



First Quarter 2019 Investor Presentation

Managing Key Value Drivers to Maximize Full Cycle Returns



Introductory Information

Unless otherwise specified, the information in this presentation, including forward-looking statements related to our outlook, is as of our most recent earnings call held on April 18, 2019. We make no commitment to update any such information contained in this presentation.

Certain statements in this presentation are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, known as the PSLRA. These statements can generally be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "seek," "on-track," "plan," "project," "forecast," "intend" or "anticipate," or the negative thereof or comparable terminology, or by discussions of vision, strategy or outlook. These statements are based on current plans, estimates and projections, and, therefore, you should not place undue reliance on them. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. Factors that could cause actual results to differ materially from those projected include, but are not limited to, the following: (1) the challenges associated with past or future acquisitions, including BakerCorp and BlueLine, such as undiscovered liabilities, costs, integration issues and/or the inability to achieve the cost and revenue synergies expected; (2) a slowdown in North American construction and industrial activities, which could reduce our revenues and profitability; (3) our significant indebtedness, which requires us to use a substantial portion of our cash flow for debt service and can constrain our flexibility in responding to unanticipated or adverse business conditions; (4) the inability to refinance our indebtedness at terms that are favorable to us, or at all; (5) the incurrence of additional debt, which could exacerbate the risks associated with our current level of indebtedness; (6) noncompliance with covenants in our debt agreements, which could result in termination of our credit facilities and acceleration of outstanding borrowings; (7) restrictive covenants and amount of borrowings permitted under our debt agreements, which could limit our financial and operational flexibility; (8) an overcapacity of fleet in the equipment rental industry; (9) a decrease in levels of infrastructure spending, including lower than expected government funding for construction projects; (10) fluctuations in the price of our common stock and inability to complete stock repurchases in the time frame and/or on the terms anticipated; (11) our rates and time utilization being less than anticipated; (12) our inability to manage credit risk adequately or to collect on contracts with customers; (13) our inability to access the capital that our business or growth plans may require; (14) the incurrence of impairment charges; (15) trends in oil and natural gas could adversely affect demand for our services and products; (16) our dependence on distributions from subsidiaries as a result of our holding company structure and the fact that such distributions could be limited by contractual or legal restrictions; (17) an increase in our loss reserves to address business operations or other claims and any claims that exceed our established levels of reserves; (18) the incurrence of additional costs and expenses (including indemnification obligations) in connection with litigation, regulatory or investigatory matters; (19) the outcome or other potential consequences of litigation and other claims and regulatory matters relating to our business, including certain claims that our insurance may not cover; (20) the effect that certain provisions in our charter and certain debt agreements and our significant indebtedness may have of making more difficult or otherwise discouraging, delaying or deterring a takeover or other change of control of us; (21) management turnover and inability to attract and retain key personnel; (22) our costs being more than anticipated, and the inability to realize expected savings in the amounts or timeframes planned; (23) our dependence on key suppliers to obtain equipment and other supplies for our business on acceptable terms; (24) our inability to sell our new or used fleet in the amounts, or at the prices, we expect; (25) competition from existing and new competitors; (26) security breaches, cybersecurity attacks, failure to protect personal information, compliance with data protection laws and other significant disruptions in our information technology systems; (27) the costs of complying with environmental, safety and foreign laws and regulations as well as other risks associated with non-U.S. operations, including currency exchange risk (including as a result of Brexit), and tariffs; (28) labor difficulties and labor-based legislation affecting our labor relations and operations generally; (29) increases in our maintenance and replacement costs, and/or decreases in the residual value of our equipment; and (30) the effect of changes in tax law. For a more complete description of these and other possible risks and uncertainties, please refer to our Annual Report on Form 10-K for the year ended December 31, 2018, as well as to our subsequent filings with the SEC. The forward-looking statements contained herein speak only as of the date hereof, and we make no commitment to update or publicly release any revisions to forward-looking statements in order to reflect new information or subsequent events, circumstances or changes in expectations.

Note: This presentation provides information about free cash flow, EBITDA, adjusted EBITDA and adjusted EPS, which are non-GAAP financial measures. This presentation includes a reconciliation between free cash flow and GAAP cash from operations, a reconciliation between both adjusted EBITDA and EBITDA, on the one hand, and GAAP net income, on the other hand, a reconciliation between both adjusted EBITDA and EBITDA, on the one hand, and GAAP cash from operations, on the other hand, a reconciliation between adjusted EPS and GAAP EPS and a reconciliation between forward-looking free cash flow and forward-looking GAAP cash from operations. Information reconciling forward-looking adjusted EBITDA to GAAP financial measures is unavailable to the company without unreasonable effort. The company is not able to provide reconciliations of forward looking adjusted EBITDA to GAAP financial measures because certain items required for such reconciliations are outside of the company's control and/or cannot be reasonably predicted, such as the provision for income taxes. Preparation of such reconciliations would require a forward-looking balance sheet, statement of income and statement of cash flow, prepared in accordance with GAAP, and such forward-looking financial statements are unavailable to the company without unreasonable effort. The company provides a range for its adjusted EBITDA forecast that it believes will be achieved, however it cannot accurately predict all the components of the adjusted EBITDA calculation.



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1 Introduction



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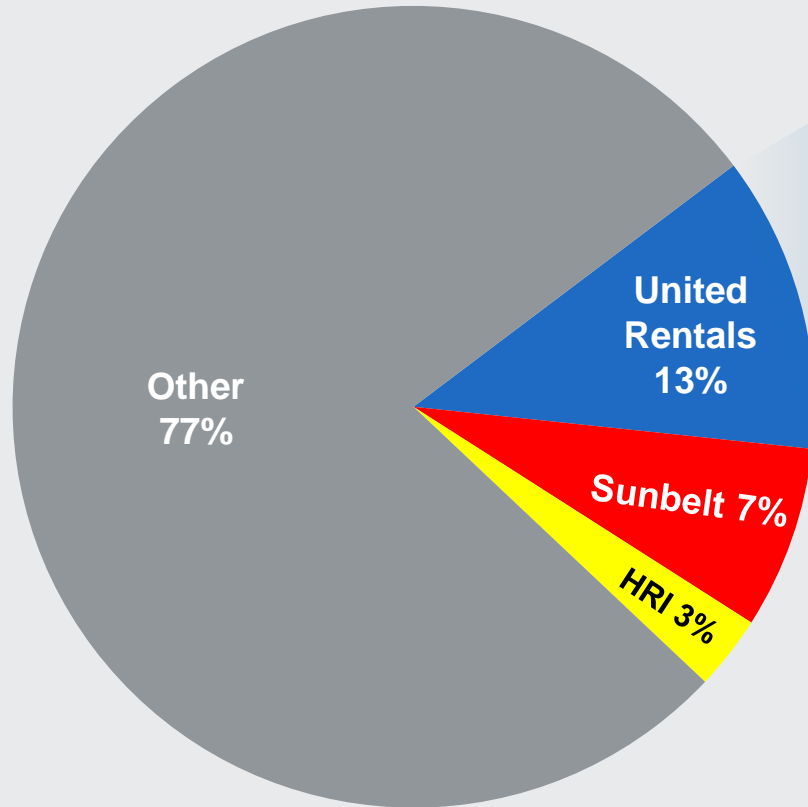




Maximizing value creation across the cycle by balancing growth, margins and free cash flow to drive returns

Aggressive management of key value drivers within our control

Company overview



#1 Market Share⁽¹⁾

- 2018 total revenue \$8.0 billion (+21.2% Y/Y)
- 2018 adjusted EBITDA⁽²⁾ \$3.86 billion (+22.1% Y/Y; 48.0% margin)

1,165 locations across North America⁽³⁾

- 1,021 branches in the U.S.; locations in 49 of 50 states
- 144 branches in Canada; locations in all 10 provinces

\$14.1B of fleet comprised of ~655,000 units⁽⁴⁾

Highly diversified product and end-market mix

Team of approximately 18,600 employees⁽³⁾

United Rentals is the North American equipment rental leader

(1) North American market share is based on 2018 rental revenues, including pre-acquisition BakerCorp and BlueLine revenues, and ARA industry estimates.

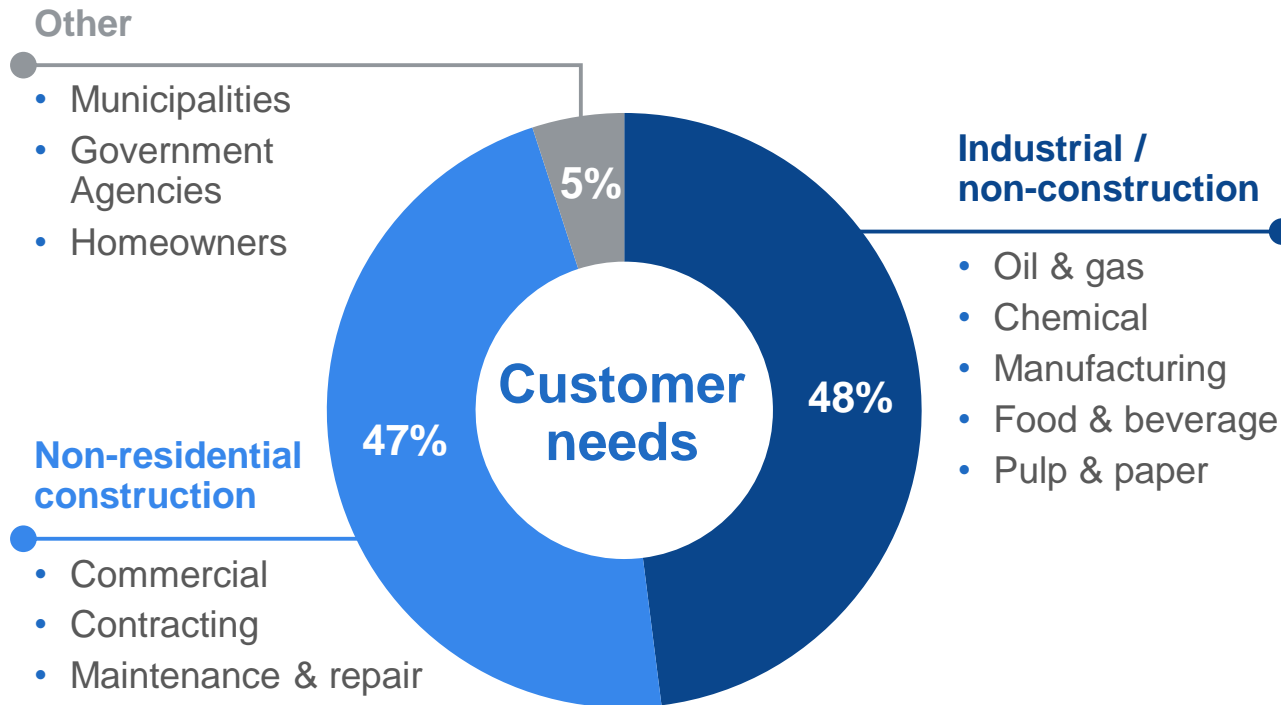
(2) Adjusted EBITDA is a non-GAAP measure. See the tables provided elsewhere in this presentation for reconciliations to the most comparable GAAP measures.

(3) As of March 31, 2019. Excludes 11 European branches in France, Germany, the United Kingdom and the Netherlands. Total branch count 1,176.

(4) As of March 31, 2019. Average fleet age 49.3 months.

Our customers and the benefits of renting vs. owning

Customer Mix*



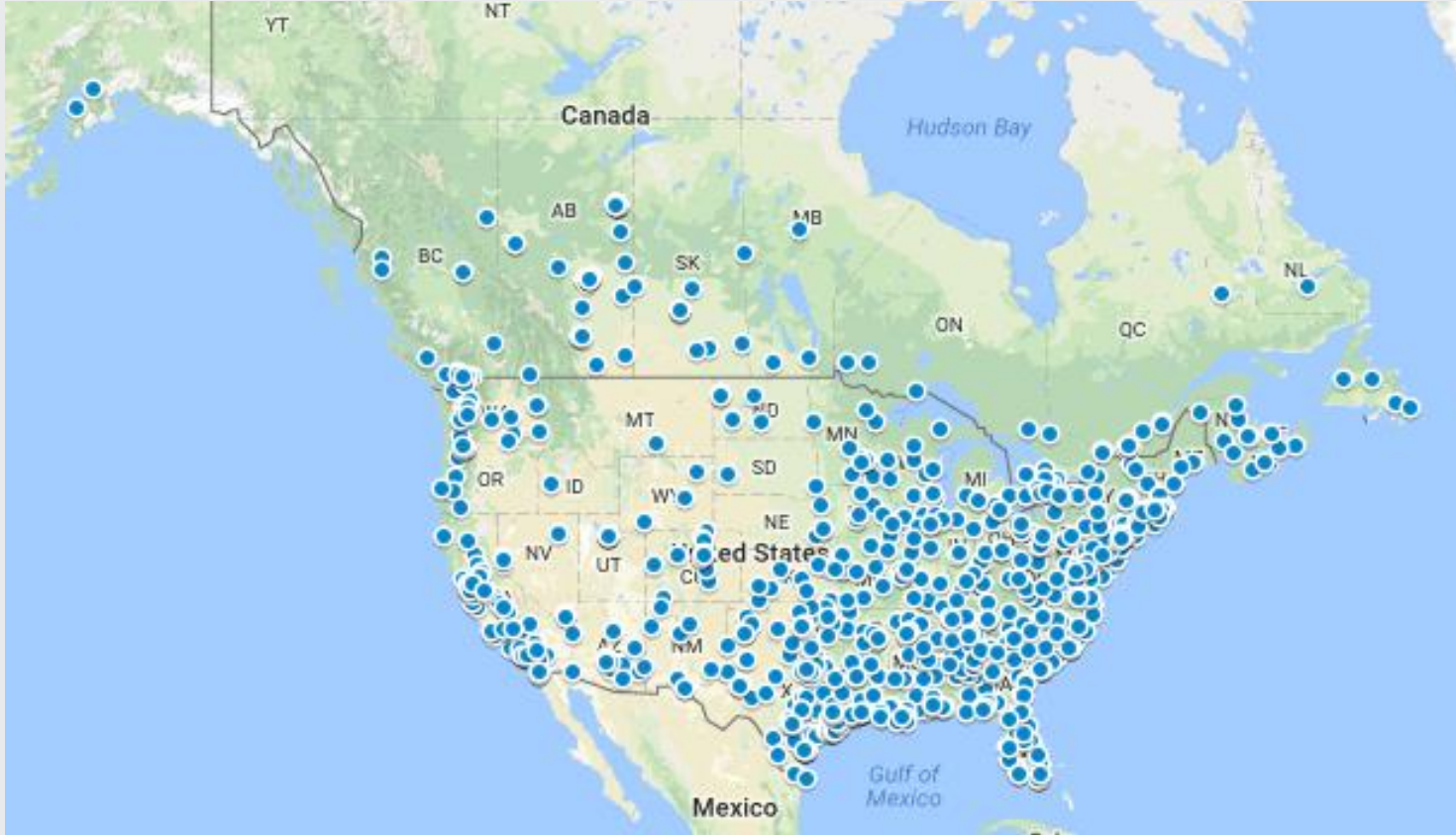
Why Customers Rent Instead of Buy

- Manage risk
- Control expenses and inventory
- The right equipment for any job
- 24/7 customer care
- Save on storage/warehousing
- Reduce downtime
- No need for maintenance
- Save on disposable costs
- Equipment tracking
- Conserve capital

Despite diverse needs, customers derive many benefits from renting

*Note: Based on 2018 rental revenue, which excludes BlueLine and BakerCorp.

Branch locations



North American branch count 1,165⁽¹⁾

- General Rentals: 835 locations
- Specialty: 330 locations⁽²⁾

Largest U.S. states by number of locations⁽¹⁾

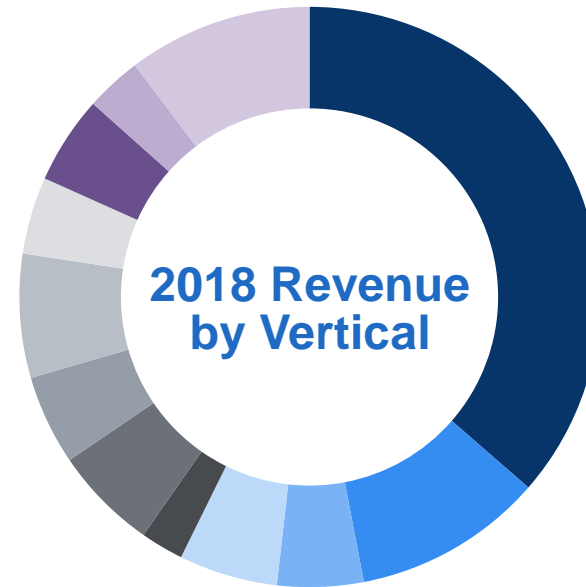
- Texas: 157
- California: 105
- Florida: 64
- Louisiana: 47
- Georgia: 41

Largest and broadest footprint in North America

(1) As of March 31, 2019, 1,165 locations in North America and 11 in Europe, for total branch count of 1,176.

(2) Specialty includes Tools locations that are part of our General Rentals reporting segment.

Diverse end-market exposure

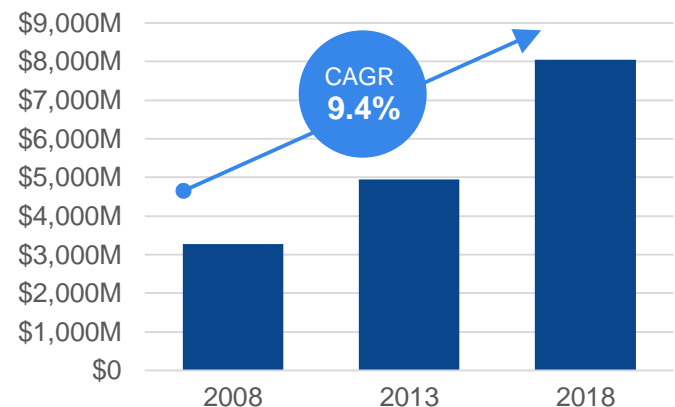


- Non-Res Construction
- Infrastructure
- Residential
- Upstream O&G
- Midstream O&G
- Downstream O&G
- Chemical Processing
- Power
- Industrial Manufacturing
- Metals & Minerals
- Consumer-related
- All Other

Broad customer base helps reduce volatility

A decade of continued financial improvement...

Total Revenue



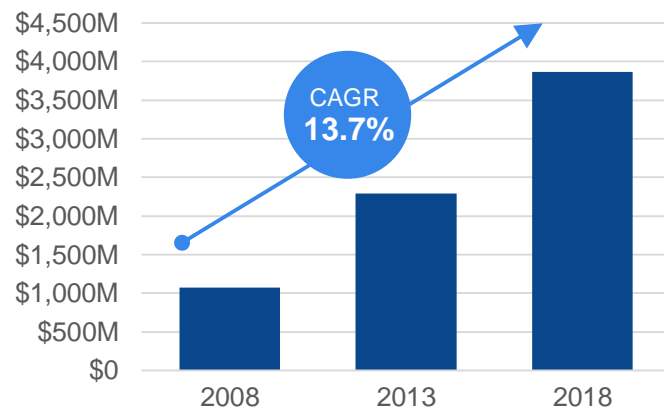
Strong revenue growth

- Trailing 5-year CAGR: +10.2%
- Trailing 10-year CAGR: +9.4%

Improved diversification

- Increased industrial exposure
- Increased non-cyclical specialty exposure

Adjusted EBITDA⁽¹⁾



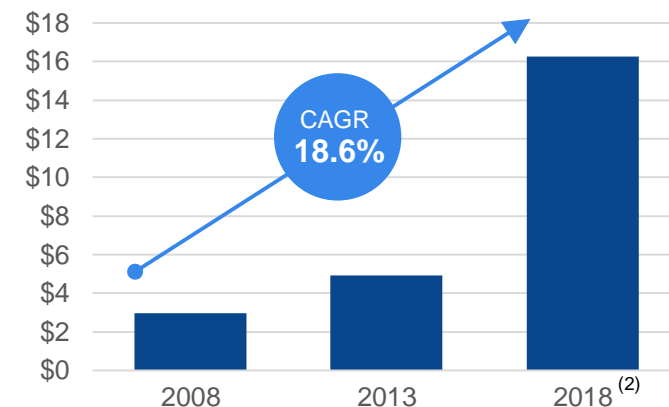
Powerful EBITDA growth

- Trailing 5-year CAGR: +11.0%
- Trailing 10-year CAGR: +13.7%

Sharply higher margins

- Adj. EBITDA margins almost +200 bps vs. 2013
- Adj. EBITDA margins up over 1,500 bps vs. 2008

Adjusted EPS⁽¹⁾



Meaningful EPS growth

- Trailing 5-year CAGR: +27.1% vs. +7.2% for the S&P 500 over the same period
- Trailing 10-year CAGR: +18.6% vs. +11.6% for the S&P 500 over the same period

Tax reform to materially benefit future EPS

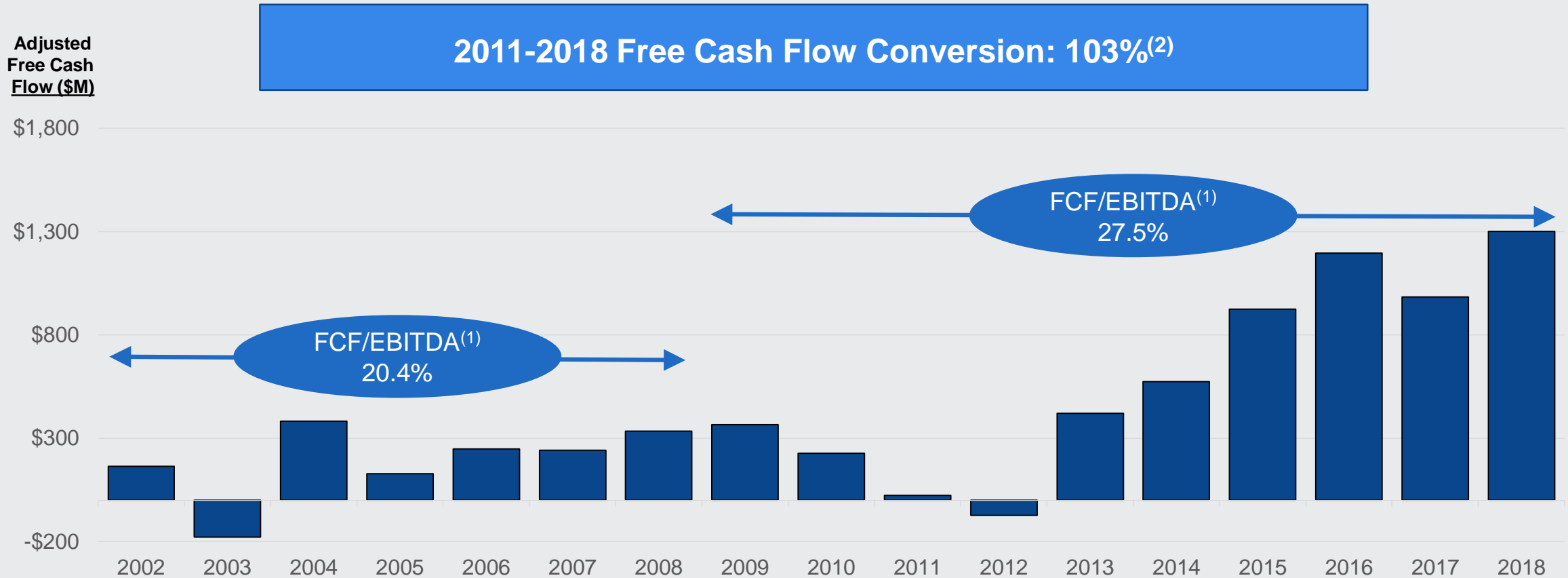
Ongoing transformation of the company's financial performance

Notes:

(1) Adjusted EBITDA and Adjusted EPS are non-GAAP measures. See the tables provided elsewhere in this presentation for reconciliations to the most comparable GAAP measures.

(2) 2018 reflects a reduction in the U.S. federal corporate statutory rate from 35% to 21% as a result of the Tax Cuts and Jobs Act (the "Tax Act") enacted in December 2017, which contributed \$2.92 of adjusted EPS in 2018.

...that has ultimately been reflected in free cash flow



Durable Free Cash Flow generated throughout the cycle

(1) Free Cash Flow (FCF) and EBITDA are non-GAAP financial measures. See the Appendix for reconciliations to the most comparable GAAP measures for 2009-2018.

(2) Reflects average annual adjusted free cash flow relative to reported net income with 2017 net income adjusted to exclude tax reform benefits.

Driving and extending our competitive advantages

- Company transformed to be considerably more profitable and efficient
- Operations, technology and culture differentiate us, and make us far more agile
- Diversified end market exposure across customers, verticals and geographies
- Strong balance sheet and robust cash generation with disciplined approach to smart capital allocation provide powerful optionality
- Focused on balancing growth, margins, returns and FCF to maximize long-term value creation for our shareholders



Operating model supports self-reinforcing growth, margins, returns and cash generation

2 End-market overview

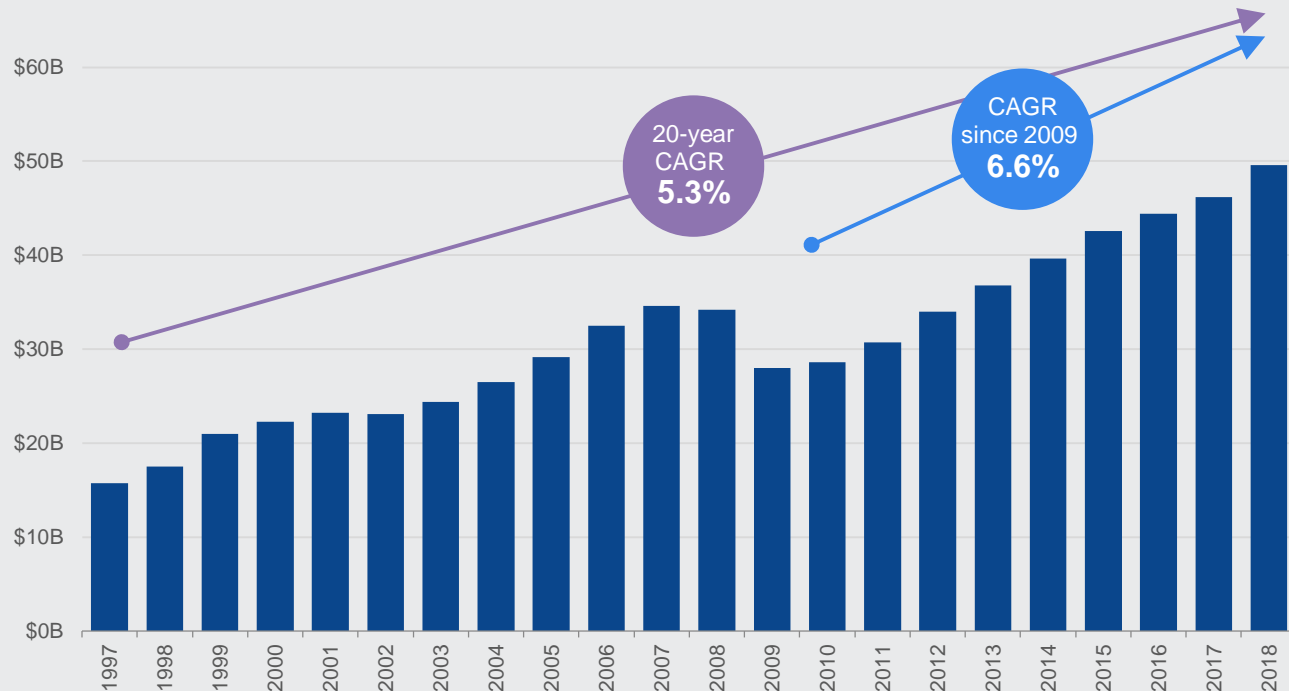


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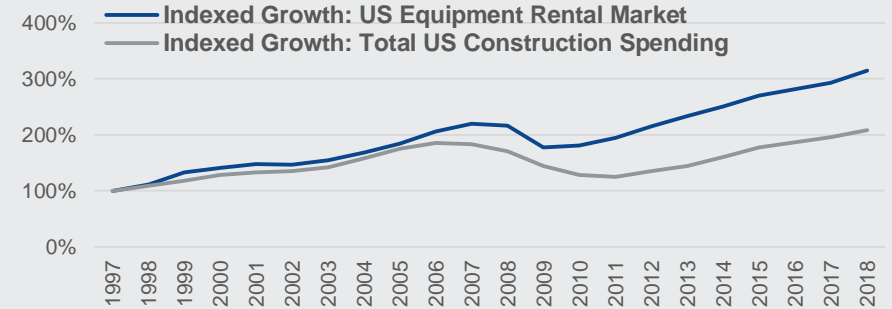


U.S. equipment rental industry overview

Combined U.S. General Rental and Construction & Industrial Equipment Rental Market Size (\$bn)

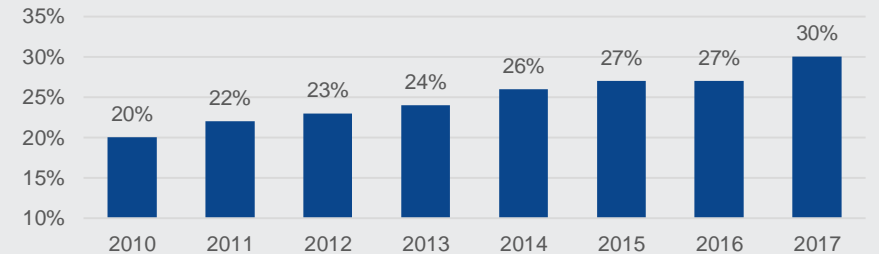


The U.S. equipment rental market has outgrown its underlying market by over 50% in the last 20 years



Largest players capturing a growing share of the U.S. equipment rental market

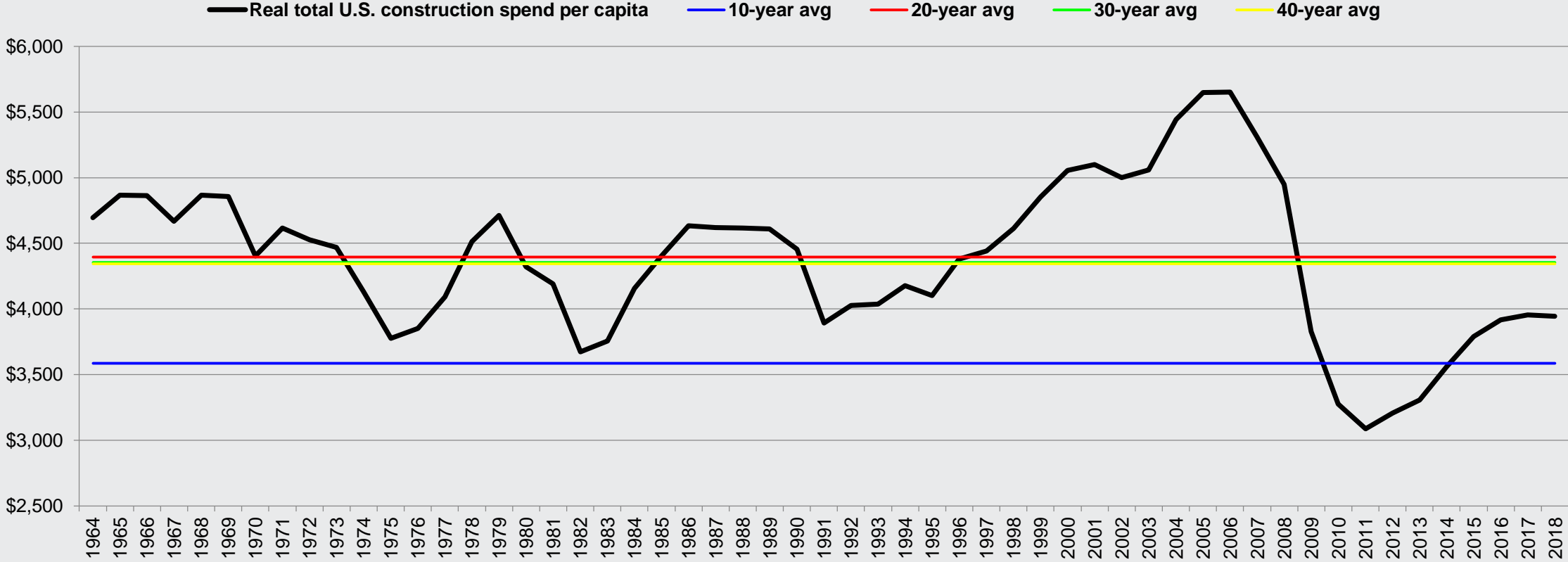
Top 10 U.S. Rental Companies as % of Total Industry Revenues



Equipment rental value proposition continues to drive secular penetration

Sources: Company reports, ARA, RER, and U.S. Census Bureau (based on most current data available)

Real total U.S. construction spending climbing...



...Yet U.S. construction investment remains below long-term average

Sources: U.S. Census Bureau

Consensus forecast for U.S. construction put-in-place

Percent Change	Year-over-Year	
	2019	2020
Commercial Total	+3.5%	+0.6%
Office	+5.1%	+1.2%
Retail and Other Commercial	+1.9%	+0.4%
Lodging/Hotel	+3.9%	-0.7%
Industrial Total	+4.8%	+2.7%
Institutional Total	+4.8%	+2.9%
Healthcare	+4.0%	+3.6%
Education	+5.5%	+4.1%
Non-Residential Total	+4.4%	+2.4%
Consensus High	+6.3%	+4.5%
Consensus Low	+3.0%	-0.9%

Growth expected through at least 2020

Source: American Institute of Architects (most recent forecast as of April 2019).

Note: Includes Dodge, IHS Economics, Moody's Economy, FMI, CMD, Associated Builders & Contractors and Wells Fargo Securities.

3 Company overview



Strategic evolution over 20+ years

1997–2008

Become a market leader



1997: Founded / IPO



1998–2001: Becomes the largest equipment rental company in North America through ~250 acquisitions



2002–2008: Strong organic growth in powerful up cycle

2009–2013

Optimize scale, diversify, and drive profitable growth



2009: Increased focus on customer service and improving returns through financial and operating discipline



2009–2011: Introduction of Operation United; focused on process improvements to streamline branch operations & logistics



2012–2013: Acquisition and integration of RSC

2014–present

Building on and transforming the Core



Continued build-up of GenRent platform



Increased focus on Specialty business to increase returns and reduce volatility through cross-selling



Development of services businesses and solutions to increase customer relevance and competitive differentiation



Launch of digital capabilities to better serve customers and support internal efficiency

Growth and margin opportunities

Revenue Related

- ✓ Capitalize on ongoing secular shift towards rental over ownership
- ✓ Leverage cross-selling to capture more wallet share and maximize cyclical growth
- ✓ Evolve sales strategies and asset base to better serve customers and capture secular opportunities (infrastructure, digital, etc.)
- ✓ Differentiate services through new technologies and accelerated innovation
- ✓ Smart M&A

Cost and Margin Related

- ✓ Further leveraging of LEAN
 - Optimization of operating costs (COR & SG&A)
 - Continual improvement of labor productivity
- ✓ Fixed cost leverage via organic and M&A growth
- ✓ Mix shift as Specialty outpaces total growth
- ✓ Product and customer mix
- ✓ Further leveraging of technology and systems

Optimizing growth and margins to maximize value creation

People & culture as differentiating assets

- **Highly engaged, committed and diverse workforce**
 - Very strong engagement across all categories inline or better-than Towers Watson US High Performing Company Benchmark
 - Industry leading low-turnover rate, which helps drive better customer experience via continuity, consistency, and lower costs
 - Multiple internal communications platforms ensure active 2-way dialogue (town-halls, social media platform, all-employee calls, branch visits, etc.)
 - Diversity embraced top to bottom with measurable goals and achievement across key groups including Women United, Together United and Veteran's United
- **Strong commitment to supporting each other**
 - High participation in employee-managed 501(c)(3) United Compassion Fund which provides financial assistance to those in need
 - Over \$1.5 million already allocated to United Rentals' employees and families in need
- **Strong supporter of Veteran Groups**
 - Over 10% of workforce is made up of U.S. and Canadian veterans
 - Nationally recognized military friendly employer
 - #7 ranked company on G.I. Jobs list for top 100 Military Friendly Employers & #2 for Military Friendly Spouse Employers
- **Excellent employee-generated ratings via independent assessments**
 - Peer-best ratings on Glassdoor across key categories including Overall Rating, Recommend to a Friend, CEO Approval, Career Opportunities, etc.
 - Named to Forbes 2018 global list of "World's Best Employers"

Strong, diverse and committed team of ~18,600 employees

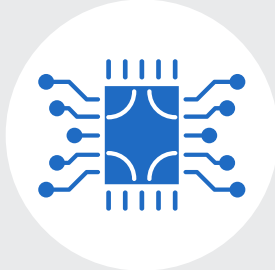
Competitive positioning aided by structural advantages



Size, Breadth and Diversity of Fleet



Benefits of Scale, Scope & Diversification



Investments in Technology



Strong Balance Sheet + Cash Flow



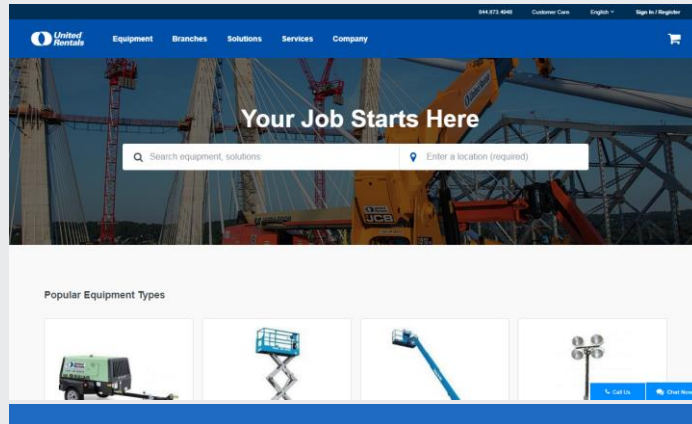
Strong Culture Focused on Customers & Shareholders



Proven Management Team

Focus on driving and extending our leadership position

Online digital strategy and results

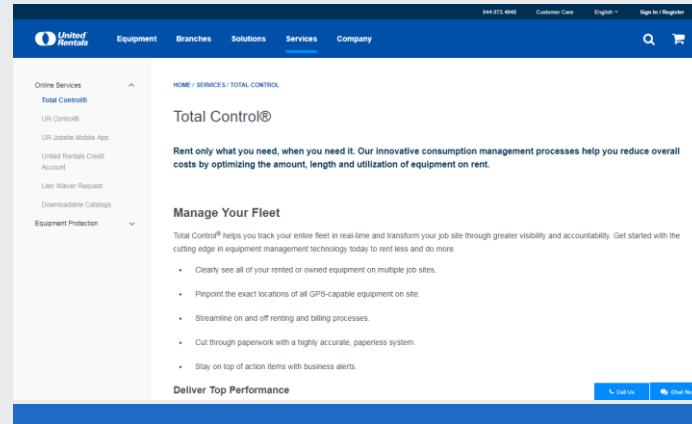


Attract new customers

- Convenience
- Availability
- Flexibility

31,000 new customers gained via digital commerce in 2018

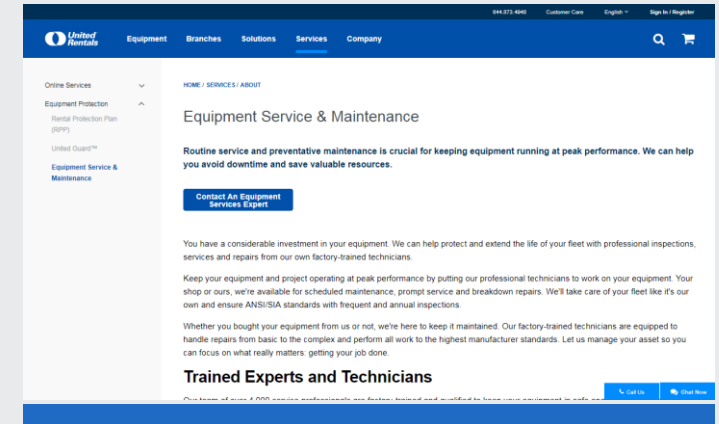
Note: Data presented on an annual basis only.



Accelerate new business

- Simplified experience
- Full visibility
- Audit Trail

Digital commerce revenue +45% in 2018



Extend service offerings

- Telematics
- Training
- Integration
- Consumption

1,000+ customer benchmark assessments performed in 2018

Total Control[®]: Adoption Continues to Grow and Deepen

TC Feature Highlights

- Rental Fleet Management
- Find My Fleet
- Invoices and bill pay
- Reporting and KPI metrics
- Advanced Project Tracking
- GPS Alerts
- Technology integrations, e.g., SAP[®]

Customer Growth 2018

<u>TC CUSTOMERS</u>	
Revenue	\$1.8 billion
Total Accounts	9,380
<u>REVENUE GROWTH</u>	
TC Customers	+39%
Same Customers	+18%

User Adoption 2018

“Calls for Pick Up” via TC and Digital Solutions	+32% YoY
Reservations Placed Digitally via TC	+30% YoY

Providing tangible value for customers and building loyalty for United Rentals

Telematics & FAST

Telematics & Related Technologies

- Internal Benefits:
 - Performance monitoring and service alerts
 - More efficient location and pick-up capabilities
 - Overtime and revenue recovery
- Customer Benefits:
 - Visibility into equipment utilization
 - Ability to more easily locate equipment
 - Billing and Account access
 - Fuel alerts

Field Automation Systems & Technologies (FAST)

- Internal Benefits:
 - Increased driver and dispatcher productivity
 - Improved fleet efficiency
 - Reduced fuel consumption
 - Safety benefits
 - Environmental benefits

Using technology to drive greater efficiencies and improve customer experience

Investing in Specialty services



Trench Safety

- Excavation support solutions, confined space entry equipment and customer training
- Used for construction, utility installs, manhole work, and other underground applications



Power & HVAC

- Complete solutions for mobile power and air flow
- Used for disaster response, plant shut downs, commercial renovations, and seasonal climate control



Fluid Solutions

- Full range of equipment to contain, transfer, and treat fluids
- Used by municipalities, industrial plants, and mining, construction, municipal and agri-business customers



Tool Solutions

- Tool trailers stocked with hoisting, torquing, pipe fitting, and air tools
- Used during refinery and other industrial shutdowns, and also at large construction sites

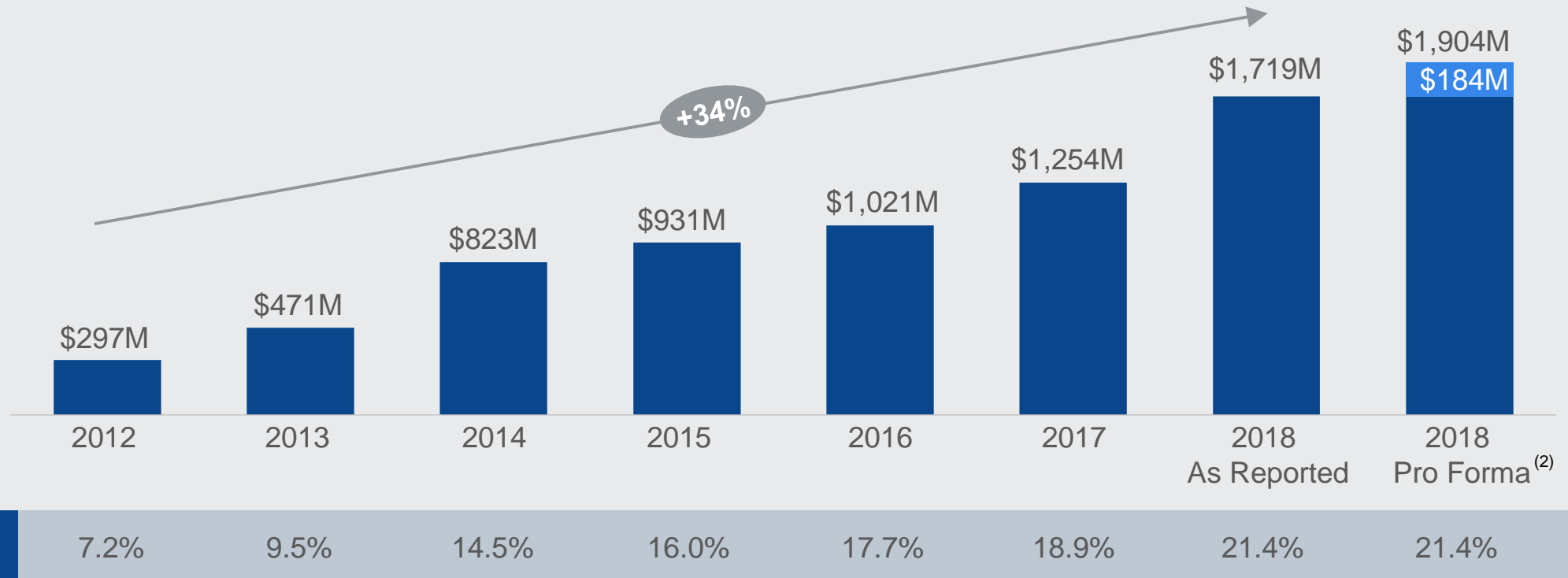


Onsite Services

- Plastic port-a-potties, luxury restroom trailers, sinks, and showers
- Core rental item used across all types of special events, construction sites, and industrial projects

Aggressive growth in Specialty improves returns with reduced volatility

Specialty provides strong growth opportunities⁽¹⁾



Specialty represented ~21% of total revenue in 2018 on a path to a \$2 billion+ target

(1) Tool Solutions was added in 2013 and Fluid Solutions was added in April 2014.

(2) 2018 pro forma includes full-year impact of BlueLine and BakerCorp acquisitions.

Note: Data includes 1) Fluid Solutions, Trench Safety and Power & HVAC and 2) Reliable Onsite Services and Tools revenues, which are included in our General Rentals reporting segment.

Capital allocation strategy



Manage Leverage

- Target leverage range over the cycle of 2.5x–3.5x
- Net leverage⁽¹⁾ of 2.9x at March 31, 2019
- Credit ratings:
 - S&P: BB
 - Moody's: Ba2



Invest in Growth



Organic

- Continued organic investments to support growth and boost productivity.
- Opened 30 specialty branches in 2018. Anticipate opening 27 stores during 2019.



M&A

- Balance sheet strategy creates flexibility to pursue strategic assets as opportunities arise.
- Acquisition of National Pump in 2014 and BakerCorp in 2018 expanded specialty.
- Acquisitions of NES and Neff in 2017 and BlueLine in 2018 to support our 'grow the core' strategy.



Return Excess Cash to Stockholders

- \$1.25 billion repurchase program commenced in July 2018. \$630 million purchased through March 31, 2019.
- Since 2012, United Rentals has returned \$3.08 billion to shareholders, representing 31% of total issued shares.

Disciplined, prudent, efficient, and opportunistic approach to capital allocation

(1) Leverage ratio calculated as total debt, net of cash, excluding original issuance discounts, premiums, and deferred financing, divided by adjusted EBITDA.

M&A strategy: Disciplined and opportunistic



Strategic

- Proactively supports growth in attractive markets
- Difficult to replicate organically
- Access to new customers
- Enhance cross-selling
- Best practice adoption
- Geographic coverage
- Diversification



Financial

- Invest capital at attractive returns over cycle
 - Revenue growth
 - Margin opportunities
 - Manage leverage
 - Internal Rate of Return
 - ROIC
 - Volatility



Cultural

- Safety
- Talent
- Ethics and integrity
- Management philosophy
- Customer focus
- Community

Proven integration capabilities are a key advantage in realizing greater value from M&A

Record of value creation through M&A

RSC (2012)	National Pump (2014)	NES (2017)	Neff Rentals (2017)	BakerCorp (2018)	BlueLine (2018)
<ul style="list-style-type: none"> • Size: \$4.2B transaction value (cash and stock) • Type: 'Grow-the-core' gen rent acquisition • Rationale: Positions URI as leader in North American rental industry • Value: Targeted \$200M cost savings from branch consolidation and overhead rationalization <ul style="list-style-type: none"> • Exceeded initial cost savings estimates - Raised target to \$230M - \$250M 	<ul style="list-style-type: none"> • Size: \$780M transaction value (cash) • Type: Specialty adjacency in the pump rental sector • Rationale: Expand offerings in higher margin / return assets • Value: Delivered on growth thesis by capitalizing on cross-selling opportunity <ul style="list-style-type: none"> • Secured foothold in energy-related end markets • Strongly diversified into core construction and industrial markets 	<ul style="list-style-type: none"> • Size: \$965M transaction value (cash) • Type: 'Grow-the-core' gen rent acquisition • Rationale: Strengthened aerial capabilities and added two-way cross-selling opportunities • Value: Targeted \$40M cost savings and \$35M of revenue cross-sell opportunity 	<ul style="list-style-type: none"> • Size: \$1.3B transaction value (cash) • Type: 'Grow-the-core' gen rent acquisition • Rationale: Introduced new dirt capabilities and expertise in infrastructure; provided two-way cross-selling opportunities • Value: Targeted \$35M cost savings and \$15M of revenue cross-sell opportunity 	<ul style="list-style-type: none"> • Size: \$720M transaction value (cash) • Type: Specialty adjacency in the fluid control sector • Rationale: Expand offerings in higher return and lower volatility assets • Value: Targeting \$19M cost savings and \$60M of cross-sell revenue opportunity <ul style="list-style-type: none"> • First phase of integration largely complete 	<ul style="list-style-type: none"> • Size: \$2.1B transaction value (cash) • Type: 'Grow-the-core' gen rent acquisition • Rationale: Bolstered URI's position as a leader in the North American rental industry while also adding to presence with local and mid-sized customer segment • Value: Targeting \$45M cost savings and \$35M of cross-sell revenue opportunity

With 20 years of execution experience for 275+ transactions, team has successfully integrated assets in different environments and across the spectrum from bolt-ons to transformational

4 Summary of key financial data

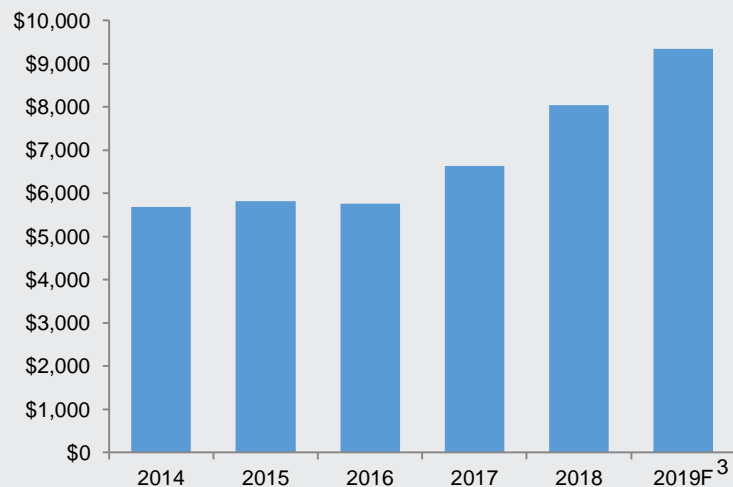


Key financial results snapshot

Total Revenue (\$M)

2018 5-Year CAGR:
+10.2%

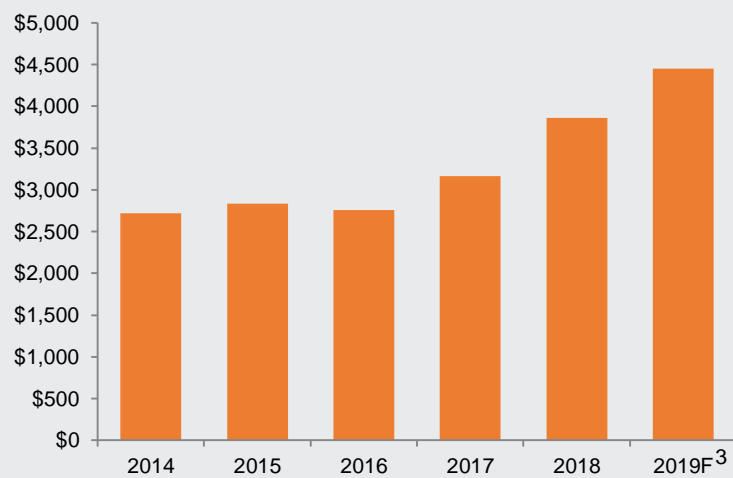
2019 Implied Growth:
+16.2%



Adjusted EBITDA⁽¹⁾ (\$M)

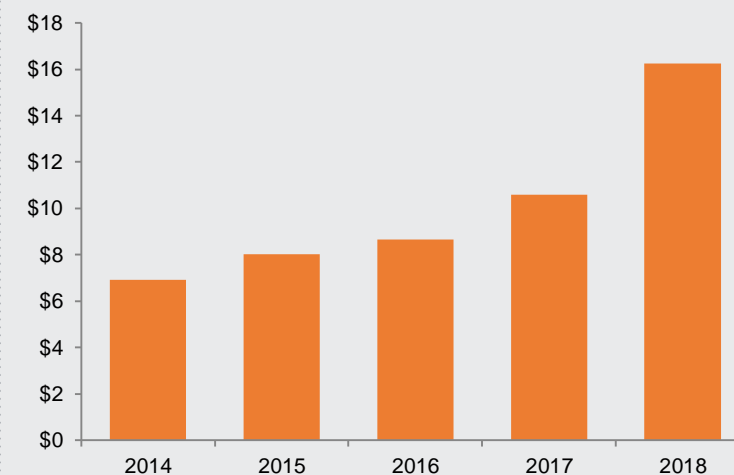
2018 5-Year CAGR:
+11.0%

2019 Implied Growth:
+15.2%



Adjusted Earnings per Share (EPS)^(1,2)

2018 5-Year CAGR:
27.1%

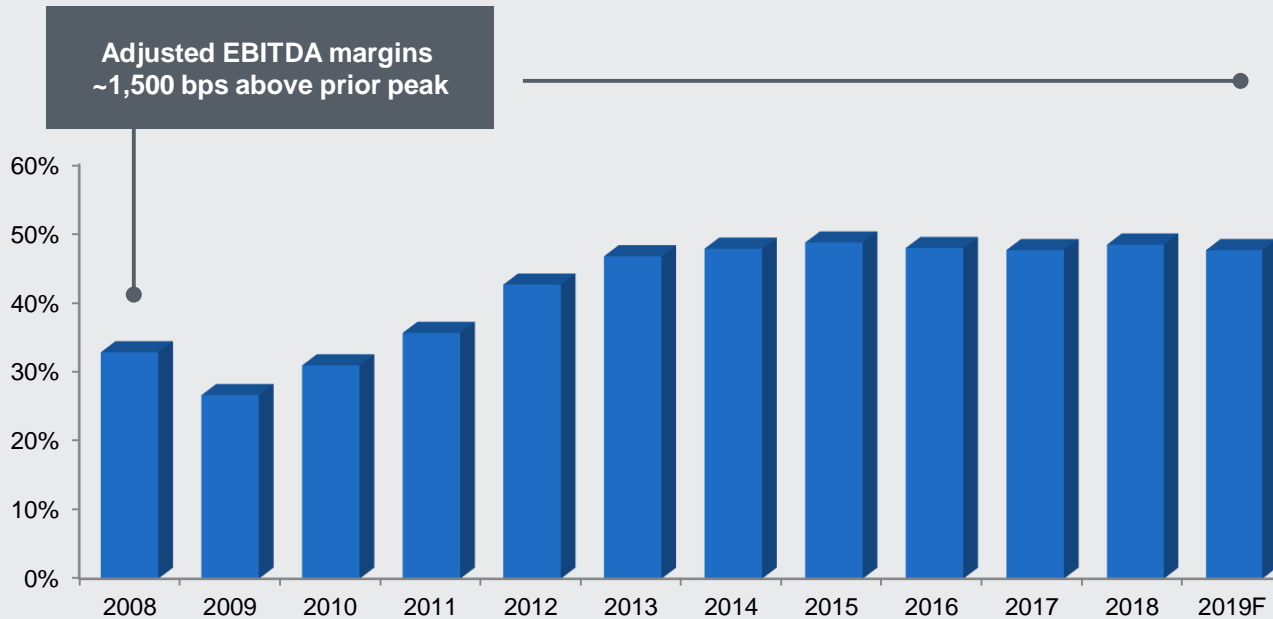


Robust growth and increased profitability across the current cycle

- Notes:
- (1) Adjusted EBITDA and Adjusted EPS are non-GAAP measures. See the tables provided elsewhere in this presentation for reconciliations to the most comparable GAAP measures.
 - (2) 2017 EPS excludes a one-time benefit from the Tax Act of \$8.05. 2018 reflects a reduction in the U.S. federal corporate statutory rate from 35% to 21% as a result of the Tax Act, which contributed \$2.92 of adjusted EPS.
 - (3) 2019F reflects the mid-point of guidance.

Structural changes are key to increased margins

Adjusted EBITDA Margin (%)



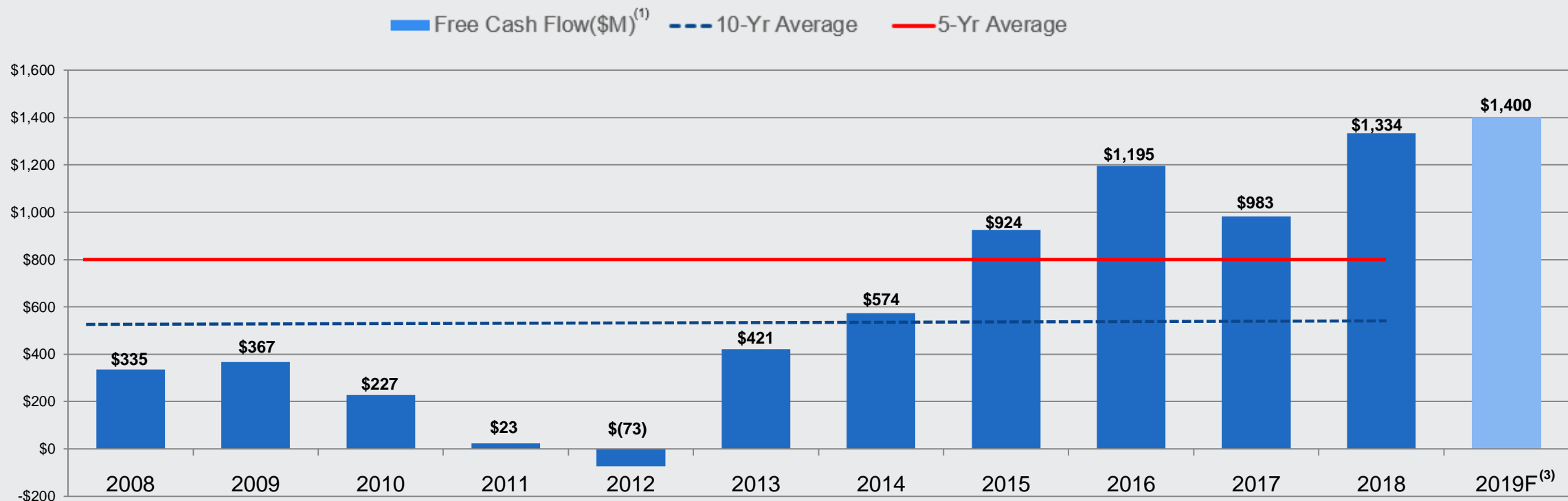
Key Drivers of Margin Gains

- Strong fixed-cost absorption
 - Cyclical leverage (e.g., SG&A as % of sales)
 - M&A cost synergies (e.g., RSC, NES, Neff)
- Operational efficiency gains
 - Process improvements (e.g., LEAN, 5S, etc.)
 - Technology (e.g., logistics, CORE, telematics)
- Improved mix
 - Shift towards higher margin Specialty
 - Improved segment/end-market mix
 - De-emphasis of low margin/return businesses
- Improved used equipment sales strategies

Dramatic cycle-over-cycle margin improvement

Note: 2019F reflects mid-point of guidance.

Consistent free cash flow generation



\$5.0B of free cash flow generated over last 5 years, with a strong outlook⁽²⁾

Notes:

(1) Free cash flow is a non-GAAP measure. See tables provided elsewhere in this presentation for reconciliations to the most comparable GAAP measure. Merger and restructuring related payments were first reported for 2012. The information required to determine the amount of merger and restructuring related payments for periods prior to 2012 is unavailable without unreasonable effort. Free cash flow for 2012 and subsequent periods above excludes merger and restructuring related payments.

(2) Reflects 5 year period from 2014 to 2018, excluding merger and restructuring related payments.

(3) 2019F reflects mid-point of guidance

1Q Results

Total Revenue	<ul style="list-style-type: none">• \$2.117 billion (+22.1% Y/Y as reported; +6.1% Y/Y pro forma*)
Adjusted EBITDA**	<ul style="list-style-type: none">• \$921 million (43.5% margin; -150 bps Y/Y as reported; +30 bps Y/Y pro forma*)
Net Rental Capital Expenditures (YTD)	<ul style="list-style-type: none">• \$65 million, after gross purchases of \$257 million
Net Cash Provided by Operating Activities (YTD)	<ul style="list-style-type: none">• \$667 million
Free Cash Flow** (YTD)	<ul style="list-style-type: none">• \$583 million***

*Pro forma reflects the combination of United Rentals, BakerCorp and BlueLine for all periods presented.

**Adjusted EBITDA and Free Cash Flow are non-GAAP measures. See the tables provided elsewhere in this presentation for reconciliation to the most comparable GAAP measures.

***Excludes aggregate merger and restructuring related payments of \$8M.

2019 Financial outlook

Total Revenue	<ul style="list-style-type: none">• \$9.15 billion to \$9.55 billion
Adjusted EBITDA*	<ul style="list-style-type: none">• \$4.35 billion to \$4.55 billion
Net Rental Capital Expenditures	<ul style="list-style-type: none">• \$1.40 billion to \$1.55 billion, after gross purchases of \$2.15 billion to \$2.30 billion
Net Cash Provided by Operating Activities	<ul style="list-style-type: none">• \$2.85 billion to \$3.20 billion
Free Cash Flow*	<ul style="list-style-type: none">• \$1.3 billion to \$1.5 billion**

*Adjusted EBITDA and Free Cash Flow are non-GAAP measures. See the table provided elsewhere in this presentation for a reconciliation of forecasted Free Cash Flow to the most comparable GAAP measure. Information reconciling forecasted adjusted EBITDA to the most comparable GAAP financial measures is unavailable to the company without unreasonable effort, as discussed in the “Introductory Information” slide.

**Excludes merger and restructuring related payments. FCF outlook assumptions include 2019 cash taxes of \$235M and cash interest of \$600M.

Fleet productivity: overview

- ✓ *Fleet Productivity* provides greater insight into the interplay and combined impact of key decisions made by managers every day across (a) rental rates, (b) time utilization, and (c) changes in mix on our Owned Equipment Rental Revenue (i.e., the revenue we generate with our owned rental assets).
 - Mix includes impact of changes in customer mix, fleet mix, geographic mix and business mix (i.e., Specialty).
- ✓ *Fleet Productivity* is a metric that better explains how the combined changes in rental rates, time utilization, and mix come together to produce revenue and how management flexes the combination of these factors to drive efficient growth and benefits returns.
- ✓ *Fleet Productivity* is a comprehensive measure that combines the impact of the change in rental rates **plus** the impact of changes in time utilization **plus** the revenue impact from change in mix in one metric.

Fleet Productivity provides better insight into the decisions made to optimize growth and returns

Time utilization and rental rates

Time Utilization – As Reported

	2018	2019
First Quarter	65.2%	63.4%
Second Quarter	69.2%	
Third Quarter	70.9%	
Fourth Quarter	68.8%	

Year-over-Year Rates – As Reported

	2018	2019
First Quarter	+1.9%	+2.2%
Second Quarter	+2.8%	
Third Quarter	+2.1%	
Fourth Quarter	+2.2%	

Time Utilization – Pro Forma*

	2018	2019
First Quarter	64.9%	63.4%
Second Quarter	68.7%	
Third Quarter	70.8%	
Fourth Quarter	69.0%	

Year-over-Year Rates – Pro Forma*

	2018	2019
First Quarter	+2.7%	+2.4%
Second Quarter	+2.9%	
Third Quarter	+2.3%	
Fourth Quarter	+2.4%	

Pricing remains healthy with time utilization largely reflective of acquisition impact

*Pro forma reflects the combination of United Rentals, NES, Neff, Baker and BlueLine for all periods presented.

Fleet productivity: historical results⁽¹⁾

As Reported Historical Results					
	Actual YoY Change in Average OEC	Assumed YoY Impact of OEC Inflation on Rental Revenue	Fleet Productivity ⁽²⁾	Contribution from Ancillary and Re-Rent	Reported YoY Change in Rental Revenue
1Q 2016	2.8%	(1.5%)	(2.3%)	0.3%	(0.7%)
2Q 2016	1.6%	(1.5%)	(1.7%)	0.3%	(1.3%)
3Q 2016	1.7%	(1.5%)	(1.1%)	0.5%	(0.3%)
4Q 2016	2.6%	(1.5%)	0.8%	(0.3%)	1.6%
1Q 2017	3.9%	(1.5%)	1.4%	0.6%	4.4%
2Q 2017 ⁽³⁾	14.3%	(1.5%)	0.7% * (NES)	0.1%	13.5%
3Q 2017	15.7%	(1.5%)	1.7%	0.3%	16.2%
4Q 2017 ⁽³⁾	27.5%	(1.5%)	0.5% * (Neff)	0.3%	26.8%
1Q 2018	27.7%	(1.5%)	(0.8%)	(0.3%)	25.1%
2Q 2018	16.2%	(1.5%)	4.5%	0.1%	19.3%
3Q 2018 ⁽³⁾	19.5%	(1.5%)	2.3% * (BakerCorp)	0.8%	21.2%
4Q 2018 ⁽³⁾	18.8%	(1.5%)	1.5% * (BlueLine)	2.0%	20.8%
1Q 2019	23.7%	(1.5%)	(1.3%)	2.1%	23.0%
1Q 2019 PF⁽⁴⁾	5.7%	(1.5%)	2.2%	0.8%	7.2%

(1) Provided on an As Reported basis, except as otherwise noted.

(2) Fleet Productivity reflects the combined impact of changes in rental rates, time utilization, and mix that contribute to Owned Equipment Rental revenue (OER).

(3) Denotes quarter in which URI closed a material acquisition (NES = 2Q17; Neff = 4Q17; BakerCorp = 3Q18; BlueLine = 4Q18).

(4) Provided on a Pro Forma basis, as if BakerCorp and BlueLine had been acquired January 1, 2018.

Fleet productivity formula explained – as reported

Prior Revenue Bridge:

$$\Delta \text{OER}^{(1)} = \Delta \text{OEC on Rent}^{(2)} + \Delta \text{Rate}^{(3)} + \Delta \text{Mix}^{(4)} - \text{Inflation}^{(5)}$$

20.9% = 20.3% + 2.2% + (0.1%) - (1.5%)

New Revenue Bridge:

$$\Delta \text{OER}^{(1)} = \Delta \text{OEC}^{(6)} + \text{Fleet Productivity} - \text{Inflation}^{(5)}$$

20.9% = 23.7% + (1.3%) - (1.5%)

$$\% \Delta \text{Time}^{(7)} + \left(\frac{\Delta \text{Time}^{(8)}}{\Delta \text{OEC}} \right) + \Delta \text{Rate}^{(3)} + \Delta \text{Mix}^{(4)}$$

(2.8%) + (0.6%) + 2.2% + (0.1%)

Calculated as:
 $((63.4\% \div 65.2\%) - 1)$

Footnotes:

- (1) Reflects year-over-year change in Owned Equipment Rental Revenue (“OER”), which is the direct rental revenue generated with owned assets.
- (2) Reflects year-over-year change in the volume fleet on rent with customers measured by the change in Owned Equipment at Cost (“OEC”).
- (3) Reflects year-over-year change in rental rates based on the ARA standard.
- (4) Reflects the impact of changes in mix on OER including fleet mix, customer mix, billing mix, and geographic mix.
- (5) Reflects estimated impact of inflation on the revenue productivity of fleet based on OEC, which is recorded at cost.
- (6) Reflects year-over-year change in fleet as measured by daily average OEC.
- (7) Reflects year-over-year percentage change in time utilization (i.e., in 1Q19 = 63.4% divided by 1Q18 of 65.2% minus 1).
- (8) Reflects factor to adjust for year-over-year change in time utilization relative to the year-over-year change in average OEC.

Fleet productivity formula explained – pro forma

Prior Revenue Bridge:

$$\Delta \text{OER}^{(1)} = \Delta \text{OEC on Rent}^{(2)} + \Delta \text{Rate}^{(3)} + \Delta \text{Mix}^{(4)} - \text{Inflation}^{(5)}$$

6.4% = 3.4% + 2.4% + 2.1% - (1.5%)

New Revenue Bridge:

$$\Delta \text{OER}^{(1)} = \Delta \text{OEC}^{(6)} + \text{Fleet Productivity} - \text{Inflation}^{(5)}$$

6.4% = 5.7% + 2.2% - (1.5%)

Calculated as:
 $((63.4\% \div 64.9\%) - 1)$

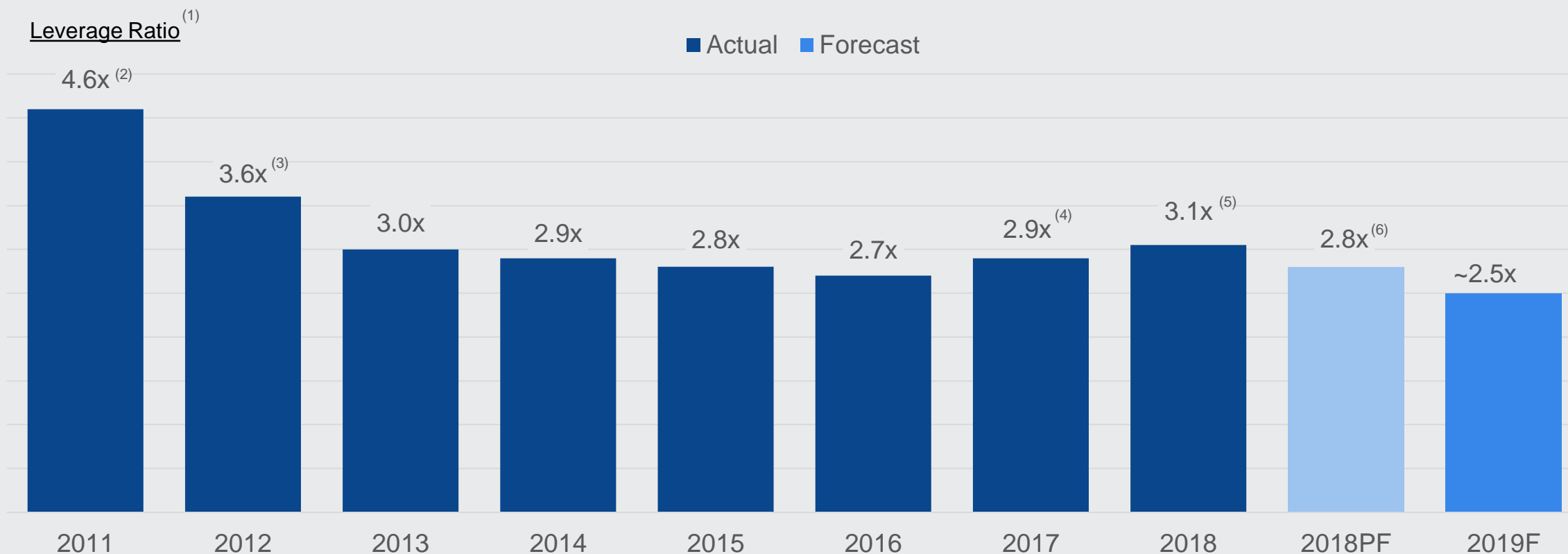
$$\% \Delta \text{Time}^{(7)} + \left(\frac{\Delta \text{Time}^{(8)}}{\Delta \text{OEC}} \right) + \Delta \text{Rate}^{(3)} + \Delta \text{Mix}^{(4)}$$

(2.3%) (0.1%) 2.4% 2.1%

Footnotes:

- (1) Reflects year-over-year change in Owned Equipment Rental Revenue (“OER”), which is the direct rental revenue generated with owned assets.
- (2) Reflects year-over-year change in the volume fleet on rent with customers measured by the change in Owned Equipment at Cost (“OEC”).
- (3) Reflects year-over-year change in rental rates based on the ARA standard.
- (4) Reflects the impact of changes in mix on OER including fleet mix, customer mix, billing mix, and geographic mix.
- (5) Reflects estimated impact of inflation on the revenue productivity of fleet based on OEC, which is recorded at cost.
- (6) Reflects year-over-year change in fleet as measured by daily average OEC.
- (7) Reflects year-over-year percentage change in time utilization (i.e., in 1Q19 = 63.4% divided by 1Q18 of 64.9% minus 1).
- (8) Reflects factor to adjust for year-over-year change in time utilization relative to the year-over-year change in average OEC.

Balance sheet strength continues to improve



2.5x – 3.5x targeted leverage range across the cycle

(1) Leverage Ratio calculated as total debt and QUIPs, net of cash, excluding original issuance discounts, premiums, and deferred financing divided by adjusted EBITDA.

(2) Pro Forma assumes RSC acquisition occurred on January 1, 2011 and excludes cost synergies.

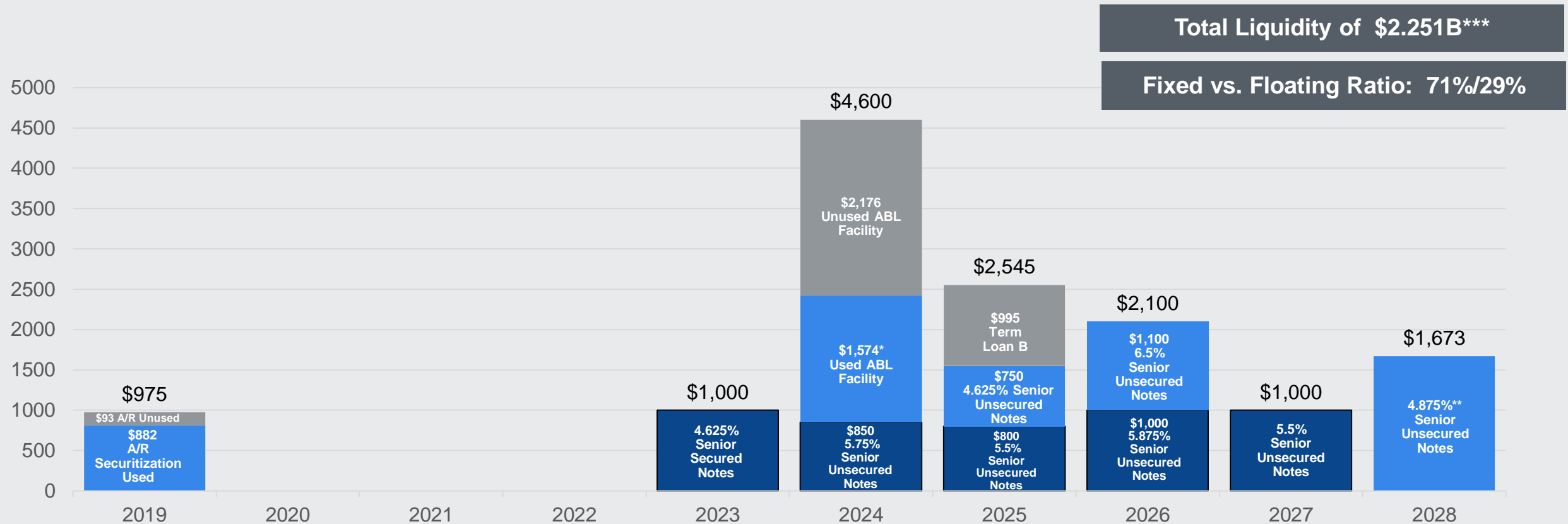
(3) Pro Forma assumes RSC acquisition occurred on January 1, 2012.

(4) Reflects leverage as reported, which includes borrowings related to the acquisitions of both NES and Neff without full-year benefits of EBITDA contribution.

(5) Reflects leverage as reported, which includes borrowings related to the acquisitions of both Baker and BlueLine without full-year benefits of EBITDA contribution.

(6) Reflects leverage pro forma, which includes borrowings related to the acquisitions of both Baker and BlueLine and assumes full-year benefits of EBITDA contribution from those acquisitions.

No maturities of long-term debt until 2023 (\$M)



Long-term debt maturities extend well into the next decade

Note: as of March 31, 2019.

*Includes \$45M in Letters of Credit.

**Comprised of two separate 4.875% notes, a note with \$1,669M principal amount and a note with \$4M principal amount.

***Includes total cash, cash equivalents and availability under ABL and AR facilities.

5 Appendix



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Adjusted Earnings Per Share GAAP Reconciliation

We define "earnings per share – adjusted" as the sum of earnings per share – GAAP, as reported plus the impact of the following special items: merger related costs, merger related intangible asset amortization, impact on depreciation related to acquired fleet and property and equipment, impact of the fair value mark-up of acquired fleet, restructuring charge and asset impairment charge. Management believes that earnings per share - adjusted provides useful information concerning future profitability. However, earnings per share - adjusted is not a measure of financial performance under GAAP. Accordingly, earnings per share - adjusted should not be considered an alternative to GAAP earnings per share. The table below provides a reconciliation between earnings per share – GAAP, as reported, and earnings per share – adjusted.

\$ Millions	Three Months Ended	
	March 31,	
	2019	2018
Earnings per share - GAAP, as reported	\$ 2.19	\$ 2.15
After-tax impact of:		
Merger related costs (2)	0.01	0.01
Merger related intangible asset amortization (3)	0.64	0.39
Impact on depreciation related to acquired fleet and property and equipment (4)	0.14	0.09
Impact of the fair value mark-up of acquired fleet (5)	0.25	0.21
Restructuring charge (6)	0.07	0.02
Asset impairment charge (7)	0.01	—
Earnings per share - adjusted	\$ 3.31	\$ 2.87
Tax rate applied to above adjustments (1)	25.4 %	25.3 %

(1) The tax rates applied to the adjustments reflect the statutory rates in the applicable entities.

(2) Reflects transaction costs associated with the NES, Neff, BakerCorp and BlueLine acquisitions. We have made a number of acquisitions in the past and may continue to make acquisitions in the future. Merger related costs only include costs associated with major acquisitions that significantly impact our operations. The historic acquisitions that have included merger related costs are RSC, which had annual revenues of approximately \$1.5 billion prior to the acquisition, and National Pump, which had annual revenues of over \$200 million prior to the acquisition. NES had annual revenues of approximately \$369 million, Neff had annual revenues of approximately \$413 million, BakerCorp had annual revenues of approximately \$295 million and BlueLine had annual revenues of approximately \$786 million.

(3) Reflects the amortization of the intangible assets acquired in the RSC, National Pump, NES, Neff, BakerCorp and BlueLine acquisitions.

(4) Reflects the impact of extending the useful lives of equipment acquired in the RSC, NES, Neff, BakerCorp and BlueLine acquisitions, net of the impact of additional depreciation associated with the fair value mark-up of such equipment.

(5) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in the RSC, NES, Neff and BlueLine acquisitions and subsequently sold.

(6) Primarily reflects severance and branch closure charges associated with our closed restructuring programs and our current restructuring program. We only include such costs that are part of a restructuring program as restructuring charges. Since the first such restructuring program was initiated in 2008, we have completed four restructuring programs. We have cumulatively incurred total restructuring charges of \$323 million under our restructuring programs.

(7) Reflects write-offs of leasehold improvements and other fixed assets.

EBITDA and Adjusted EBITDA GAAP Reconciliations

EBITDA represents the sum of net income, provision for income taxes, interest expense, net, depreciation of rental equipment, and non-rental depreciation and amortization. Adjusted EBITDA represents EBITDA plus the sum of the merger related costs, restructuring charge, stock compensation expense, net, and the impact of the fair value mark-up of acquired fleet. These items are excluded from adjusted EBITDA internally when evaluating our operating performance and for strategic planning and forecasting purposes, and allow investors to make a more meaningful comparison between our core business operating results over different periods of time, as well as with those of other similar companies. The EBITDA and adjusted EBITDA margins represent EBITDA or adjusted EBITDA divided by total revenue. Management believes that EBITDA and adjusted EBITDA, when viewed with the Company's results under GAAP and the accompanying reconciliation, provide useful information about operating performance and period-over-period growth, and provide additional information that is useful for evaluating the operating performance of our core business without regard to potential distortions. Additionally, management believes that EBITDA and adjusted EBITDA help investors gain an understanding of the factors and trends affecting our ongoing cash earnings, from which capital investments are made and debt is serviced.

The table below provides a reconciliation between net income and EBITDA and adjusted EBITDA.

\$ Millions	Three Months Ended	
	March 31,	
	2019	2018
Net income	\$ 175	\$ 183
Provision for income taxes	45	49
Interest expense, net	151	109
Depreciation of rental equipment	395	322
Non-rental depreciation and amortization	104	71
EBITDA (A)	\$ 870	\$ 734
Merger related costs (1)	1	1
Restructuring charge (2)	8	2
Stock compensation expense, net (3)	15	19
Impact of the fair value mark-up of acquired fleet (4)	27	24
Adjusted EBITDA (B)	\$ 921	\$ 780

A) Our EBITDA margin was 41.1% and 42.3% for the three months ended March 31, 2019 and 2018, respectively.

B) Our adjusted EBITDA margin was 43.5% and 45.0% for the three months ended March 31, 2019 and 2018, respectively.

- | | |
|---|---|
| <p>(1) Reflects transaction costs associated with the NES, Neff, BakerCorp and BlueLine acquisitions. We have made a number of acquisitions in the past and may continue to make acquisitions in the future. Merger related costs only include costs associated with major acquisitions that significantly impact our operations. The historic acquisitions that have included merger related costs are RSC, which had annual revenues of approximately \$1.5 billion prior to the acquisition, and National Pump, which had annual revenues of over \$200 million prior to the acquisition. NES had annual revenues of approximately \$369 million, Neff had annual revenues of approximately \$413 million, BakerCorp had annual revenues of approximately \$295 million and BlueLine had annual revenues of approximately \$786 million.</p> | <p>(2) Primarily reflects severance and branch closure charges associated with our closed restructuring programs and our current restructuring program. We only include such costs that are part of a restructuring program as restructuring charges. Since the first such restructuring program was initiated in 2008, we have completed four restructuring programs. We have cumulatively incurred total restructuring charges of \$323 million under our restructuring programs.</p> <p>(3) Represents non-cash, share-based payments associated with the granting of equity instruments.</p> <p>(4) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in the RSC, NES, Neff and BlueLine acquisitions and subsequently sold.</p> |
|---|---|

Reconciliation of Net Cash Provided by Operating Activities to EBITDA and Adjusted EBITDA

The table below provides a reconciliation between net cash provided by operating activities and EBITDA and adjusted EBITDA.

\$ Millions	Three Months Ended	
	March 31,	
	2019	2018
Net cash provided by operating activities	\$ 667	\$ 642
Adjustments for items included in net cash provided by operating activities but excluded from the calculation of EBITDA:		
Amortization of deferred financing costs and original issue discounts	(4)	(3)
Gain on sales of rental equipment	67	74
Gain on sales of non-rental equipment	2	1
Gain on insurance proceeds from damaged equipment	7	2
Merger related costs (1)	(1)	(1)
Restructuring charge (2)	(8)	(2)
Stock compensation expense, net (3)	(15)	(19)
Changes in assets and liabilities	(28)	(123)
Cash paid for interest	179	153
Cash paid for income taxes, net	4	10
EBITDA	\$ 870	\$ 734
Add back:		
Merger related costs (1)	1	1
Restructuring charge (2)	8	2
Stock compensation expense, net (3)	15	19
Impact of the fair value mark-up of acquired fleet (4)	27	24
Adjusted EBITDA	\$ 921	\$ 780

(1) Reflects transaction costs associated with the NES, Neff, BakerCorp and BlueLine acquisitions. We have made a number of acquisitions in the past and may continue to make acquisitions in the future. Merger related costs only include costs associated with major acquisitions that significantly impact our operations. The historic acquisitions that have included merger related costs are RSC, which had annual revenues of approximately \$1.5 billion prior to the acquisition, and National Pump, which had annual revenues of over \$200 million prior to the acquisition. NES had annual revenues of approximately \$369 million, Neff had annual revenues of approximately \$413 million, BakerCorp had annual revenues of approximately \$295 million and BlueLine had annual revenues of approximately \$786 million.

(2) Primarily reflects severance and branch closure charges associated with our closed restructuring programs and our current restructuring program. We only include such costs that are part of a restructuring program as restructuring charges. Since the first such restructuring program was initiated in 2008, we have completed four restructuring programs. We have cumulatively incurred total restructuring charges of \$323 million under our restructuring programs.

(3) Represents non-cash, share-based payments associated with the granting of equity instruments.

(4) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in the RSC, NES, Neff and BlueLine acquisitions and subsequently sold.

Free Cash Flow GAAP Reconciliation

We define "free cash flow" as net cash provided by operating activities less purchases of, and plus proceeds from, equipment. The equipment purchases and proceeds are included in cash flows from investing activities. Management believes that free cash flow provides useful additional information concerning cash flow available to meet future debt service obligations and working capital requirements. However, free cash flow is not a measure of financial performance or liquidity under GAAP. Accordingly, free cash flow should not be considered an alternative to net income or cash flow from operating activities as an indicator of operating performance or liquidity. The table below provides a reconciliation between net cash provided by operating activities and free cash flow.

	Three Months Ended	
	March 31,	
	2019	2018
Net cash provided by operating activities	\$ 667	\$ 642
Purchases of rental equipment	(257)	(280)
Purchases of non-rental equipment	(42)	(33)
Proceeds from sales of rental equipment	192	181
Proceeds from sales of non-rental equipment	8	4
Insurance proceeds from damaged equipment	7	2
Free cash flow (1)	\$ 575	\$ 516

- (1) Free cash flow included aggregate merger and restructuring related payments of \$8 million and \$10 million for the three months ended March 31, 2019 and 2018, respectively.

The table below provides a reconciliation between 2019 forecasted net cash provided by operating activities and free cash flow.

Net cash provided by operating activities	\$2,850- \$3,200
Purchases of rental equipment	\$(2,150)-\$(2,350)
Proceeds from sales of rental equipment	\$700-\$800
Purchases of non-rental equipment, net of proceeds from sales and insurance proceeds from damaged equipment	\$(100)-\$(200)
Free cash flow (excluding the impact of merger and restructuring related payments)	\$1,300- \$1,500

Historical Adjusted Earnings Per Share GAAP Reconciliation

Adjusted EPS (earnings per share) is a non-GAAP measure that reflects diluted earnings (loss) per share from continuing operations excluding the impact of the special items described below. Management believes that adjusted EPS provides useful information concerning future profitability. However, adjusted EPS is not a measure of financial performance under GAAP. Accordingly, adjusted EPS should not be considered an alternative to GAAP earnings per share. The table below provides a reconciliation between diluted earnings (loss) per share and adjusted EPS.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD 2019
Diluted earnings (loss) per share (EPS) from continuing operations	\$ (12.62)	\$ (0.98)	\$ (0.38)	\$ 1.38	\$ 0.79	\$ 3.64	\$ 5.15	\$ 6.07	\$ 6.45	\$ 15.73	\$ 13.12	\$ 2.19
EPS adjustments (after-tax):												
Merger related costs (1)	—	—	—	0.25	0.72	0.05	0.06	(0.17)	—	0.36	0.32	0.01
Merger related intangible asset amortization (2)	—	—	—	—	0.74	0.94	1.10	1.15	1.12	1.15	1.76	0.64
Impact on depreciation related to acquired fleet and property and equipment (3)	—	—	—	—	(0.03)	(0.04)	(0.03)	(0.02)	—	0.05	0.19	0.14
Impact of the fair value mark-up of acquired fleet (4)	—	—	—	—	0.24	0.25	0.21	0.19	0.25	0.59	0.59	0.25
Pre-close RSC merger related interest expense (5)	—	—	—	—	0.19	—	—	—	—	—	—	—
Impact on interest expense related to fair value adjustment of acquired RSC indebtedness (6)	—	—	—	—	(0.03)	(0.04)	(0.03)	(0.02)	(0.01)	—	—	—
Restructuring charge (7)	0.17	0.29	0.34	0.16	0.64	0.07	(0.01)	0.04	0.11	0.36	0.28	0.07
Asset impairment charge (8)	0.06	0.12	0.09	0.04	0.10	0.02	—	—	0.03	0.01	—	0.01
(Gain) loss on extinguishment of debt securities, including subordinated convertible debentures, and amendments of debt facilities (9)	(0.32)	(0.19)	0.28	0.04	0.45	0.02	0.46	0.78	0.70	0.39	—	—
Gain on sale of software subsidiary (10)	—	—	—	—	(0.05)	—	—	—	—	—	—	—
Goodwill impairment charge (11)	12.19	—	—	—	—	—	—	—	—	—	—	—
Charge related to settlement of SEC inquiry (12)	0.19	—	—	—	—	—	—	—	—	—	—	—
Preferred stock redemption charge (13)	3.19	—	—	—	—	—	—	—	—	—	—	—
Foreign tax credit valuation allowance and other (14)	0.10	—	—	—	—	—	—	—	—	—	—	—
Total EPS adjustments	\$ 15.58	\$ 0.22	\$ 0.71	\$ 0.49	\$ 2.97	\$ 1.27	\$ 1.76	\$ 1.95	\$ 2.20	\$ 2.91	\$ 3.14	\$ 1.12
Adjusted EPS	\$ 2.96	\$ (0.76)	\$ 0.33	\$ 1.87	\$ 3.76	\$ 4.91	\$ 6.91	\$ 8.02	\$ 8.65	\$ 18.64	\$ 16.26	\$ 3.31
2017 Tax Act impact (15)										\$ 8.05		
Total revenues (\$M) (16)	\$ 3,267	\$ 2,358	\$ 2,237	\$ 2,611	\$ 4,117	\$ 4,955	\$ 5,685	\$ 5,817	\$ 5,762	\$ 6,641	\$ 8,047	\$ 2,117

Historical Adjusted Earnings Per Share GAAP Reconciliation (cont'd)

- (1) We have made a number of acquisitions in the past and may continue to make acquisitions in the future. Merger related costs only include costs associated with major acquisitions that significantly impact our operations. The acquisitions that have included merger related costs are 1) RSC, which had annual revenues of approximately \$1.5 billion prior to the acquisition, 2) National Pump, which had annual revenues of over \$200 million prior to the acquisition, 3) NES, which had annual revenues of approximately \$369 million prior to the acquisition, 4) Neff, which had annual revenues of approximately \$413 million prior to the acquisition, 5) BakerCorp, which had annual revenues of approximately \$295 million prior to the acquisition and 6) BlueLine, which had annual revenues of approximately \$786 million prior to the acquisition.
- (2) Reflects the amortization of the intangible assets acquired in the RSC, National Pump, NES, Neff, BakerCorp and BlueLine acquisitions.
- (3) Reflects the impact of extending the useful lives of equipment acquired in the RSC, NES, Neff, BakerCorp and BlueLine acquisitions, net of the impact of additional depreciation associated with the fair value mark-up of such equipment.
- (4) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in the RSC, NES, Neff and BlueLine acquisitions and subsequently sold.
- (5) In March 2012, we issued \$2.825 billion of debt in connection with the RSC acquisition. The pre-close RSC merger related interest expense reflects the interest expense recorded on this debt prior to the acquisition of RSC on April 30, 2012.
- (6) Reflects a reduction of interest expense associated with the fair value mark-up of debt acquired in the RSC acquisition.
- (7) Primarily reflects severance and branch closure charges associated with our closed restructuring programs and our current restructuring program. We only include such costs that are part of a restructuring program as restructuring charges. Since the first such restructuring program was initiated in 2008, we have completed four restructuring programs. We have cumulatively incurred total restructuring charges of \$323 million under our restructuring programs.
- (8) Primarily reflects write-offs of leasehold improvements and other fixed assets.
- (9) Reflects gains/losses on the extinguishment of certain debt securities, including subordinated convertible debentures, and write-offs of debt issuance costs associated with amendments to our debt facilities. In 2013, we retired all outstanding subordinated convertible debentures.
- (10) Reflects a gain recognized upon the sale of a former subsidiary that developed and marketed software.
- (11) We recognized a goodwill impairment charge in the fourth quarter of 2008 that reflected the challenges of the construction cycle, as well as the broader economic and credit environment. Substantially all of the impairment charge related to goodwill arising out of acquisitions made between 1997 and 2000.
- (12) In the third quarter of 2008 we settled, without admitting or denying the allegations in the SEC's complaint, to the entry of a judgment requiring us to pay a civil penalty of \$14 million associated with an SEC inquiry into our historical accounting practices.
- (13) Reflects a preferred stock redemption charge associated with the June 2008 repurchase of our Series C and D preferred stock.
- (14) Primarily relates to the establishment of a valuation allowance related to certain foreign tax credits that, as a result of the preferred stock redemption discussed above, were no longer expected to be realized.
- (15) The Tax Cuts and Jobs Act (the "Tax Act"), which was enacted in December 2017, reduced the U.S. federal corporate statutory tax rate from 35% to 21%. The benefit in 2017 reflects an aggregate benefit of \$689 million, or \$8.05 per diluted share, reflecting 1) a one-time non-cash tax benefit reflecting the revaluation of our net deferred tax liability using a U.S. federal corporate statutory tax rate of 21% and 2) a one-time transition tax on our unremitted foreign earnings and profits. Periods subsequent to 2017 reflect the lower 21% U. S. Federal Corporate statutory tax rate.
- (16) Total revenue is provided for context.

Historical EBITDA and Adjusted EBITDA GAAP Reconciliations (\$M)

EBITDA represents the sum of net income (loss), loss on discontinued operations, net of tax, provision (benefit) for income taxes, interest expense, subordinated convertible debentures, net, depreciation of rental equipment, and non-rental depreciation and amortization. Adjusted EBITDA represents EBITDA plus the adjusting items (determined at the time of the historic reporting) discussed below. These items are excluded from adjusted EBITDA internally when evaluating our operating performance and for strategic planning and forecasting purposes, and allow investors to make a more meaningful comparison between our core business operating results over different periods of time, as well as with those of other similar companies. The EBITDA and adjusted EBITDA margins represent EBITDA or adjusted EBITDA divided by total revenue. Management believes that EBITDA and adjusted EBITDA, when viewed with the Company's results under GAAP and the accompanying reconciliations, provide useful information about operating performance and period-over-period growth, and provide additional information that is useful for evaluating the operating performance of our core business without regard to potential distortions. Additionally, management believes that EBITDA and adjusted EBITDA help investors gain an understanding of the factors and trends affecting our ongoing cash earnings, from which capital investments are made and debt is serviced. The tables below provide 1) a reconciliation between net income and EBITDA and adjusted EBITDA and 2) a reconciliation between net cash provided by operating activities and EBITDA and adjusted EBITDA.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD 2019
Net income (loss)	\$ (704)	\$ (62)	\$ (26)	\$ 101	\$ 75	\$ 387	\$ 540	\$ 585	\$ 566	\$ 1,346	\$ 1,096	\$ 175
Loss on discontinued operations, net of tax	—	2	4	—	—	—	—	—	—	—	—	—
Provision (benefit) for income taxes	(109)	(47)	(41)	63	13	218	310	378	343	(298)	380	45
Interest expense, net	174	226	255	228	512	475	555	567	511	464	481	151
Interest expense-subordinated convertible debentures, net (1)	9	(4)	8	7	4	3	—	—	—	—	—	—
Depreciation of rental equipment	455	417	389	423	699	852	921	976	990	1,124	1,363	395
Non-rental depreciation and amortization	58	57	60	57	198	246	273	268	255	259	308	104
EBITDA	(117)	589	649	879	1,501	2,181	2,599	2,774	2,665	2,895	3,628	870
EBITDA Margin	(3.6)%	25.0%	29.0%	33.7%	36.5%	44.0%	45.7%	47.7%	46.3%	43.6%	45.1%	41.1%
Merger related costs (2)	—	—	—	19	111	9	11	(26)	—	50	36	1
Restructuring charge (3)	20	31	34	19	99	12	(1)	6	14	50	31	8
Charge related to settlement of SEC inquiry (4)	14	—	—	—	—	—	—	—	—	—	—	—
Goodwill impairment charge (5)	1,147	—	—	—	—	—	—	—	—	—	—	—
Impact of the fair value mark-up of acquired fleet (6)	—	—	—	—	37	44	35	29	35	82	66	27
Gain (loss) on sale of software subsidiary (7)	—	—	—	—	(8)	1	—	—	—	—	—	—
Stock compensation expense, net (8)	6	8	8	12	32	46	74	49	45	87	102	15
Adjusted EBITDA	\$ 1,070	\$ 628	\$ 691	\$ 929	\$ 1,772	\$ 2,293	\$ 2,718	\$ 2,832	\$ 2,759	\$ 3,164	\$ 3,863	\$ 921
Adjusted EBITDA Margin	32.8%	26.6%	30.9%	35.6%	43.0%	46.3%	47.8%	48.7%	47.9%	47.6%	48.0%	43.5%

Historical EBITDA and Adjusted EBITDA GAAP Reconciliations (\$M) (cont'd)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD 2019
Net cash provided by operating activities (9)	\$ 438	\$ 452	\$ 612	\$ 721	\$ 1,551	\$ 1,801	\$ 1,987	\$ 1,941	\$ 2,209	\$ 2,853	\$ 667
Adjustments for items included in net cash provided by operating activities but excluded from the calculation of EBITDA:											
Loss from discontinued operation, net of taxes	2	4	—	—	—	—	—	—	—	—	—
Amortization of deferred financing costs and original issue discounts	(17)	(23)	(22)	(23)	(21)	(17)	(10)	(9)	(9)	(12)	(4)
Gain on sales of rental equipment	7	41	66	125	176	229	227	204	220	278	67
Gain on sales of non-rental equipment	(1)	—	2	2	6	11	8	4	4	6	2
Gain on insurance proceeds on damaged equipment (10)	—	—	—	—	—	—	8	12	21	22	7
Gain (loss) on sale of software subsidiary (7)	—	—	—	8	(1)	—	—	—	—	—	—
Merger related costs (2)	—	—	(19)	(111)	(9)	(11)	26	—	(50)	(36)	(1)
Restructuring charge (3)	(31)	(34)	(19)	(99)	(12)	1	(6)	(14)	(50)	(31)	(8)
Stock compensation expense, net (8)	(8)	(8)	(12)	(32)	(46)	(74)	(49)	(45)	(87)	(102)	(15)
Gain (loss) on extinguishment of debt securities, and amendments of debt facilities	7	(28)	(3)	(72)	(1)	(80)	(123)	(101)	(54)	—	—
Loss on retirement of subordinated convertible debentures (1)	13	—	(2)	—	(2)	—	—	—	—	—	—
Excess tax benefits from share-based payment arrangements (11)	—	—	—	—	—	—	5	58	—	—	—
Changes in assets and liabilities	(58)	65	49	571	31	182	194	101	129	124	(28)
Cash paid for interest, including subordinated convertible debentures (1)	234	229	203	371	461	457	447	415	357	455	179
Cash paid (received) for income taxes, net	3	(49)	24	40	48	100	60	99	205	71	4
EBITDA	589	649	879	1,501	2,181	2,599	2,774	2,665	2,895	3,628	870
Add back:											
Merger related costs (2)	—	—	19	111	9	11	(26)	—	50	36	1
Restructuring charge (3)	31	34	19	99	12	(1)	6	14	50	31	8
Stock compensation expense, net (8)	8	8	12	32	46	74	49	45	87	102	15
Impact of the fair value mark-up of acquired fleet (6)	—	—	—	37	44	35	29	35	82	66	27
(Gain) loss on sale of software subsidiary (7)	—	—	—	(8)	1	—	—	—	—	—	—
Adjusted EBITDA	\$ 628	\$ 691	\$ 929	\$ 1,772	\$ 2,293	\$ 2,718	\$ 2,832	\$ 2,759	\$ 3,164	\$ 3,863	\$ 921

Historical EBITDA and Adjusted EBITDA GAAP Reconciliations (\$M) (cont'd)

- (1) In 2013, we retired all outstanding subordinated convertible debentures.
- (2) We have made a number of acquisitions in the past and may continue to make acquisitions in the future. Merger related costs only include costs associated with major acquisitions that significantly impact our operations. The acquisitions that have included merger related costs are 1) RSC, which had annual revenues of approximately \$1.5 billion prior to the acquisition, 2) National Pump, which had annual revenues of over \$200 million prior to the acquisition, 3) NES, which had annual revenues of approximately \$369 million prior to the acquisition, 4) Neff, which had annual revenues of approximately \$413 million prior to the acquisition, 5) BakerCorp, which had annual revenues of approximately \$295 million prior to the acquisition and 6) BlueLine, which had annual revenues of approximately \$786 million prior to the acquisition.
- (3) Primarily reflects severance and branch closure charges associated with our closed restructuring programs and our current restructuring programs. We only include such costs that are part of a restructuring program as restructuring charges. Since the first such restructuring program was initiated in 2008, we have completed four restructuring programs. We have cumulatively incurred total restructuring charges of \$323 million under our restructuring programs.
- (4) In the third quarter of 2008 we settled, without admitting or denying the allegations in the SEC's complaint, to the entry of a judgment requiring us to pay a civil penalty of \$14 million associated with an SEC inquiry into our historical accounting practices.
- (5) We recognized a goodwill impairment charge in the fourth quarter of 2008 that reflected the challenges of the construction cycle, as well as the broader economic and credit environment. Substantially all of the impairment charge related to goodwill arising out of acquisitions made between 1997 and 2000.
- (6) Reflects additional costs recorded in cost of rental equipment sales associated with the fair value mark-up of rental equipment acquired in the RSC, NES, Neff and BlueLine acquisitions and subsequently sold.
- (7) Reflects a gain recognized upon the sale of a former subsidiary that developed and marketed software.
- (8) Represents non-cash, share-based payments associated with the granting of equity instruments.
- (9) We first reported the reconciliation between net cash provided by operating activities and EBITDA and adjusted EBITDA in 2011, and 2009 is the earliest reported period with such a reconciliation. The presentation of our statement of cash flows for periods prior to 2009 differs from the presentation used in 2011, on account of which the information required to prepare the reconciliation between net cash provided by operating activities and EBITDA and adjusted EBITDA for periods prior to 2009 is unavailable without unreasonable effort.
- (10) In 2018, we adopted accounting guidance that addressed the cash flow presentation for proceeds from the settlement of insurance claims. Adoption of this guidance decreased net cash provided by operating activities, relative to previously reported amounts, but did not change EBITDA or adjusted EBITDA for 2017, 2016 and 2015 in the table above. The information required to determine the amount of insurance proceeds for periods prior to 2015 is unavailable without unreasonable effort. The insurance proceeds do not impact EBITDA or adjusted EBITDA.
- (11) The excess tax benefits from share-based payment arrangements result from stock-based compensation windfall deductions in excess of the amounts reported for financial reporting purposes. We adopted accounting guidance in 2017 that changed the cash flow presentation of excess tax benefits from share-based payment arrangements. In the table above, the excess tax benefits from share-based payment arrangements for periods after 2016 are presented as a component of net cash provided by operating activities, while, for 2015 and 2016, they are presented as a separate line item.

Historical Free Cash Flow GAAP Reconciliation (\$M)

We define “free cash flow” as net cash provided by operating activities less purchases of, and plus proceeds from, equipment, and plus excess tax benefits from share-based payment arrangements. The equipment purchases and proceeds are included in cash flows from investing activities. Management believes that free cash flow provides useful additional information concerning cash flow available to meet future debt service obligations and working capital requirements. However, free cash flow is not a measure of financial performance or liquidity under GAAP. Accordingly, free cash flow should not be considered an alternative to net income or cash flow from operating activities as an indicator of operating performance or liquidity. The table below provides a reconciliation between net cash provided by operating activities and free cash flow.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD 2019
Net cash provided by operating activities	\$ 764	\$ 438	\$ 452	\$ 612	\$ 721	\$ 1,551	\$ 1,801	\$ 1,987	\$ 1,941	\$ 2,209	\$ 2,853	\$ 667
Purchases of rental equipment	(624)	(260)	(346)	(774)	(1,272)	(1,580)	(1,701)	(1,534)	(1,246)	(1,769)	(2,106)	(257)
Purchases of non-rental equipment	(80)	(51)	(28)	(36)	(97)	(104)	(120)	(102)	(93)	(120)	(185)	(42)
Proceeds from sales of rental equipment	264	229	144	208	399	490	544	538	496	550	664	192
Proceeds from sales of non-rental equipment	11	13	7	13	31	26	33	17	14	16	23	8
Insurance proceeds from damaged equipment ⁽¹⁾	—	—	—	—	—	—	—	8	12	21	22	7
Excess tax benefits from share-based payment arrangements ⁽²⁾	—	(2)	(2)	—	(5)	—	—	5	58	—	—	—
Free cash flow	\$ 335	\$ 367	\$ 227	\$ 23	\$ (223)	\$ 383	\$ 557	\$ 919	\$ 1,182	\$ 907	\$ 1,271	\$ 575
Merger and restructuring related payments included in free cash flow ⁽³⁾					150	38	17	5	13	76	63	8
Free cash flow excluding merger and restructuring related payments ⁽³⁾					\$ (73)	\$ 421	\$ 574	\$ 924	\$ 1,195	\$ 983	\$ 1,334	\$ 583

(1) In 2018, we adopted accounting guidance that addressed the cash flow presentation for proceeds from the settlement of insurance claims. Adoption of this guidance decreased net cash provided by operating activities, relative to previously reported amounts, but did not change free cash flow, for 2017, 2016 and 2015 in the table above. The information required to determine the amount of insurance proceeds for periods prior to 2015 is unavailable without unreasonable effort. The adoption of this accounting guidance did not impact free cash flow, as the reduction to net cash provided by operating activities was offset by the increase in insurance proceeds from damaged equipment.

(2) The excess tax benefits from share-based payment arrangements result from stock-based compensation windfall deductions in excess of the amounts reported for financial reporting purposes. We adopted accounting guidance in 2017 that changed the cash flow presentation of excess tax benefits from share-based payment arrangements. In the table above, the excess tax benefits from share-based payment arrangements for periods after 2016 are presented as a component of net cash provided by operating activities, while, for 2016 and prior, they are presented as a separate line item. Because we historically included the excess tax benefits from share based payment arrangements in the free cash flow calculation, the adoption of this guidance did not change the calculation of free cash flow.

(3) Merger and restructuring related payments were first reported for 2012. The information required to determine the amount of merger and restructuring related payments for periods prior to 2012 is unavailable without unreasonable effort.