$293.8
REBITDA Margin	**44.0 %**	**44.2 %**	**43.9 %**	**40.9 %**
YOY Change in REBITDA	$53.5		$82.3	
YOY Change in Equipment rental, service and other revenues	$123.2		$137.5	
YOY REBITDA Flow-Through	**43.4 %**		**59.9 %**	

(1) Merger and acquisition related and spin-off costs are included in Other.

©2021 Herc Rentals Inc. All Rights Reserved.

REBITDA Margin Trend

$ in millions	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021
Total Revenues	**$436.2**	**$368.0**	**$456.7**	**$520.4**	**$1,781.3**	**$453.8**	**$490.9**
Less: Sales of rental equipment	40.0	31.4	45.3	81.8	198.5	44.2	30.3
Less: Sales of new equipment, parts and supplies	7.0	7.0	6.2	8.0	28.2	6.1	7.8
Equipment rental, service and other revenues	**$389.2**	**$329.6**	**$405.2**	**$430.6**	**$1,554.6**	**$403.5**	**$452.8**
Net income (loss)	**($3.7)**	**$2.0**	**$39.9**	**$35.5**	**$73.7**	**$32.9**	**$47.1**
Income tax provision (benefit)	1.1	(1.9)	11.7	9.5	20.4	8.2	14.7
Interest expense, net	24.4	23.3	22.4	22.5	92.6	21.4	21.0
Depreciation of rental equipment	100.4	101.4	101.9	100.2	403.9	100.4	101.1
Non-rental depreciation and amortization	15.8	15.7	15.5	15.5	62.5	15.8	16.0
EBITDA	**$138.0**	**$140.5**	**$191.4**	**$183.2**	**$653.1**	**$178.7**	**$199.9**
Restructuring	—	0.7	—	—	0.7	—	—
Non-cash stock-based compensation charges	3.2	1.7	5.4	6.1	16.4	5.3	7.1
Loss on disposal of business	—	2.8	—	—	2.8	—	—
Impairment	6.3	3.2	—	5.9	15.4	—	0.4
Other[(1)]	0.2	0.5	(0.1)	0.4	1.0	0.6	0.3
Adjusted EBITDA	**$147.7**	**$149.4**	**$196.7**	**$195.6**	**$689.4**	**$184.6**	**$207.7**
Less: Gain (loss) on sales of rental equipment	(2.4)	1.8	(1.0)	(3.5)	(5.1)	5.8	5.6
Less: Gain on sales of new equipment, parts and supplies	1.9	1.9	1.8	2.1	7.7	1.9	2.9
Rental Adjusted EBITDA (REBITDA)	**$148.2**	**$145.7**	**$195.9**	**$197.0**	**$686.8**	**$176.9**	**$199.2**
REBITDA Margin	**38.1 %**	**44.2 %**	**48.3 %**	**45.8 %**	**44.2 %**	**43.8 %**	**44.0 %**
YOY REBITDA Flow-Through	**107.4 %**	**31.0 %**	**20.9 %**	**59.4 %**	**27.9 %**	**200.7 %**	**43.4 %**

(1) Merger and acquisition related and spin-off costs are included in Other.

©2021 Herc Rentals Inc. All Rights Reserved.

Calculation 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	Q2 2021	Q4 2020	Q2 2020
Long-Term Debt, Net	$1,539.2	$1,651.5	$1,931.3
(Plus) Current maturities of long-term debt	10.2	12.2	15.4
(Plus) Unamortized debt issuance costs	6.6	7.1	7.5
(Less) Cash and Cash Equivalents	(34.6)	(33.0)	(83.2)
Net Debt	**$1,521.4**	**$1,637.8**	**$1,871.0**
Trailing Twelve-Month Adjusted EBITDA	$784.6	$689.4	$720.9
Net Leverage	**1.9 x**	**2.4 x**	**2.6 x**

©2021 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	Six Months Ended June 30,		Years Ended December 31,		
	2021	2020	2020	2019	2018
Net cash provided by operating activities	**$327.9**	**$280.4**	**$610.9**	**$635.6**	**$559.1**
Rental equipment expenditures	(239.3)	(161.5)	(344.1)	(638.4)	(771.4)
Proceeds from disposal of rental equipment	71.0	67.9	192.5	224.2	272.3
Net Fleet Capital Expenditures	**(168.3)**	**(93.6)**	**(151.6)**	**(414.2)**	**(499.1)**
Non-rental capital expenditures	(20.9)	(25.5)	(41.4)	(56.9)	(77.6)
Proceeds from disposal of property and equipment	2.4	2.2	6.6	7.7	9.7
Other	—	—	—	4.0	—
Free Cash Flow	**$141.1**	**$163.5**	**$424.5**	**$176.2**	**($7.9)**

©2021 Herc Rentals Inc. All Rights Reserved.

Historical Fleet at OEC[1]

$ in millions	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Q1 2021	Q2 2021
Beginning Balance	$3,384	$3,556	$3,651	$3,777	$3,822	$3,589	$3,626
Expenditures	$495	$524	$774	$627	$349	$117	$188
Disposals	($328)	($442)	($607)	($593)	($551)	($111)	($71)
Foreign Currency / Other	$5	$13	($41)	$11	($31)	$31	$20
Ending Balance	**$3,556**	**$3,651**	**$3,777**	**$3,822**	**$3,589**	**$3,626**	**$3,763**
Proceeds as a percent of OEC	**41.7 %**	**39.8 %**	**37.8 %**	**40.9 %**	**37.0 %**	**40.1 %**	**41.3 %**

1. Original equipment cost based on ARA guidelines

©2021 Herc Rentals Inc. All Rights Reserved.



Investor Contact:
Elizabeth M. Higashi, CFA
Vice President,
Investor Relations & Sustainability
elizabeth.higashi@hercrentals.com

NYSE: HRI

©2021 Herc Rentals Inc. All Rights Reserved.