Shifting Into High Gear

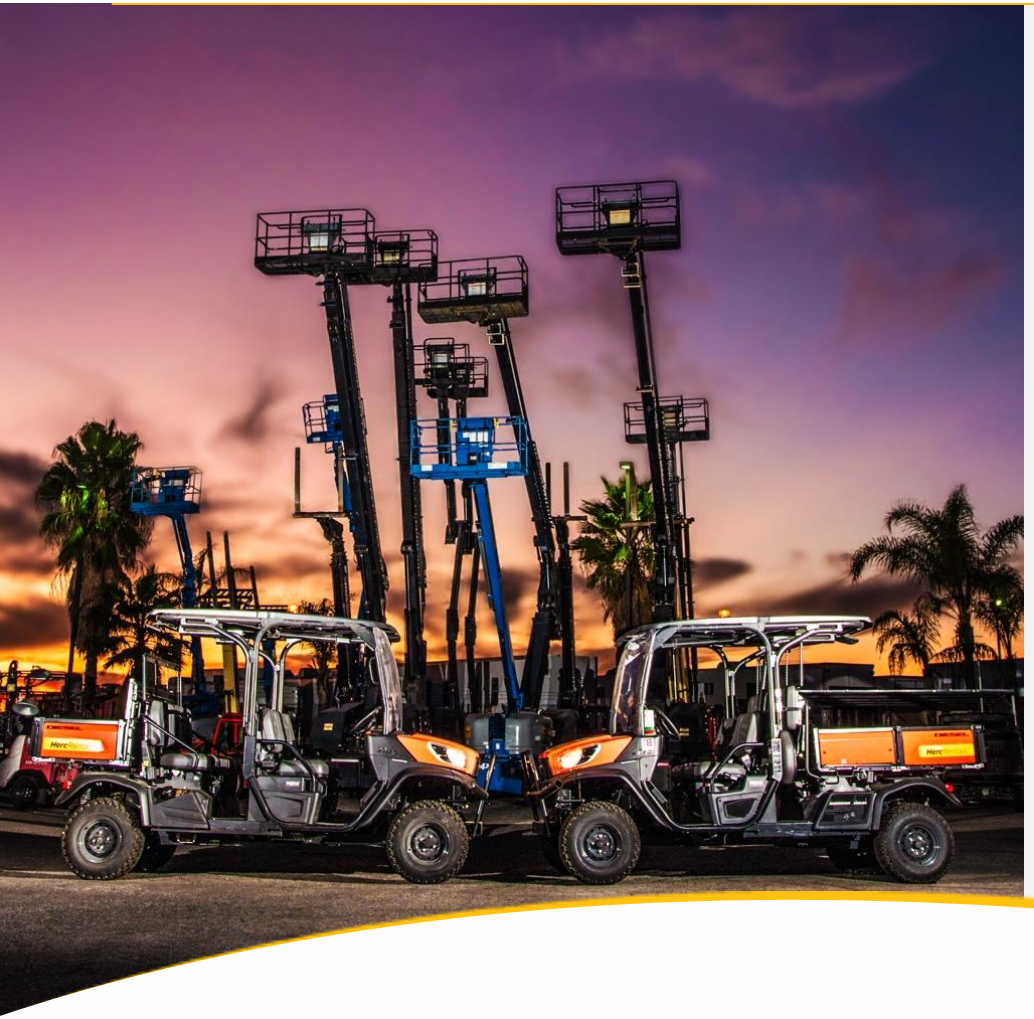


HERC HOLDINGS INC.
INVESTOR MEETING

New York City
September 20, 2021

©2021 Herc Rentals Inc. All Rights Reserved.

Agenda: Shifting Into High Gear



4:00 PM **Welcome and Introduction**
Elizabeth Higashi

Looking Back: Implementing Our Strategy
Larry Silber

Shifting Into High Gear
Aaron Birnbaum
- Grow the Core
- Expand Specialty
- Elevate Technology

Sustainability
Elizabeth Higashi
- Integrate ESG

Financial Overview
Mark Irion
- Industry Outlook
- Financial Goals
- Capital Allocation Plan

5:00 PM **Q&A**
All Participants

5:30 PM **Cocktail Reception**

NYSE: HRI
©2021 Herc Rentals Inc. All Rights Reserved.

Herc Rentals Team



Larry Silber
President & Chief Executive Officer



Aaron Birnbaum
Senior Vice President & Chief Operating Officer



Mark Irion
Senior Vice President & Chief Financial Officer



Elizabeth Higashi
Vice President, Investor Relations & Sustainability

Our Purpose: We equip our customers and communities to build a brighter future

©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, including our ability to grow organically and through M&A, anticipated financing needs, business trends, the impact of and our response to COVID-19, our capital allocation strategy, 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.

Looking Back: Implementing Our Strategy



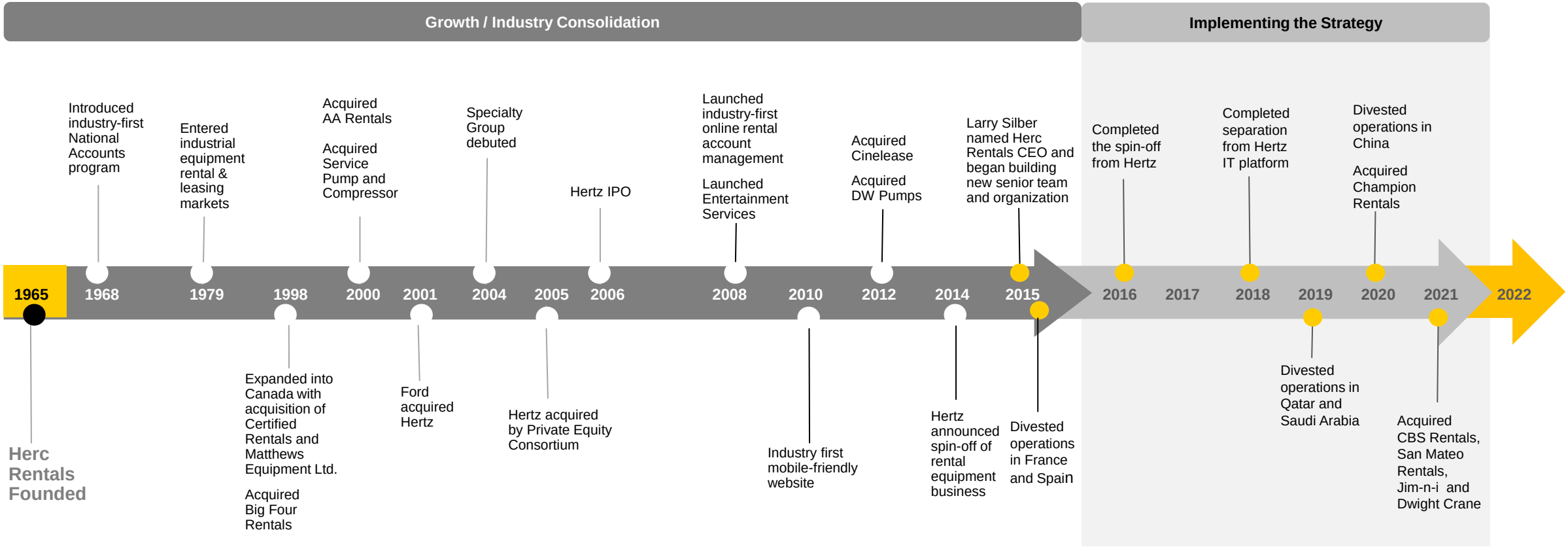
Larry Silber

President and CEO

©2021 Herc Rentals Inc. All Rights Reserved.

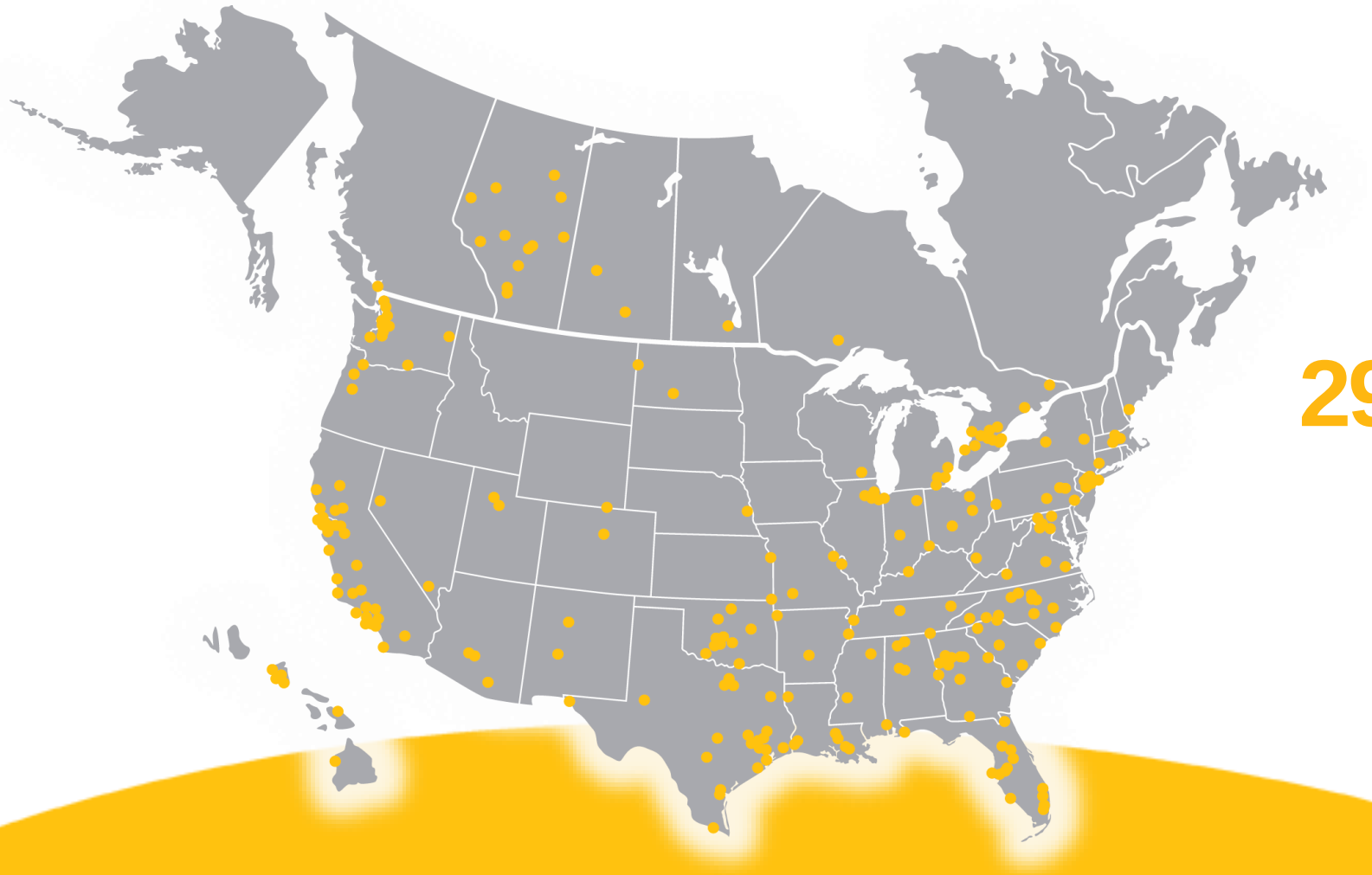
More than 56 Years Serving Customers

Our outstanding legacy is a strong foundation for the next chapter of our journey



©2021 Herc Rentals Inc. All Rights Reserved.

Herc Rentals Today



56 Years serving customers

2,000 Equipment categories

295(1) Locations in 39 states and five Canadian provinces

5,100 Employees serving North America

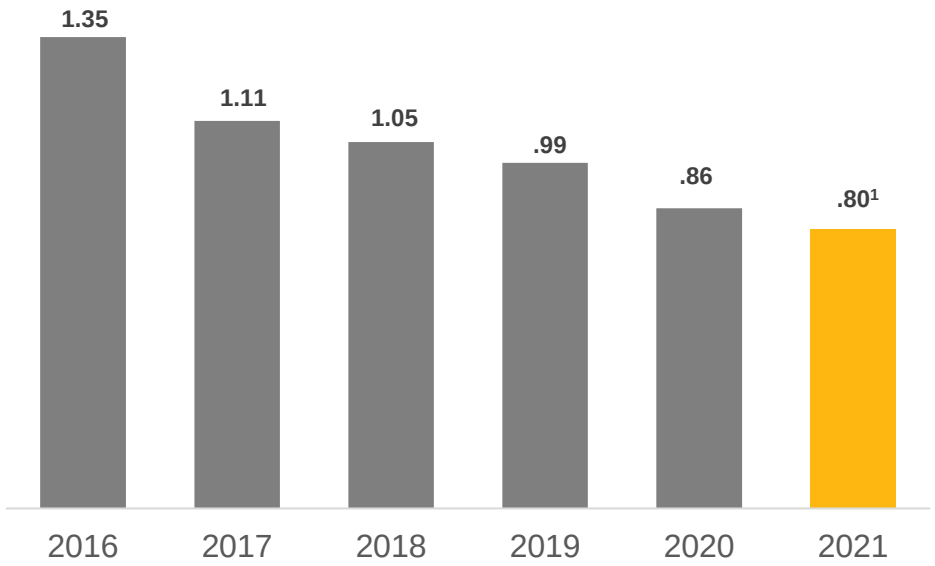
$52 billion addressable market

(1) Approximate location count as of September 20, 2021

©2021 Herc Rentals Inc. All Rights Reserved.

Think Safety Delivers Results

Total Recordable Incident Rate



(1) Goal for 2021

Think 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 YTD through August 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.

Major Accomplishments

Fleet Optimization

Focused on premium brands to enhance the customer experience

Fewer brands reduced service and maintenance costs

Expanded specialty fleet at OEC from 15% to 24% of total

Expanded fleet in higher margin service lines

Operational Efficiencies

Implemented Herc Operating Model

Developed tools to enable equipment rental from any handheld device

Grew network in large urban markets enabling efficiencies of scale

Market & Customer Diversification

Diversified customer base

Increased local rental revenue to more than 55% from 40% in 2015

Expanded into diverse end markets

Reduced exposure to cyclical markets

Expanded product lines to reduce the effects of seasonality

Financial Performance

Strengthened balance sheet by improving net leverage from 4.1x to 1.9x

Increased adjusted EBITDA margin from a low of 33% to ~42%

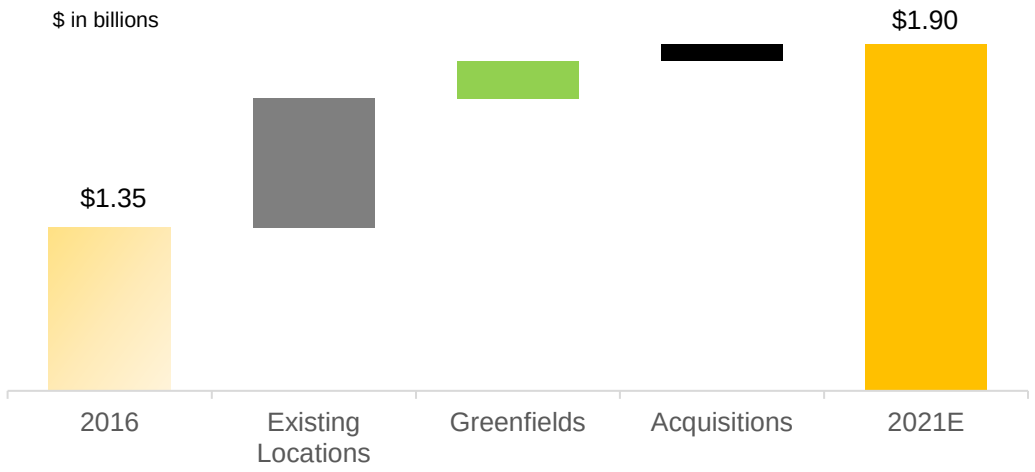
Increased $ utilization from low 30s to low 40s

Stock price outperformed S&P Small Cap Index by more than 3X since spin

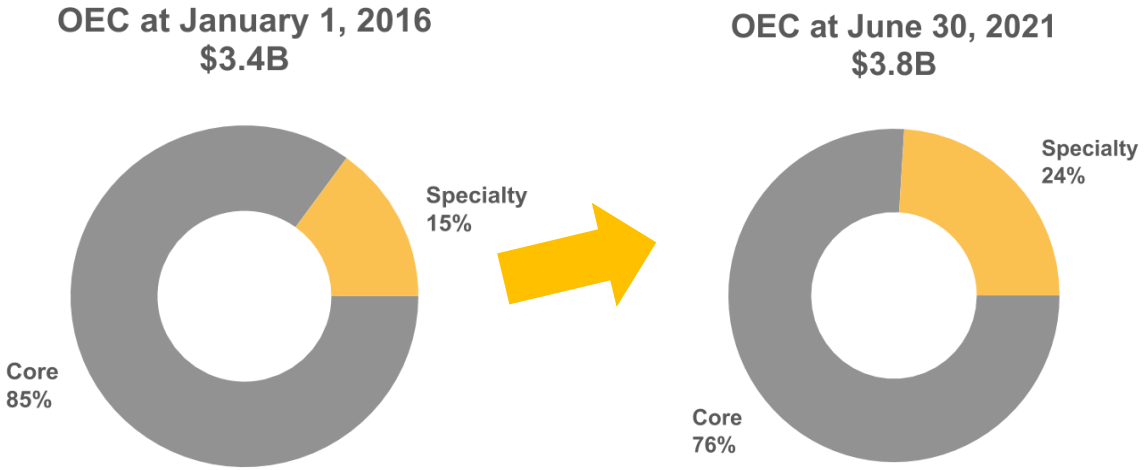
©2021 Herc Rentals Inc. All Rights Reserved.

Optimizing Branch Network and Fleet to Improve Profitability

Contribution to Rental Revenue 2016 - 2021



Shift in Fleet



Total Branches as of September 20, 2021

Core[1]	Standalone Specialty	Total
259	36	295

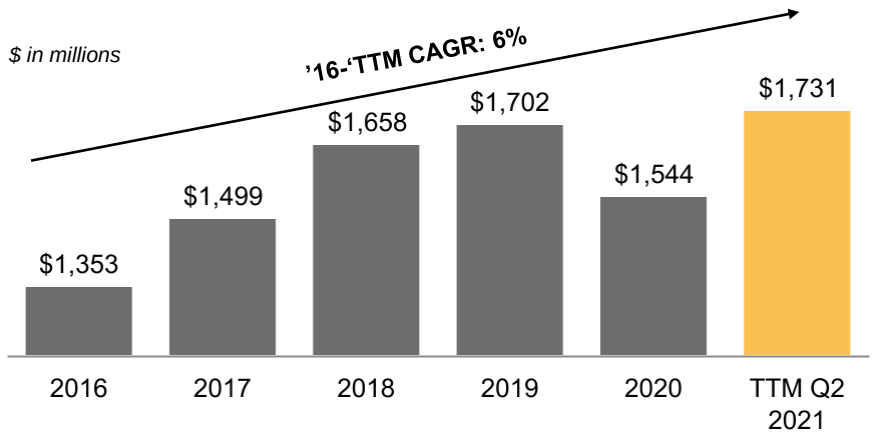
(1) Core also includes specialty locations within the same physical location

- Select greenfields maximize our urban market strategy
- Rental revenue from specialty branches grew at a higher rate than core
- Restarted M&A as pillar growth strategy in 2021 and will continue to contribute to growth in select markets

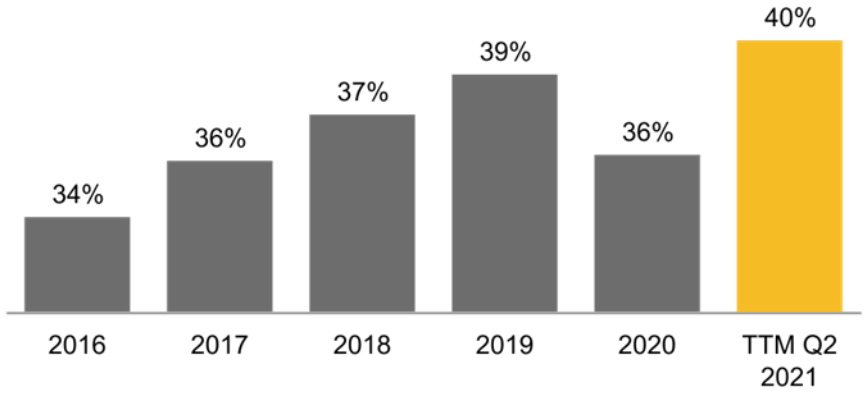
©2021 Herc Rentals Inc. All Rights Reserved.

Our Strategy is Delivering Results

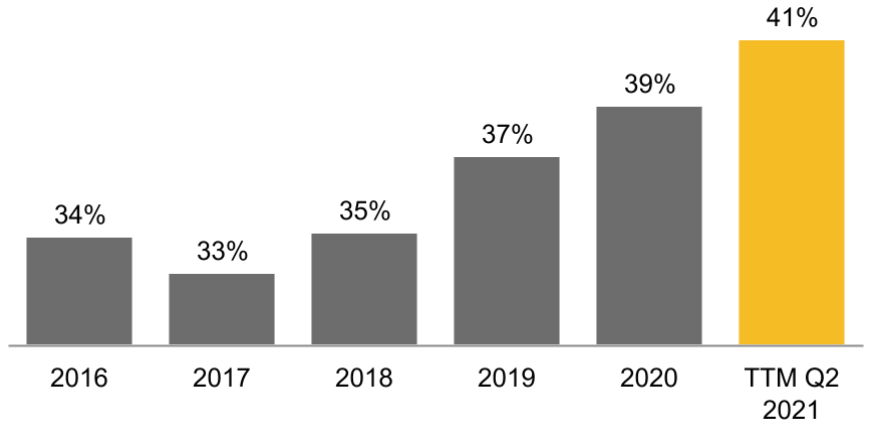
Equipment Rental Revenue



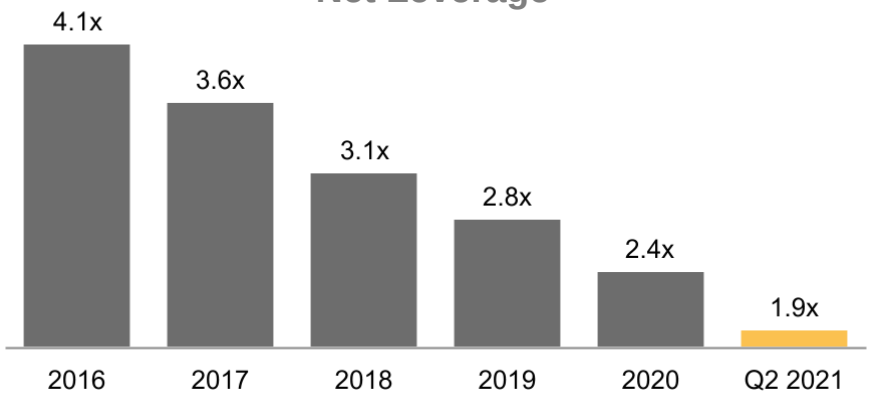
$ Utilization[1]



Adjusted EBITDA Margin[2]



Net Leverage[1]



(1) For definitions and calculations, see appendix beginning on slide 55
(2) For a definition and reconciliation to the most comparable GAAP financial measure, see slide 58 and previously filed presentations

©2021 Herc Rentals Inc. All Rights Reserved.

We Aspire to be the Supplier, Employer and Investment of Choice in Our Industry

Our Team



Experienced leadership

Culture focused on integrity, intellectual curiosity and "fire in the belly"

Our Customers



Highly focused customer service model

Premium products and services

Network scale serves diversified customer mix of large national accounts and midsized and smaller local accounts

Our Communities



Supporting our communities in times of need

Employing a diverse team, reflecting the communities they serve

Our Investors



Strong balance sheet

Business model generates excellent free cash flow

Increase shareholder returns

©2021 Herc Rentals Inc. All Rights Reserved.

Shifting into High Gear – Key Takeaways

1 Grow the Core

Increasing fleet and locations in urban markets drives revenue, scale and operating leverage

2 Expand Specialty

Accelerating secular shift from ownership to rental and a service driven model leads to higher utilization and returns

3 Elevate Technology

Ongoing investment in technology to improve customer experience and operational effectiveness

4 Integrate ESG

New sustainability goals for 2030 versus 2019 baseline underpin ESG initiatives

5 Allocate Capital

Ability to retain low leverage of 2.0x to 3.0x provides opportunities for significant investment in fleet growth, M&A, dividends and returns to shareholders

©2021 Herc Rentals Inc. All Rights Reserved.



Aaron Birnbaum

SVP and COO

©2021 Herc Rentals Inc. All Rights Reserved.

Shifting into High Gear

1 Grow the Core

Grow fleet on existing locations

Leverage scale of large urban markets

Diversify end markets and broaden customer base

Expand with greenfields and M&A

©2021 Herc Rentals Inc. All Rights Reserved.

Core Fleet

Aerial



Boom lifts
Electric atrium lifts
Electric scissor lifts
Hybrid lifts
Single person lifts

Material Handling



Carry-deck cranes
Electric forklifts
Industrial forklifts
Specialized lifting gear
Telehandlers

Earthmoving Equipment



Backhoes
Compact utility
Dozers
Excavators
Wheel loaders

Other

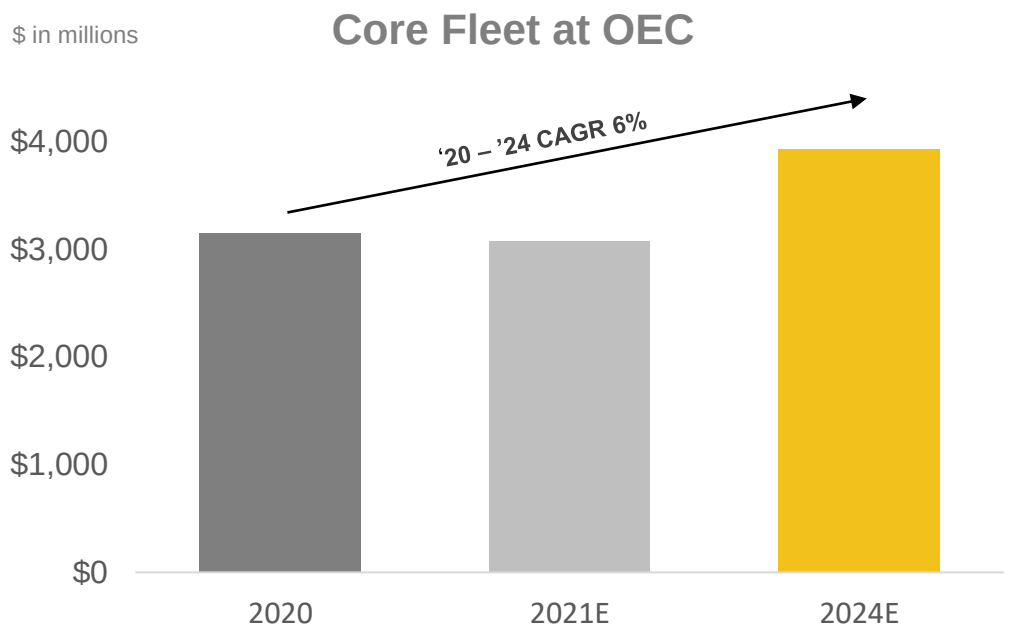


Air compressors
Solar light towers
Trucks and trailers
Welders and industrial tools

©2021 Herc Rentals Inc. All Rights Reserved.

Invest in More Fleet on Existing Locations

- Core network of ~260 locations that has been purpose-built over the last 50 years
- Capacity to add $1.0 billion of core fleet growth over the next three years to existing locations
- Operating leverage maximized by adding fleet to existing locations results in flow-through at the high end of our 60% to 70% targeted range



©2021 Herc Rentals Inc. All Rights Reserved.

Leverage Scale of Large Urban Markets

Diverse end markets and broad customer base

Diverse fleet provides a range of solutions for a variety of customers

Greenfields and M&A build branch density and create logistics efficiencies

- Aviation
- Warehouses/Distribution
- Utilities
- Facilities
- Government
- Landscaping
- Entertainment
- Infrastructure
- Contractors
- Commercial
- Industrial
- Telecommunications
- Alternative energy
- Mass transit

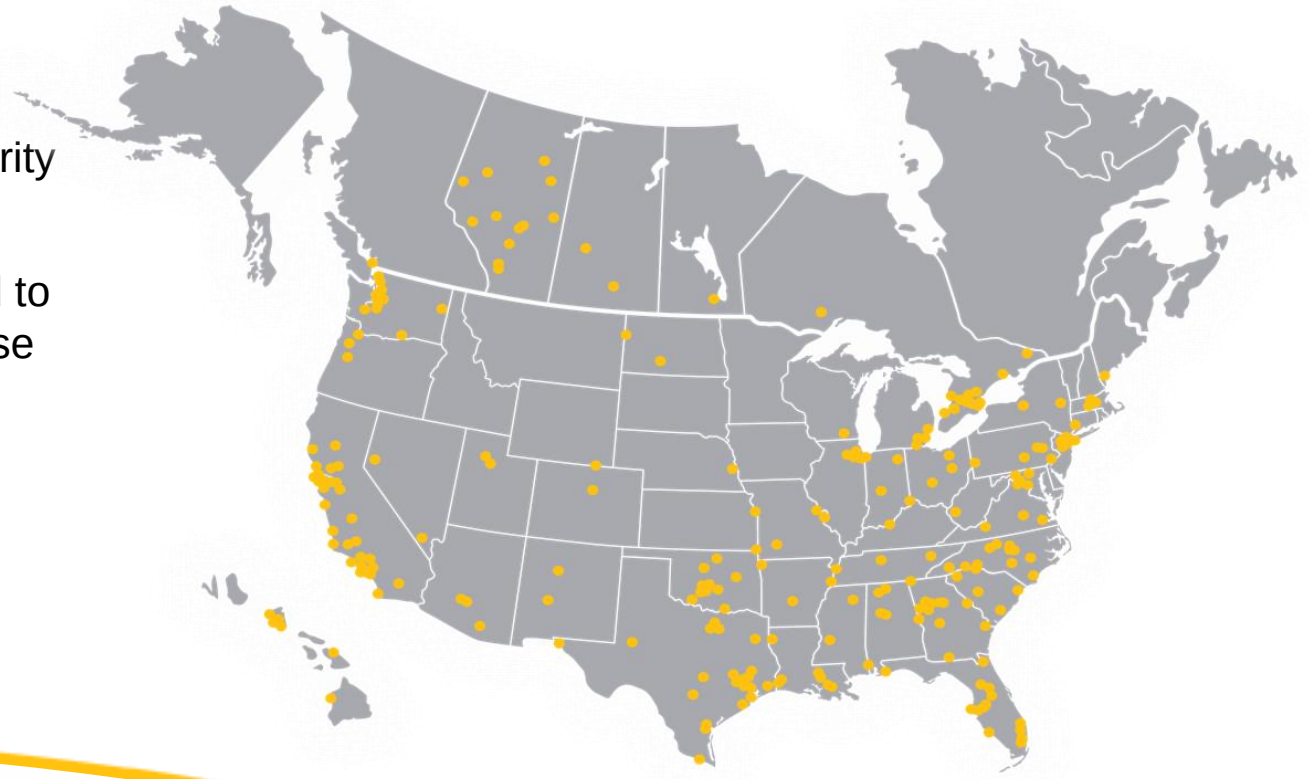


©2021 Herc Rentals Inc. All Rights Reserved.

Expand with Greenfields

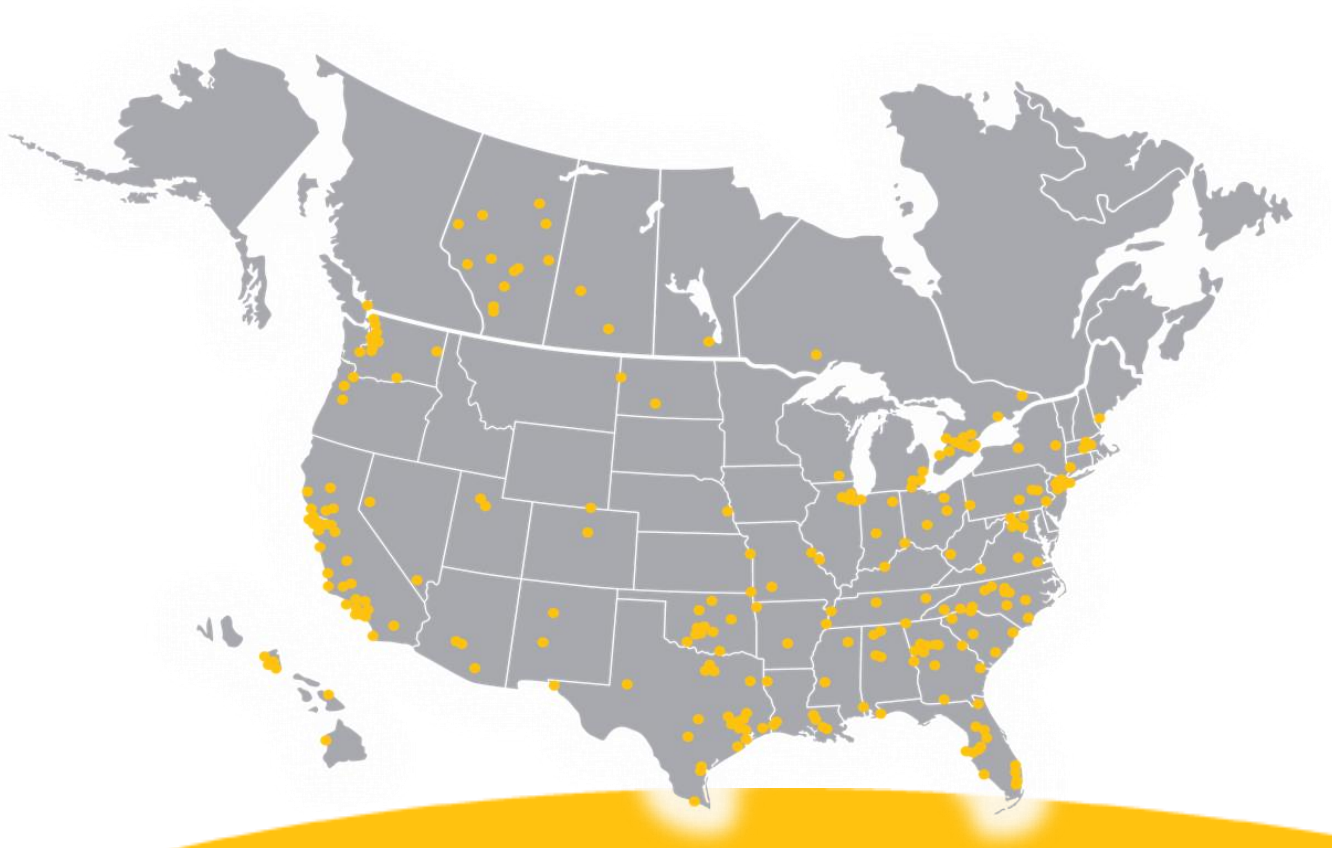
Targeted greenfield expansion strategy

- Optimizing footprint in existing urban markets
- Leveraging existing infrastructure to accelerate maturity of new locations
- Develop specialty on existing real estate and expand to standalone facilities when ready for next growth phase
- 10 to 20 greenfields targeted per year

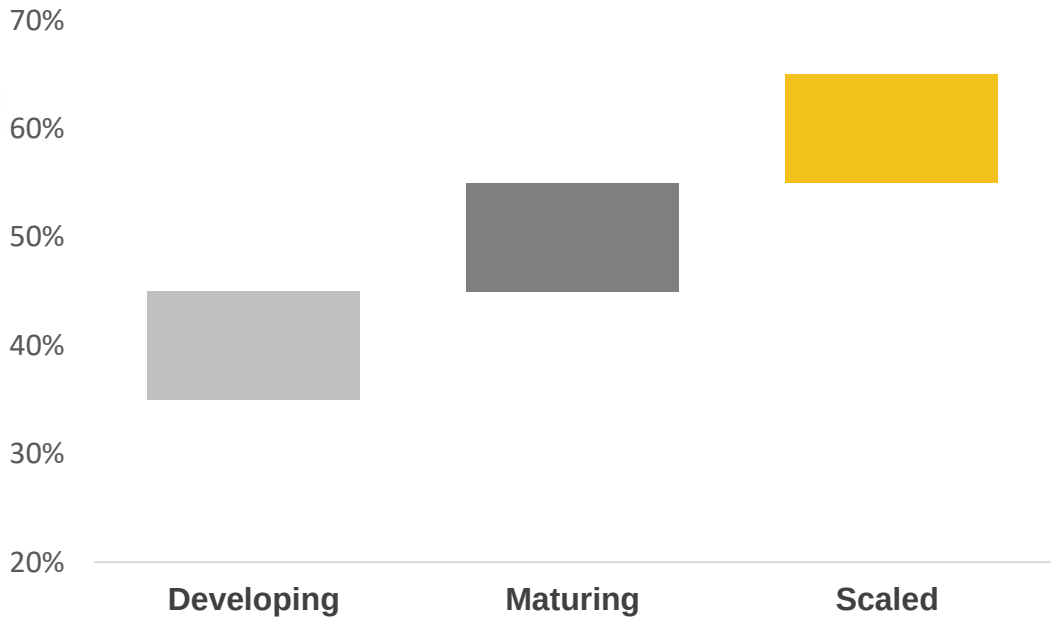


©2021 Herc Rentals Inc. All Rights Reserved.

Adding Density to Large, Urban Markets Enhances Scale and Profitability



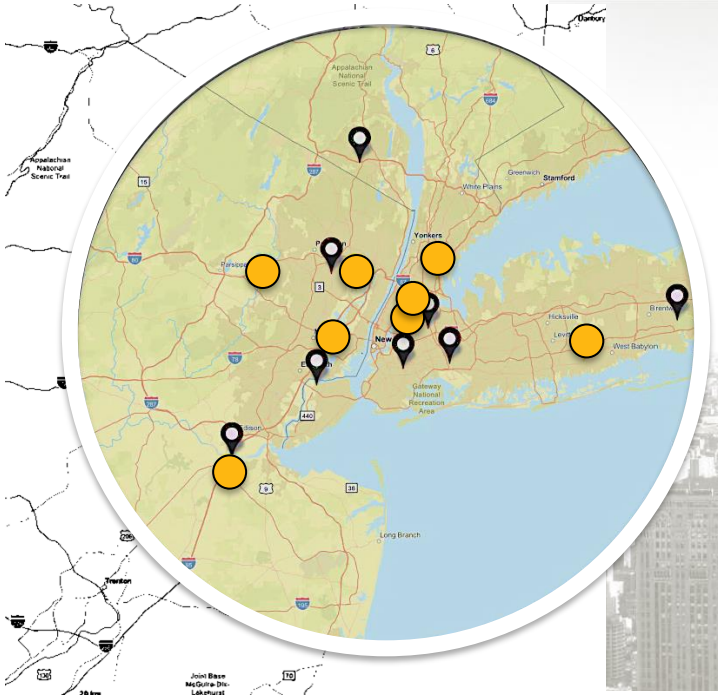
Branch EBITDA Margin[1] by Market Scale



(1) EBITDA margins exclude corporate overhead

©2021 Herc Rentals Inc. All Rights Reserved.

Investing In Fleet & Expansion: New York City Metro Market





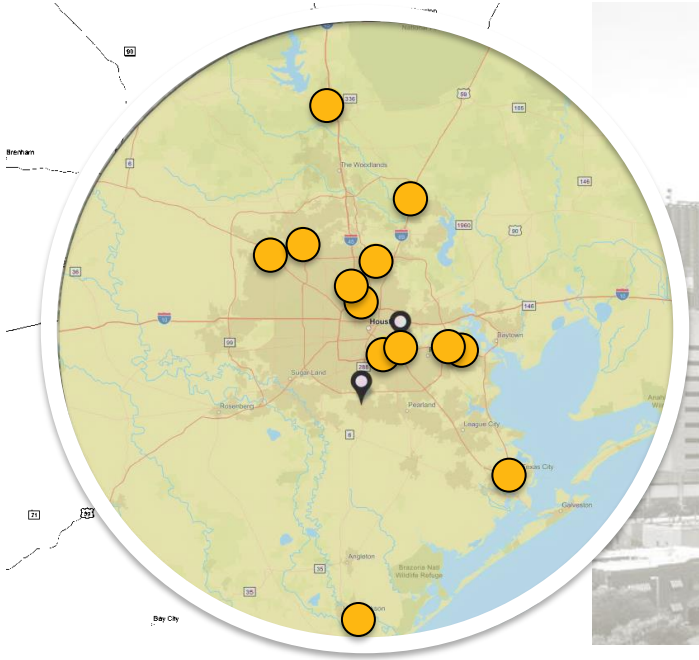
Broad Customer End User Markets

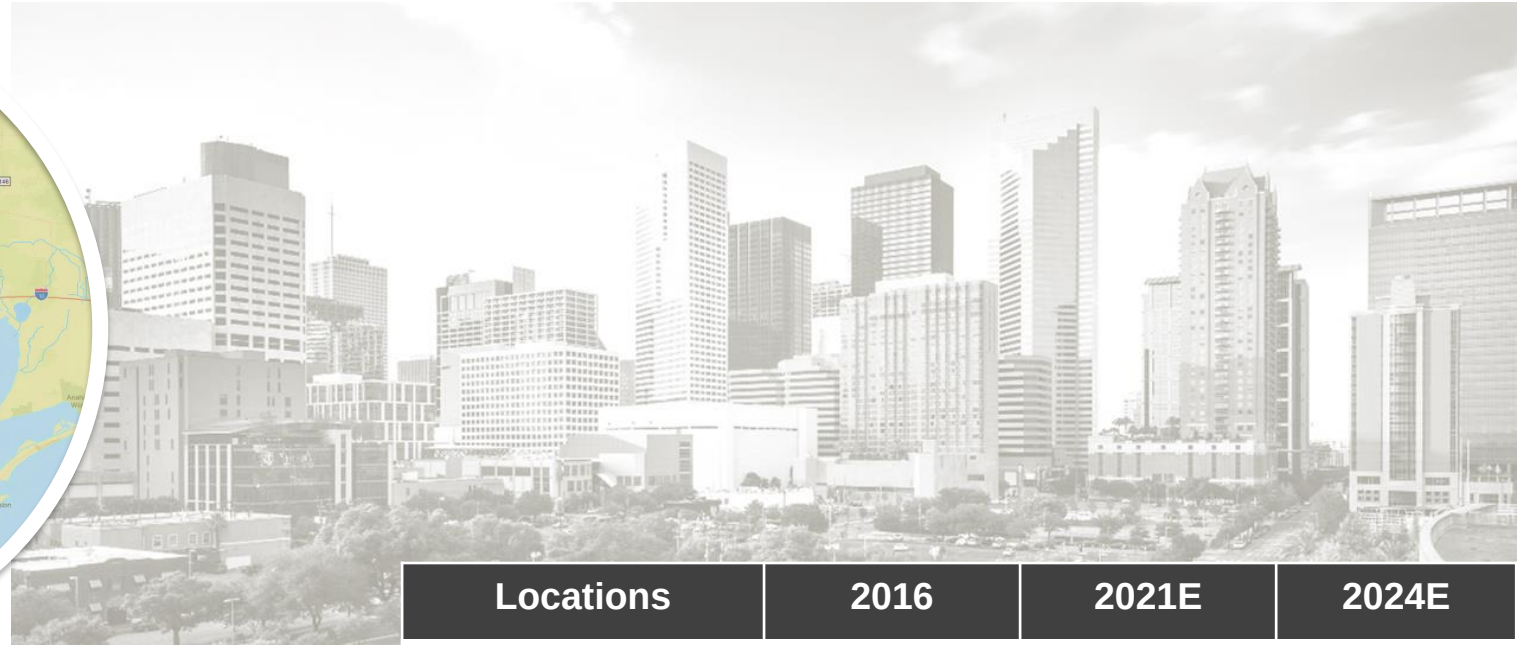
- Warehousing/Distribution
- Government
- Infrastructure
- Entertainment
- Healthcare
- Contractors (general, electrical, mechanical, specialty)
- Power & Utilities

Locations	2016	2021E	2024E
Locations	6	8	16
Rental Revenue	$57M	$84M	$168M
Market Size	$2.4B	$2.4B	$2.8B
Market Share	2%	4%	6%
Density Status	Developing	Maturing	Scaled

©2021 Herc Rentals Inc. All Rights Reserved.

Growth with Acquisitions: Houston Market





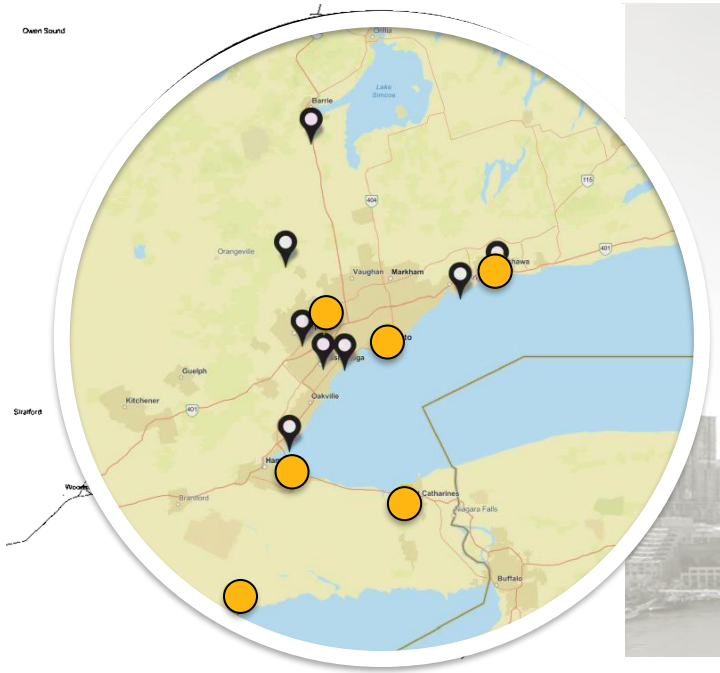
Broad Customer End User Markets

- Aviation
- Government
- Infrastructure
- Contractors (general, electrical, mechanical, specialty)
- Refining
- Chemical Processing
- Warehousing/Distribution

Locations	2016	2021E	2024E
Locations	6	13	15
Rental Revenue	$52M	$75M	$105M
Market Size	$1.4B	$1.4B	$1.7B
Market Share	4%	5%	6%
Density Status	Developing	Scaled	Scaled

NYSE: HRI
©2021 Herc Rentals Inc. All Rights Reserved.

Expand Existing Footprint: Toronto Market





Broad Customer End User Markets

- Warehousing/Distribution
- Government
- Infrastructure
- Entertainment
- Healthcare
- Contractors (general, electrical, mechanical, specialty)
- Power & Utilities

Locations	2016	2021E	2024E
Locations	4	6	12
Rental Revenue	$20M	$25M	$85M
Market Size	$1.0B	$1.2B	$1.4B
Market Share	2%	2%	6%
Density Status	Developing	Maturing	Scaled

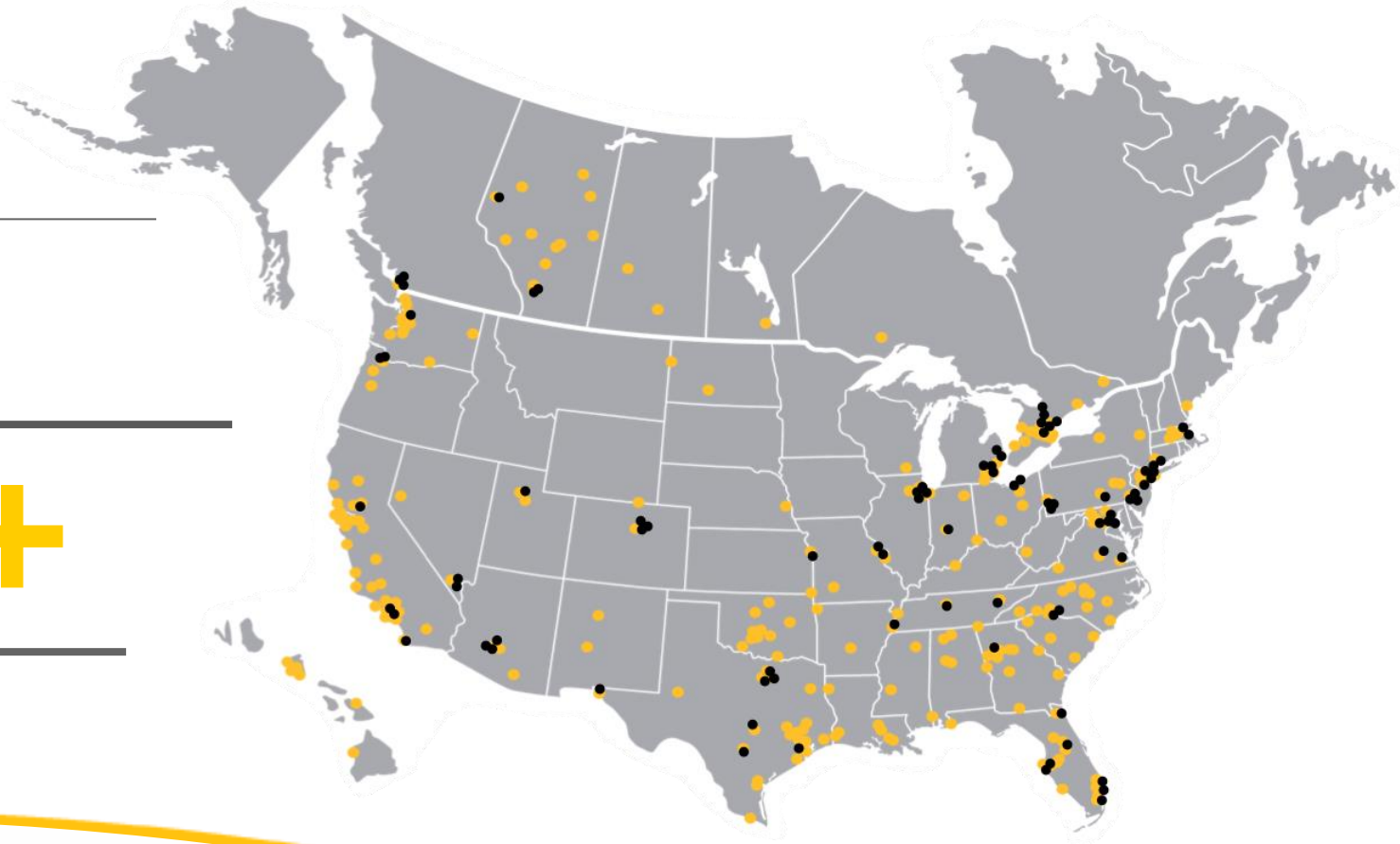
NYSE: HRI
©2021 Herc Rentals Inc. All Rights Reserved.

Expand with Greenfields and M&A

September 2021 **295**

+ ~105

December 2024 **400 +**



©2021 Herc Rentals Inc. All Rights Reserved.

Shifting into High Gear

2 Expand Specialty

Continue aggressive investment in specialty fleet

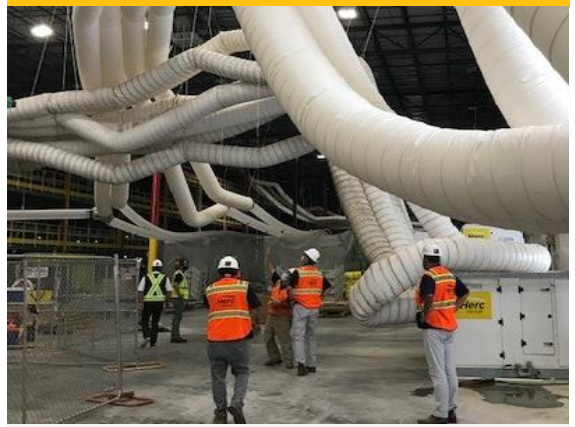
Expanding addressable market and continuing shift from ownership to rental

Take advantage of cross-selling opportunities to increase wallet share

©2021 Herc Rentals Inc. All Rights Reserved.

Specialty Fleet

Climate Control & Remediation



Air quality control
Chillers and heaters
Dehumidification
Drying equipment
Portable climate solutions

Power & Distribution



Electric air compressors
Portable generators
Portable load banks
Power distribution systems
Power generation

Pump



Centrifugal pumps
Self-priming pumps
Stainless steel chemical pumps
Submersible pumps
Vacuum assist pumps

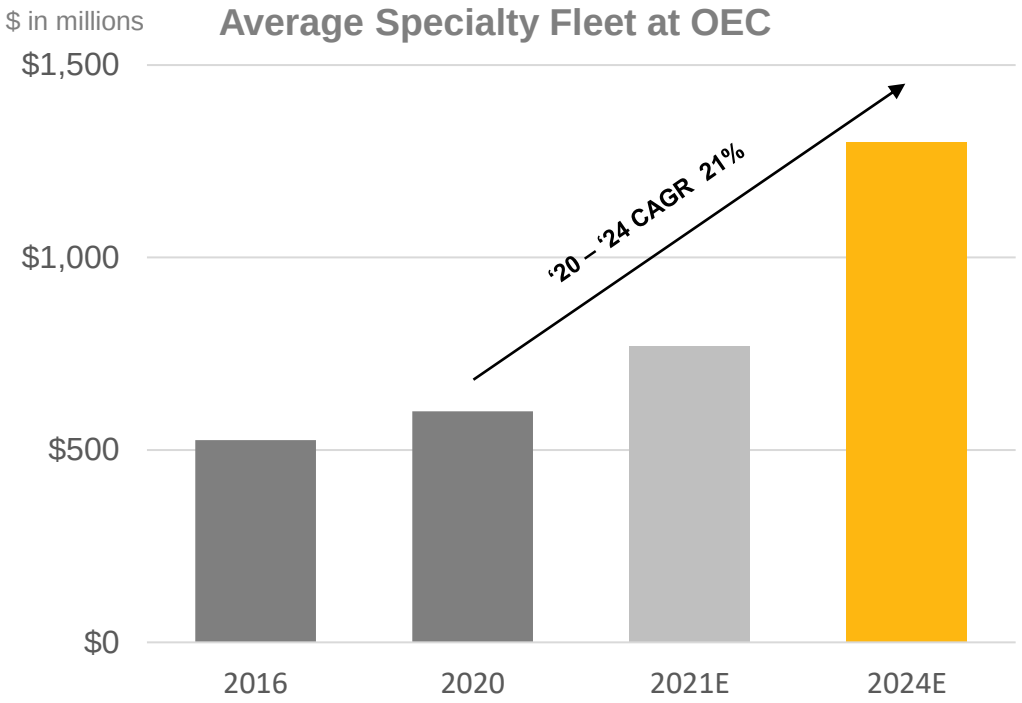
Entertainment Services & Other



Aerial and lifting equipment
Carts
Climate control
Production lighting
ProContractor tools
Power generation
Utility vehicles

©2021 Herc Rentals Inc. All Rights Reserved.

Continue Investment in Specialty

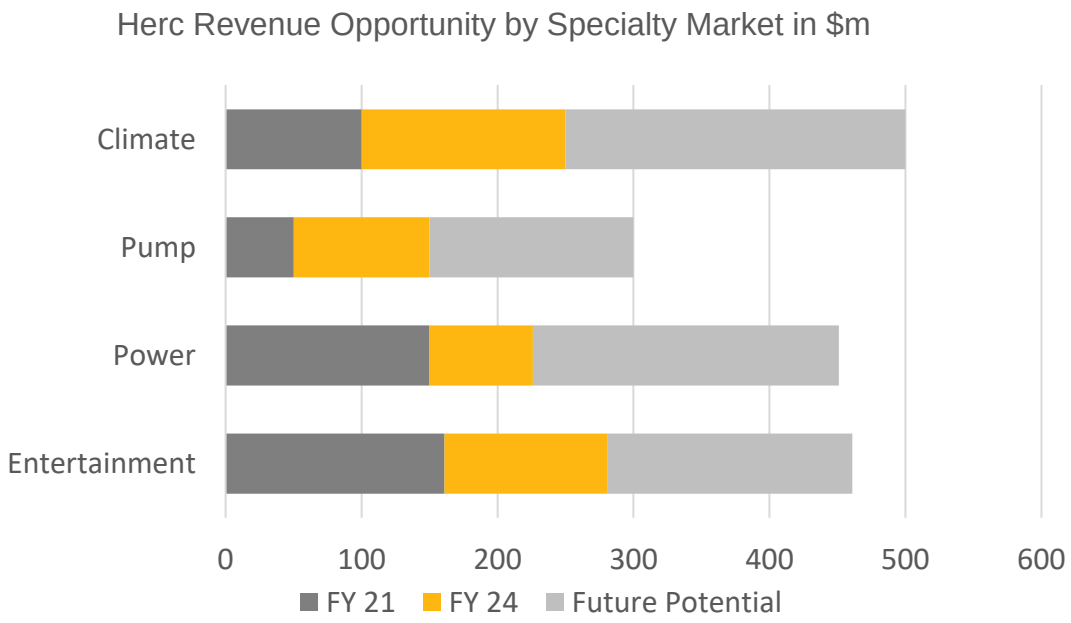


- Specialty equipment typically averages 14% to 16% higher $ utilization than core equipment
- Growing specialty branch network enables rapid response to meet customer demand
- For urgent response, resources and equipment mobilized to affected market
- Competitive advantage vs. local suppliers
- Cross-selling opportunities abound between customers requiring specialty and core equipment

©2021 Herc Rentals Inc. All Rights Reserved.

Expanding Addressable Market and Continuing Shift from Ownership to Rental

Expected increase in market size through rental penetration



Market	Current Market Share	2024 Target Market Share	Current Rental Penetration[1]	Future Rental Penetration
Climate	7%	15%	<10%	20-30%
Pump	2%	5%	25%	35-45%
Power	10%	13%	<10%	15-25%
Entertainment	9%	12%	<50%	>50%

1 Based on *Verify Markets*, management estimates and other publicly available information

©2021 Herc Rentals Inc. All Rights Reserved.

Take Advantage of Cross Selling Opportunities to Increase Wallet Share

83%

of revenue comes from customers that rent from core and specialty, contractor tools

$34

spent in our specialty lines for every $100 in our core business

51%

of revenue comes from customers that rent from our core business and 3 or more specialty lines

Collaboration

Sales structure set up to leverage all sales channels to support customers

Business processes aligned to incentivize through, with and direct sales and operations

©2021 Herc Rentals Inc. All Rights Reserved.

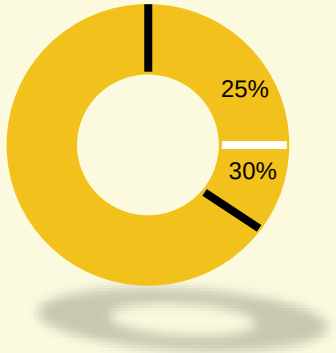
Accelerating Specialty Growth Through 2024

Market Forces

- Accelerating secular trend in specialty rental
- Expanding addressable market

+

Herc Rentals Opportunity



- Increase Specialty to 25% - 30% of total OEC
- Increase share of customer wallet
- Expand further into large urban markets
- Higher $ Utilization from Specialty

=

Target $ Utilization

50% - 60%

©2021 Herc Rentals Inc. All Rights Reserved.

Shifting into High Gear

3 Elevate Technology

Digital transformation that enables the rental consumption chain

Continual investment in the technology platform to enhance the customer experience

Leverage data and long-standing relationships to provide further customer value

©2021 Herc Rentals Inc. All Rights Reserved.

Technology Investments Enhance Customer and Employee Experience

Every touch point along the rental consumption chain is an opportunity to provide easy, effective, and efficient customer service

Our goal is to execute all of these activities perfectly every time

Innovative technology updates give the customer the controls they desire through the lifecycle of a rental



©2021 Herc Rentals Inc. All Rights Reserved.

Digital Transformation

People & Culture



- Manager training and development
- Technician training programs
- Digital on-demand learning for customer-facing teams
- Digitalized the Herc Operating Model for fleet availability
- Leading business indicators with analytics and dashboards

Smart Ordering

- Enhancing e-commerce and digital customer access
- Omni-channel experience
- Mobile enabled
- Solutions-based guided ordering
- Scheduling rental service support

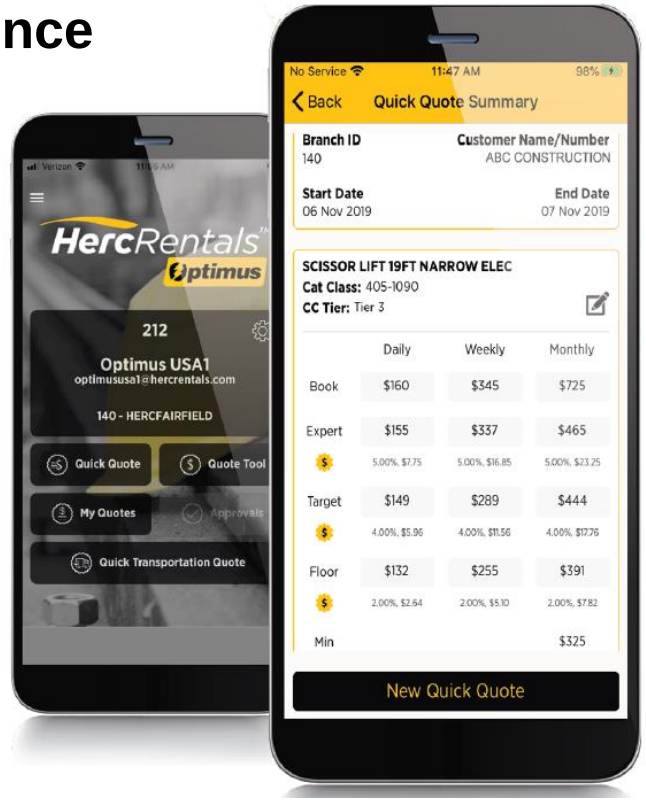
©2021 Herc Rentals Inc. All Rights Reserved.

Optimized Logistics

- Delivery and pickup updates
- Mapping and routing
- Time to destination
- Dispatch optimization
- Real-time documentation of equipment conditions

Data Driven Business Intelligence

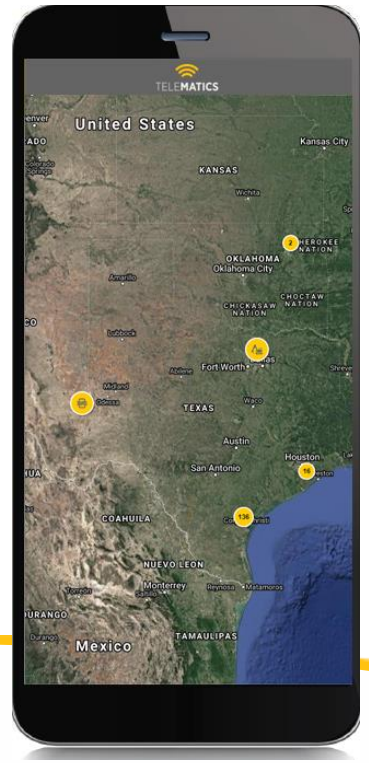
- Broad and drillable data sources
- Fleet optimization
- Customer management
- Algorithmic-driven spot market pricing models



NYSE: HRI
©2021 Herc Rentals Inc. All Rights Reserved.

Intelligent Fleet Management

- Telematics for equipment status
- GPS for equipment location
- Geofencing for equipment security
- Remote monitoring for operational efficiency



Digitally Enabled Account Management

- Account management
- Self-service rental decision making
- Smart alerts
- Easy bill pay & PO management
- Performance analytics & dashboards

©2021 Herc Rentals Inc. All Rights Reserved.

Leverage Data and Customer Relationships…

20 years of rich customer data to leverage future growth

~15M Contracts

~26M Invoices

~680M Days on Rent

~2M Customers

~770K Assets Rented

~$25B Revenue

Generating > 20,000 new customers every year

©2021 Herc Rentals Inc. All Rights Reserved.

Continual Investments in the Technology Platform to Enhance the Customer Experience

DIGITAL

PROCONTROL by Herc Rentals

Optimus 5.0

GO/2.0 Herc ON THE GO

HercSign by Herc Rentals

TELEMATICS

SALES & OPERATIONS

wynne

salesforce

dun & bradstreet

SmartEquip

billtrust

riskonnect

ENTERPRISE SYSTEMS

ORACLE

OneStream

Concur

servicenow

FileNet

ADP

SAP SuccessFactors

SAVIYNT

BUSINESS INTELLIGENCE

Qlik

SAP BusinessObjects

COGNOS

teradata.

INFRASTRUCTURE

iseries IBM

vmware

aws

Azure

cisco

Microsoft Office 365

verizon wireless

AT&T

MuleSoft

CLOUDFLARE

Adobe

DELL

meraki

airwatch

NYSE: HRI
©2021 Herc Rentals Inc. All Rights Reserved.



Elizabeth Higashi

VP, Investor Relations & Sustainability

©2021 Herc Rentals Inc. All Rights Reserved.

Shifting into High Gear

4 Integrate ESG

Our 2021 Corporate Citizenship Report aligned with Global Reporting Initiative standards

Equipment rental represents the epitome of a sharing economy

Improvements in equipment fuel economy and alternative fuels will contribute to reduction of our carbon footprint

©2021 Herc Rentals Inc. All Rights Reserved.

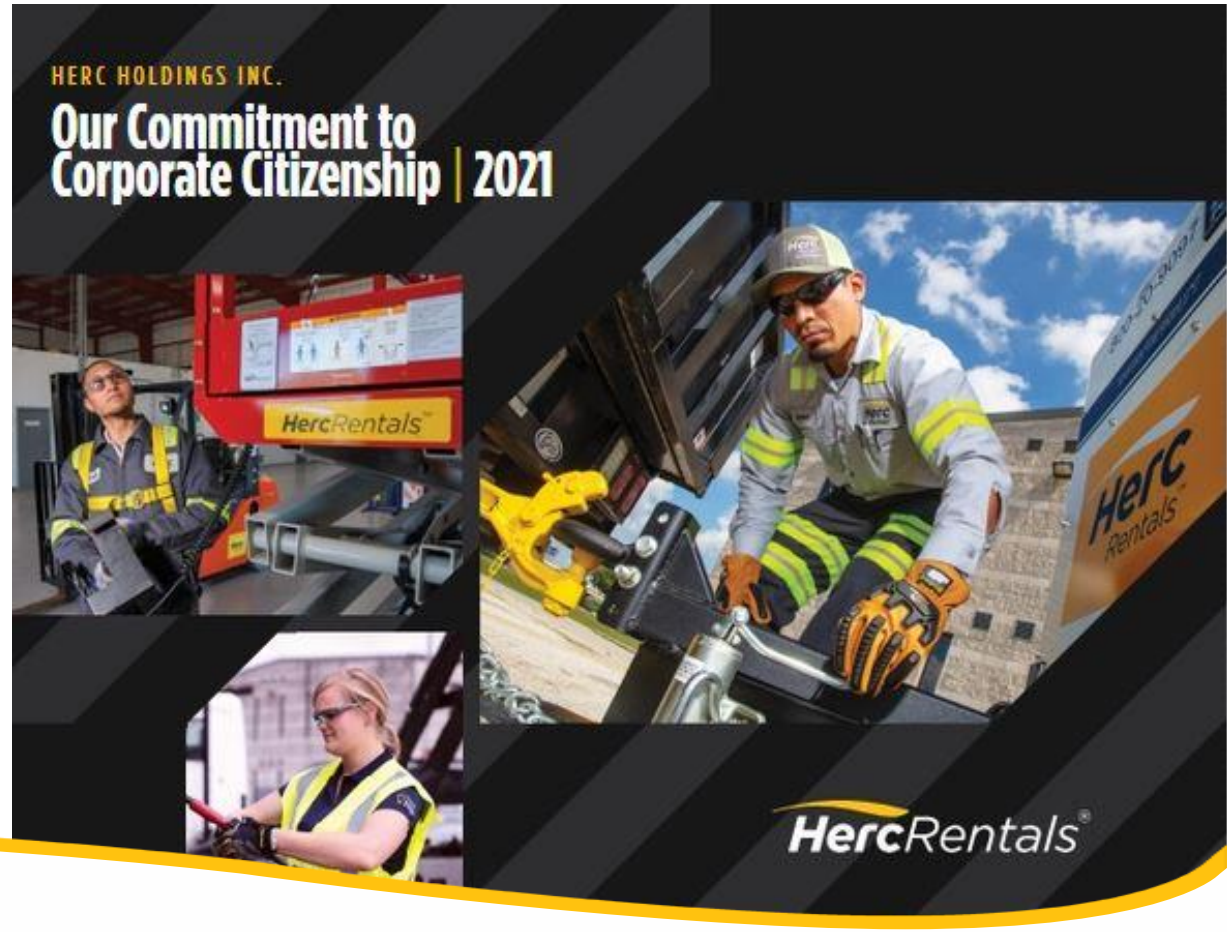
Improvements in Equipment Will Contribute to Reduction of Our Carbon Footprint

4 Integrate ESG

Our 2021 Corporate Citizenship Report aligned with Global Reporting Initiative standards

We are developing initiatives to support our new 2030 sustainability goals for 2030

- Reduce greenhouse gas emissions intensity by 25%
- Reduce non-toxic landfill by 25%
- Improve safety annually with a target TRIR of less than 0.49
- Committed to representing the diversity of our customers and communities



©2021 Herc Rentals Inc. All Rights Reserved.



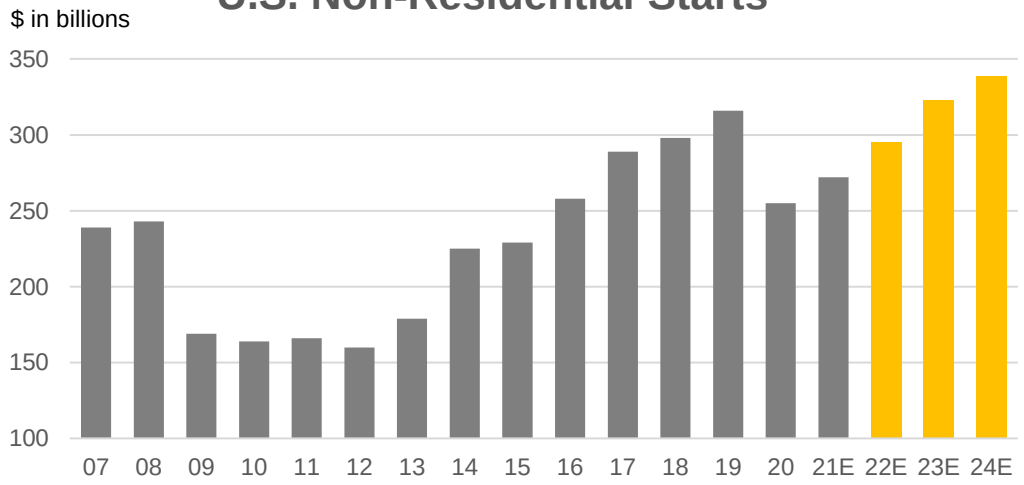
Mark Irion

SVP and Chief Financial Officer

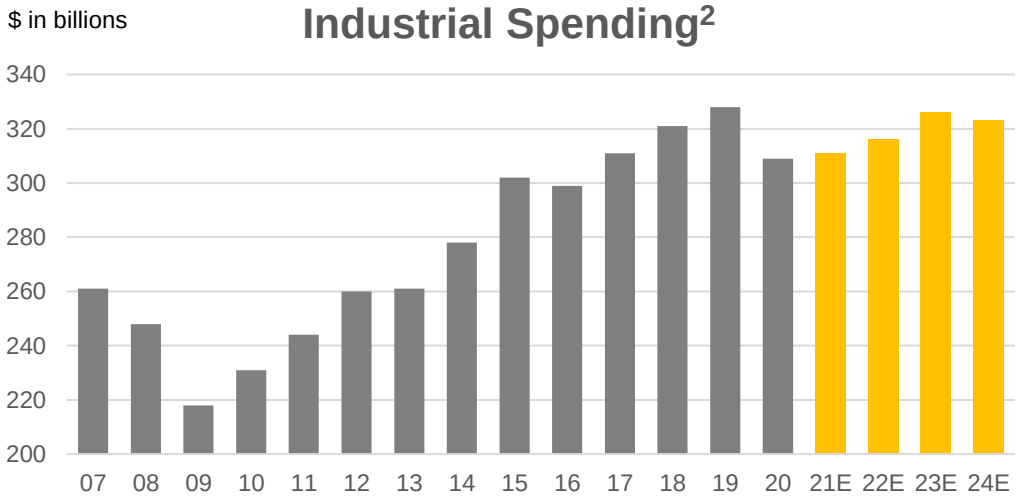
©2021 Herc Rentals Inc. All Rights Reserved.

Macro Economic Data Supports Future Growth

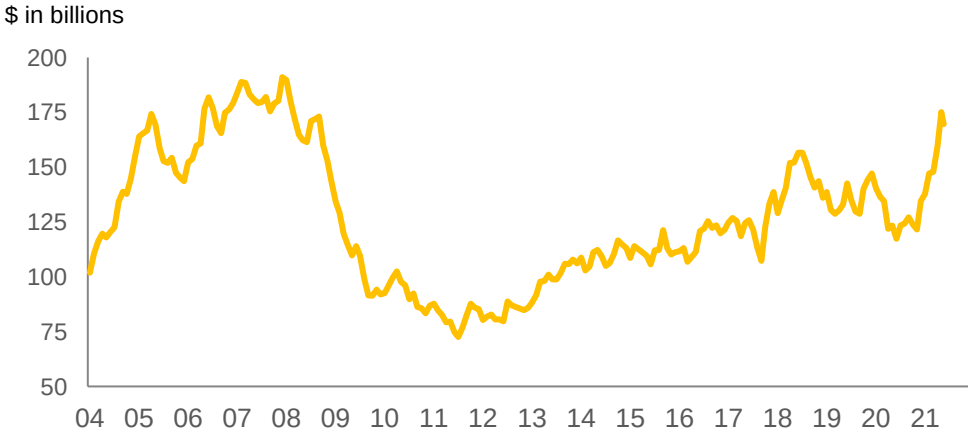
U.S. Non-Residential Starts[1]



Industrial Spending[2]



Dodge Momentum Index[1]



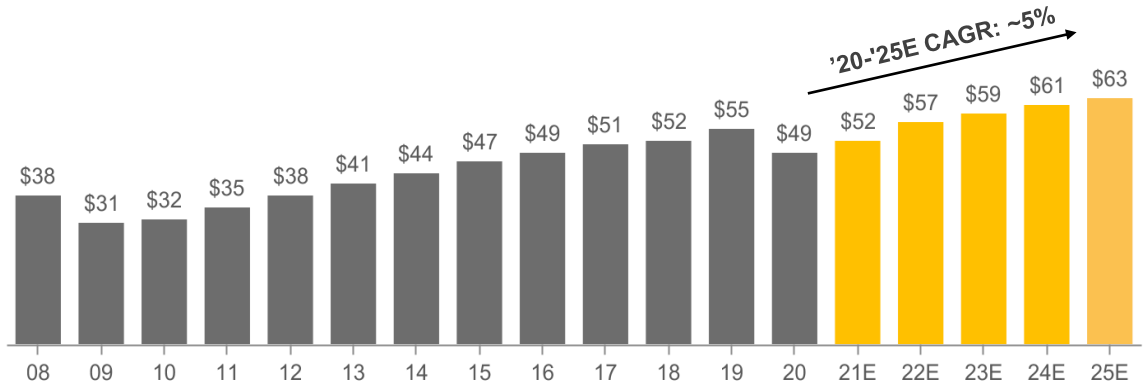
- Non-residential construction, which represents ~30% of our end markets, is forecast to grow by 9% in 2022
- 2022 activity levels are higher than previous cycle peak
- Dodge Momentum Index close to cycle highs
- Forecasting slight growth in industrial spending from 2021 to 2023
- Industrial revenues, which represent ~30% of our end markets, will benefit from deferred maintenance activity

(1) Source: Dodge Analytics US as of August 2021
(2) Source: Industrial Information Resources US as of August 2021

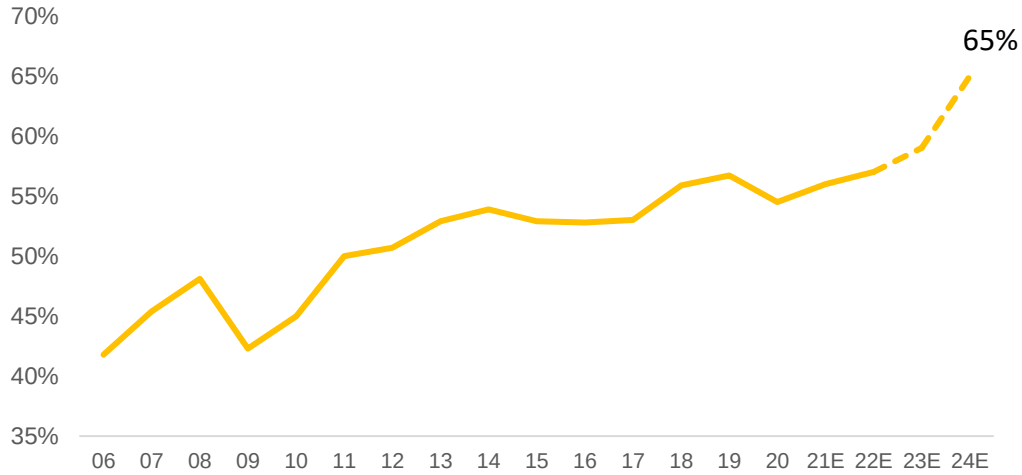
©2021 Herc Rentals Inc. All Rights Reserved.

Taking Advantage of a New Cycle

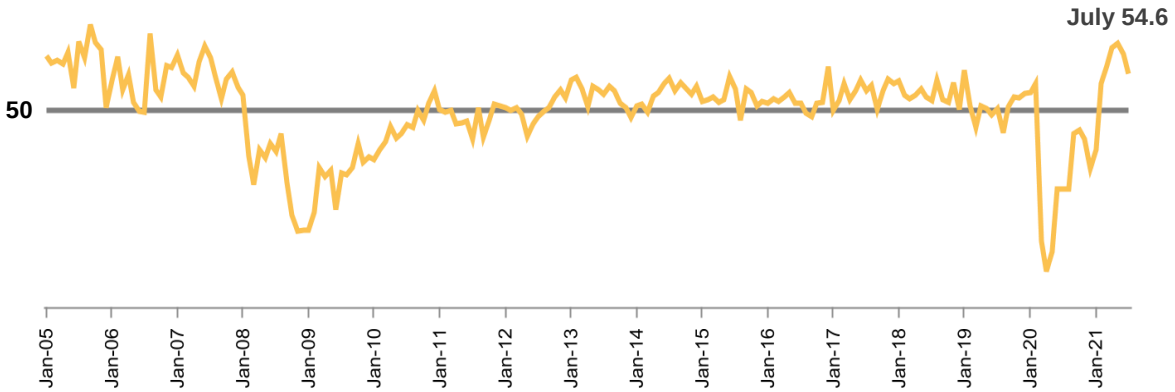
N.A. Equipment Rental Market[1]



Rental Penetration[3]



Architecture Billings Index[2]



- Equipment rental market is forecast to grow ~10% in 2022 and from about $49 billion in 2020 to $63 billion in 2025
- Secular trends favor rental versus ownership
- Large diversified national rental companies have proven ability to grow at 2x to 3x the overall market rate

(1) Source: ARA / IHS Global Insights as of August 2021
(2) Source: The American Institute of Architects (AIA) as of July 2021
(3) Source: ARA as of August 2021 and company estimates

©2021 Herc Rentals Inc. All Rights Reserved.

Shifting into High Gear

5 Allocate Capital

Investment in fleet growth on existing locations

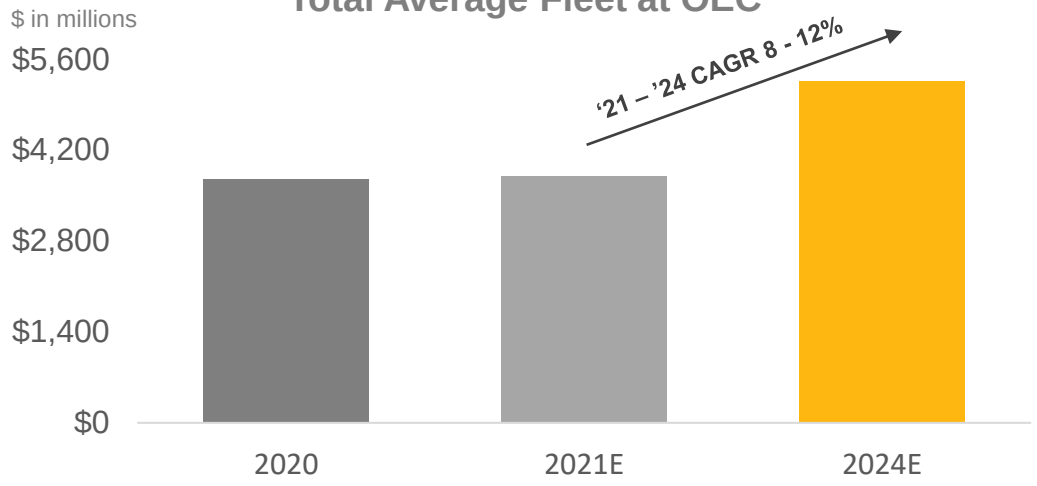
Greenfield and M&A expansion

Return capital to shareholders

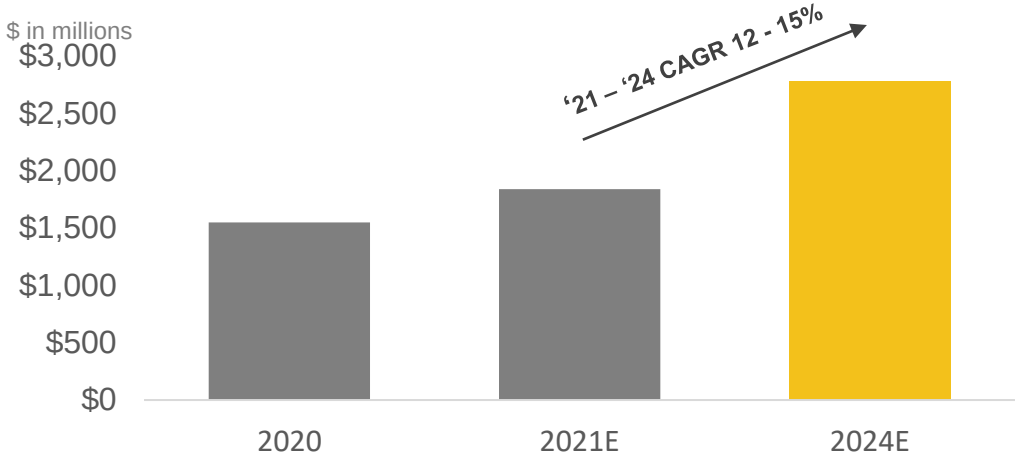
©2021 Herc Rentals Inc. All Rights Reserved.

Organic Growth

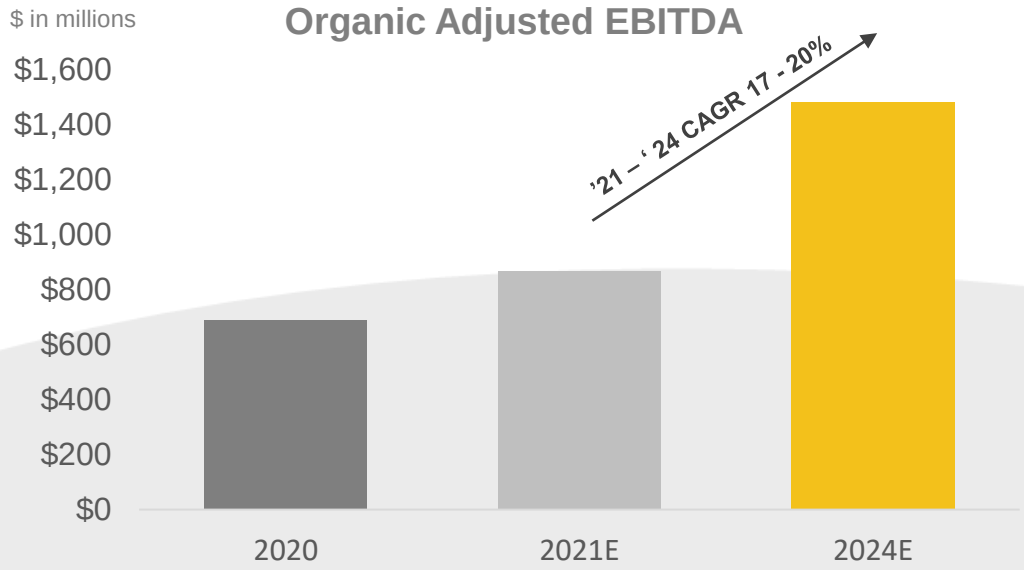
Total Average Fleet at OEC



Organic Rental Revenue

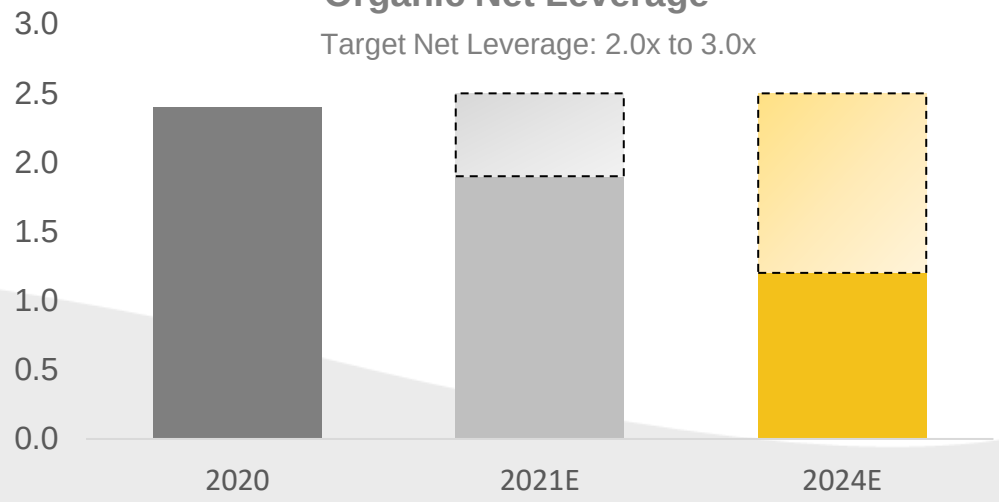


Organic Adjusted EBITDA



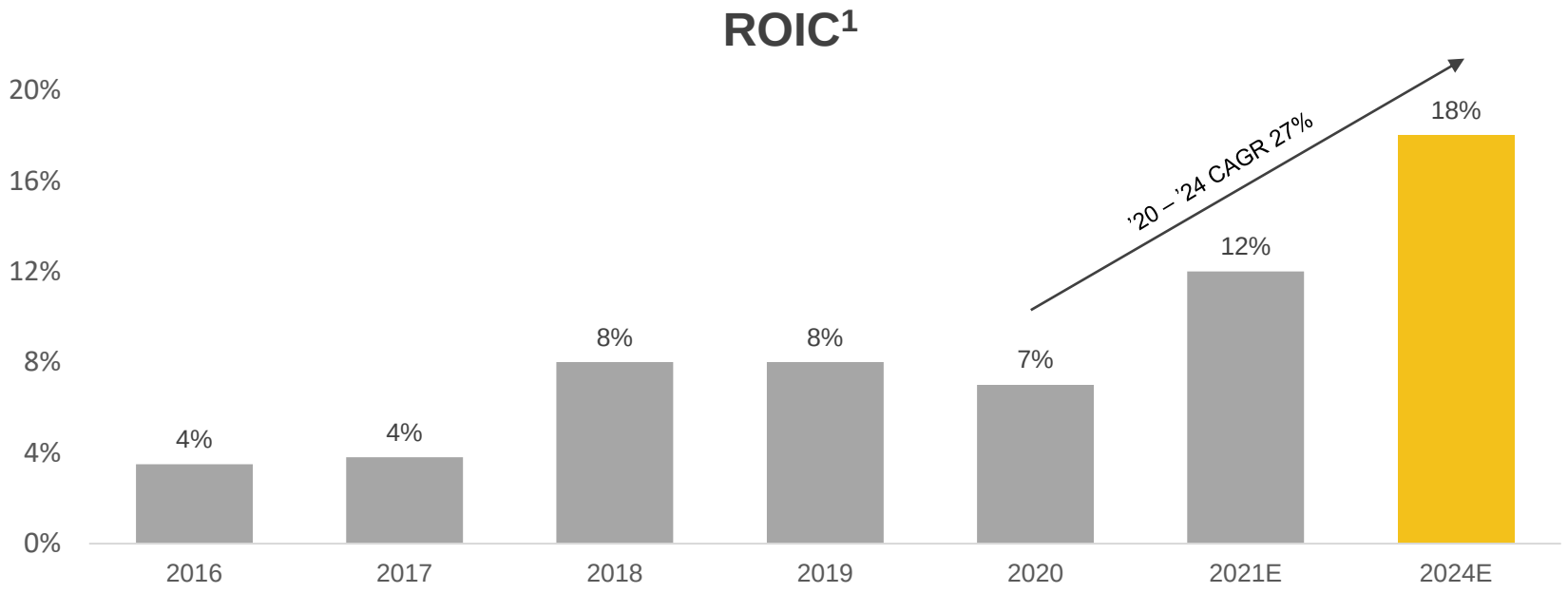
Organic Net Leverage

Target Net Leverage: 2.0x to 3.0x



©2021 Herc Rentals Inc. All Rights Reserved.

Growth in Fleet and Revenue Increases ROIC



- Improving $ utilization and fleet returns, as well as focus on operating leverage and margin improvement, are accelerating ROIC and support shareholder returns
- Investment in fleet early in the cycle and focus on operating leverage and flow through will improve ROIC

(1) For a definition, see appendix beginning on slide 55

©2021 Herc Rentals Inc. All Rights Reserved.

Near Term Guidance

- Increased 2021 guidance for the third time this year – midpoint of adjusted EBITDA growth up 28% compared with 2020
- Issued new 2022 guidance – further increase to adjusted EBITDA of 25% from midpoint of growth over 2021

	2021			2022	
Metric	**Former**	**Current**	**Growth from prior year[1]**	**New**	**Growth from prior year[1]**
Adjusted EBITDA	$840 to $870 million	$870 to $890 million	28%	**$1,050 to $1,150 million**	**25%**
Net Fleet Capital Expenditures	$500 to $550 million	$500 to $550 million	NM	**$820** to **$1,120 million**	**85%**

(1) Growth from prior year is calculated based on the midpoints of each year
NM – not meaningful

©2021 Herc Rentals Inc. All Rights Reserved.

Goal

Metric	2016 - 2020	2021 - 2024[1]
Rental Revenue CAGR	3.4%	**12% to 15%**
Adjusted EBITDA CAGR	6.5%	**17% to 20%**
Adj. EBITDA Margin Range	33% to 41%	**45% to 50%**
Flow-Through	68%	**60% to 70%**
Net Fleet Capital Expenditures	$1.8 billion	**$2.5 to $3.0 billion**
Implied Market Share - through organic growth	3%	**5%**

(1) Assumes midpoint of 2021 guidance

©2021 Herc Rentals Inc. All Rights Reserved.

A New Capital Allocation Plan

We are committed to delivering long-term sustainable value for shareholders with a balanced, disciplined and opportunistic approach to capital deployment

1 Invest for Organic Growth

Committed to organic growth with overall EBITDA margin of 45% to 50% from ~42% in 2021

2 Strategic M&A

Pursue strategic opportunities with attractive returns and synergies

Current opportunity estimated at $500 million per year

3 Dividend

Initiate dividend at $2/share (annualized) with future growth in line with long-term business performance

4 Surplus Capital

Consider share repurchase as a means to deploy excess cash once first three priorities are met

Underpinned by strong balance sheet

Target leverage range through the cycle of 2.0x to 3.0x (**currently 1.9x**) [1]

Ample liquidity (**currently $1.5 billion**) [1]

Credit ratings (**S&P: BB-/Stable and Moody's: Ba3/Stable**) [1]

(1) As of June 30, 2021

©2021 Herc Rentals Inc. All Rights Reserved.

Expanding through M&A

- Improve $ utilization through increased density and cross selling
- Acquiring talented workforce and local customer relationships – quicker than greenfields
- Estimated opportunity for $500+ million of M&A per year

December 2020

April 2021



April 2021

August 2021

September 2021

Herc Rentals Acquisitions to Date Cumulative Value

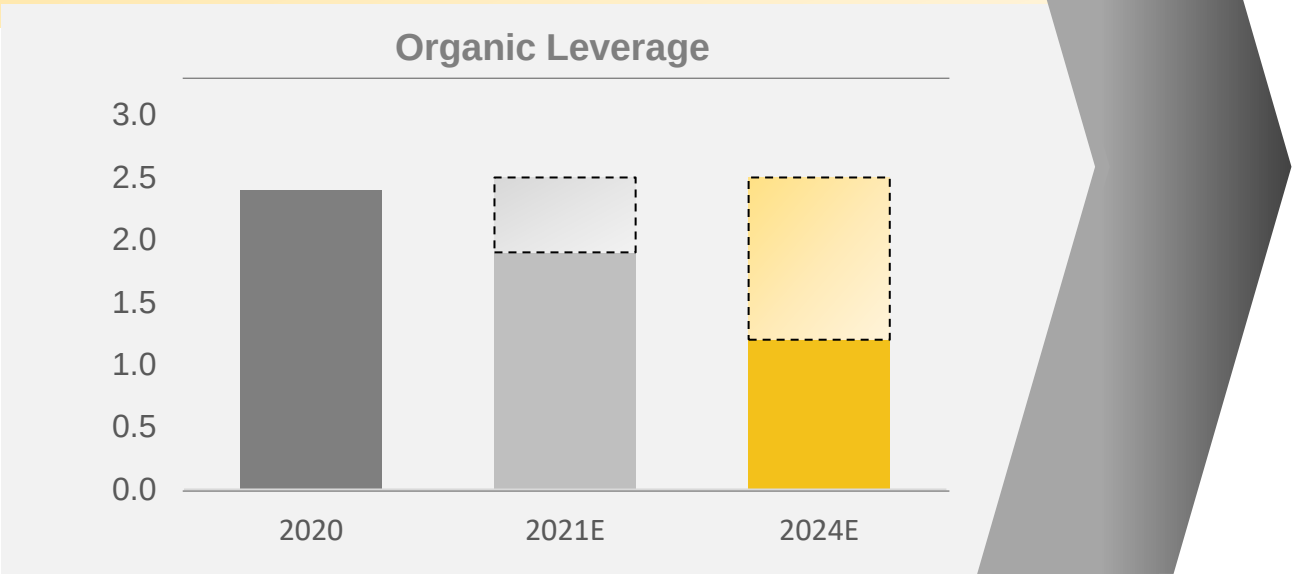
Average fleet:	$223 million
# of locations	19
States & provinces:	Texas, California, Tennessee, Ontario
Total revenues:	$117 million[1]
EBITDA:	$53 million[1]
EBITDA margin:	45%
Total purchase price:	$280 million
EV/EBITDA multiple:	5.3X[2]
Average $ Utilization:	39% vs HRI's 40% in LTM as of Q2 2021

(1) Trailing twelve months at date of closing
(2) Excludes synergies

©2021 Herc Rentals Inc. All Rights Reserved.

How Do We Invest Surplus Capital?

Maintaining leverage at the lower end of our target range of 2.0x to 3.0x, **we generate surplus capital of $2.0 to $3.0 billion** to be deployed in accordance with our capital allocation plan.



For illustrative purposes only, assume:

Invest $1.5B in M&A

If you assume:

- average transaction values of 5.5x EBITDA

EBITDA opportunity of $270M + synergy opportunity

+

Invest $1.0B in M&A and/or Share Repurchase

M&A

- EBITDA opportunity of additional $180M + synergy opportunity

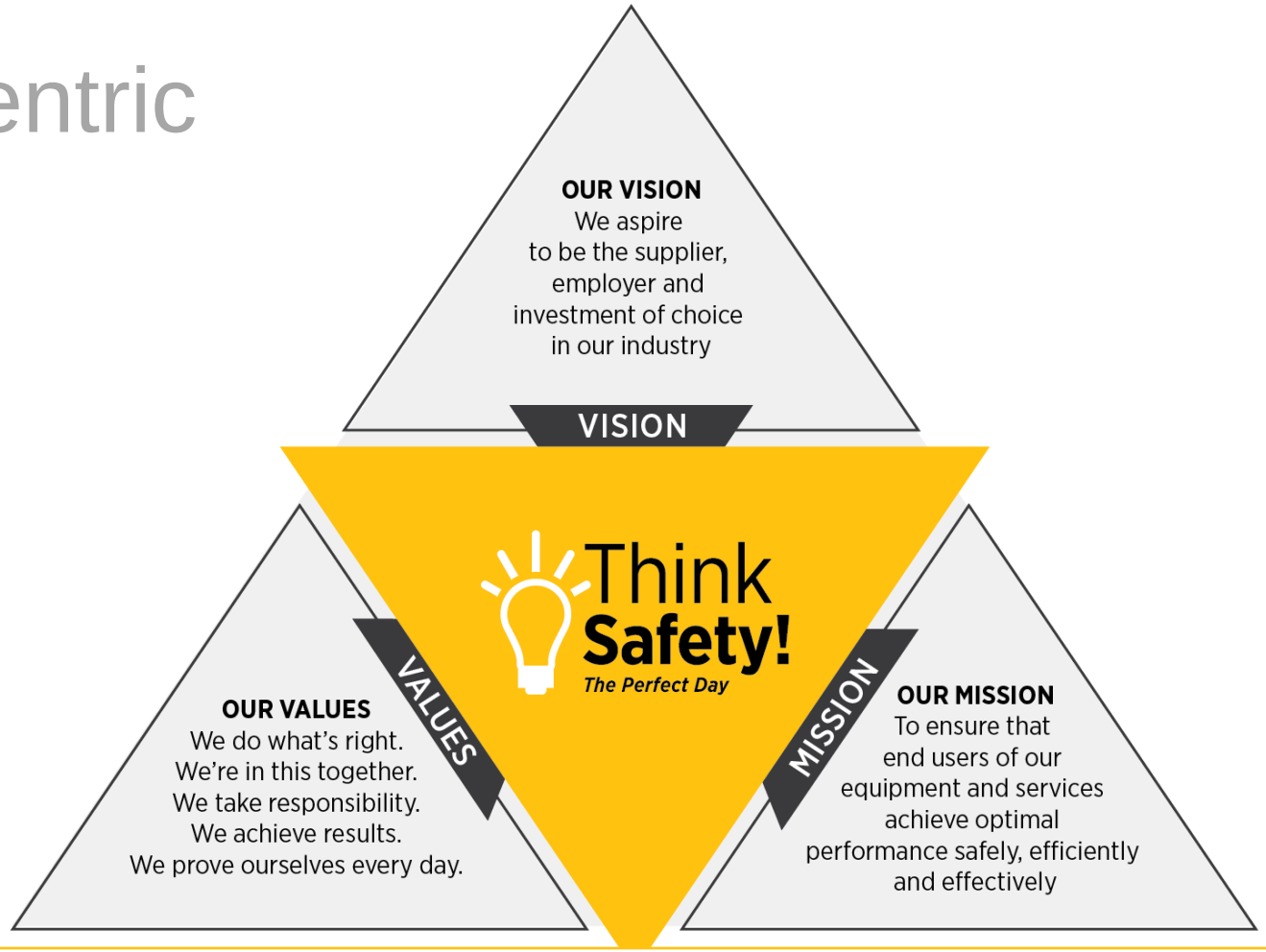
Share Repurchase

- Share price of $130
- Buyback 7.7 million shares or ~ 26% of shares outstanding

©2021 Herc Rentals Inc. All Rights Reserved.

Vision, Mission and Values

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



©2021 Herc Rentals Inc. All Rights Reserved.

Summary

1 Grow the Core

Increasing fleet and locations in urban markets drives revenue, scale and operating leverage

2 Expand Specialty

Accelerating secular shift from ownership to rental and a service driven model leads to higher utilization and returns.

3 Elevate Technology

Ongoing investment in technology to improve customer experience and operational effectiveness

4 Integrate ESG

New sustainability goals for 2030 versus 2019 baseline defines ESG initiatives

5 Allocate Capital

Ability to retain low leverage of 2.0x to 3.0x provides opportunities for significant investment in fleet growth, M&A, dividends and returns to shareholders

©2021 Herc Rentals Inc. All Rights Reserved.



©2021 Herc Rentals Inc. All Rights Reserved.



Appendix

©2021 Herc Rentals Inc. All Rights Reserved.

Expanding Our Strategic Initiatives



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 net leverage target of 2.0x to 3.0x

NYSE: HRI
©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.

Return on Invested Capital (ROIC): is defined as adjusted earnings before interest divided by net assets. Adjusted earnings before interest is the sum of earnings before interest 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 and impairment charges. Net assets is total assets less intangible assets, current liabilities and deferred taxes.

©2021 Herc Rentals Inc. All Rights Reserved.

Reconciliation of Net Income to Adj. EBITDA and Adj. EBITDA Margin

EBITDA and Adjusted EBITDA - 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. EBITDA and Adjusted EBITDA do not purport to be alternatives to net income as an indicator of operating performance. Additionally, neither 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 - Adjusted EBITDA Margin (Adjusted EBITDA / Total Revenues) is a commonly used profitability ratio. Adjusted EBITDA Margin does not purport to be an alternative to Net Margin (Net Income / Total Revenues as calculated under GAAP) as an indicator of profitability, as it does not account for GAAP reportable expenses such as depreciation and interest or the expense or benefit from income taxes.

These measures are frequently used by security analysts, institutional investors and other interested parties in the evaluation of companies in our industry.

$ in millions	Years Ended December 31,				
	2016	**2017**	**2018**	**2019**	**2020**
Net income	$ (19.7)	$ 160.3	$ 69.1	$ 47.5	$ 73.7
Income tax provision	14.8	(224.7)	(0.3)	16.1	20.4
Interest expense, net	84.2	140.0	137.0	173.5	92.6
Depreciation of rental equipment	350.5	378.9	387.5	409.1	403.9
Non-rental depreciation and amortization	44.8	51.5	57.3	61.0	62.5
EBITDA	474.6	506.0	650.6	707.2	653.1
Restructuring	4.0	1.2	5.0	7.7	0.7
Restructuring related	2.9	4.3	0.3	—	—
Spin-off costs	49.2	35.2	14.4	0.5	0.6
Non-cash stock-based compensation charges	5.5	10.1	13.4	19.5	16.4
Loss on disposal of business	—	—	—	—	2.8
Impairment	—	29.7	—	5.1	15.4
Other	—	(1.1)	1.1	1.0	0.4
Adjusted EBITDA	**$ 536.2**	**$ 585.4**	**$ 684.8**	**$ 741.0**	**$ 689.4**
Total Revenues	$ 1,554.8	$ 1,754.5	$ 1,976.7	$ 1,999.0	$ 1,781.3
Adjusted EBITDA	536.2	585.4	684.8	741.0	689.4
Adjusted EBITDA margin	**34.5 %**	**33.4 %**	**34.6 %**	**37.1 %**	**38.7 %**

©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.

	December 31,				
$ in millions	**2016**	**2017**	**2018**	**2019**	**2020**
Long-Term Debt, Net	$2,178.6	$2,137.1	$2,129.9	$2,051.5	$1,651.5
(Plus) Current maturities of long-term debt	15.7	22.7	26.9	27.0	12.2
(Plus) Unamortized debt issuance costs	21.0	14.5	10.6	7.9	7.1
(Less) Cash and Cash Equivalents	(24.0)	(41.5)	(27.8)	(33.0)	(33.0)
Net Debt	**$2,191.3**	**$2,132.8**	**$2,139.6**	**$2,053.4**	**$1,637.8**
Trailing Twelve-Month Adjusted EBITDA	$536.2	$585.4	$684.8	$741.0	$689.4
Net Leverage	**4.1 x**	**3.6 x**	**3.1 x**	**2.8 x**	**2.4 x**

©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.