UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 20, 2021

HERC HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-33139**	**20-3530539**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S Employer Identification No.)

27500 Riverview Center Blvd.
Bonita Springs, Florida 34134

(239) 301-1000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, par value $0.01 per share	HRI	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

ITEM 7.01 REGULATION FD DISCLOSURE.

As previously announced on August 31, 2021, Herc Rentals Inc. (the "Company") held its Investor Day today at which members of the Company's management team provided an in-depth review of the Company's progress against its strategic initiatives set out in 2016, business drivers, long-term growth strategies and capital allocation. The Company also announced its new strategic initiatives, discussed its capital allocation plan, including the declaration of a dividend, updated its 2021 guidance for adjusted EBITDA and issued guidance for 2022.

At the start of the event, the Company issued a press release relating to matters to be discussed at the event. The full text of the press release is furnished as Exhibit 99.1 to this Form 8-K. Additionally, certain financial information that will be part of the event is included in a set of slides, a copy of which is furnished as Exhibit 99.2 to this Form 8-K.

The information in this Form 8-K and the exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit Number	Description
99.1	Press release of Herc Holdings Inc. dated September 20, 2021.
99.2	Set of slides that will accompany the September 20, 2021 webcast.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HERC HOLDINGS INC.
(Registrant)

By:	/s/ S. WADE SHEEK
Name:	S. Wade Sheek
Title:	Senior Vice President, Chief Legal Officer and Secretary

Date: September 20, 2021

HercRentals™ Press Release

Paul Dickard
Vice President, Communications
pdickard@hercrentals.com
239-301-1214

Elizabeth Higashi, CFA
Vice President, Investor Relations & Sustainability
ehigashi@hercrentals.com
239-301-1024

For Immediate Release
NR 21-0920

Herc Holdings Announces New Strategic Initiatives and Capital Allocation Plan

- Raises adjusted EBITDA guidance for 2021 to $870 million to $890 million
- Announces 2022 adjusted EBITDA guidance of $1.05 billion to $1.15 billion
- Sets 2021 to 2024 goals for organic CAGR growth of 12% to 15% in rental revenue and 17% to 20% in adjusted EBITDA
- Declares payment of quarterly dividend of $0.50 per share to record holders as of October 20, 2021, with payment date of November 4, 2021

BONITA SPRINGS, Fla., September 20, 2021 — Herc Holdings Inc. (**NYSE: HRI**), one of the leading equipment rental suppliers, announced at its Investor Day today, new strategic initiatives to accelerate the company's rate of growth in both rental revenue and in adjusted EBITDA.

"We are pleased with the progress we have made over the last five years as an independently traded public company and are now shifting into high gear to accelerate our growth and return to shareholders," said Larry Silber, president and chief executive officer. "We have strong momentum and intend to invest in new locations and add to our fleet to enhance our urban density, while improving operating leverage and scale. We intend to increase market share through both organic growth and mergers and acquisitions," he added.

"As we move into the next phase of our journey, we are committing to a capital allocation plan that balances our investment growth options between organic and acquisition growth. We also intend to enhance our returns to shareholders through the establishment of a quarterly dividend. We are well-positioned to execute our strategy and deliver value to all of our stakeholders," he added.

The Company outlined new strategic initiatives and set a three-year organic rental revenue goal of 12% to 15% compound annual growth from the midpoints of fiscal years 2021 through 2024. It also established an organic adjusted EBITDA goal of 17% to 20% on the same basis.

The initiatives include:

- Grow the core – increase rental equipment capital expenditures at existing locations, while expanding the branch network through new greenfield locations and acquisitions in select markets
- Expand specialty – invest in specialty fleet, with a target of 30% of total OEC by 2024, and grow the specialty network throughout North America
- Elevate technology – enhance the customer experience by enabling mobile solutions and improving fleet utilization tracking and logistics management
- Integrate ESG – advance toward newly established 2030 goals for sustainability
- Allocate capital – operate against disciplined investment parameters for organic growth, strategic mergers and acquisitions, and dividends

Guidance

The Company raised its full-year 2021 adjusted EBITDA guidance range, with the midpoint increasing 28% compared with 2020 results, and affirmed net rental equipment capital expenditures guidance.

	2021 Guidance	
	Former	**Current**
Adjusted EBITDA	$840 to $870 million	$870 to $890 million
Net Rental Equipment Capital Expenditures	$500 to $550 million	$500 to $550 million

In addition, the Company established guidance for the 2022 calendar year, with adjusted EBITDA increasing 25% from the midpoints of the 2021 and 2022 guidance ranges.

	2022 Guidance
Adjusted EBITDA	$1.05 to $1.15 billion
Net Rental Equipment Capital Expenditures	$0.82 to $1.12 billion

New Capital Allocation Plan

“We are committed to delivering long-term sustainable value to shareholders with a balanced, disciplined and opportunistic approach to capital deployment. With our available liquidity, we plan to invest in organic growth and M&A, and inaugurate a quarterly dividend, the future growth of which will be in line with our long-term business performance,” said Silber.

The board of directors declared a quarterly dividend of $0.50 per share to shareholders of record on October 20, 2021, to be paid on November 4, 2021.

About Herc Holdings Inc.

Herc Holdings Inc., which operates through its Herc Rentals Inc. subsidiary, is one of the leading equipment rental suppliers with 295 locations in North America. With over 55 years of experience, we are a full-line equipment rental supplier offering a broad portfolio of equipment for rent. Our classic fleet includes aerial, earthmoving, material handling, trucks and trailers, air compressors, compaction and lighting. Our equipment rental business is supported by ProSolutions®, our industry specific solutions-based services, which includes power generation, climate control, remediation and restoration, and studio and production equipment, and our ProContractor professional grade tools. Our product offerings and services are aimed at helping customers work more efficiently, effectively and safely. Our product offerings and services are aimed at helping customers work more efficiently, effectively and safely. The Company has approximately 5,100 employees who equip our customers and communities to build a brighter future. Herc Holdings’ 2020 total revenues were approximately $1.8 billion. All references to “Herc Holdings” or the “Company” in this press release refer to Herc Holdings Inc. and its subsidiaries, unless otherwise indicated. For more information on Herc Holdings and its products and services, visit: www.HercRentals.com.

Forward-Looking Statements

This press release 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 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.

Shifting Into High Gear



HERC HOLDINGS INC.
INVESTOR MEETING

New York City
September 20, 2021

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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**

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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

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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.

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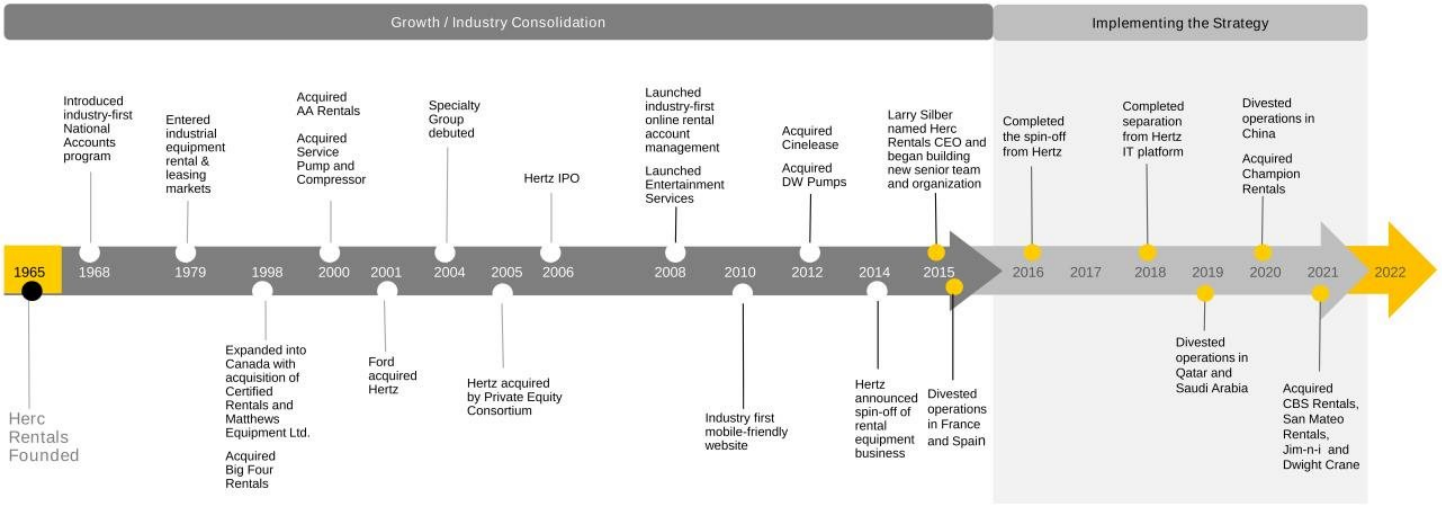
Larry Silber

President and CEO

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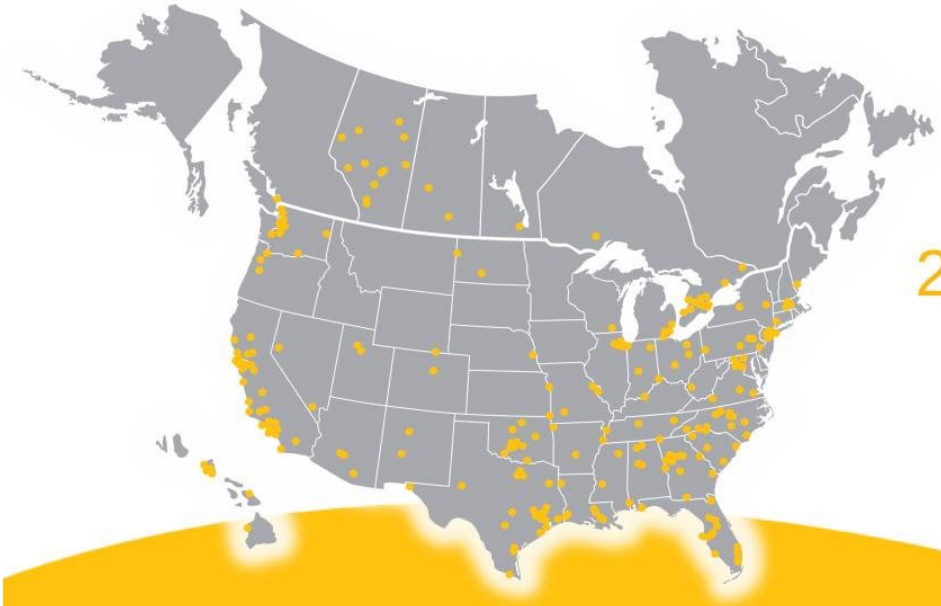
More than 56 Years Serving Customers

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



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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

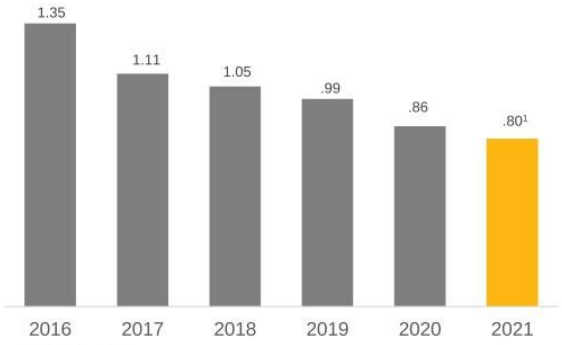
(1) Approximate location count as of September 20, 2021

HercRentals®

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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

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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%

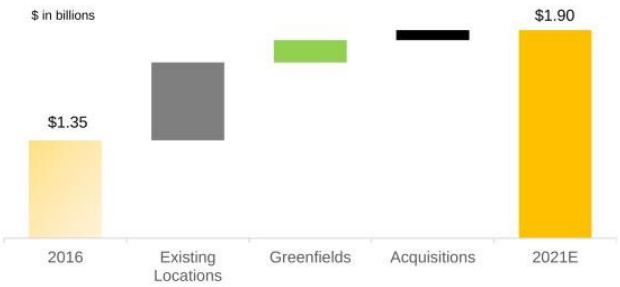
Increased $ utilization from low 30s to low 40s

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

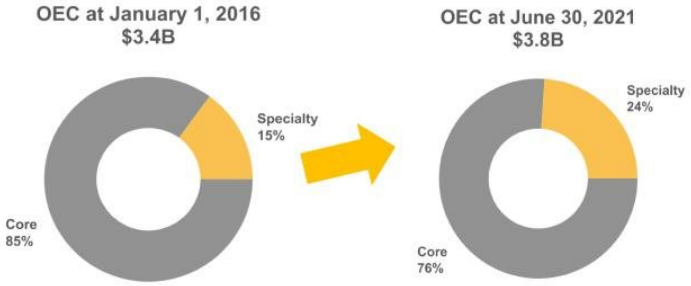
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Optimizing Branch Network and Fleet to Improve Profitability

Contribution to Rental Revenue 2016 - 2021



Shift in Fleet



Total Branches as of September 20, 2021

Core[1]	Standalone Specialty	Total
259	**36**	295

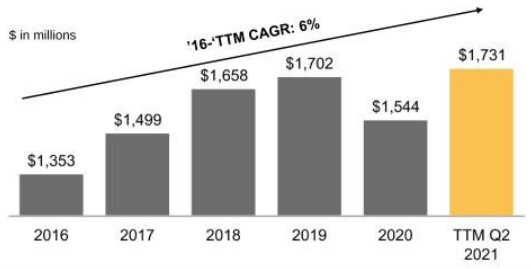
(1) Core also includes specialty locations within the same physical location

- 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

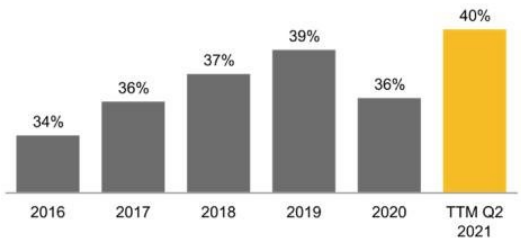
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Our Strategy is Delivering Results

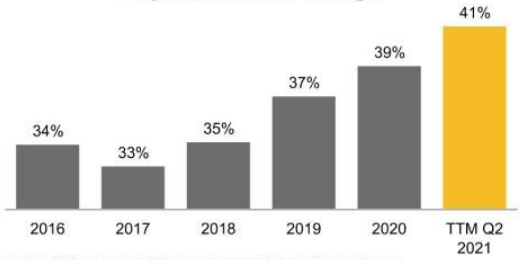
Equipment Rental Revenue



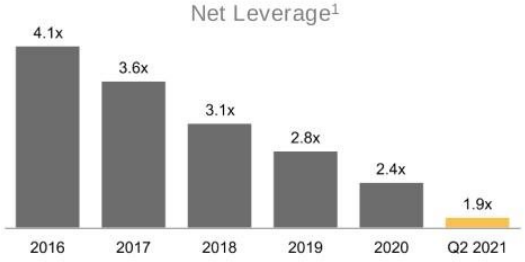
$ Utilization[1]



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

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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

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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

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Aaron Birnbaum

SVP and COO

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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

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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

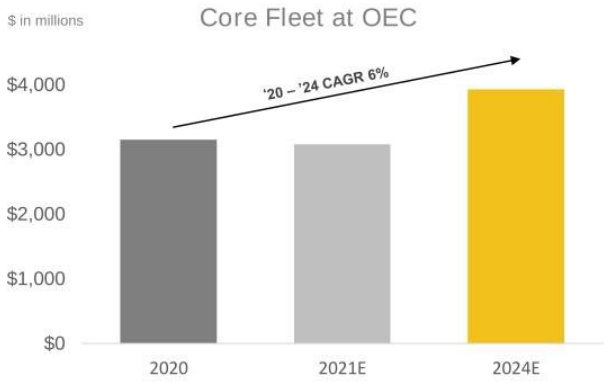


Air compressors
Solar light towers
Trucks and trailers
Welders and industrial tools

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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



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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

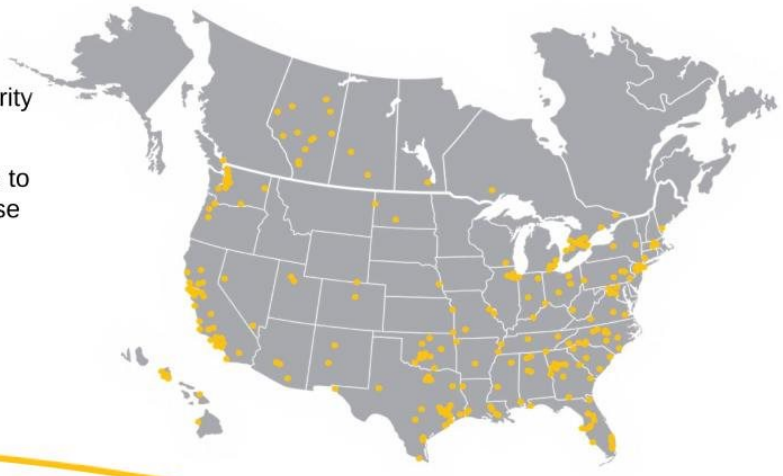


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Expand with Greenfields

Targeted greenfield expansion strategy

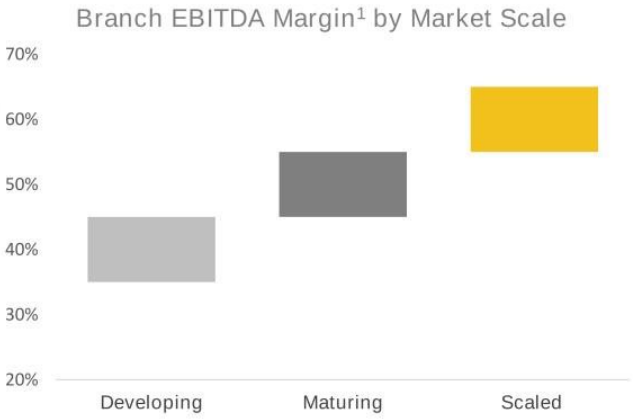
- Optimizing footprint in existing urban markets
- Leveraging existing infrastructure to accelerate maturity of new locations
- Develop specialty on existing real estate and expand to standalone facilities when ready for next growth phase
- 10 to 20 greenfields targeted per year



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Adding Density to Large, Urban Markets Enhances Scale and Profitability





(1) EBITDA margins exclude corporate overhead

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Investing In Fleet & Expansion: New York City Metro Market





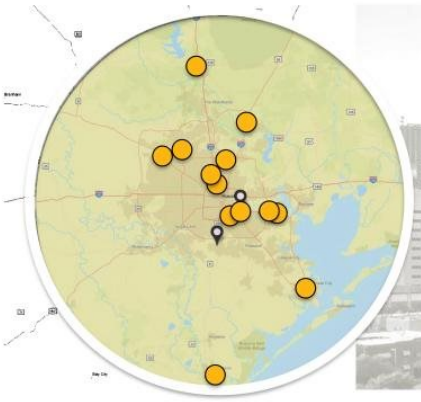
Broad Customer End User Markets

- 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

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Growth with Acquisitions: Houston Market





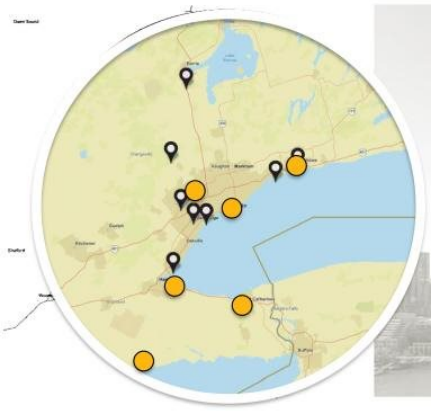
Broad Customer End User Markets

- 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

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Expand Existing Footprint: Toronto Market





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

Broad Customer End User Markets

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

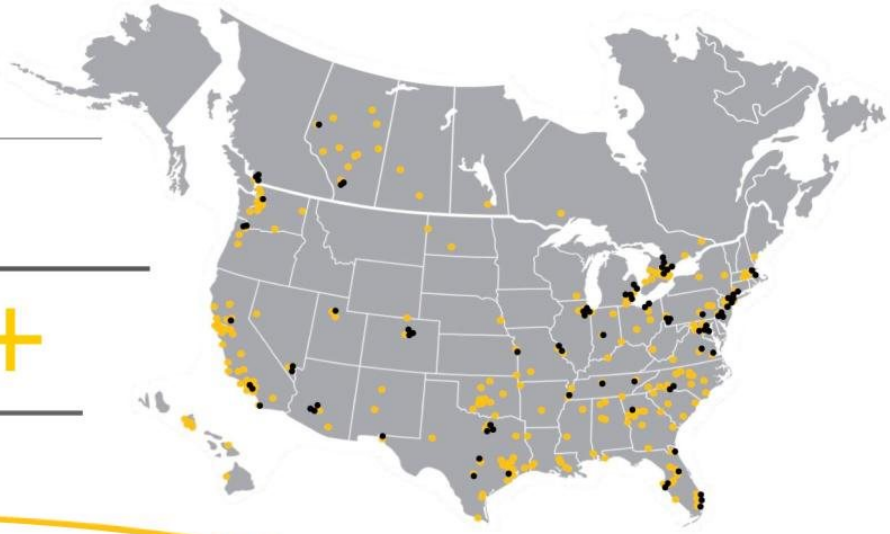
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Expand with Greenfields and M&A

September 2021 **295**

+ ~105

December 2024 **400 +**



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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

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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

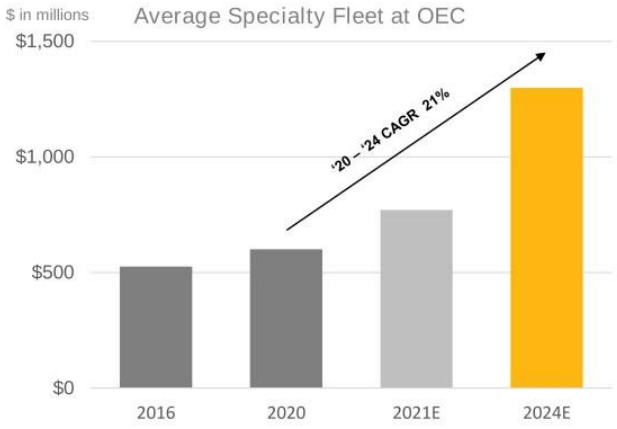
Entertainment Services & Other



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

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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

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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

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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



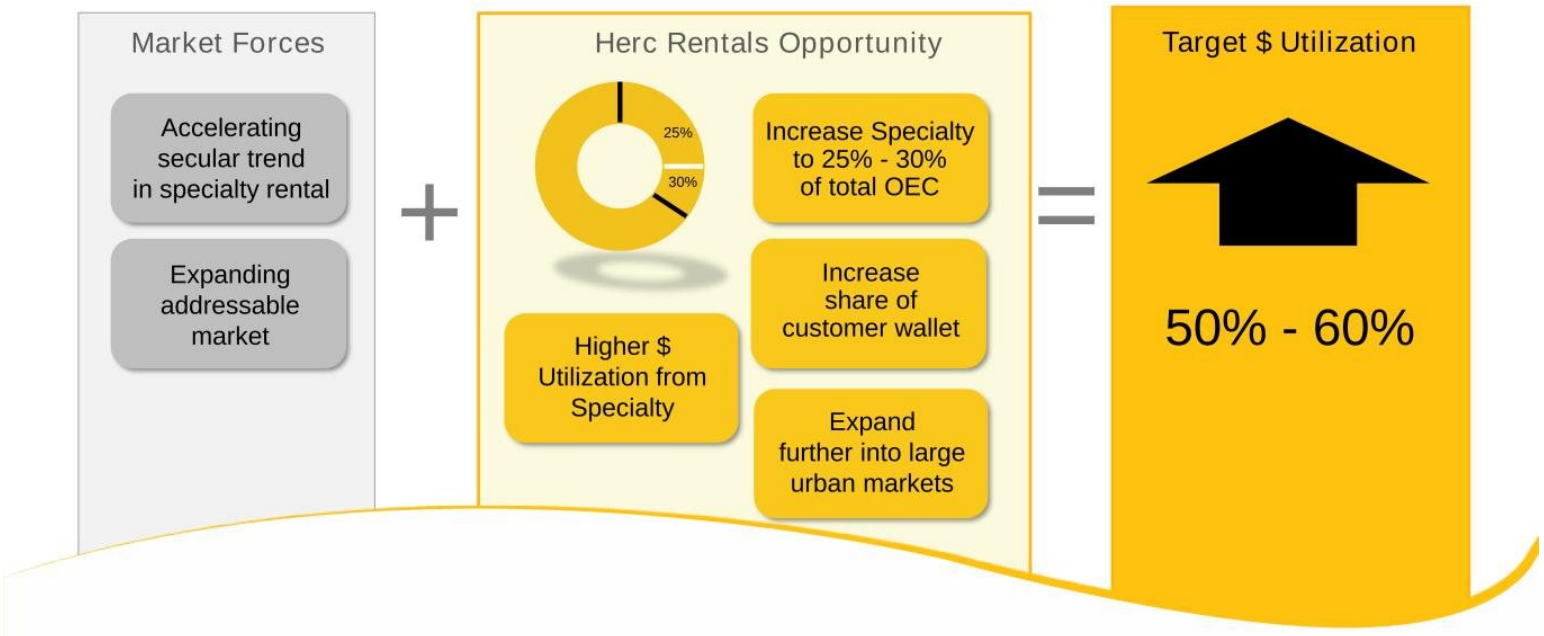
Collaboration

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

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

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Accelerating Specialty Growth Through 2024



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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

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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



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People & Culture



5 Tool MANAGER

- 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

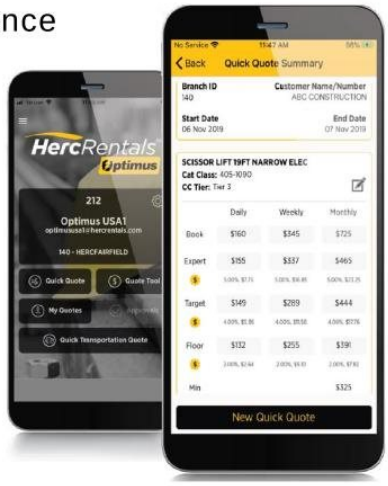
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Optimized Logistics

- 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
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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

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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

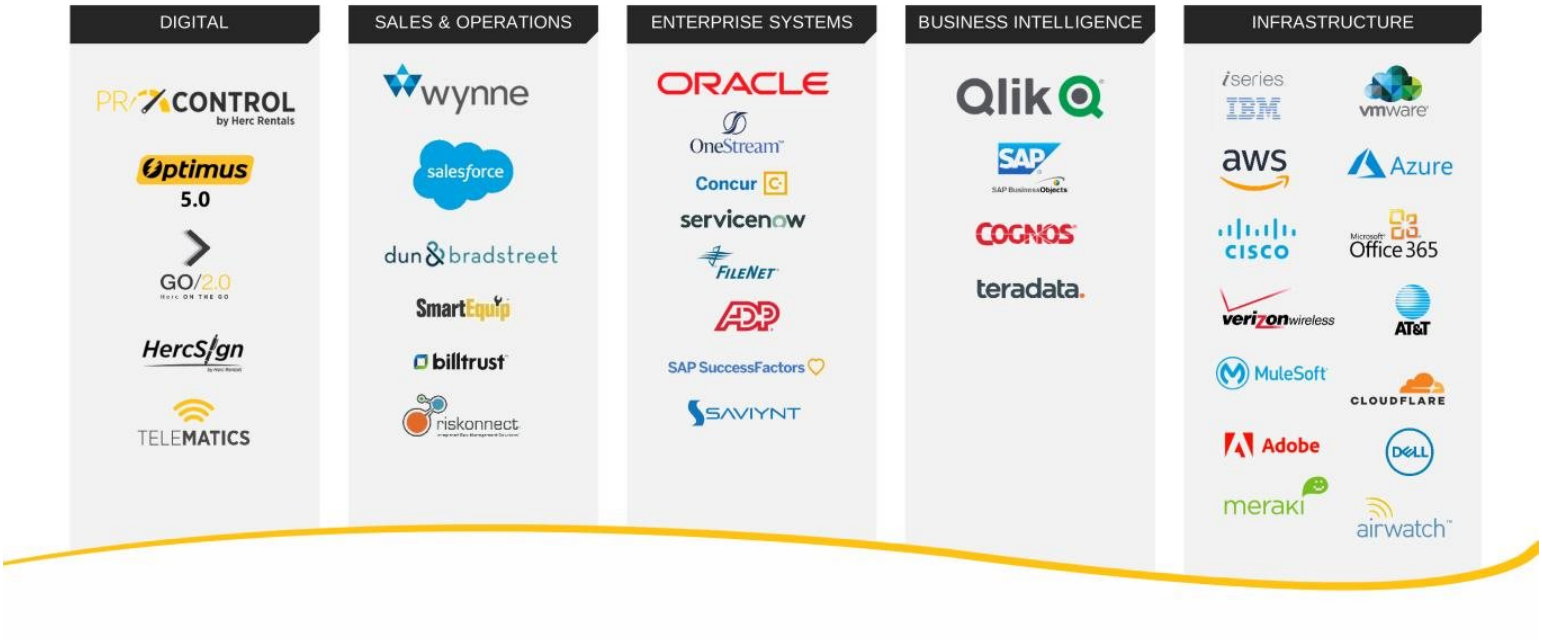
~770K
Assets Rented

~$25B
Revenue

Generating
> 20,000 new
customers
every year

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Continual Investments in the Technology Platform to Enhance the Customer Experience



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Elizabeth Higashi

VP, Investor Relations & Sustainability

NYSE: HRI
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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

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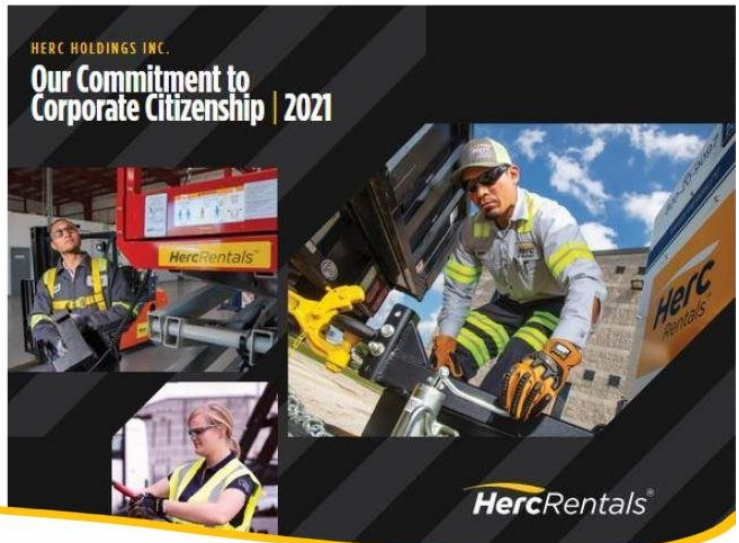
Improvements in Equipment Will Contribute to Reduction of Our Carbon Footprint

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



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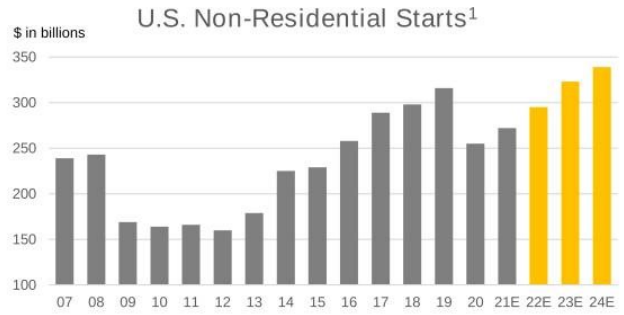


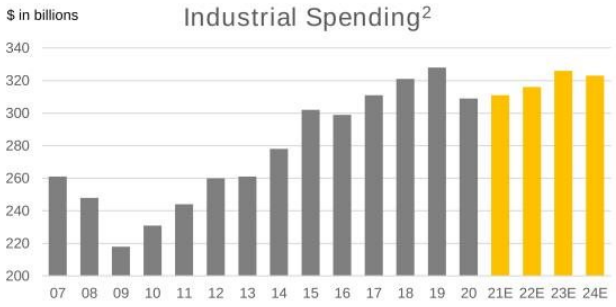
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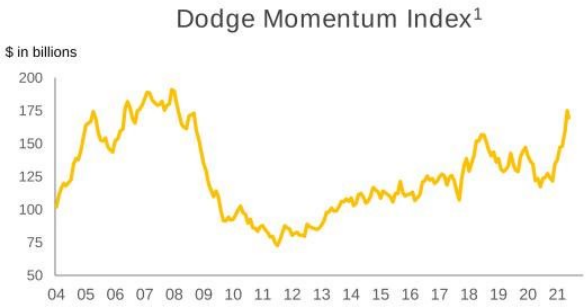
SVP and Chief Financial Officer

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Macro Economic Data Supports Future Growth







- 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

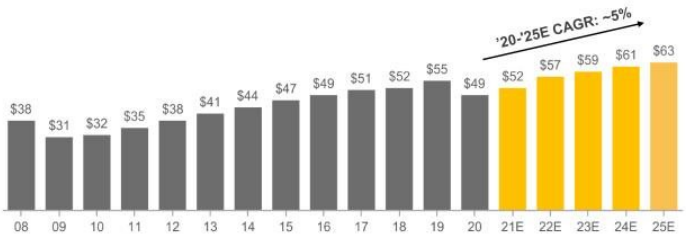
HercRentals®

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

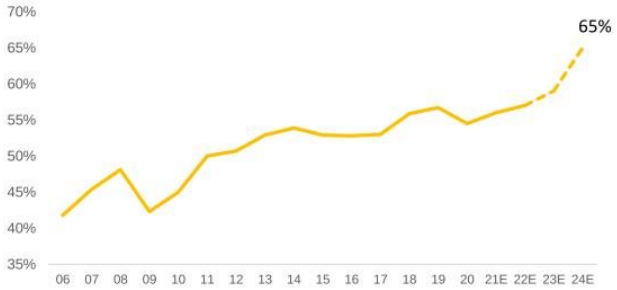
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Taking Advantage of a New Cycle

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

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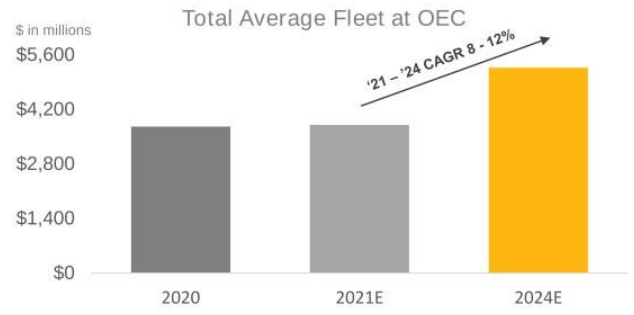
Shifting into High Gear

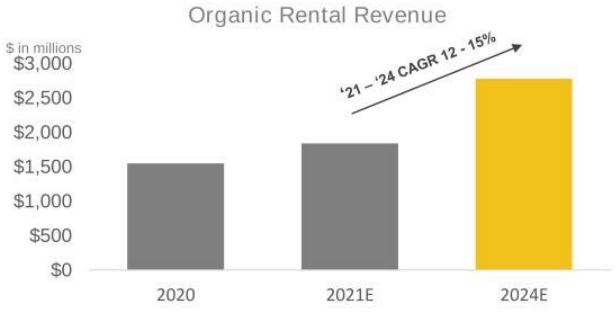
5 Allocate Capital

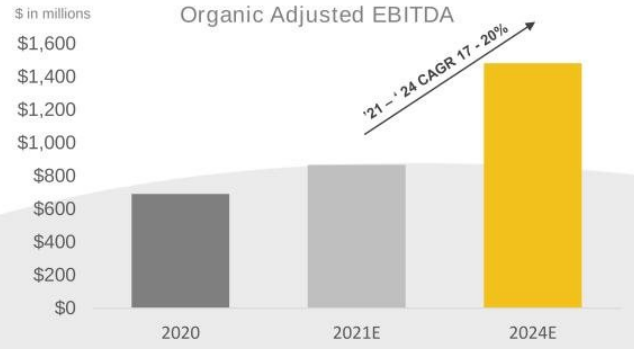
- Investment in fleet growth on existing locations
- Greenfield and M&A expansion
- Return capital to shareholders

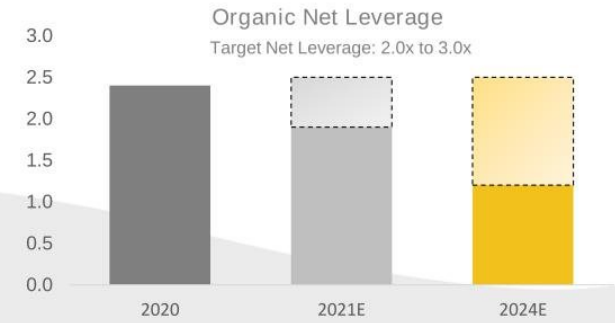
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Organic Growth



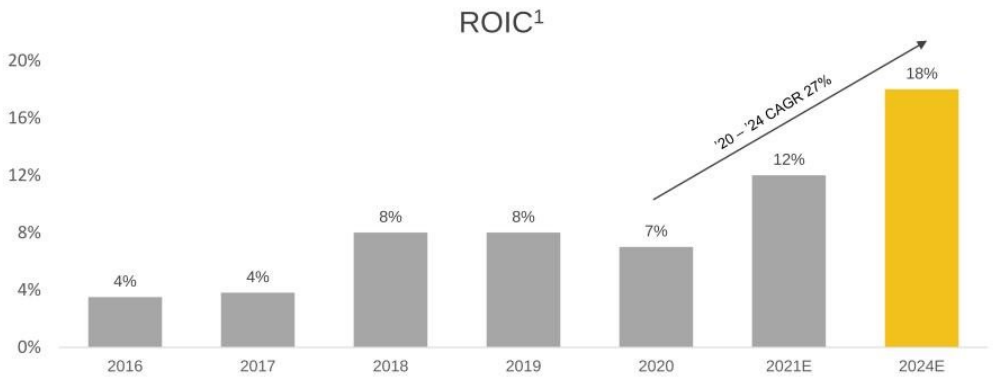






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Growth in Fleet and Revenue Increases ROIC



- 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

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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

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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

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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

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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

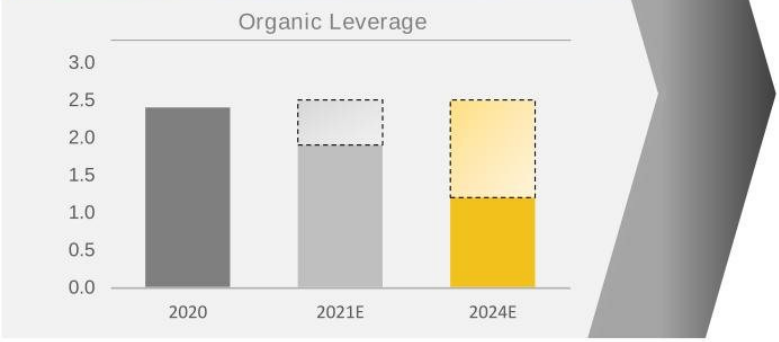
Average fleet:	$223 million
# of locations	19
States & provinces:	Texas, California, Tennessee, Ontario
Total revenues:	$117 million[1]
EBITDA:	$53 million[1]
EBITDA margin:	45%
Total purchase price:	$280 million
EV/EBITDA multiple:	5.3X[2]
Average $ Utilization:	39% vs HRI's 40% in LTM as of Q2 2021

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

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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	Share Repurchase
• EBITDA opportunity of additional $180M + synergy opportunity	• Share price of $130 • Buyback 7.7 million shares or ~ 26% of shares outstanding

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



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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

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Appendix

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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

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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.

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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 %**

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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

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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

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