Shifting Into High Gear



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President and CEO

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Barclays Industrial Select Conference

Miami Beach, FL
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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

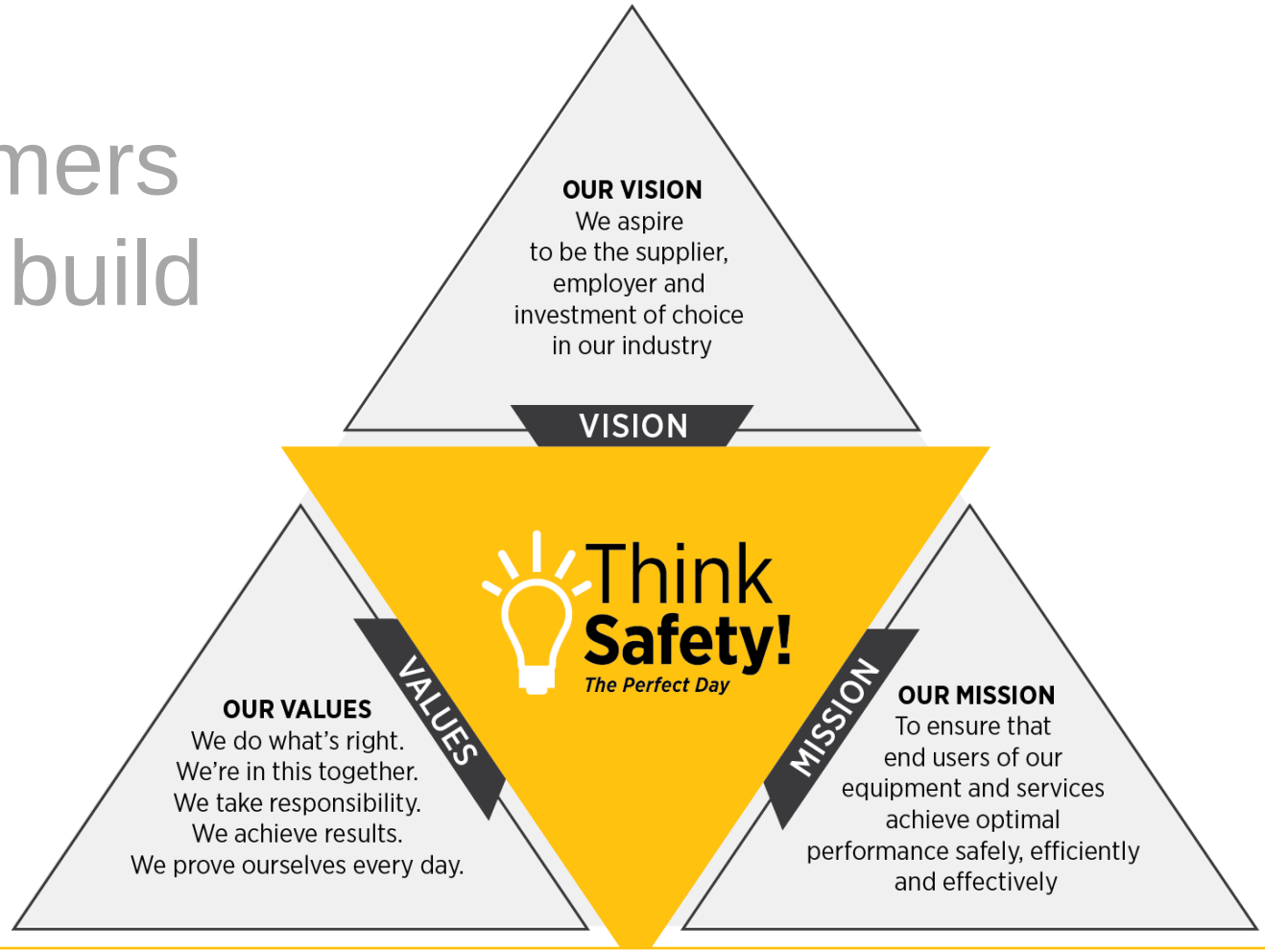
In addition to results calculated according to accounting principles generally accepted in the United States (“GAAP”), the Company has provided certain information in this presentation that is not calculated according to GAAP (“non-GAAP”), such as adjusted EBITDA, and adjusted EBITDA margin. Management 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 refer to the Q4 2022 Earnings Call Presentation appendix at ir.hercrentals.com.

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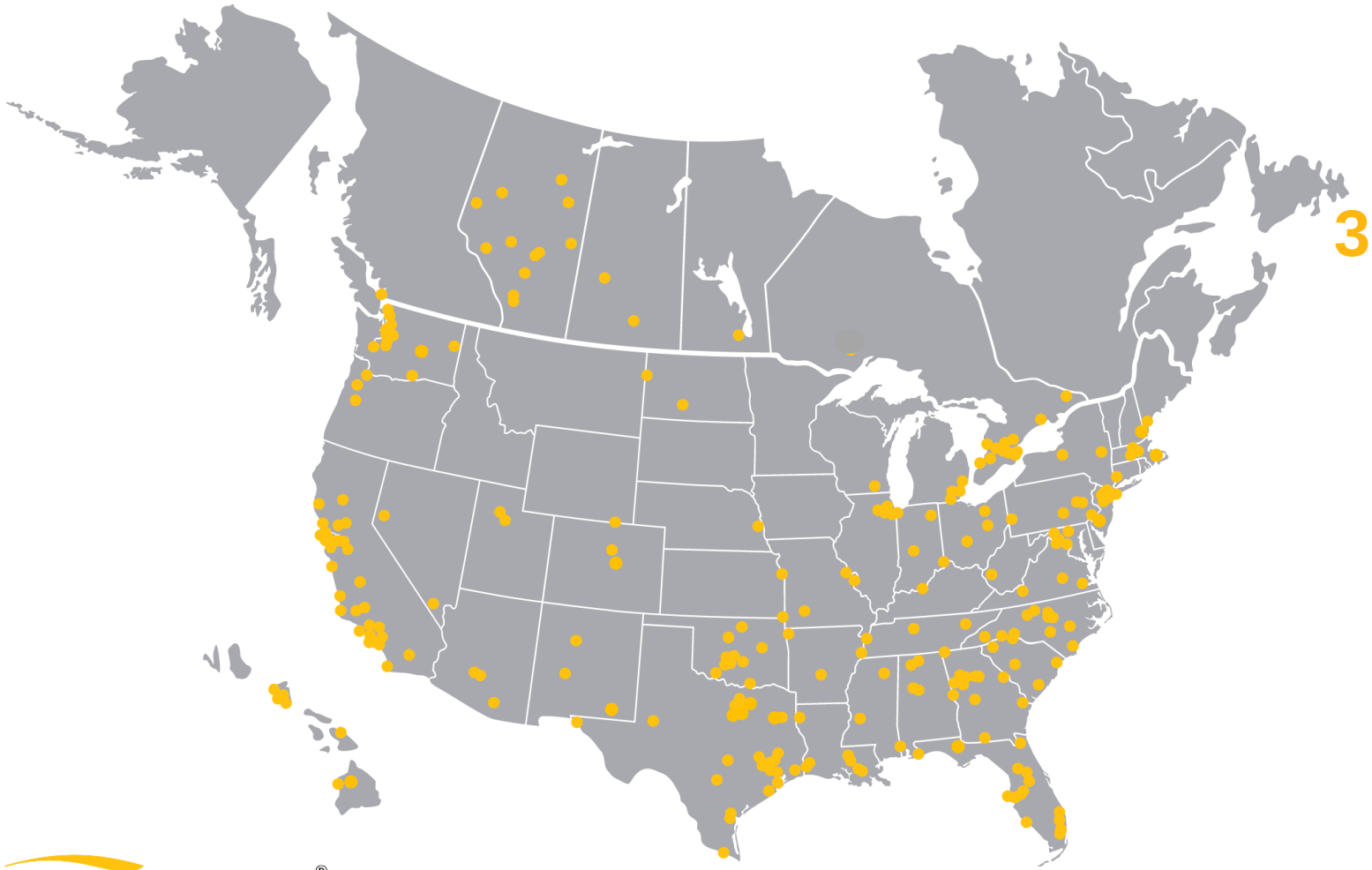
Herc Rentals: A Leading Full-Line Equipment Rental Supplier

We equip our customers and communities to build a brighter future



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Herc Rentals: A Leading Full-Line Equipment Rental Supplier



57 Years serving customers

~3,200 Equipment categories

356 Locations in 42 states and five Canadian provinces[1]

6,600 Employees serving North America

$63 billion addressable market[2]

(1) Location count as of December 31, 2022
(2) ARA estimate of the 2023 North American addressable market as of November 2022

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Executing On Our Strategy and Shifting Into High Gear

1 Grow the Core

- Core fleet growth of 28% in 2022
- Leveraging scale of large urban markets through M&A and greenfields, increase of 50 locations in target markets in 2022

2 Expand Specialty

- Increased high-margin specialty fleet to 24% of total
- Taking advantage of cross selling opportunities by leveraging the increasing density of our branch network

3 Elevate Technology

- Ongoing investment in technology to improve customer experience and operational effectiveness

4 Integrate ESG

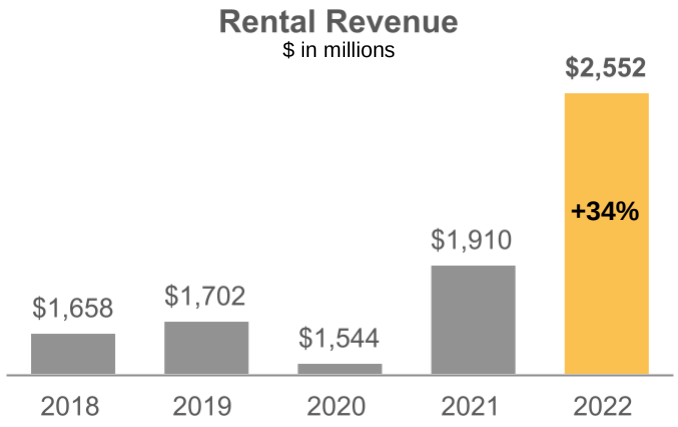
- Improved Safety Total Recordable Incident Rate to best-in-class level
- Earned EcoVadis Silver Award and MSCI "A" Rating
- Achieved Military Friendly® Employer Gold designation

5 Allocate Capital

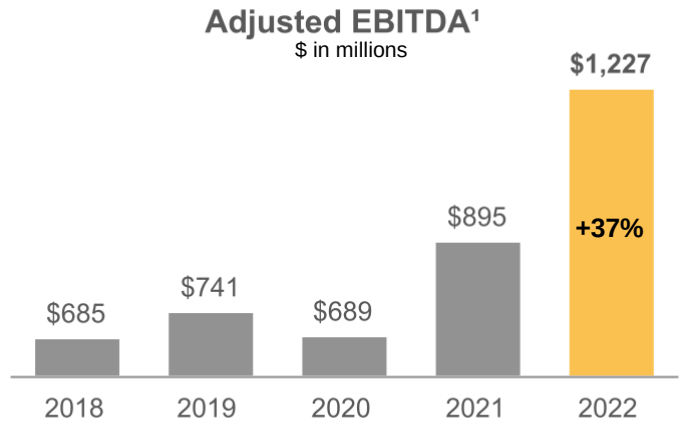
- Net leverage of 2.4x within 2.0x-3.0x range
- Acquired 18 companies in 2022 with a net cash outlay of $515 million
- Quarterly dividend increased 10% to $0.6325, or $2.53 annually
- Repurchased of 1.1 million shares in 2022

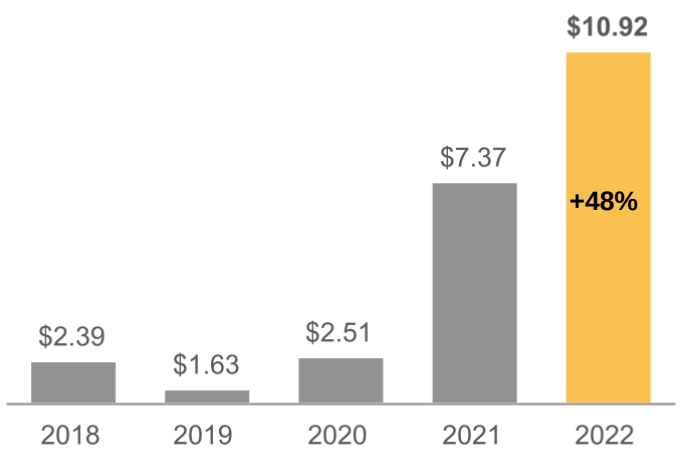
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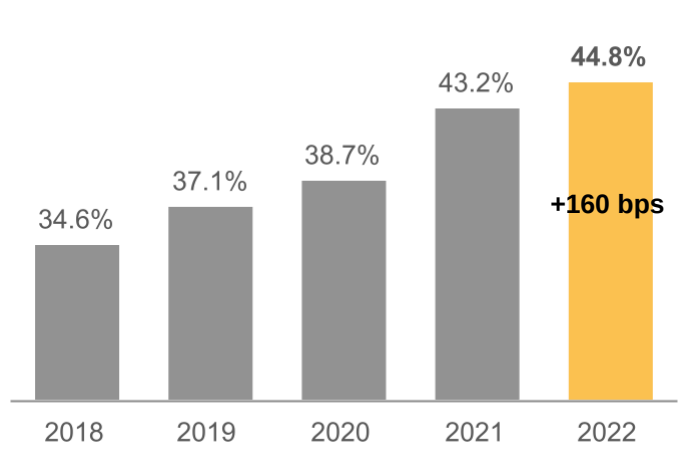
2022: An Exceptional Year of Growth

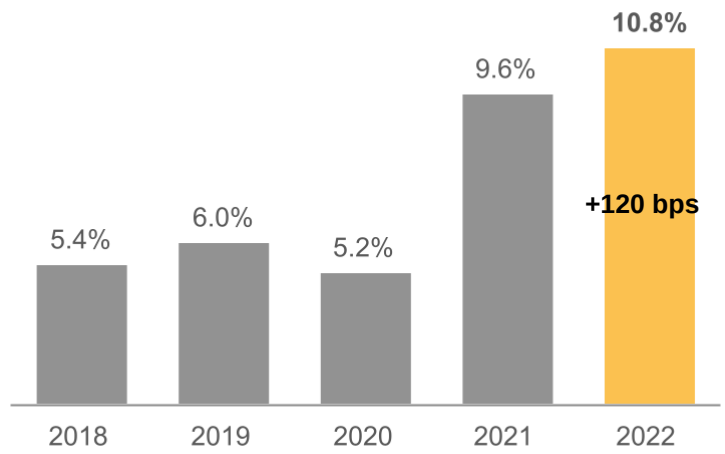












1. For a reconciliation to the most comparable GAAP financial measure, see the Appendix of our Q4 2022 earnings presentation.
2. The company's ROIC metric uses after-tax operating income for the trailing 12 months divided by average stockholders' equity, debt and deferred taxes, net of average cash. To mitigate the volatility related to fluctuations in the company's tax rate from period to period, the U.S. federal corporate statutory tax rate of 21% was used to calculate after-tax operating income.

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2023 Outlook – Outperforming Market Growth

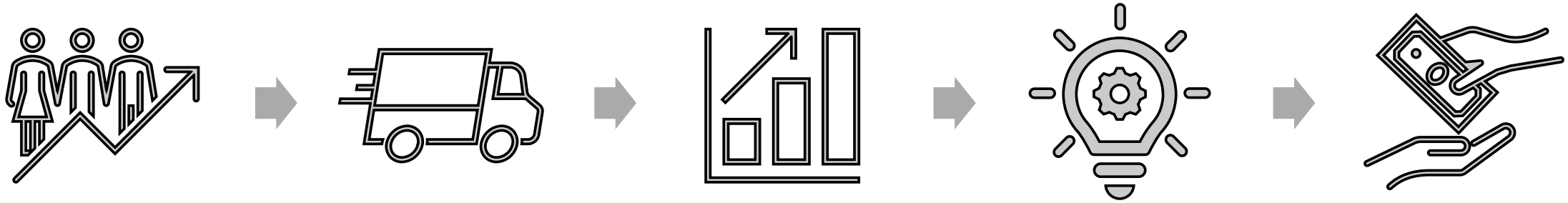
Metric	2022 Actual	2023 Guidance	% Change over 2022
Adjusted EBITDA	$1,227.2 million	$1.45 billion to $1.55 billion	18% to 26%
Net Rental Equipment Expenditures	$1,047.4 million	$1.0 billion to $1.2 billion	(5)% to 15%

Key Assumptions:

- Above-market revenue growth on strong project pipeline, geographic expansion, cross-selling, and accelerating opportunities from mega projects, federal infrastructure funding
- Disciplined focus supports continued pricing improvements
- Fleet sales ramp up
- Used equipment market remains historically strong
- Continued focus on operating leverage to improve margins
- REBITDA Flow Through in 50%-60% range
- Interest expense rises to reflect Fed rate increases and continued M&A funding
- Tax rate ~25%

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HRI Investment Highlights



- Market leader with in-depth industry experience
- Attractive long term industry growth dynamics
- Investing to sustain profitable growth
- Diverse, flexible business model provides resiliency
- Disciplined capital management

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