

McGrath RentCorp

Investor Meetings - Presentation and Additional Information Appendix



February 2020 – Nasdaq: MGRC

www.mgrc.com

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include anticipated growth opportunities for each of the Company's business segments and 2020 financial outlook. Forward looking statements also can be identified by the use of forward-looking terminology such as "believes," "expects," "will," or "anticipates" or the negative thereof or other comparable terminology, or by discussions of expectations, strategies, prospects or targets. These forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties that could cause our actual results to differ materially from those projected. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under "Risk Factors" in the Company's Form 10-K and other SEC filings. Forward-looking statements are made only as of the date of this presentation. Except as otherwise required by law, the Company assumes no obligation to update any forward-looking statements.

Uniquely McGrath RentCorp



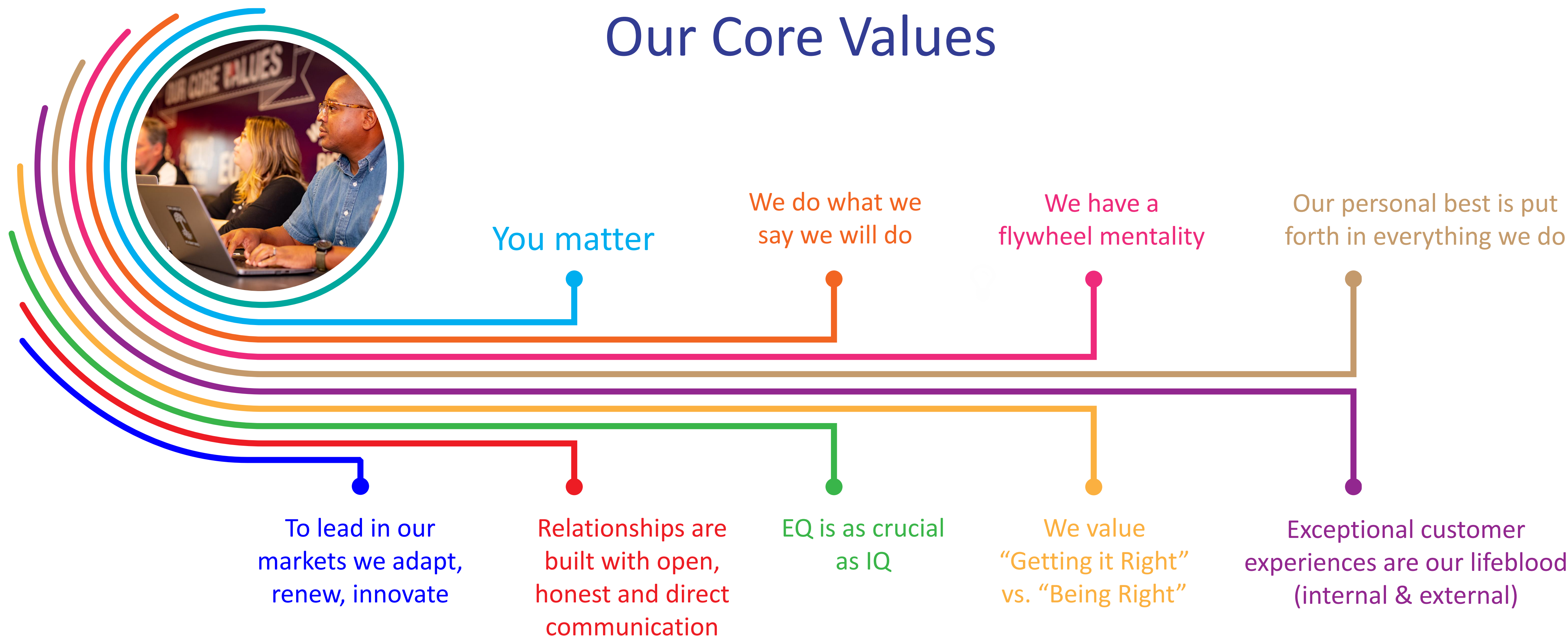
(a) Based on 1984 IPO through 12/31/19 assuming reinvestment of dividends

(b) Full year 2019



The Strength of Our Company Culture Sets Us Apart

Our Core Values

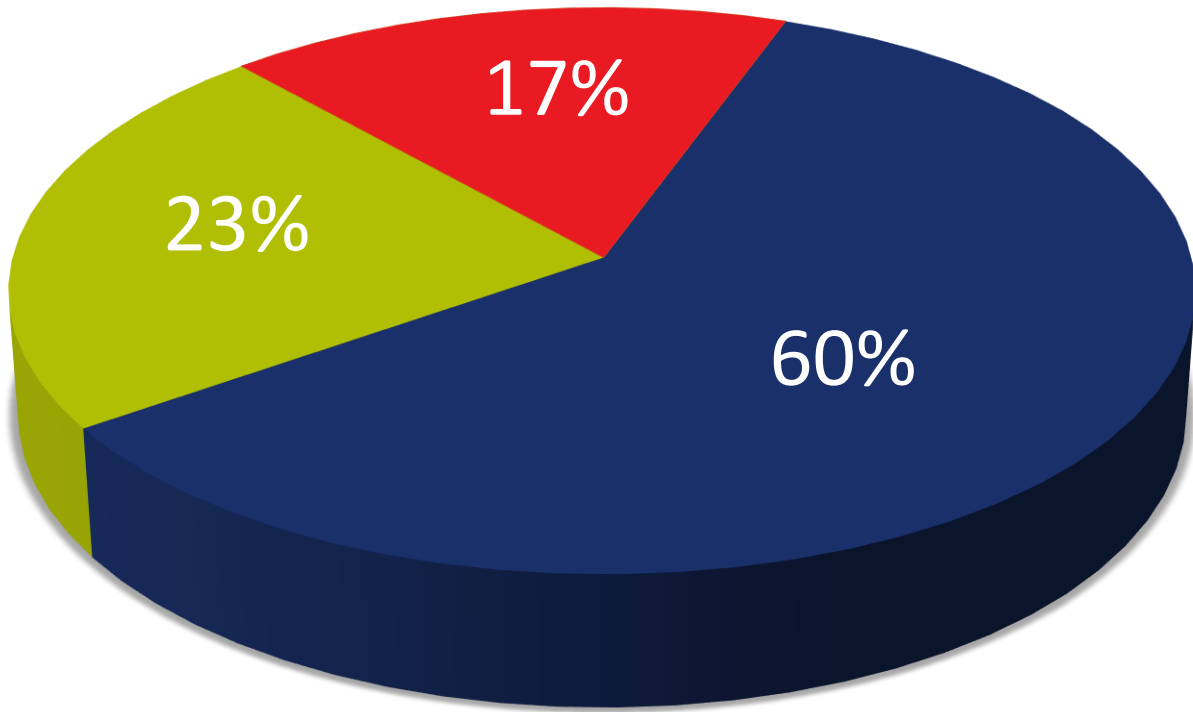


McGrath RentCorp is a Business to Business Rentals Company



2019	
Total Revenues	\$ 570 million
Rental Equipment, at cost	\$1.5 billion
Pieces of Rental Equipment	~ 94,000
Employees	1,099

Total Revenues – \$570M



- Mobile Modular ⁽¹⁾
- TRS-RenTelco
- Adler Tank Rentals

⁽¹⁾ Mobile Modular includes Mobile Modular Portable Storage and Enviroplex



Why Do Our Customers Rent from Our Businesses?



- **School districts:** rent temporary classrooms to house students while a wing of the school is modernized.
- **Growing businesses:** rent extra office space to house employees before construction is complete on new facilities.
- **Construction contractors:** rent on-site storage containers as secure holding areas for unused material and tools.
- **Refineries:** rent multi-purpose tanks for regularly scheduled plant maintenance and repair “turnaround” cycles.
- **Aerospace and Defense contractors:** rent oscilloscopes to test the voltage and frequency of electrical signals.
- **Telecommunications contractors:** rent test equipment during network buildouts, maintenance and repairs

Our Modular Buildings and Storage Containers Rental Businesses



Mobile Modular & Mobile Modular Portable Storage



- **Positioning:** leader in California, Texas, Florida and Mid-Atlantic education markets
- **Products:** office buildings and complexes, classrooms, portable storage containers
- **Coverage:**
 - Mobile Modular: servicing 18 states
 - Portable Storage: servicing 11 states

Revenues:	\$301	million (FY 2019)
Rental Equipment:	\$869	million (YE 2019 OAC ⁽¹⁾)
Rental Fleet:	~56,000	units

(1) Original Acquisition Cost



Our Liquid and Solid Containment Tanks & Boxes Rental Business



Adler Tank Rentals



- **Positioning:** national leader with the most modern rental fleet in the industry
- **Products:** solid and liquid containment solutions
- **Coverage:** serving customers nation wide

Revenues:	\$98	million (FY 2019)
Rental Equipment:	\$316	million (YE 2019 OAC ⁽¹⁾)
Rental Fleet:	~14,000	units

⁽¹⁾ Original Acquisition Cost

Our Electronic Test Equipment Rental Business



TRS-RenTelco



- **Positioning:** leader in the Americas
- **Products:** general purpose and communications test equipment
- **Coverage:** serving customers in North America and selectively overseas

Revenues:	\$131	million (FY 2019)
Rental Equipment:	\$335	million (YE 2019 OAC ⁽¹⁾)
Rental Fleet:	~24,000	units

⁽¹⁾ Original Acquisition Cost

✓ **Performance Improvement**

- ☐ Analyzing rental transactions
- ☐ Segmenting markets and setting priorities
- ☐ Enhancing pricing processes

✓ **Disciplined Capital Allocation**

- ☐ Mobile Modular: increasing share outside California
- ☐ TRS-RenTelco: investing in revenue growth with general purpose test equipment
- ☐ Portable Storage: building out established branch coverage

✓ **Focused growth**

- ☐ Increasing density within existing branch networks
- ☐ Selective geographic and product line expansion by existing divisions



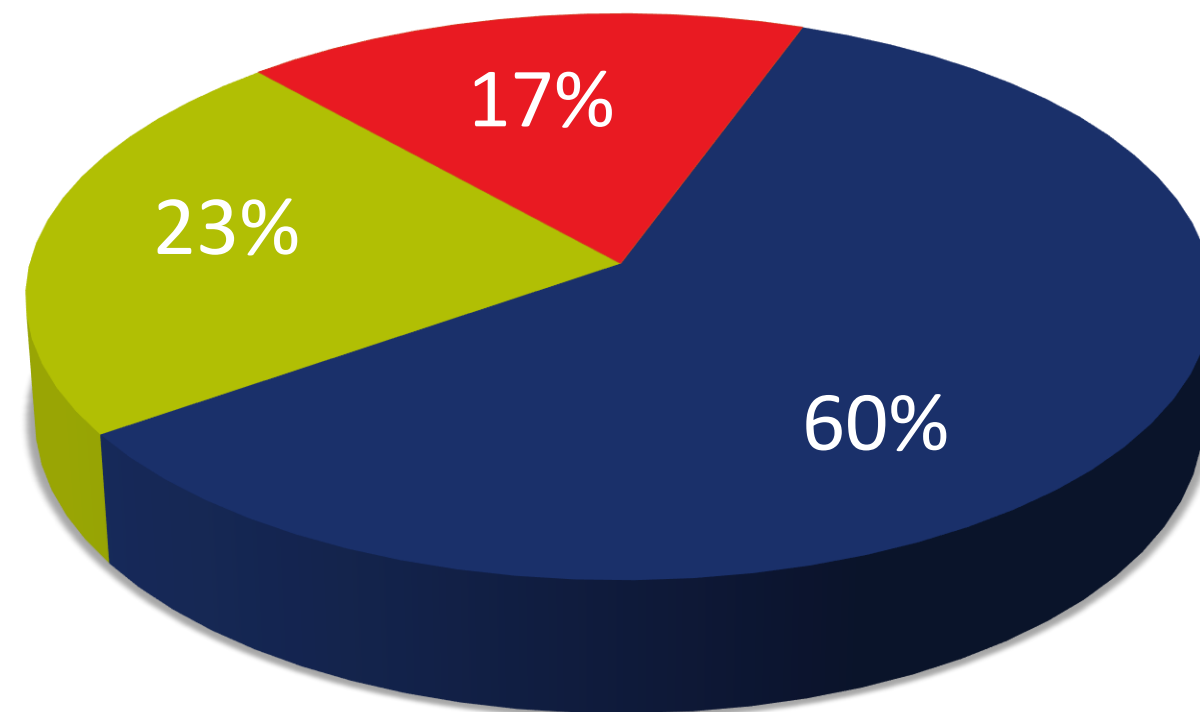


McGrath RentCorp FINANCIAL OVERVIEW

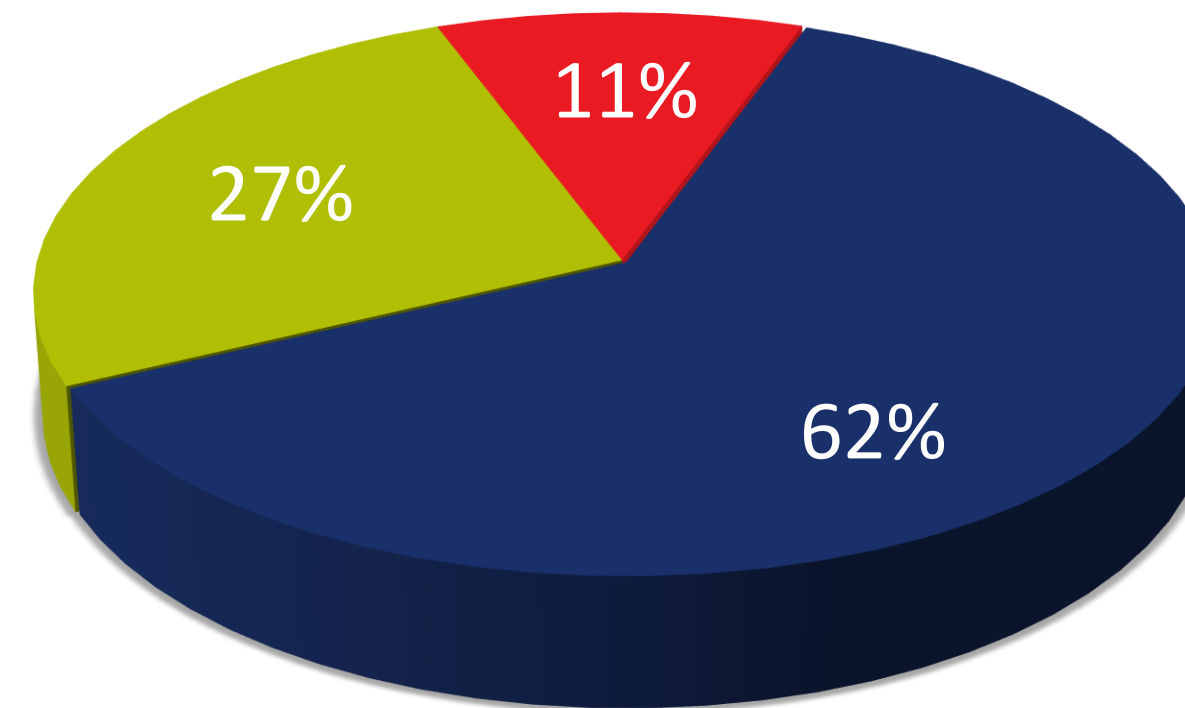


2019 Contribution by Division

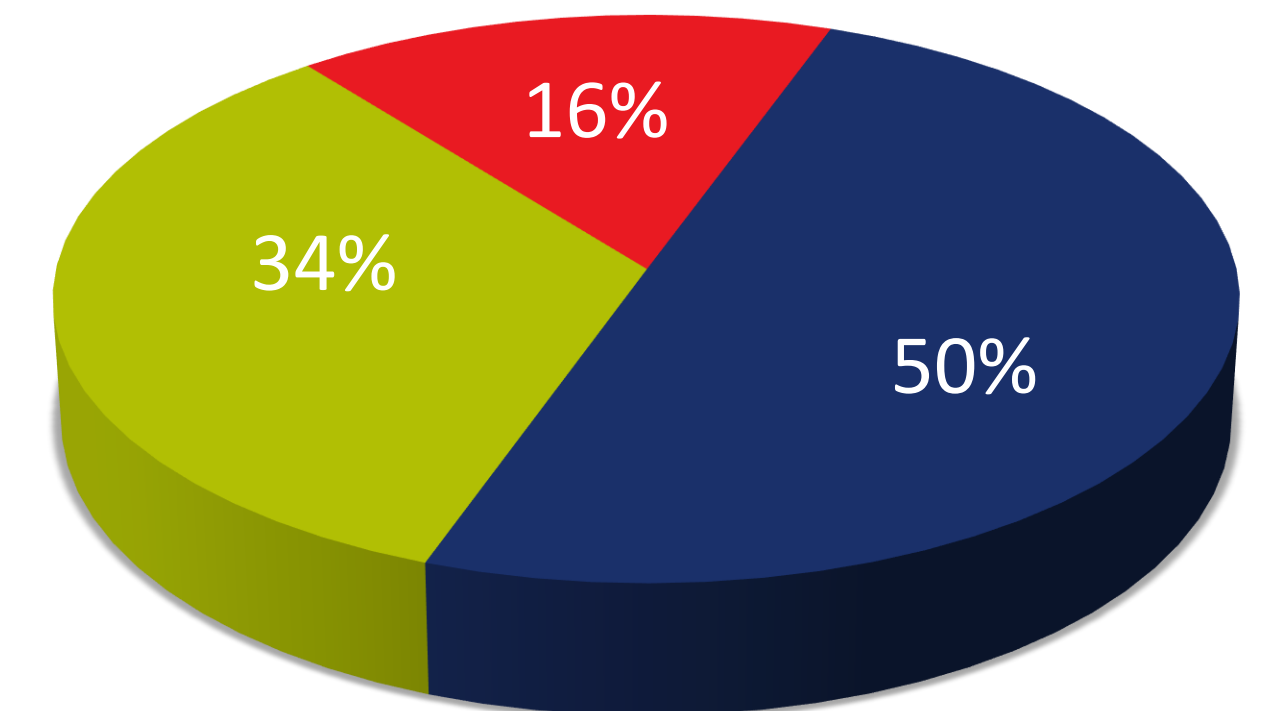
Total Revenues – \$570M



Net Income – \$97M



Adjusted EBITDA – \$237M

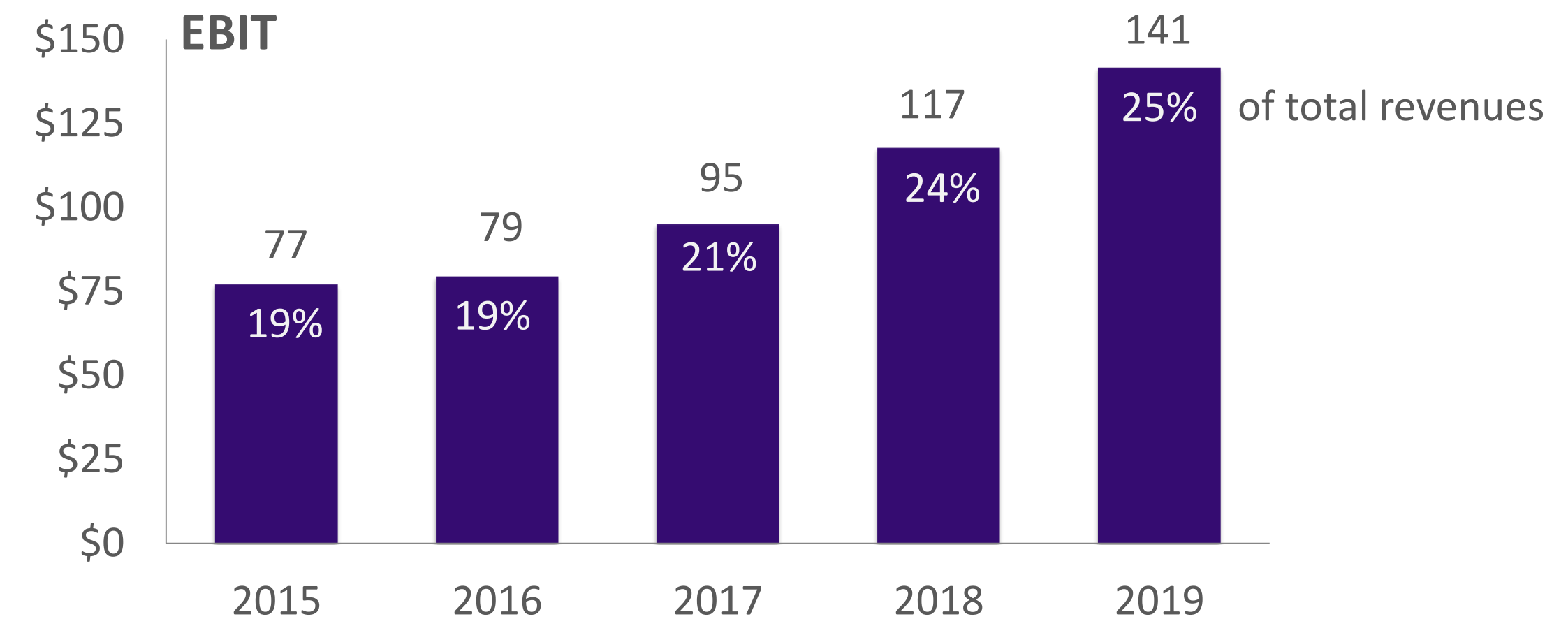
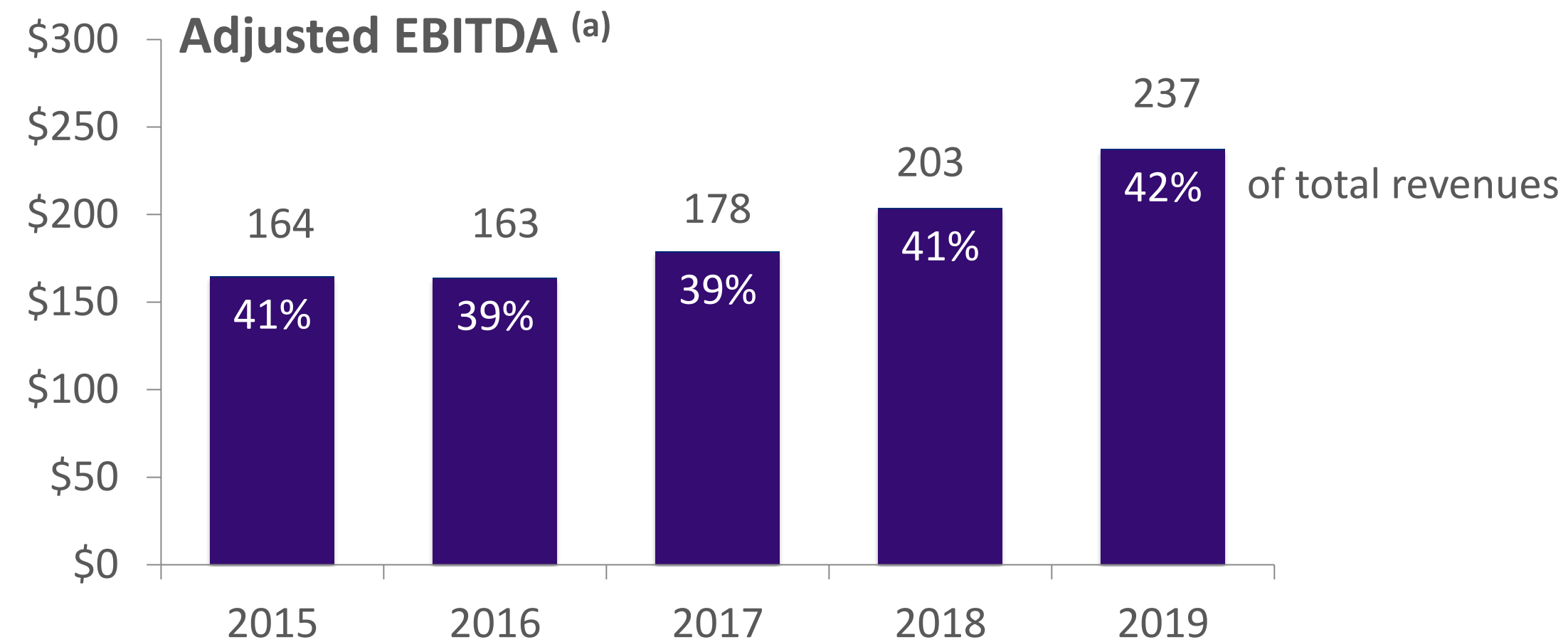
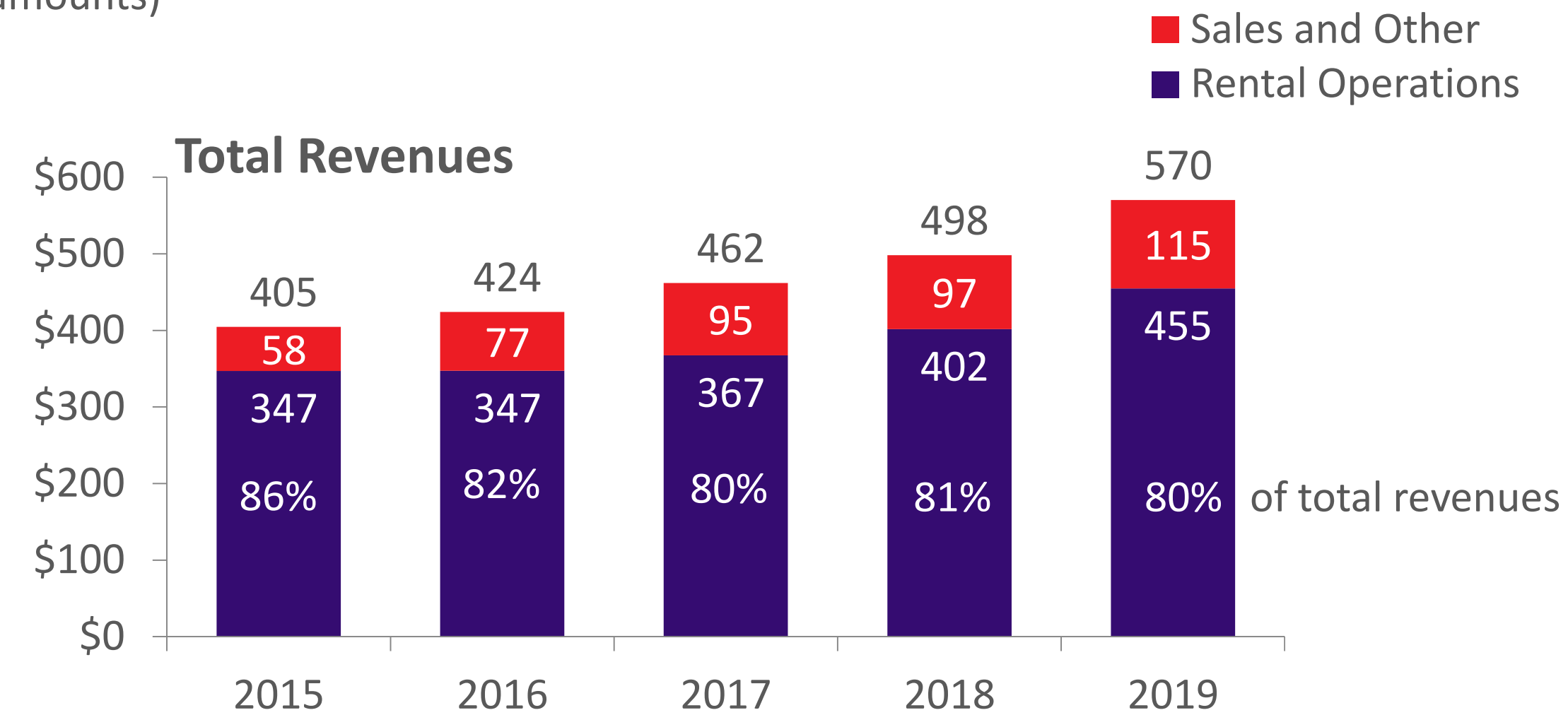


- Mobile Modular
- TRS-RenTelco
- Adler Tank Rentals

- The Company defines Adjusted EBITDA as net income before interest expense, provision for income taxes, depreciation, amortization, non-cash impairment costs and share-based compensation. A reconciliation of Adjusted EBITDA to the most directly comparable financial measures calculated and presented in accordance with GAAP is disclosed in the company's earnings press releases and in SEC filings.
- Mobile Modular includes Mobile Modular Portable Storage and Enviroplex

Historic Operating Results

(dollars and shares in millions except per share amounts)

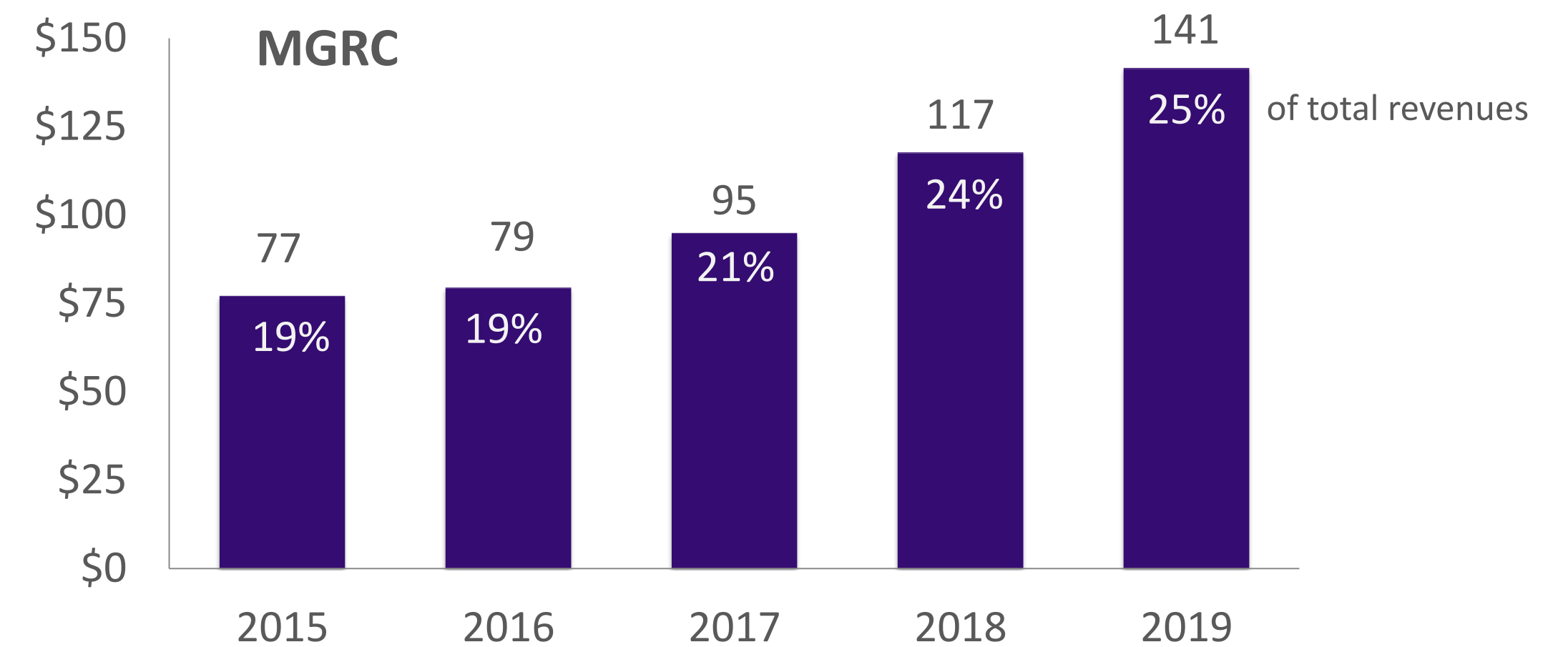
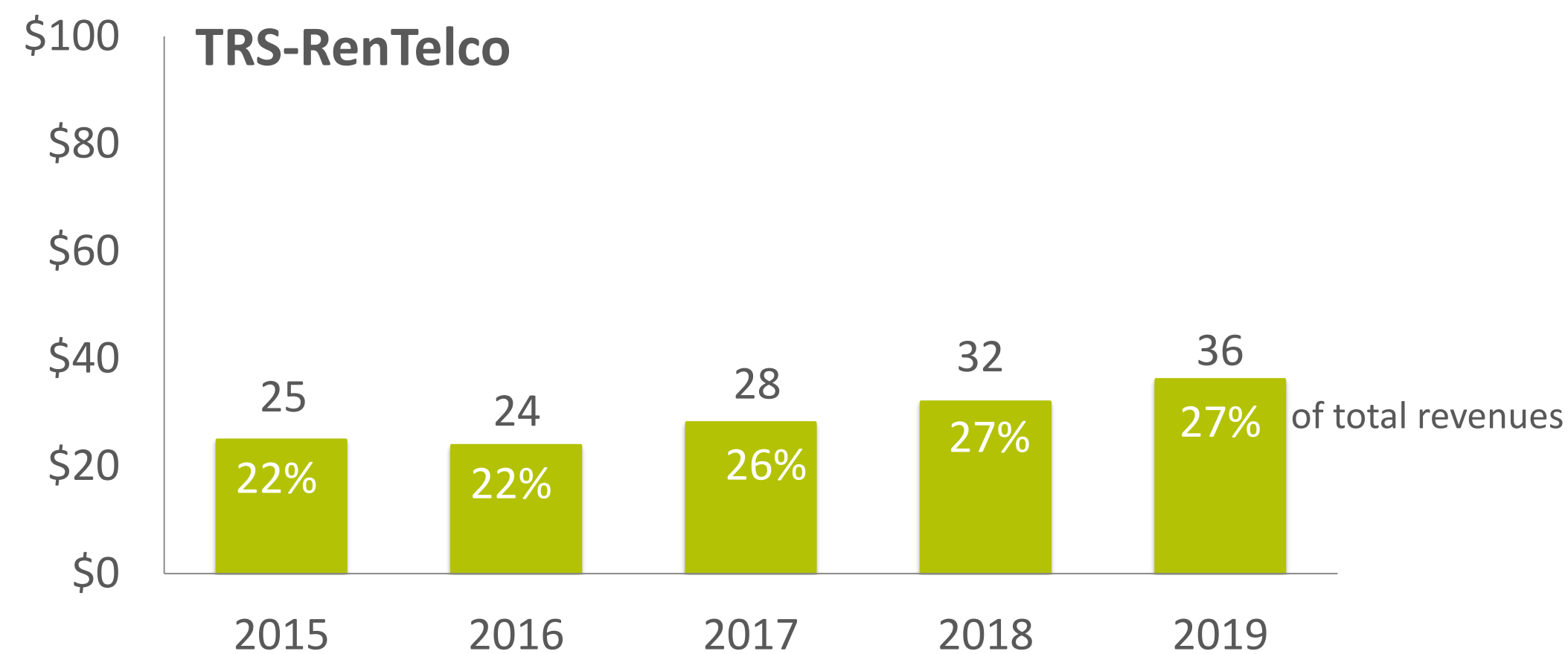
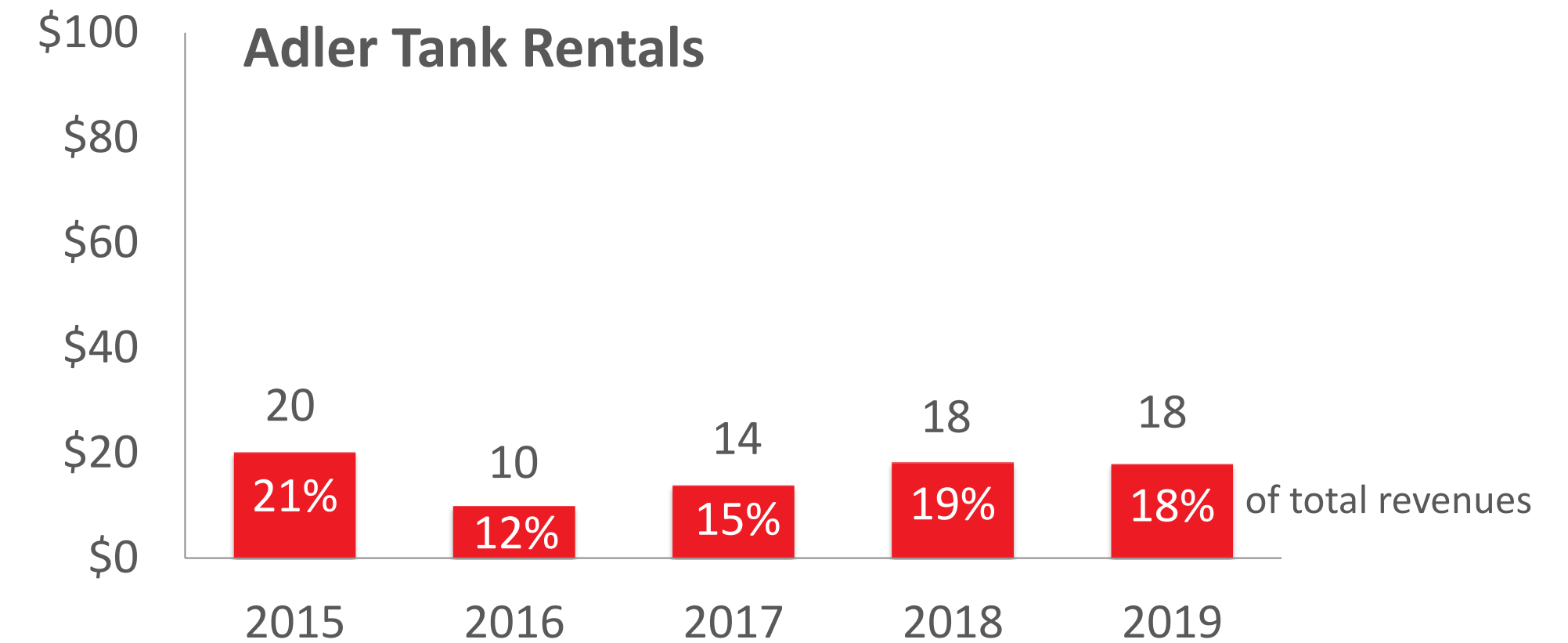
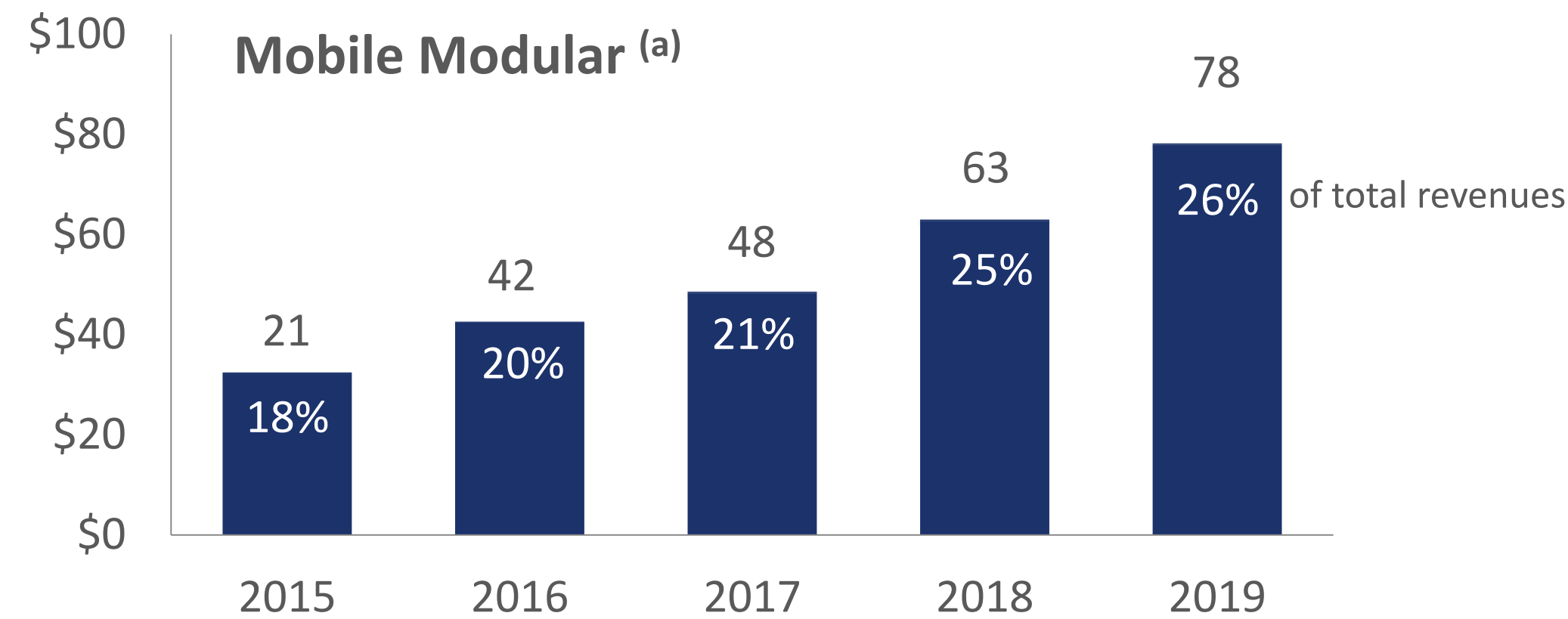


(a) Adjusted EBITDA defined on page 12

Earnings Before Interest & Taxes (EBIT)



(dollars in millions)

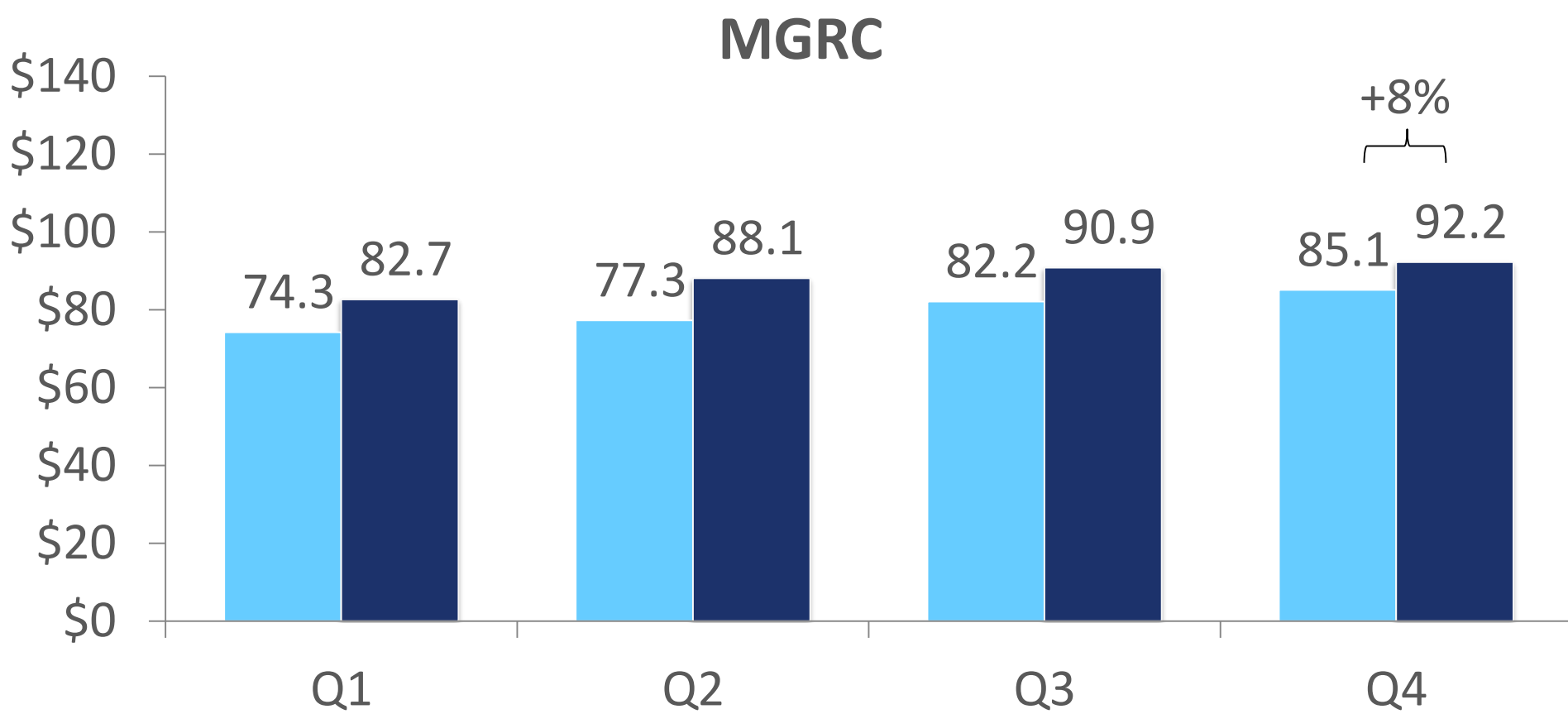
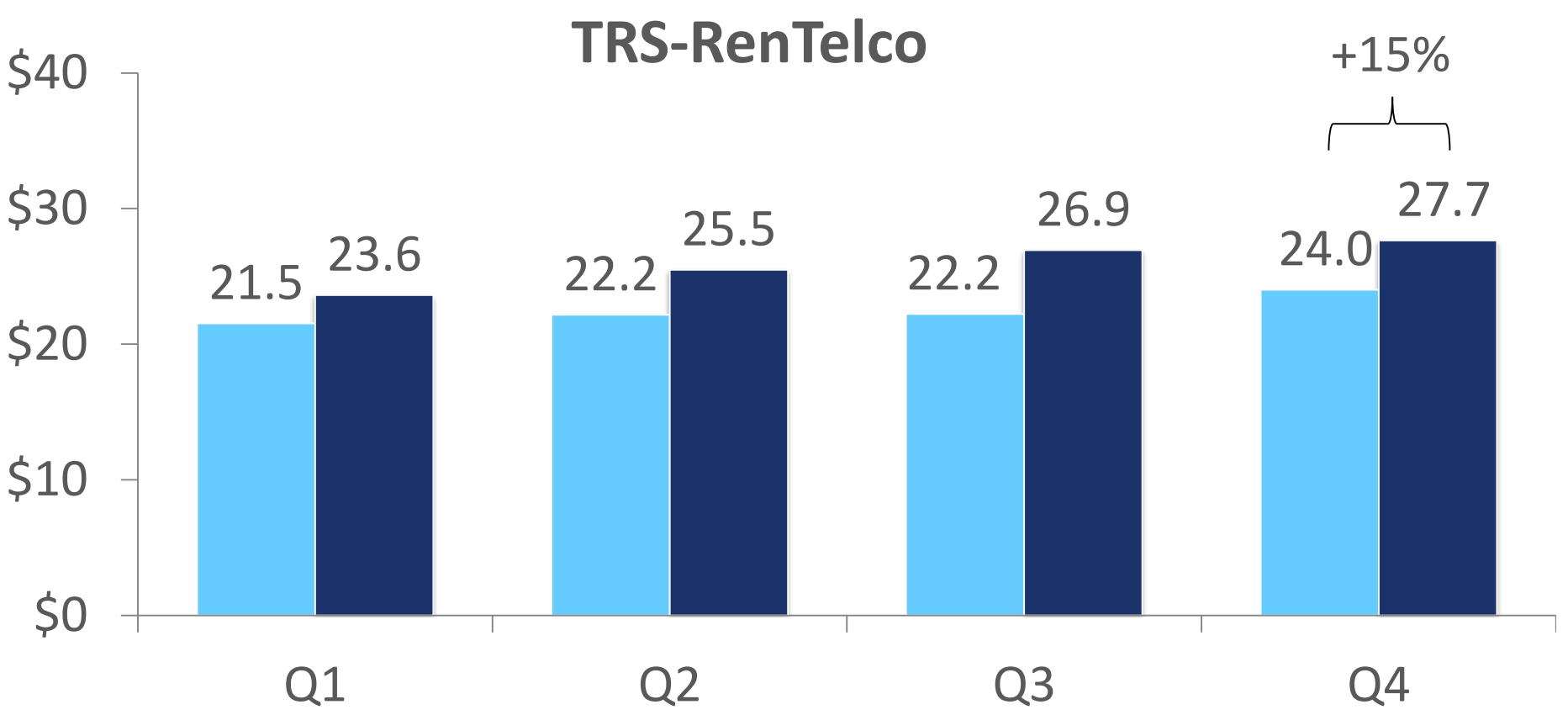
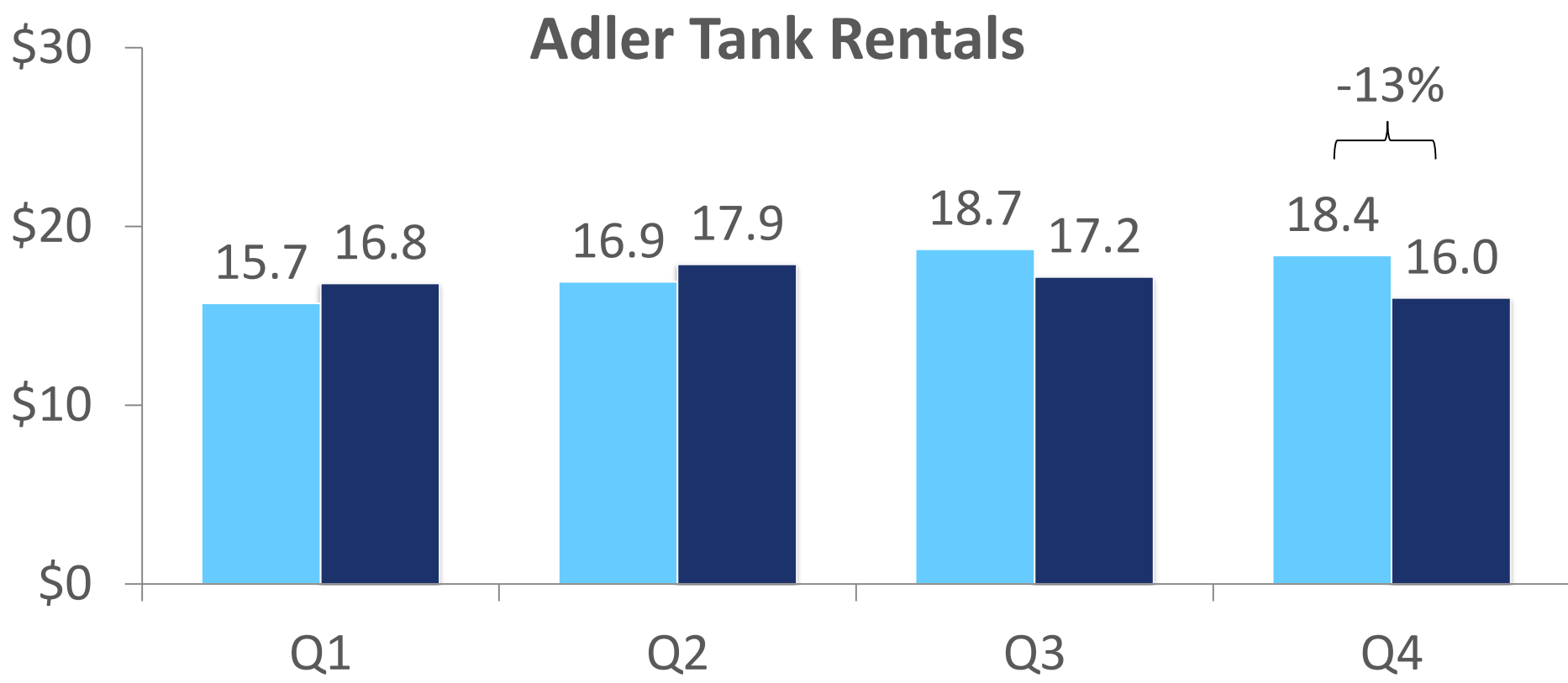
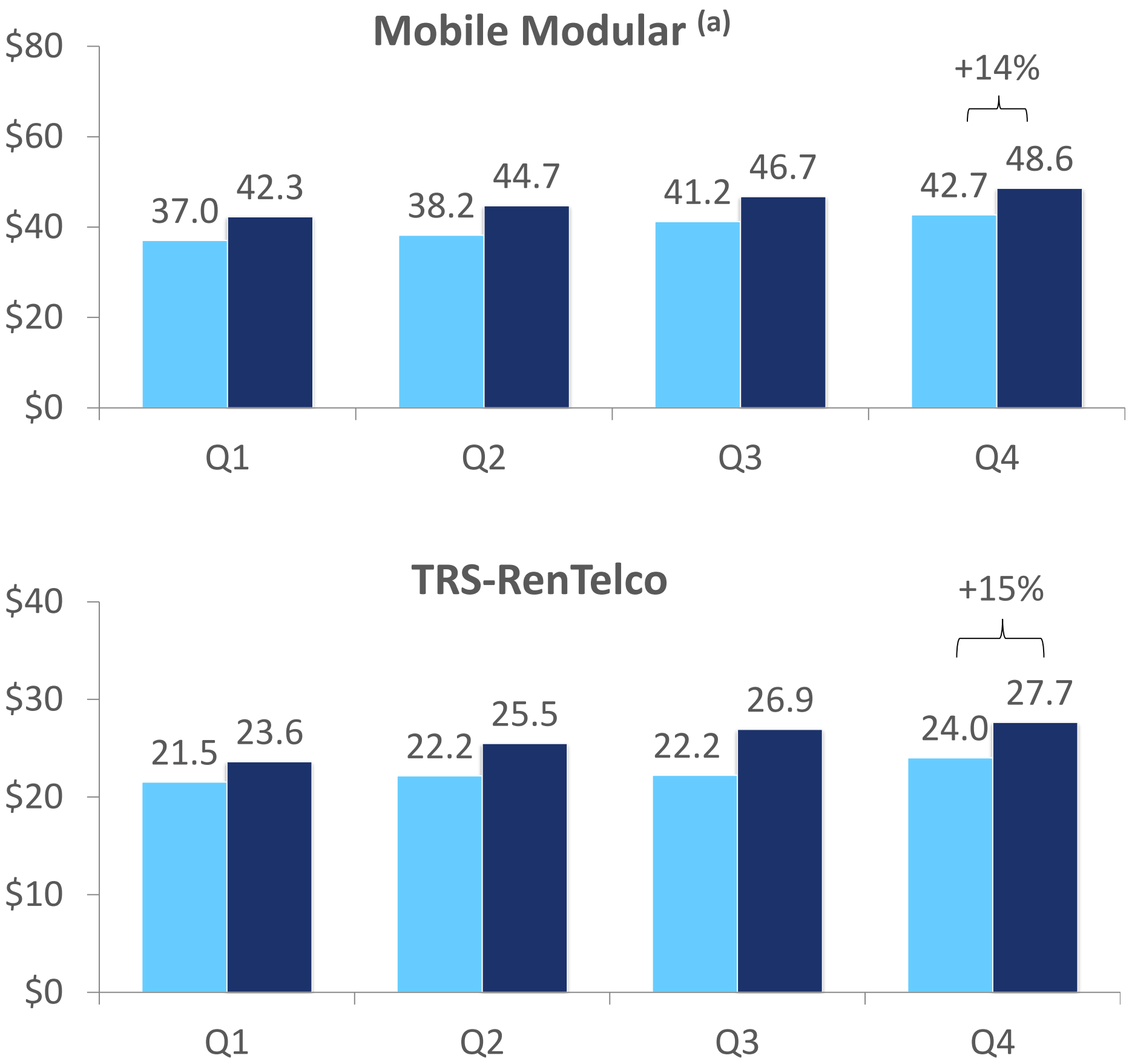


(a) Includes Mobile Modular Portable Storage and excludes Enviroplex. Enviroplex 2019 EBIT was \$9.7M.



Rental Revenue – Quarterly Comparison (2018-19)

(dollars in millions)

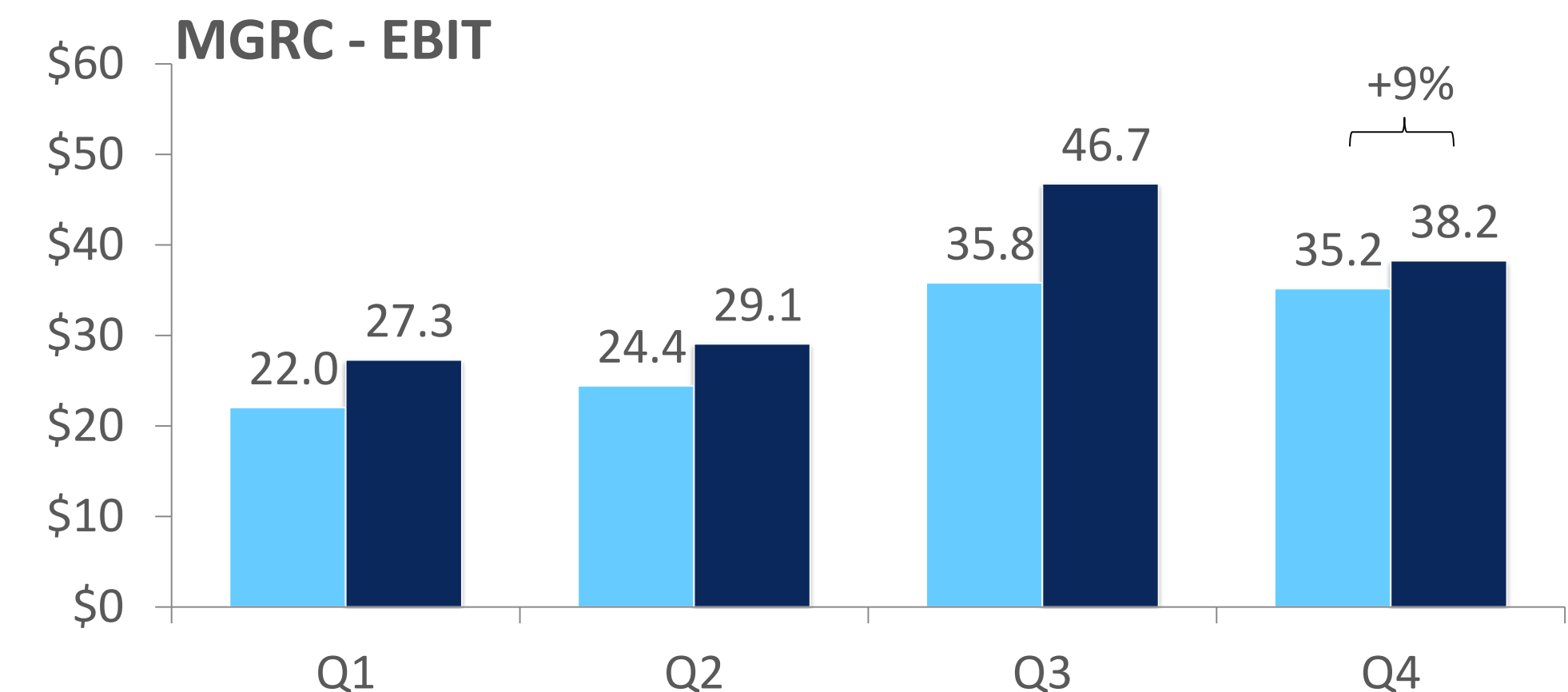
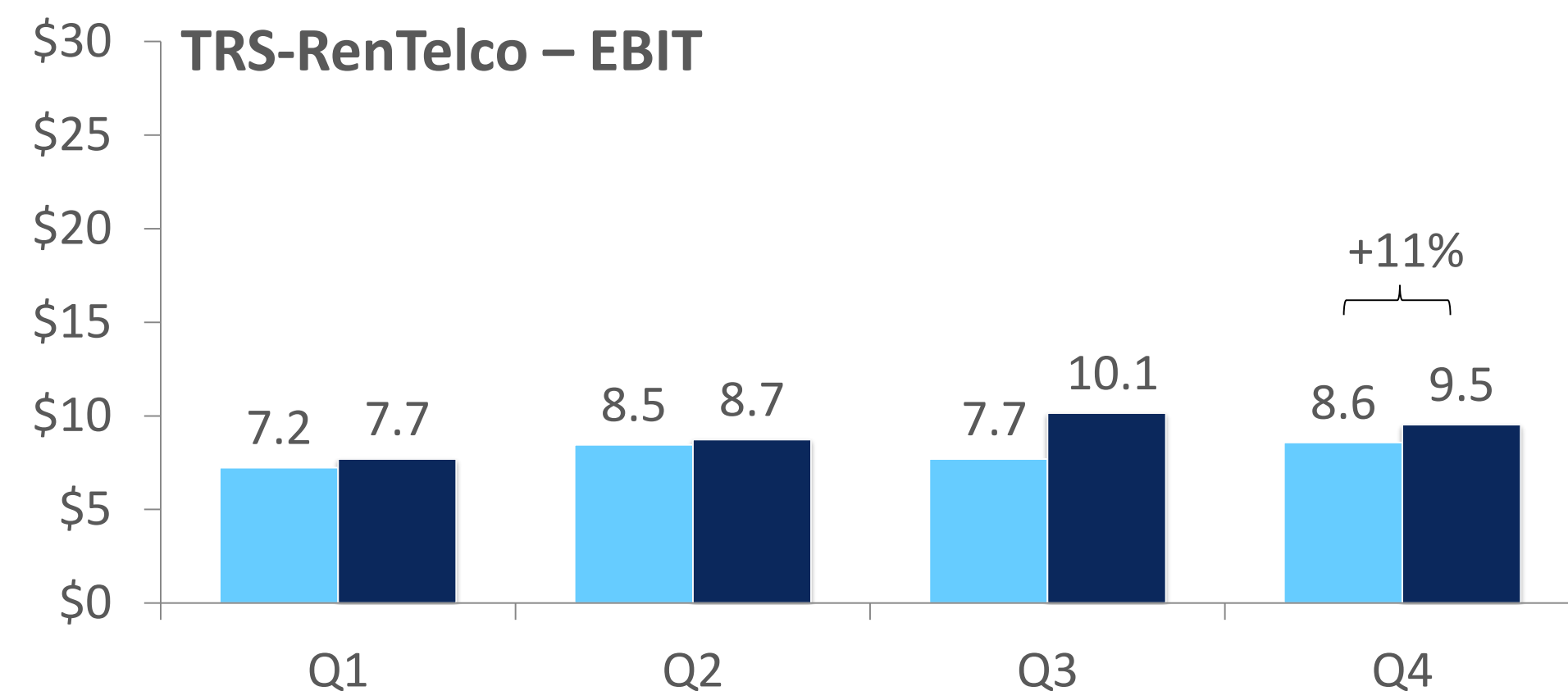
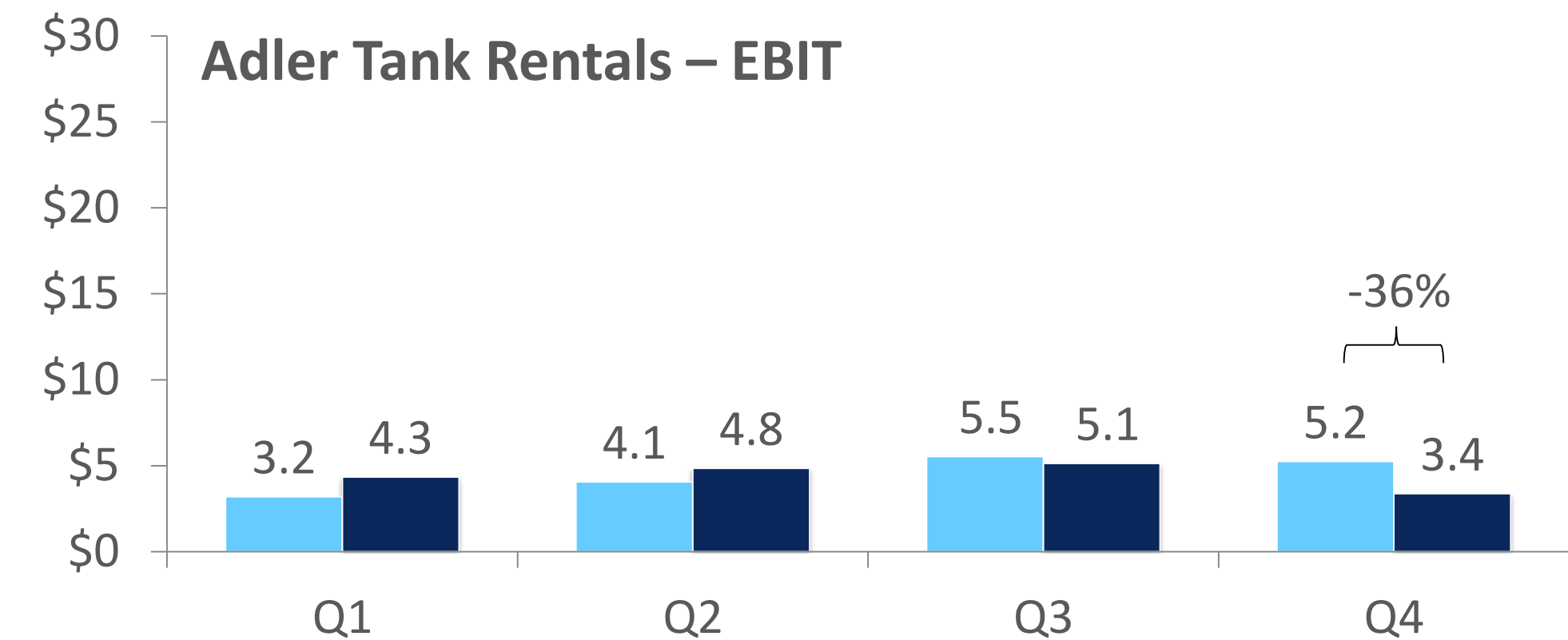
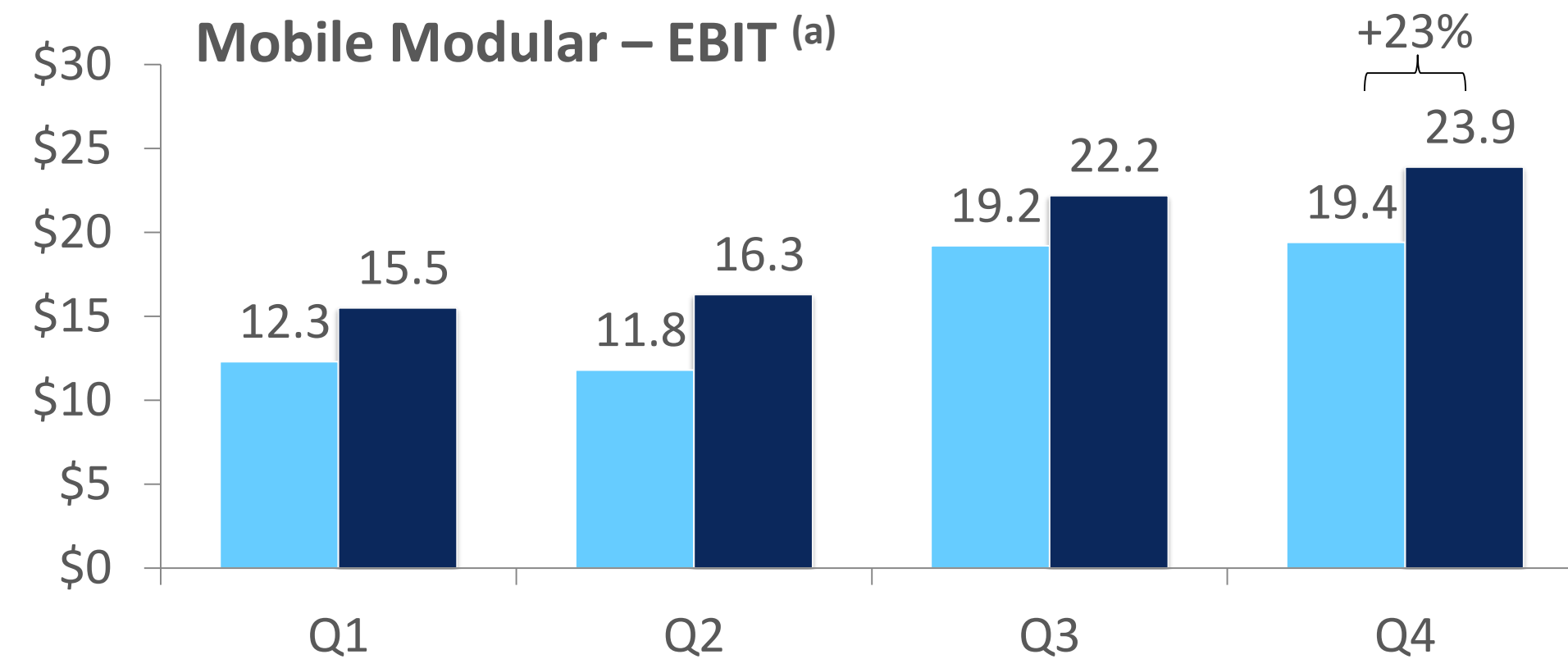


(a) Mobile Modular includes Mobile Modular Portable Storage

2018 2019

EBIT – Quarterly Comparison (2018-19)

(dollars in millions)



(a) Mobile Modular includes Mobile Modular Portable Storage and excludes Enviroplex. Enviroplex EBIT decreased from \$1.9M in Q4-18 to \$1.4M in Q4-19.

2018 2019

Operating Results



(dollars in millions except per share amounts)

	Twelve months ended December 31			Three months ended December 31		
	2019	2018	Change	2019	2018	Change
Rental Revenue	353.9	318.8	11%	92.2	85.1	8%
Rental Related Services	101.0	82.9	22%	24.3	22.1	10%
Sales	110.2	92.6	19%	28.8	24.9	16%
Total Revenue	570.2	498.3	14%	147.2	133.1	11%
Gross Profit	266.2	233.3	14%	71.0	65.1	9%
SG&A	124.8	115.8	8%	32.7	29.9	9%
EBIT	141.4	117.5	20%	38.2	35.2	9%
Net Income	96.8	79.4	22%	26.4	24.2	9%
Earnings Per Share	3.93	3.24	22%	1.07	0.99	8%
Adjusted EBITDA ^(a)	236.8	203.1	17%	63.7	57.6	11%

^(a) Adjusted EBITDA defined on page 12



Balance Sheet – Summary Information



(dollars in millions)

	December 31, <u>2019</u>	December 31, <u>2018</u>	December 31, <u>2017</u>
Rental Equipment, at cost			
Relocatable modular buildings	869	817	775
Electronic test equipment	335	285	262
Liquid and solid containment tanks and boxes	316	314	310
	<u>1,520</u>	<u>1,416</u>	<u>1,348</u>
Rental Equipment, net book value			
Relocatable modular buildings	610	572	544
Electronic test equipment	172	131	109
Liquid and solid containment tanks and boxes	185	198	209
Total NBV Rental Equipment	968	901	862
Total Assets	1,310	1,217	1,148
Notes Payable	293	299	303
Total Liabilities	676	646	624
Shareholders Equity	634	572	524
Shares Issued and Outstanding	24.3	24.2	24.1
Debt (Total Liabilities) to Equity	1.07	1.13	1.19
Debt (Notes Payable) to Equity	0.46	0.52	0.58
Funded Debt to LTM EBITDA	1.24	1.47	1.70
Return on Average Equity for LTM ⁽¹⁾	16.1%	14.6%	12.6%
Capacity Under Existing Lines of Credit	239	233	249

⁽¹⁾ The December 31, 2017 Return on Average Equity excludes a net income benefit of \$102.5 million associated with the enactment of the Tax Cut and Jobs Act. See page 55 for additional detail.

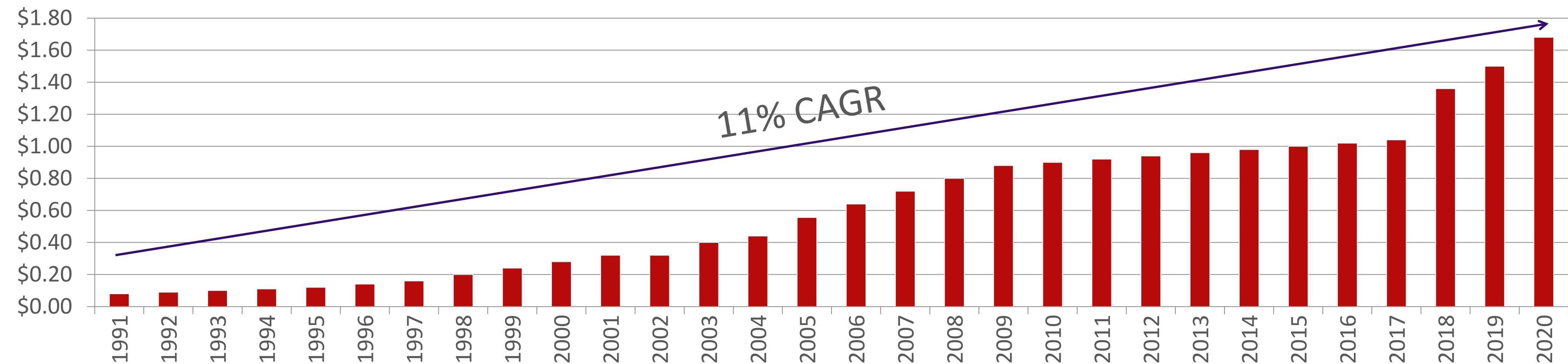


Our Dividend Distinction



- Dividend increases for 29 consecutive years
- \$1.68 per share annualized dividend
- 2.1% yield (2020 annualized dividend as of February 24, 2020)
- McGrath RentCorp is 1 of 134 Dividend Champions in the U.S. today, identified as having a 25 year record or more of consecutive dividend increases ^(b)

Dividend Payout Per Share ^(a)



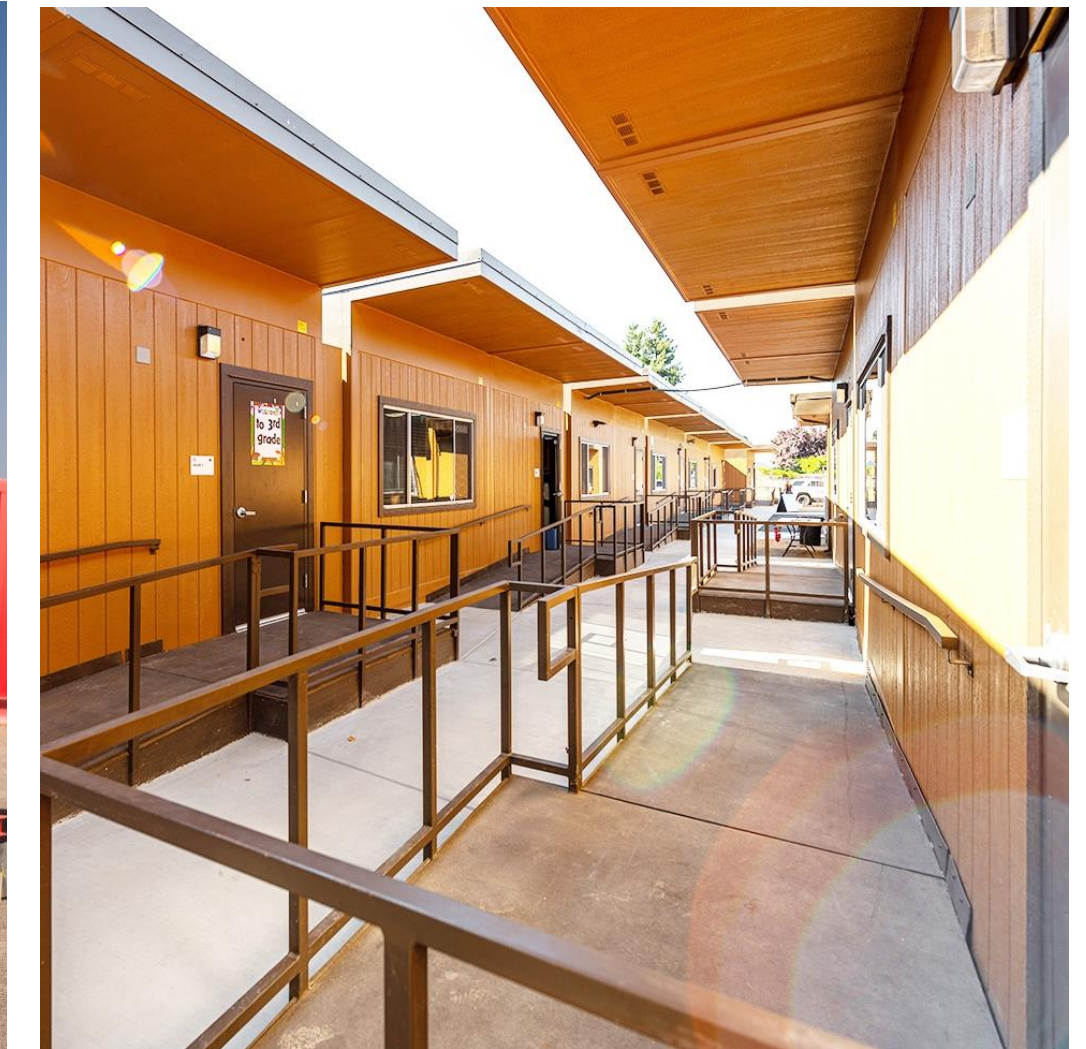
^(a) In February 2020, dividends declared for Q1 2020 were \$0.42 per share, a 12% increase over Q1 2019, equating to an annualized dividend rate of \$1.68 per share. On an annualized basis, this dividend represents a 2.1% yield on the February 24, 2020 close price of \$78.54.

^(b) Source: www.dividendgrowthinvestor.com

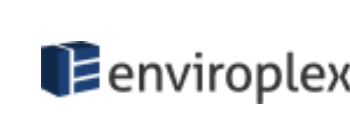
Investment Summary - McGrath RentCorp (Nasdaq: MGRC)



- ✓ Established rental businesses with solid market positions
- ✓ Strong focus on performance improvement
- ✓ Disciplined capital spending on new rental equipment
- ✓ Improved free cash flow
- ✓ Dividend increases for 29 consecutive years
- ✓ Sound financial foundation to support current business operations and future growth



Thank you for your interest and investment in MGRC



McGrath RentCorp

ADDITIONAL INFORMATION APPENDIX

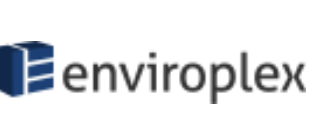
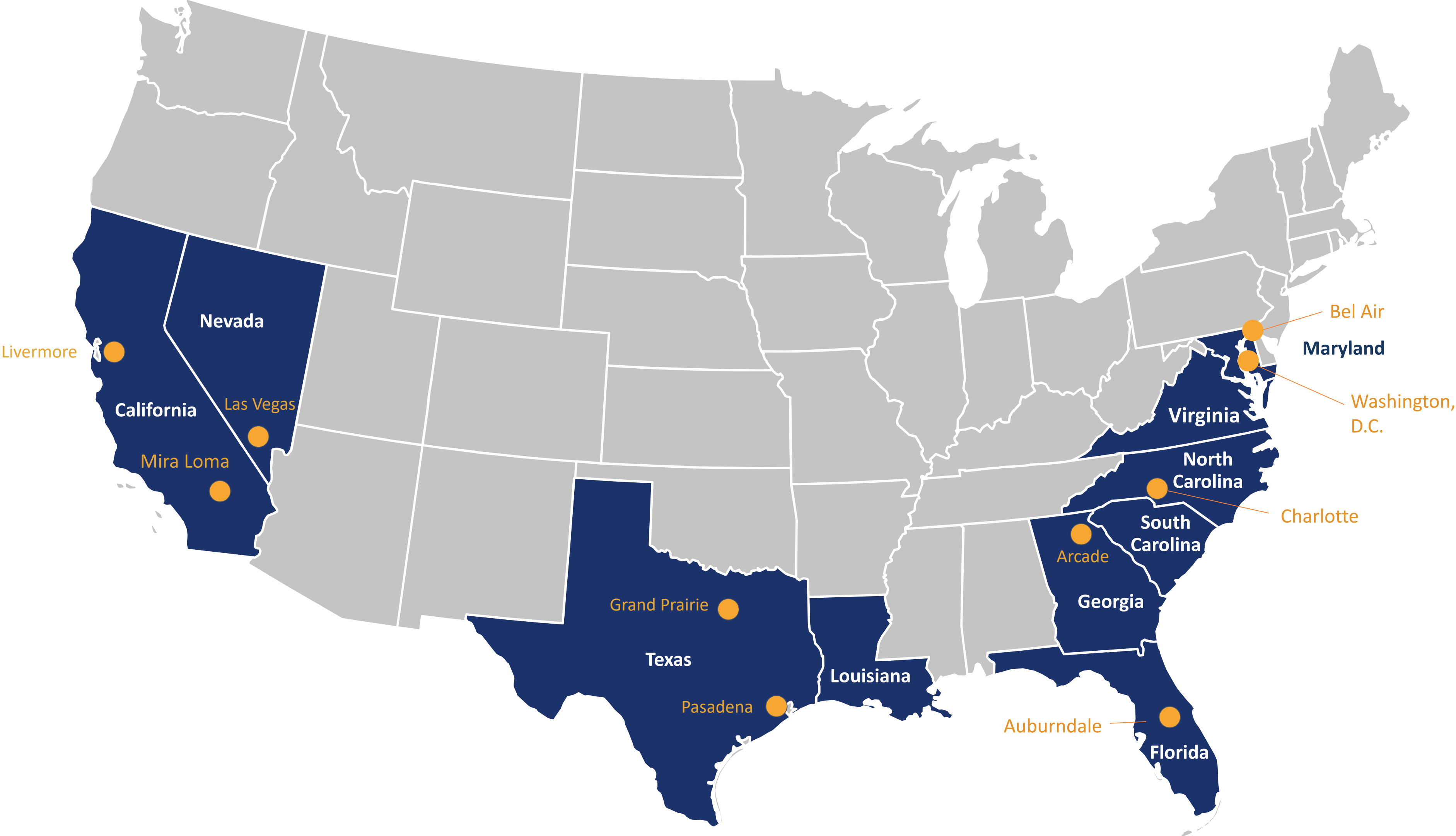
• Mobile Modular & Mobile Modular Portable Storage	22
• Adler Tank Rentals	32
• TRS-RenTelco	42
• Additional Financial Detail	50
• Additional Detail - Enviroplex	68

McGrath RentCorp

MOBILE MODULAR & MOBILE MODULAR PORTABLE STORAGE

Mobile Modular

Rental and Sales of Modular Classrooms and Offices



Mobile Modular

Rental and Sales of Modular Buildings Serving a Broad Range of Facility Needs and Industry Groups



Office Buildings



Sales Office



Sales Office Interior



Office Building Interior



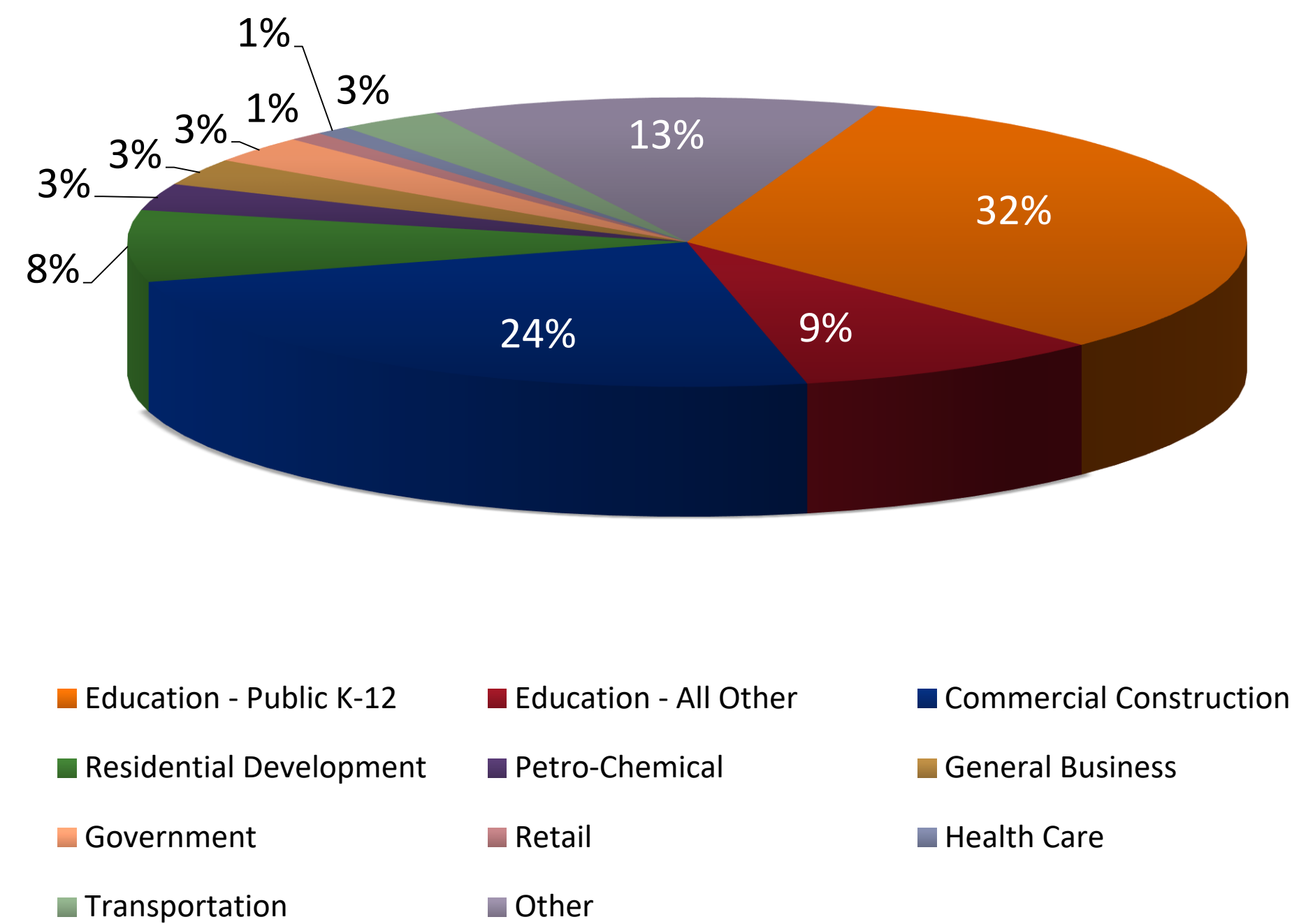
Office Building Complex



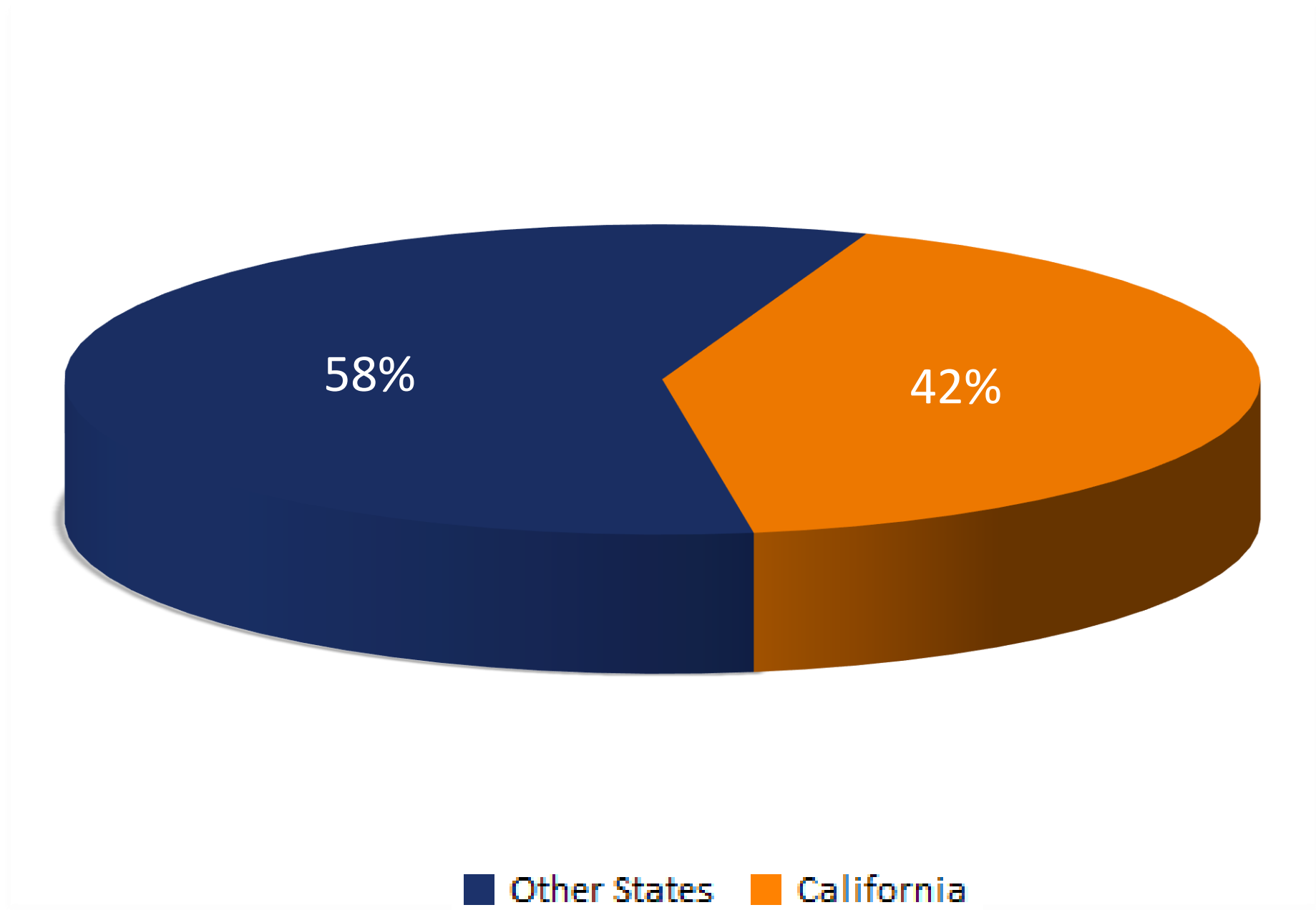
Rental Customer Mix ^(a)



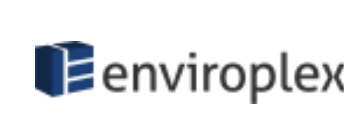
2019 Rental Business Mix Breakdown by Industry Group



2019 Rental Business Mix Geographic Breakdown



^(a) Mobile Modular includes Mobile Modular Portable Storage and excludes Enviroplex



Mobile Modular Rental Applications



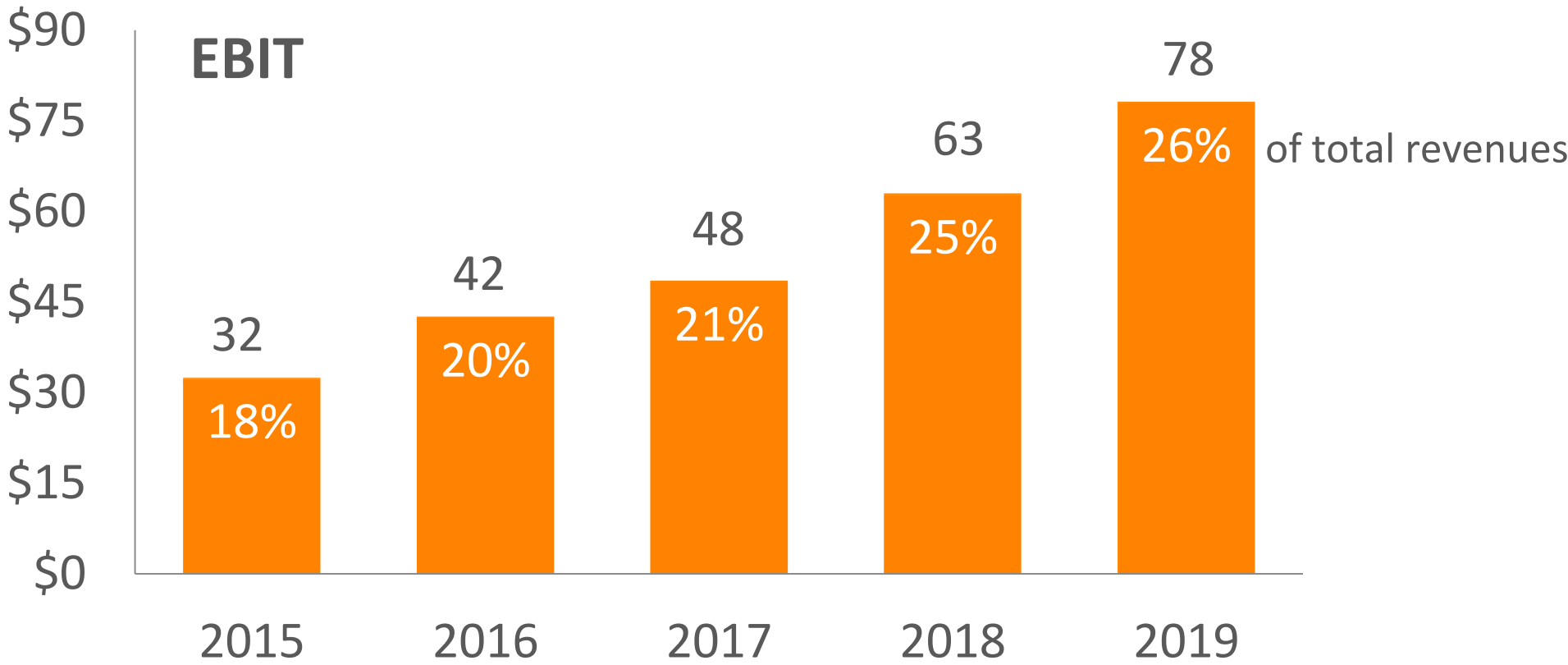
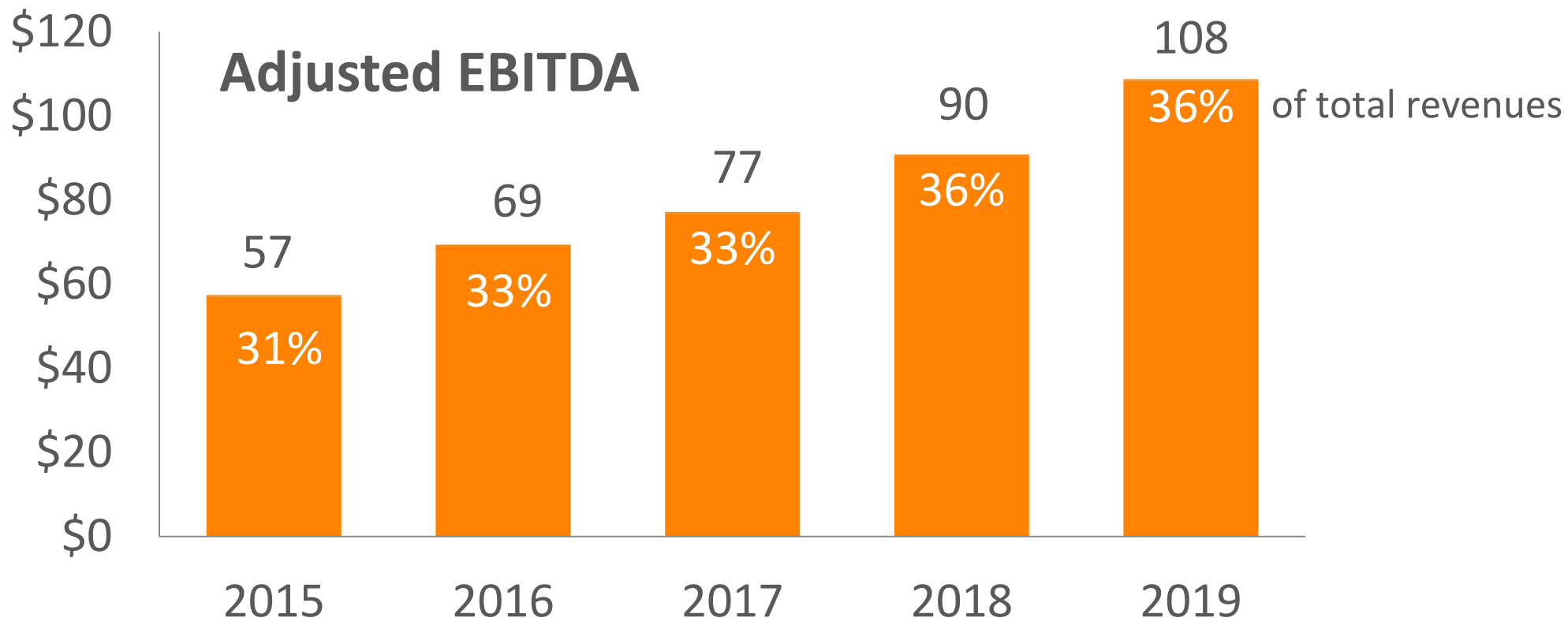
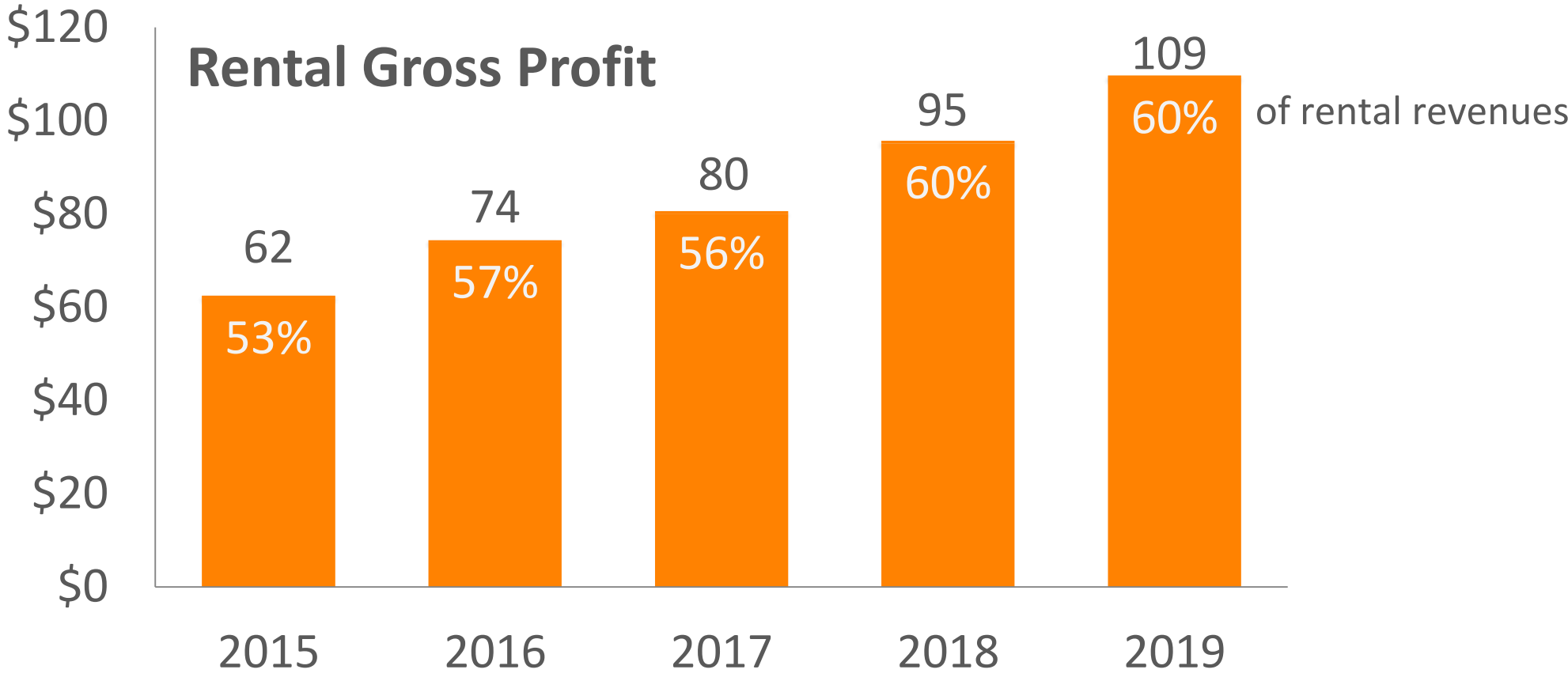
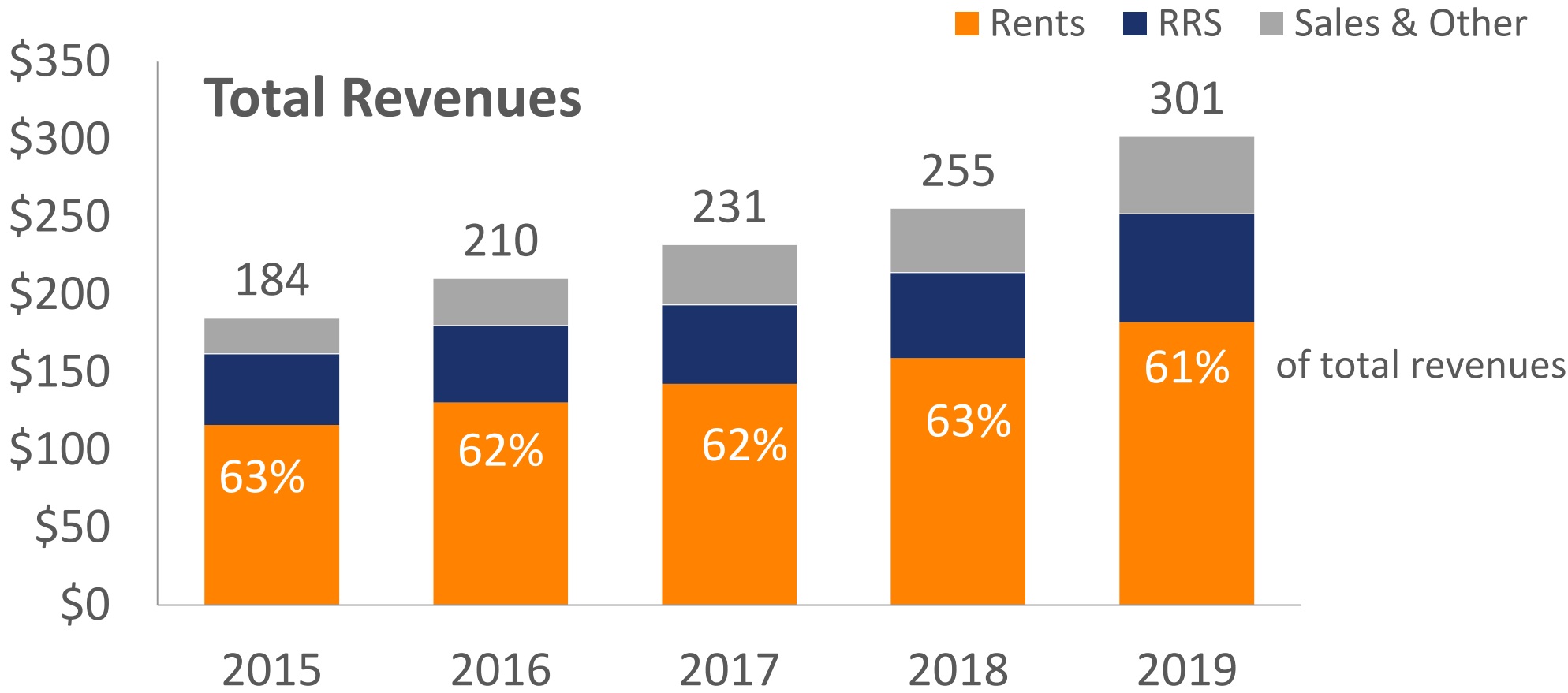
Education	Commercial	
Public School K-12	Construction/Developers Construction Site Offices Sales Offices Architect Engineering Firms	Petrochemical Refinery Plants Plant Operations Facilities Pipeline Construction
Private School K-12		
Charter School		
Public Community Colleges	Government City Services Facilities State Services Facilities Aerospace	Retail Banks/Credit Unions Wholesale Facilities
Private Colleges		
Public Colleges		
	Health Care Medical Clinics	Other Child Care Facilities Entertainment & Recreation Operation Facilities Transportation & Auto Church High Tech



Mobile Modular Operating Results (a)(b)



(dollars in millions)



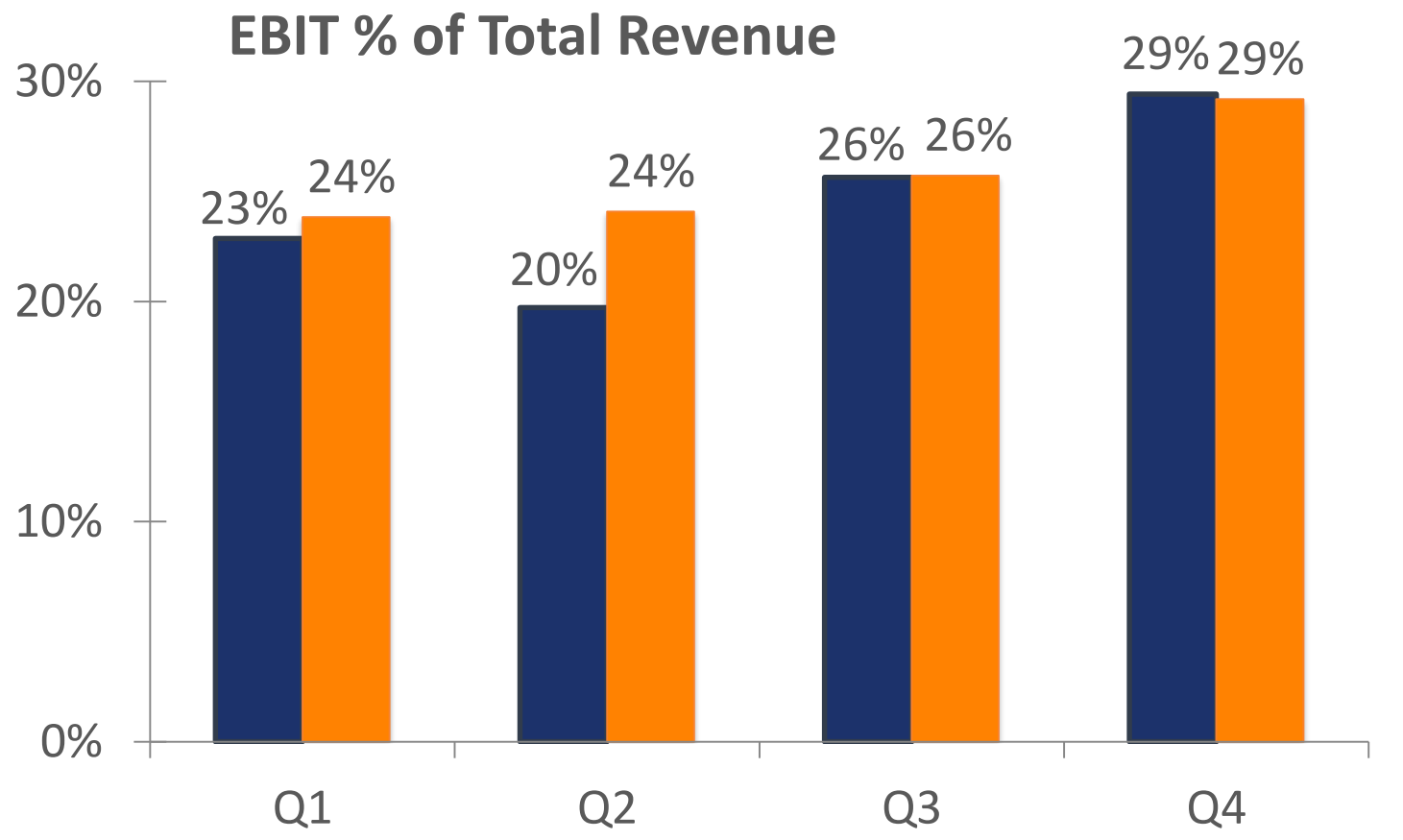
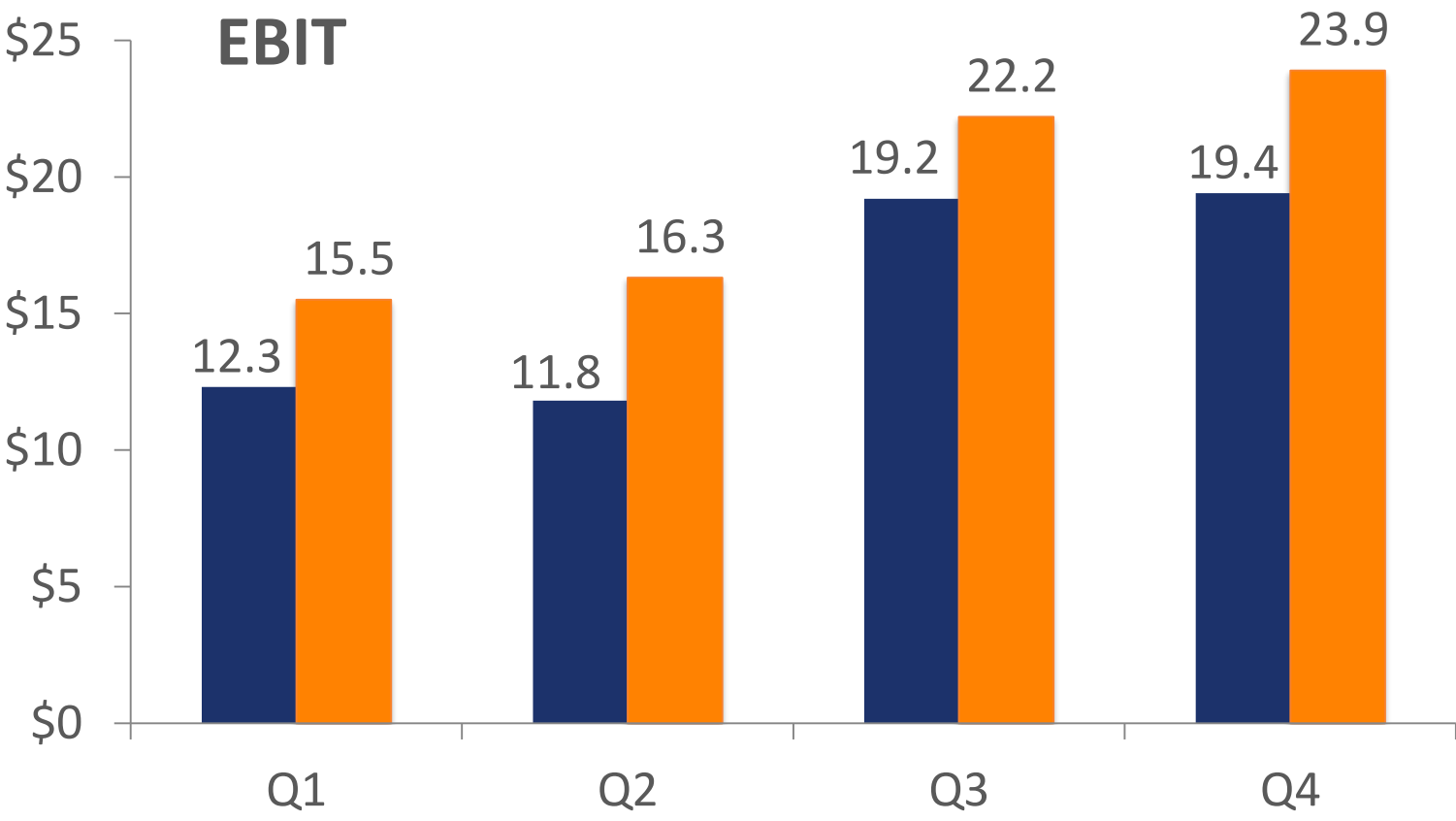
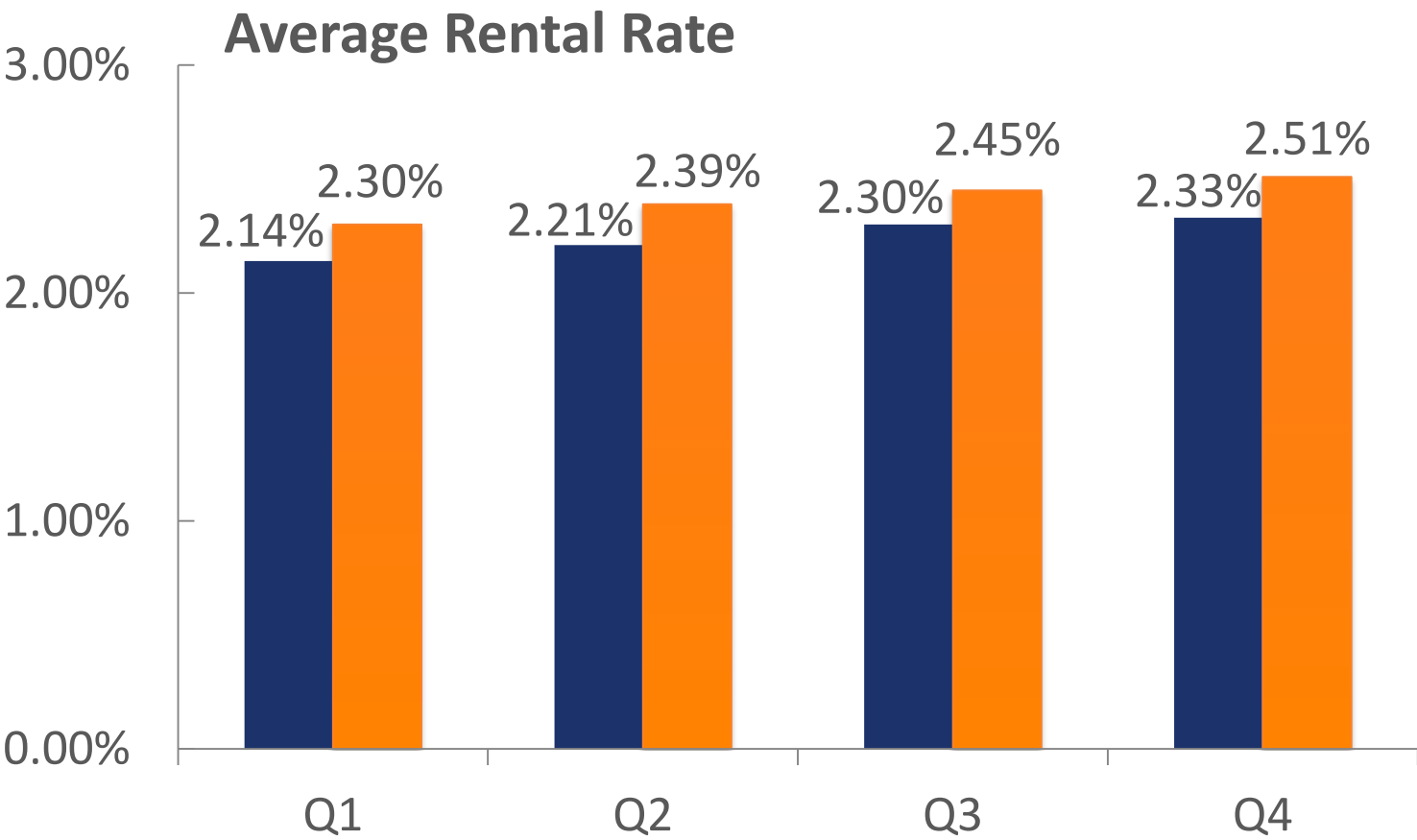
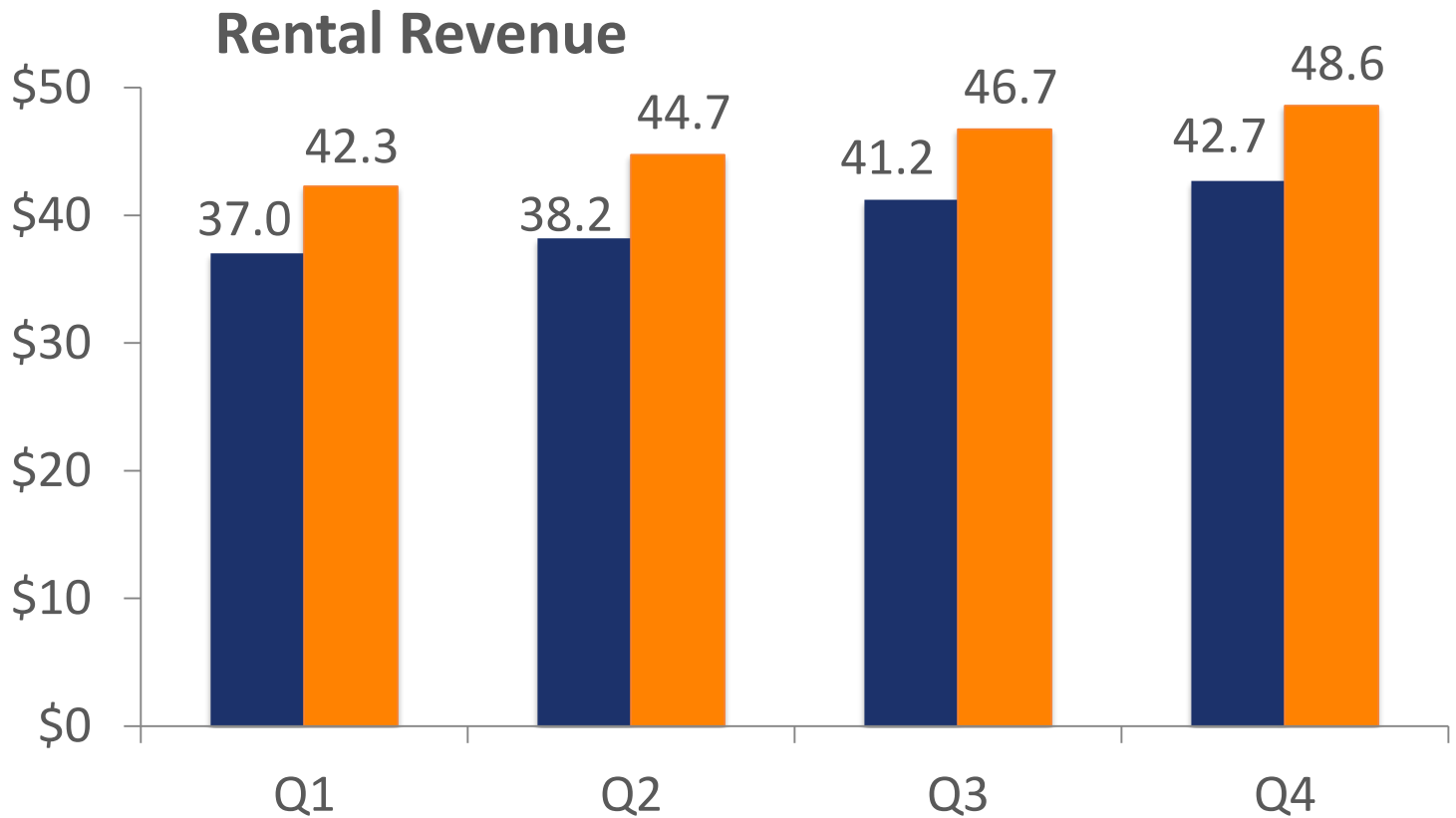
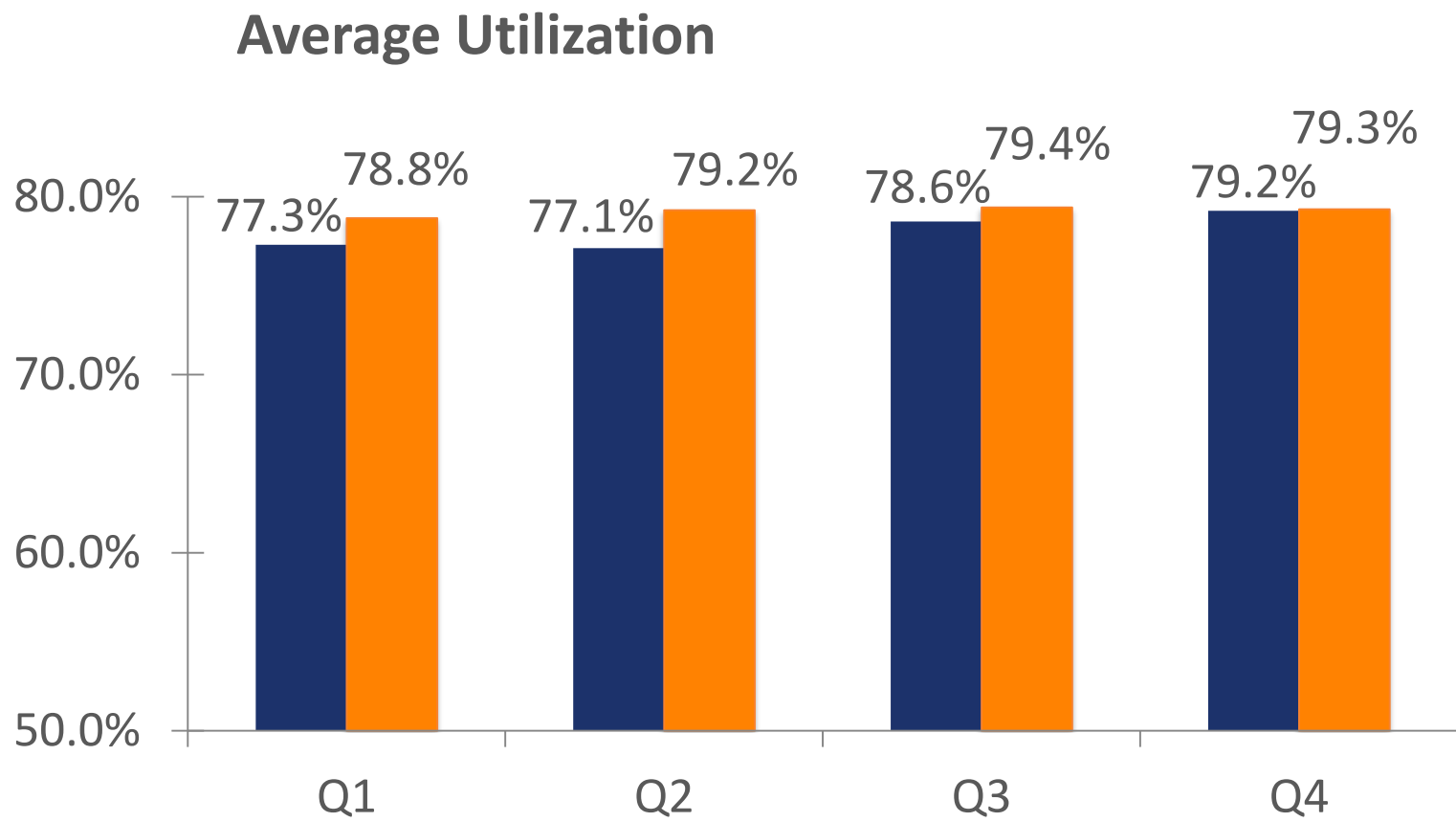
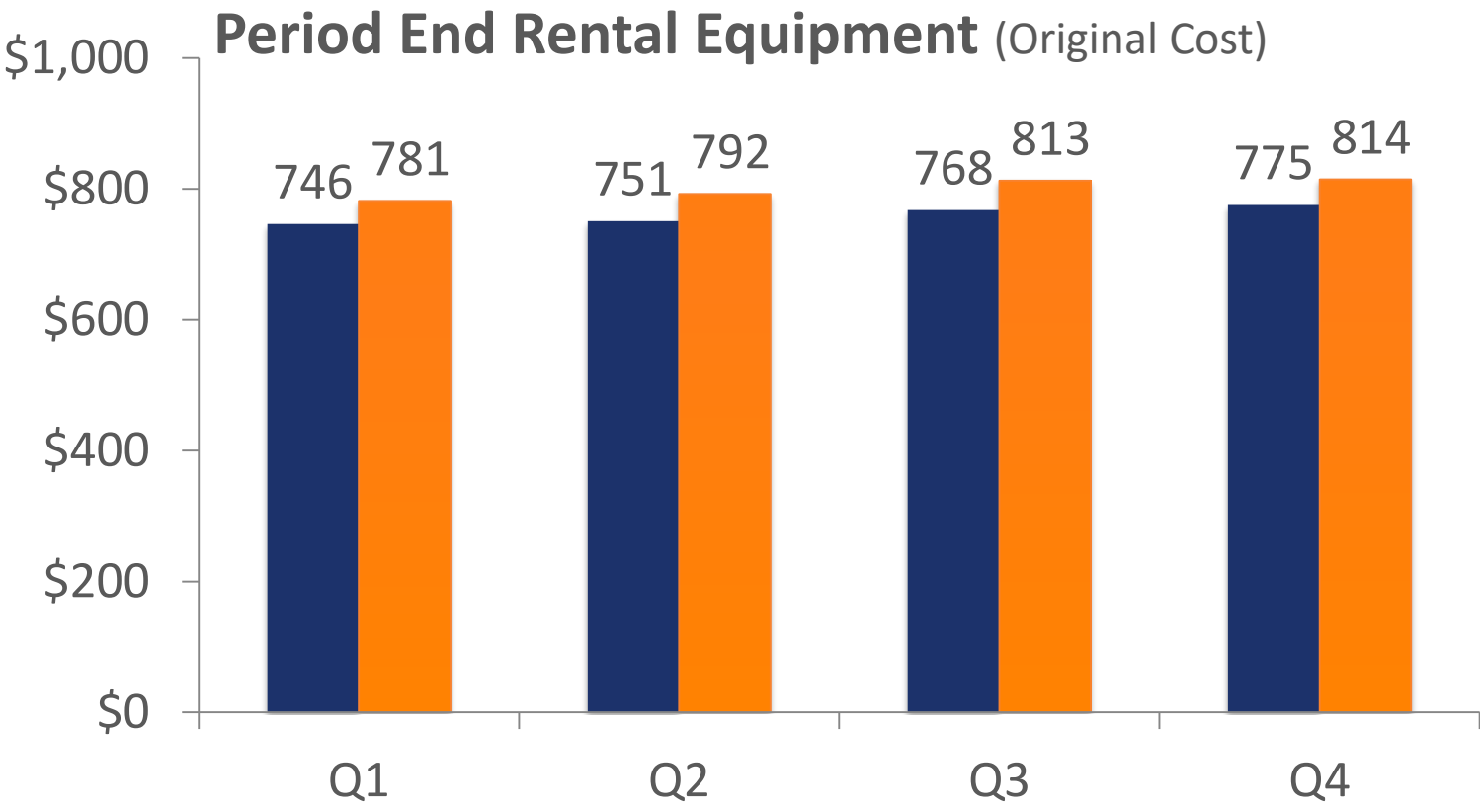
(a) Adjusted EBITDA defined on page 12 (b) Includes Mobile Modular Portable Storage and excludes Enviroplex



Mobile Modular Highlights (a) (b)



(dollars in millions)



(a) Includes Mobile Modular Portable Storage and excludes Enviroplex (b) See page 53 for definitions of rental equipment, utilization, and rate

2018 2019



Education Rental Assets

Education Buildings of Every Type to Serve Public and Private K-12, Community College and University Facility Needs



Campus Maker Hybrid® Classroom



California Classrooms



Classroom Interior



Education Administrative Building



Restroom Interior



Mobile Modular Portable Storage

Rentals and Sales of Portable Storage Solutions



8' x 40' Storage Container

8' x 20' High Security Office Storage Container Combo

8' x 20' Portable Storage Container



Growth Opportunities



- CA – long term education demand driven by aging infrastructure, local enrollment growth, local and state facilities bonds
- FL – enrollment growth supports market demand
- Regional expansion - N. Carolina, S. Carolina, Georgia, Maryland, Virginia, D.C.
- TX – expansion within state and neighboring states
- Portable Storage Expansion

McGrath RentCorp

ADLER TANK RENTALS

Adler Tank Rentals

Rental & Sales of Liquid and Solids Containment Solutions



Rental Assets

Rentals and Sales of Liquid and Solid Containment Solutions



21,000 Gallon (Close-Top) Multi-Purpose Tank



20 Yard Roll-Off (Poly Top)



10,080 Gallon (Open-Top) Mud Tank



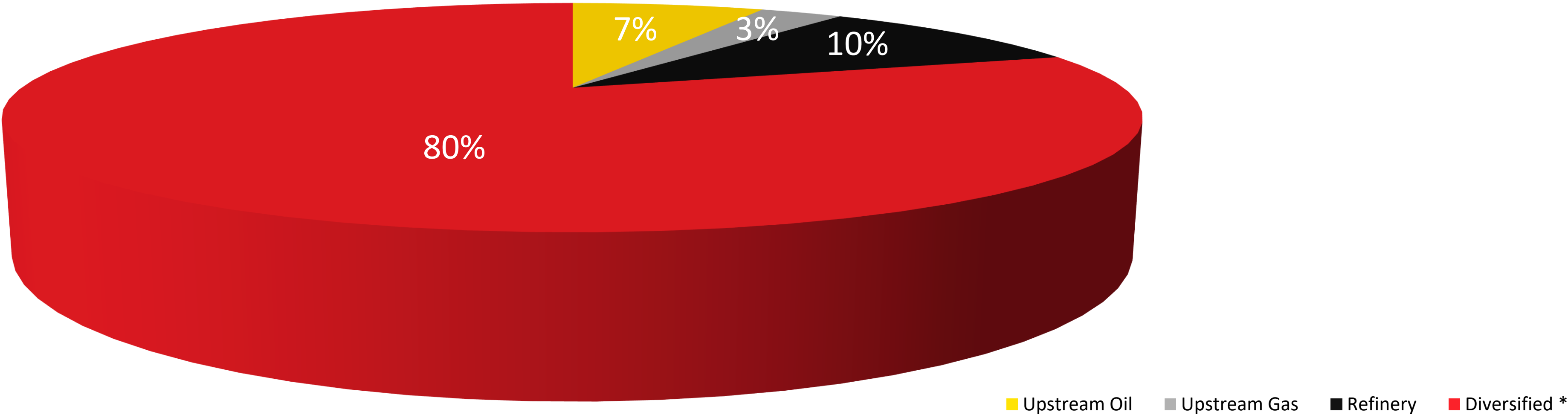
21,000 Gallon (Open Top) Tank



Berms



2019 Adler Tank Rentals Rental Revenues Mix Breakdown by Market



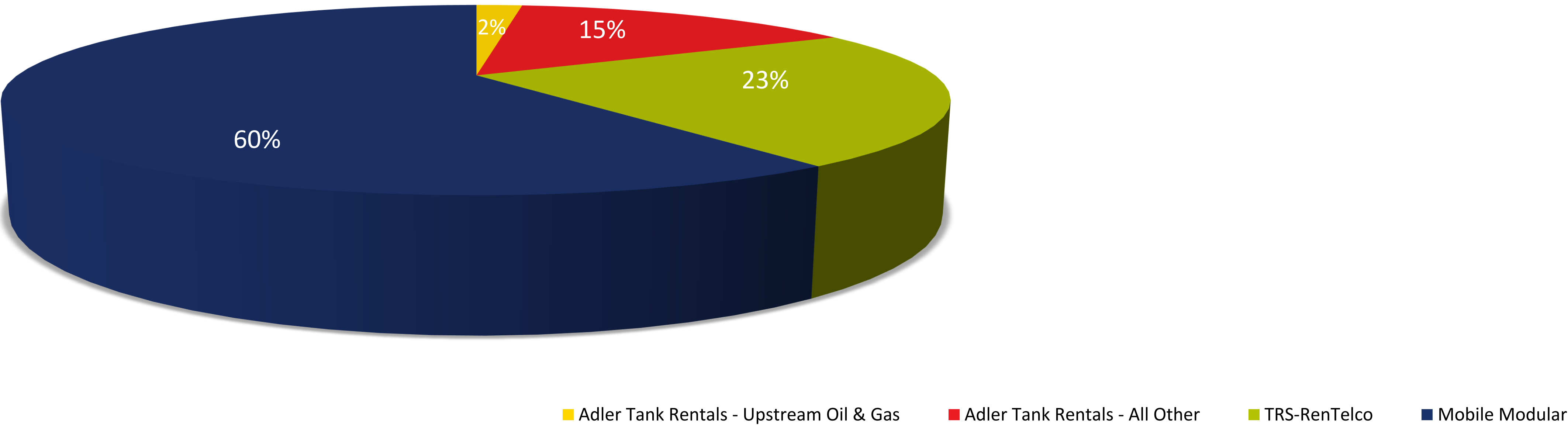
* Diversified includes Industrial and Environmental Services, Environmental Remediation, Construction and other.

- Upstream oil and gas revenues include both conventional and hydraulic fracturing projects. Upstream oil and gas projects accounted for 10% of 2019 total Adler Tank Rentals rental revenues
- See page 37 for market and application descriptions

2019 Total Revenues Mix by Division



MGRC Total Revenue \$570M



Mobile Modular includes Mobile Modular Portable Storage and Enviroplex

Tank and Box Applications



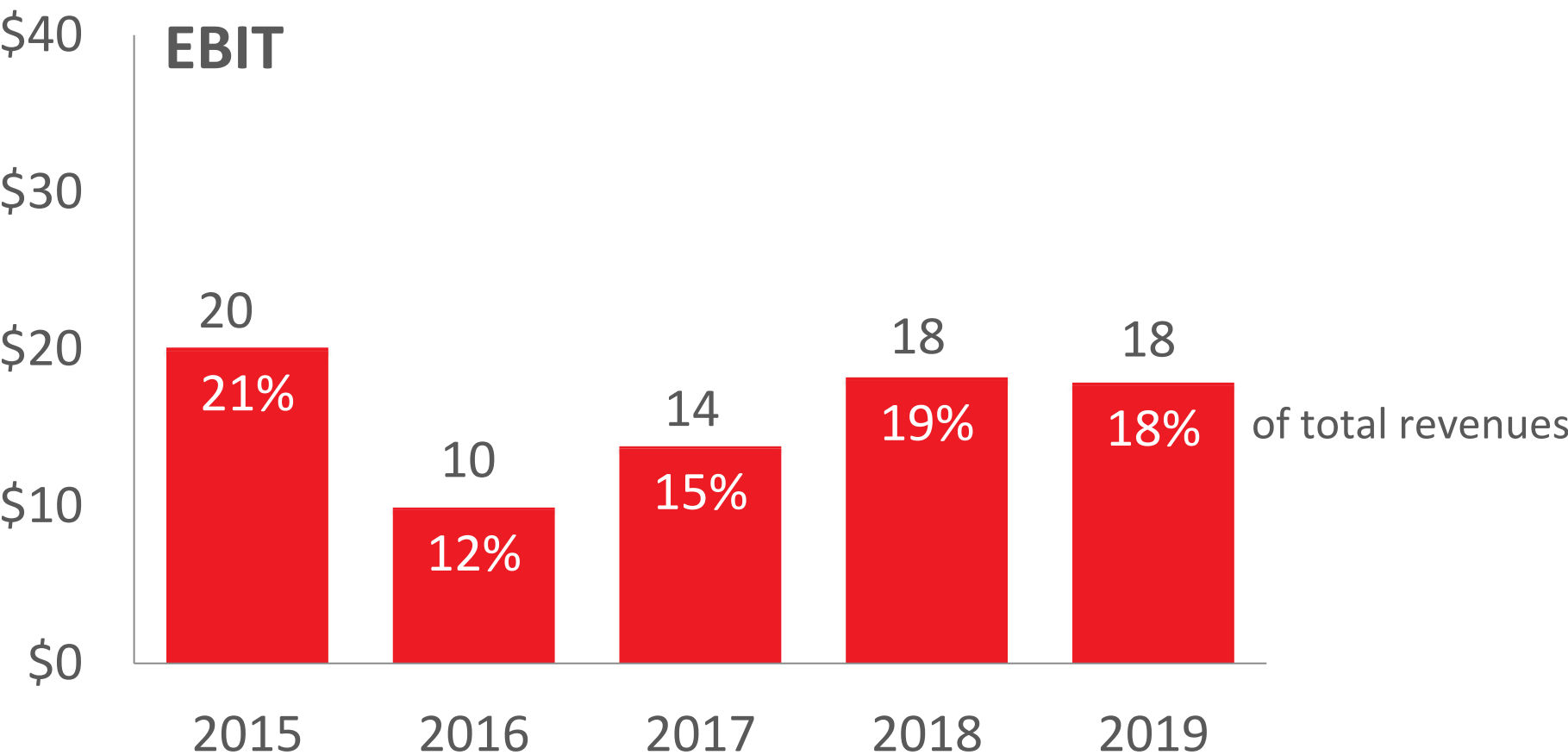
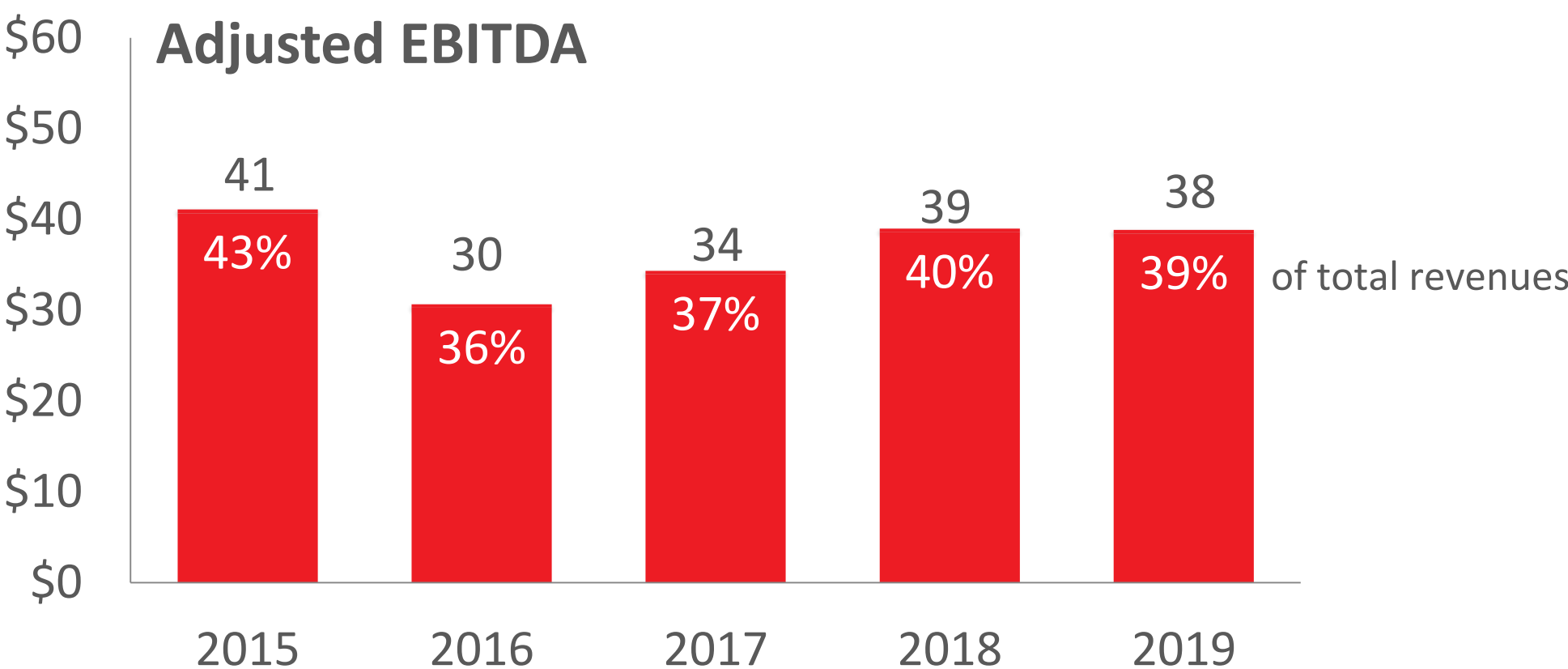
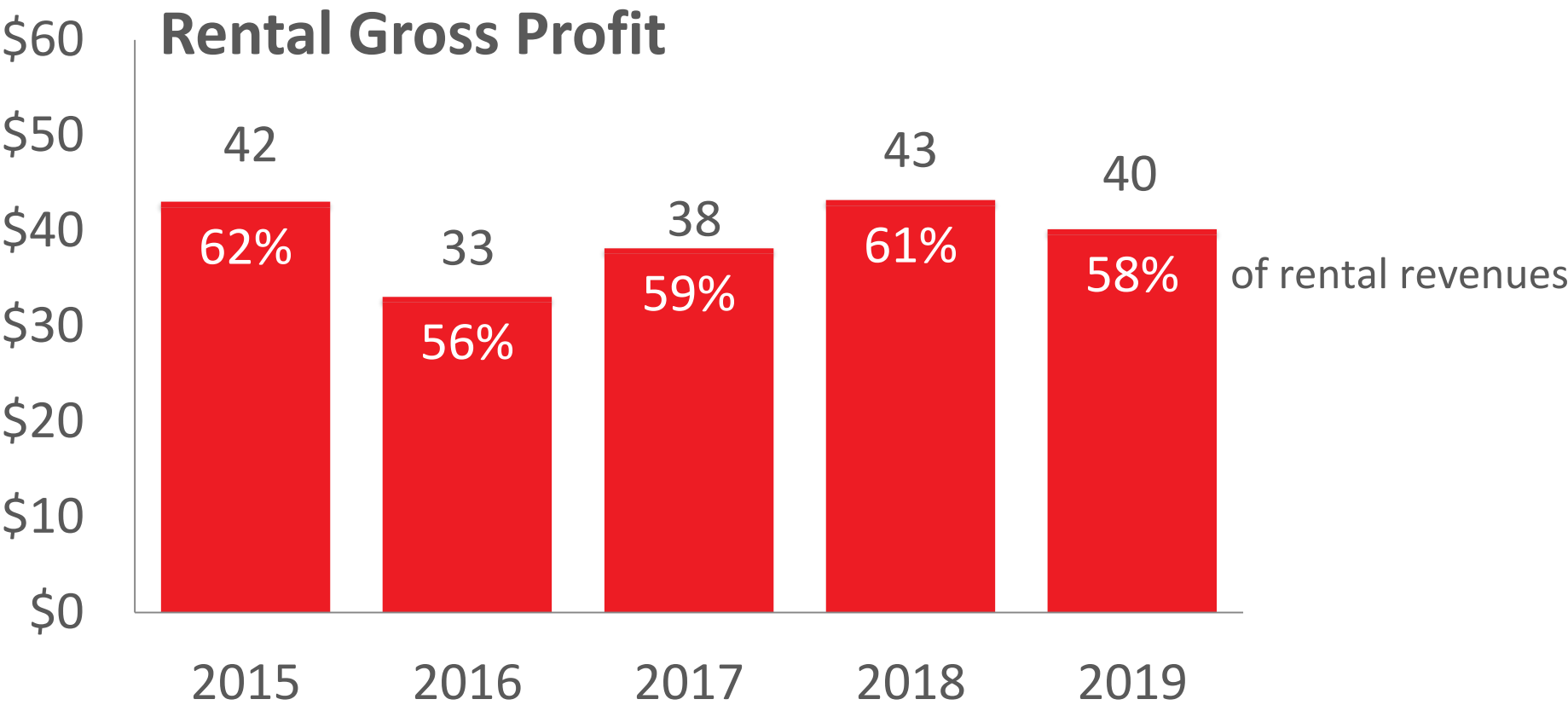
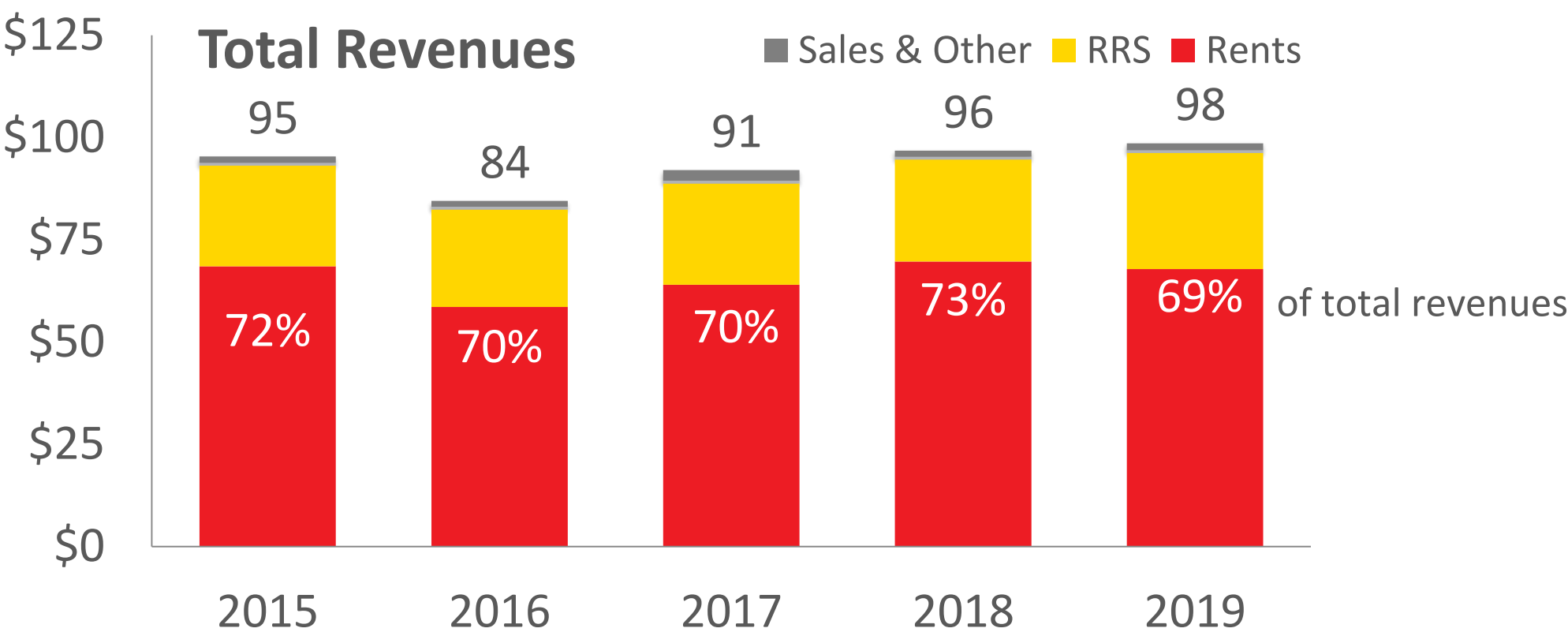
Market	Application		Products Utilized	Typical End User
Industrial and Environmental Services	<ul style="list-style-type: none"> Raw material and cleaning agent storage Containment of waste for disposal or treatment Plant maintenance and repair "turnaround" cycles 		<ul style="list-style-type: none"> Multi-Purpose Tanks * Roll-Off Boxes Vacuum Boxes 	<ul style="list-style-type: none"> Chemical and lubricant manufacturers Utilities Food processors Power plants
Environmental Remediation	<ul style="list-style-type: none"> Remediation of contaminated ground water, pipeline failures, tanker spills and other waterway contamination 		<ul style="list-style-type: none"> Multi-Purpose Tanks * Roll-Off Boxes Dewatering Boxes Vacuum Boxes 	<ul style="list-style-type: none"> Environmental Services Waste / Water Treatment Pipeline Services Marine Services
Oil & Gas (E&P) Exploration and Production	<ul style="list-style-type: none"> Conventional oil and gas exploration and production Freshwater storage, drilling fluids, flowback and drill cuttings 	<ul style="list-style-type: none"> Unconventional oil and gas exploration and production, including equipment used during the shale oil and gas well fracturing process and to store drilling lubricant 	<ul style="list-style-type: none"> Multi-Purpose Tanks * Roll-Off Boxes 	<ul style="list-style-type: none"> Oil and Gas exploration and production companies Oilfield Service companies
Refinery	<ul style="list-style-type: none"> Regularly scheduled plant maintenance and repair "turnaround" cycles 		<ul style="list-style-type: none"> Multi-Purpose Tanks * Roll-Off Boxes Vacuum Boxes 	<ul style="list-style-type: none"> Refineries and Product Terminals
Construction	<ul style="list-style-type: none"> Dewatering construction areas Storm water pollution prevention Remediation of contaminated ground water for off-site discharge 		<ul style="list-style-type: none"> Multi-Purpose Tanks * Roll-Off Boxes Dewatering Boxes Vacuum Boxes 	<ul style="list-style-type: none"> Highway, Heavy Construction, and Commercial Contractors Federal, State and Local Municipalities
Other	<ul style="list-style-type: none"> Storage of ethylene glycol for use in deicing planes Temporary firewater systems Marine services (bilge water) Storm water pollution control Landfill leachate containment 	<ul style="list-style-type: none"> Storage of water used in hydrostatic pressure testing of pipelines Electrical Transmission and Distribution Infrastructure Maintenance – Transformer Oil Containment and Testing Bio-Fuel Processing and Storage Underground Fuel Tank Cleaning / Removal 	<ul style="list-style-type: none"> Multi-Purpose Tanks * Dual Wall Tanks Roll-Off Boxes Vacuum Boxes 	<ul style="list-style-type: none"> Airlines Pipeline Contractors Ports Commercial Contractors

* Multi-Purpose closed top tanks with smooth-walled epoxy interiors are the standard liquid containment product utilized across different market verticals

Adler Tank Rentals Operating Results (a)



(dollars in millions)

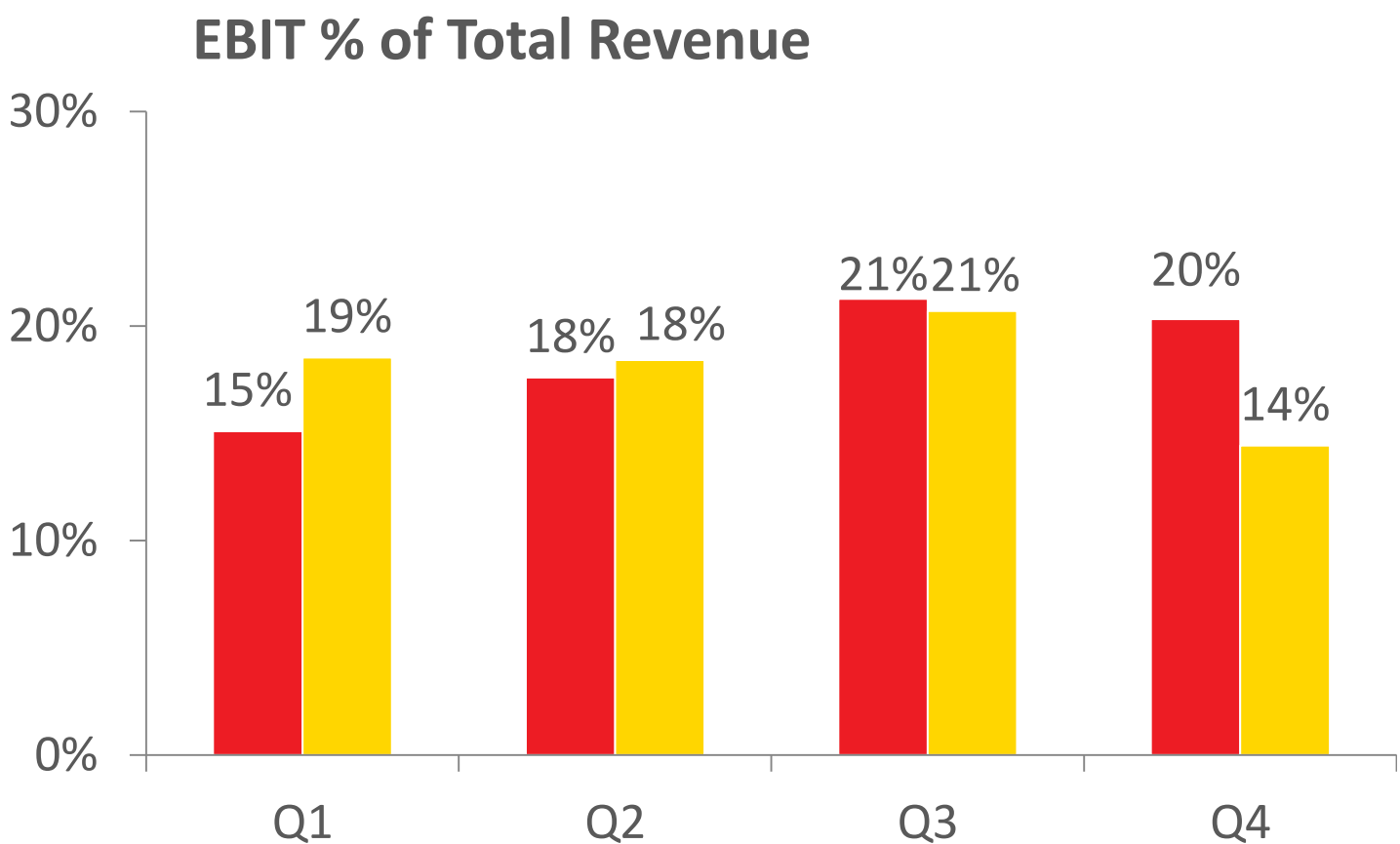
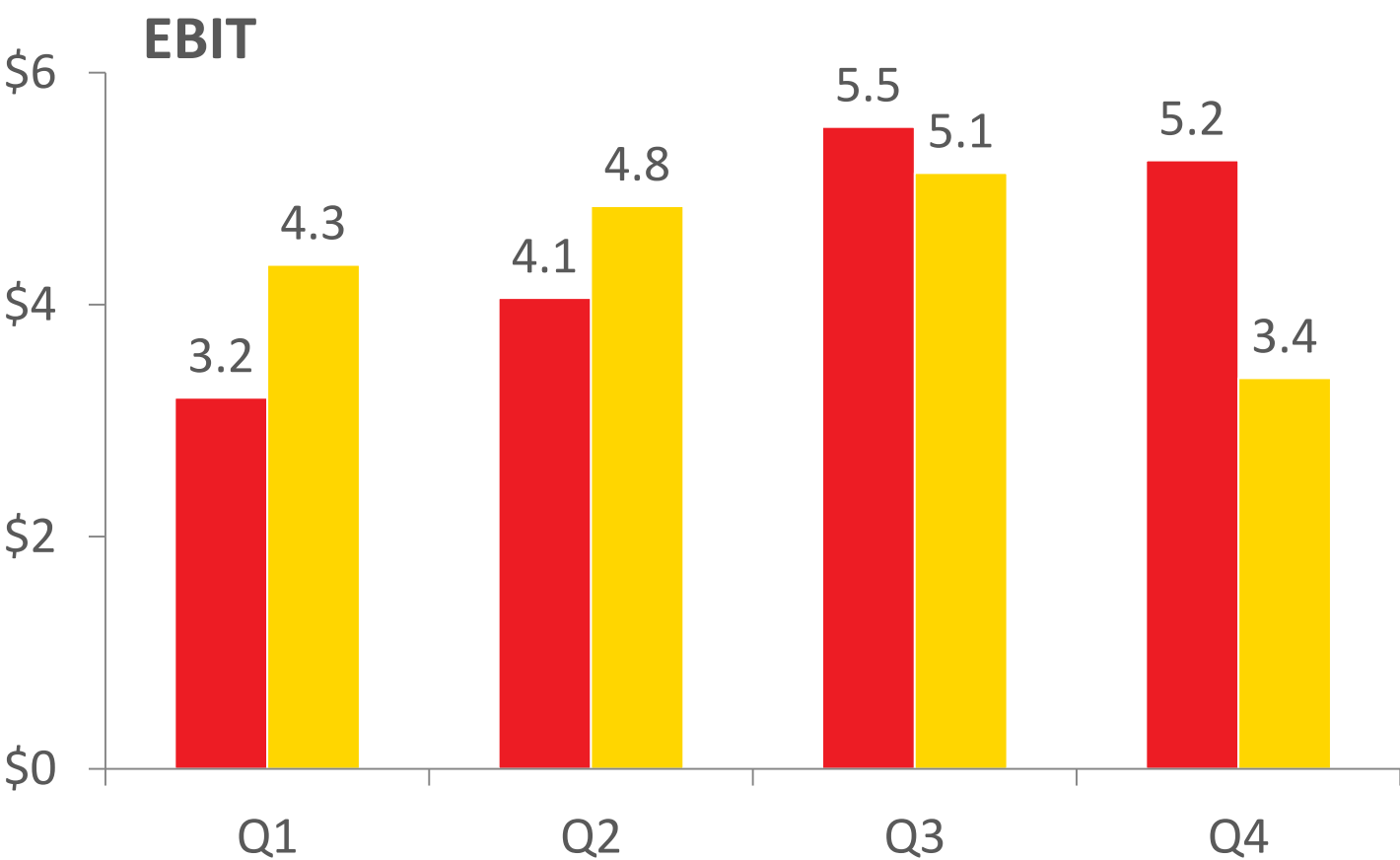
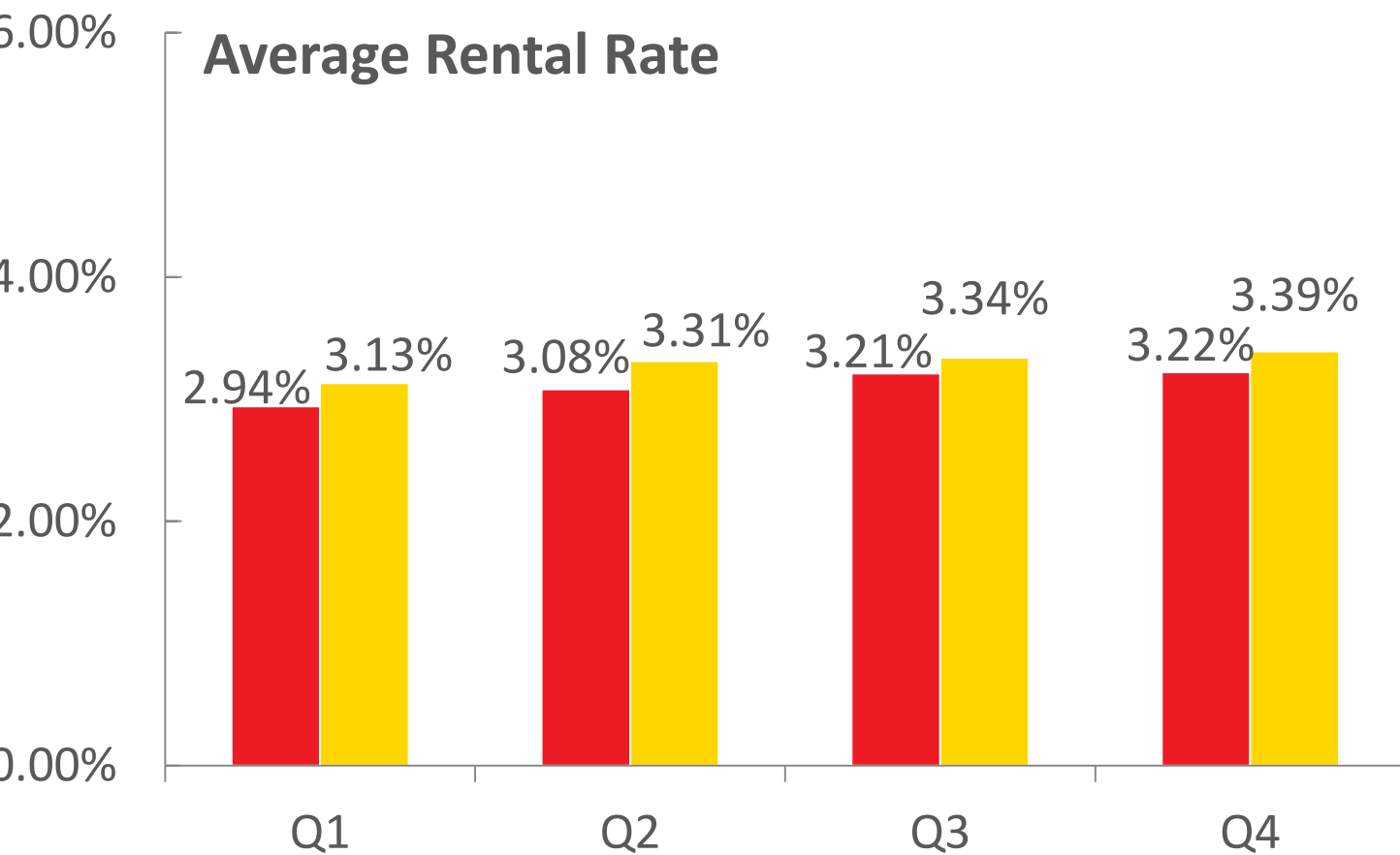
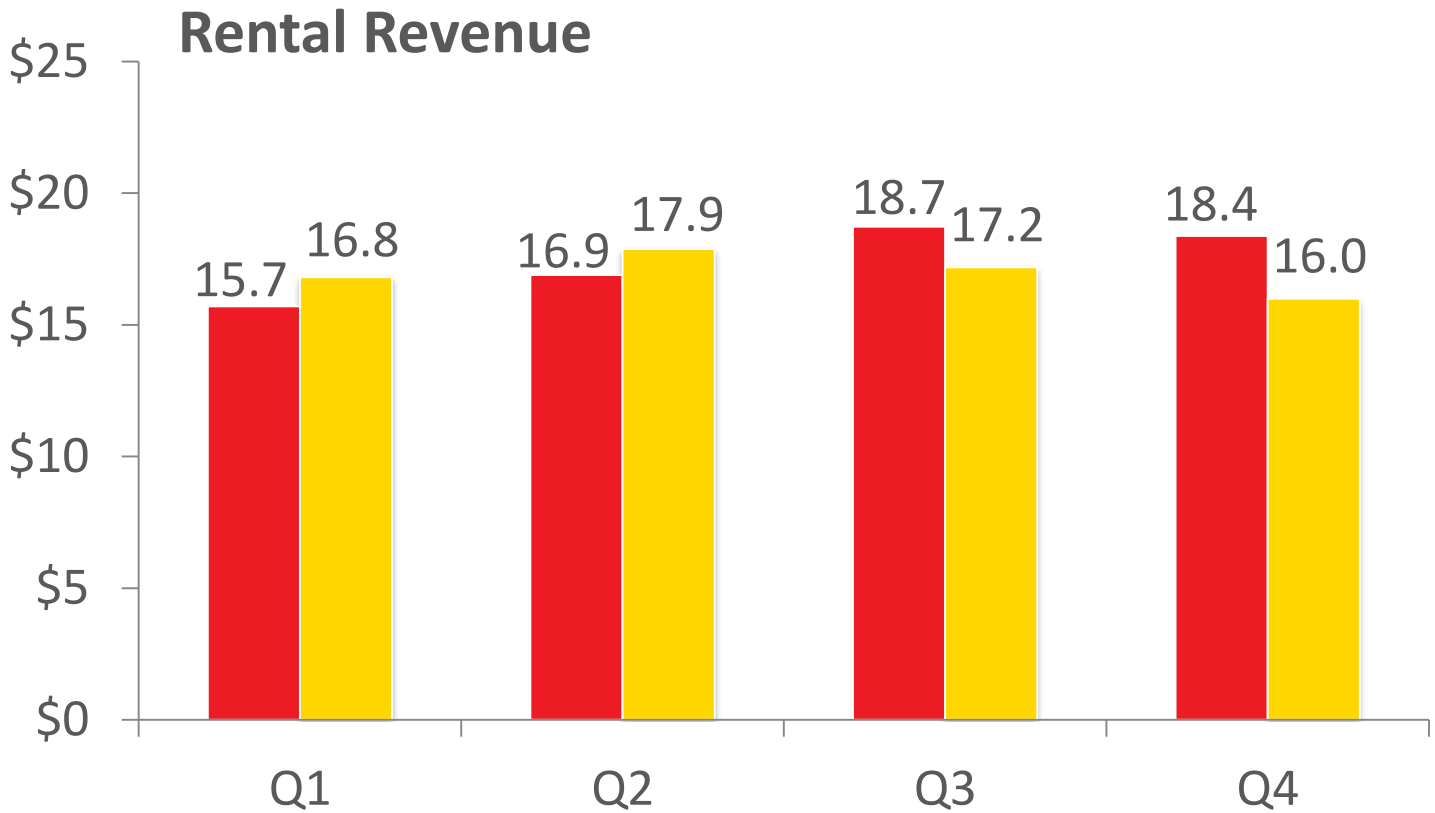
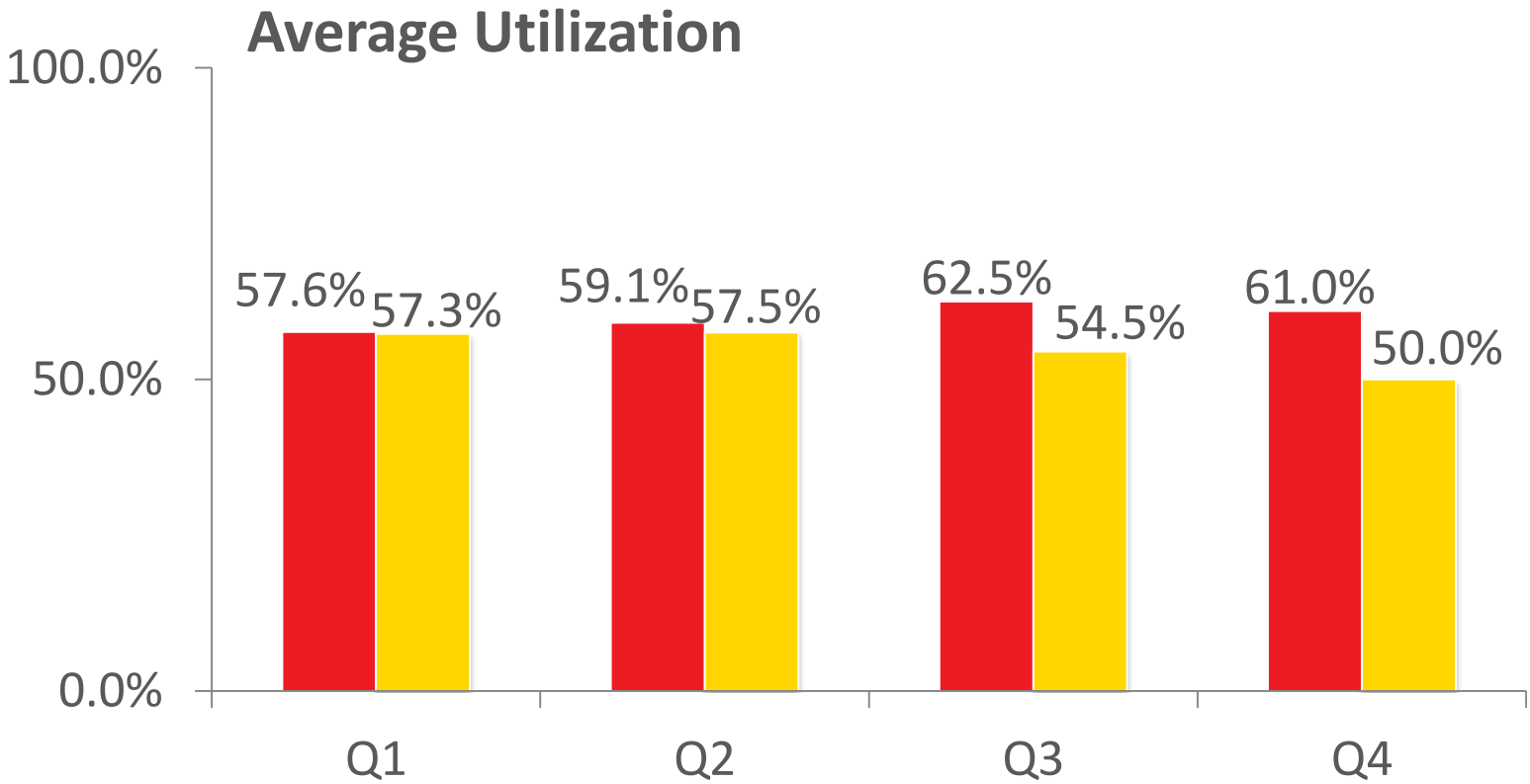
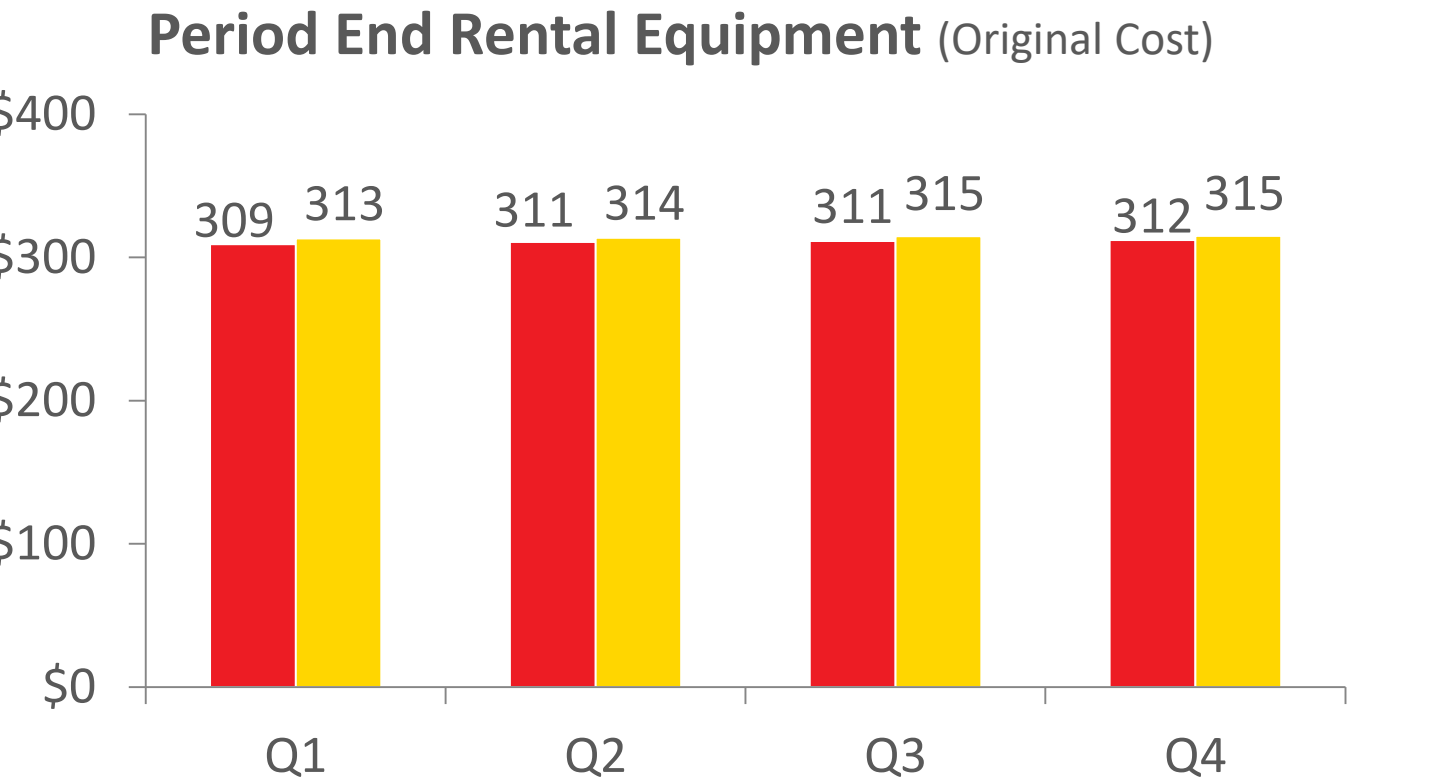


(a) Adjusted EBITDA defined on page 12

Adler Tank Rentals Highlights (a)

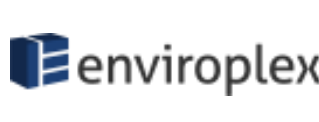


(dollars in millions)



(a) See page 53 for definitions of rental equipment, utilization, and rate

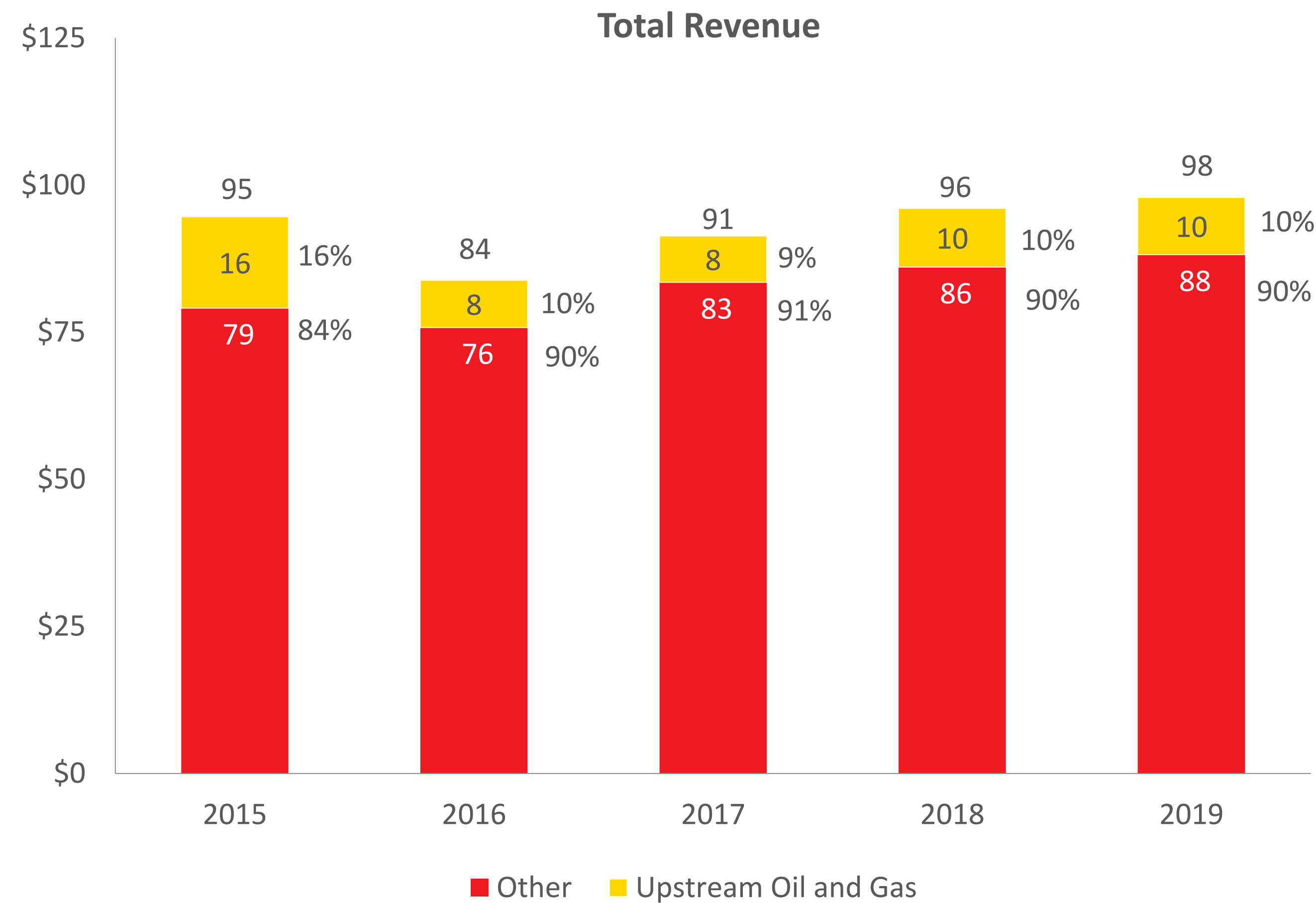
2018 2019



Adler Tank Rentals Highlights (a)



(dollars in millions)



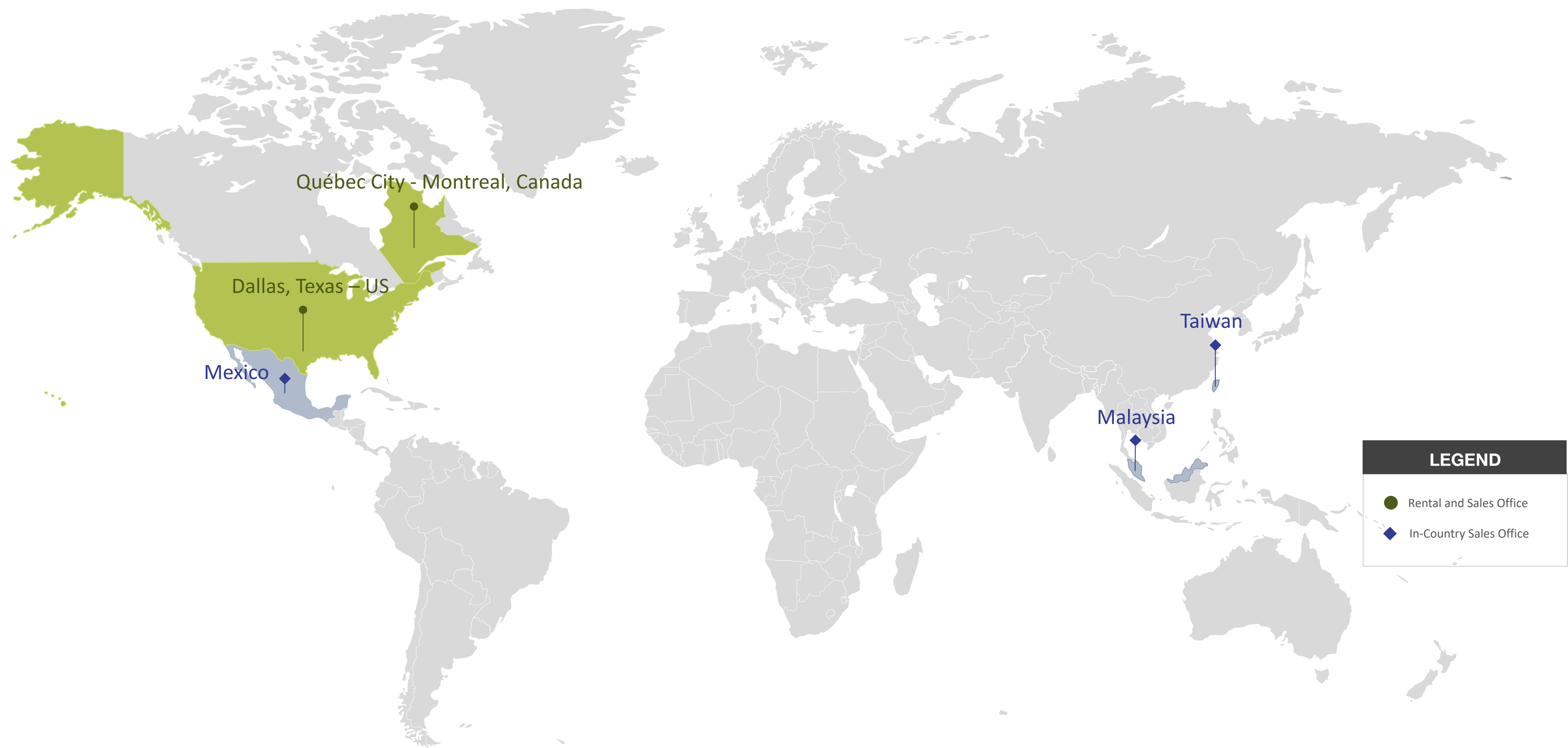
Growth Opportunities

- Broaden non-energy end market applications
- Gain share in established Adler markets
- Maximizing cashflow with disciplined capital spending



McGrath RentCorp

TRS-RENTELCO



Rental Assets

Rental and Sales of General Purpose and Communications Test Equipment



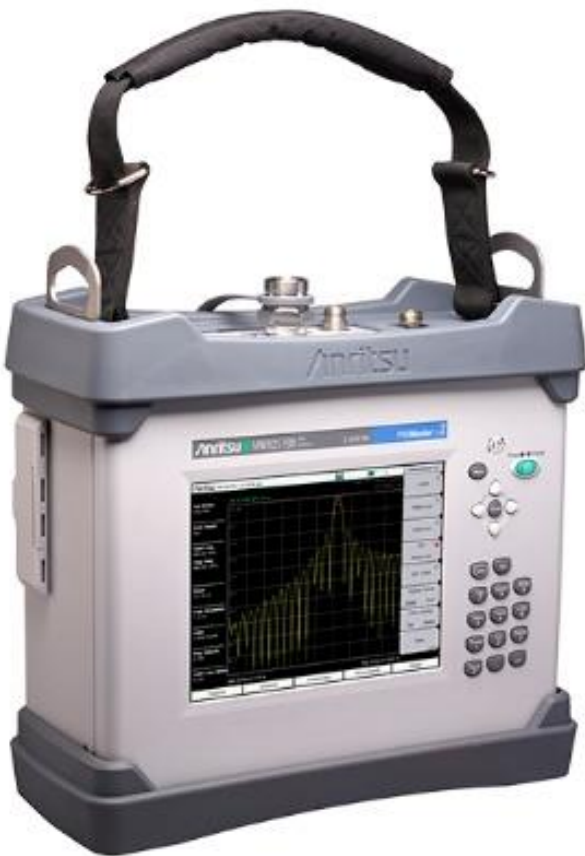
Wireless Communication Test Set



Ethernet Test Set



1GHz Oscilloscope



PIM Tester



50GHz Spectrum Analyzer



LAN Cable Tester

Rental Customer Mix

2019 Rental Business Mix Breakdown By Product Group

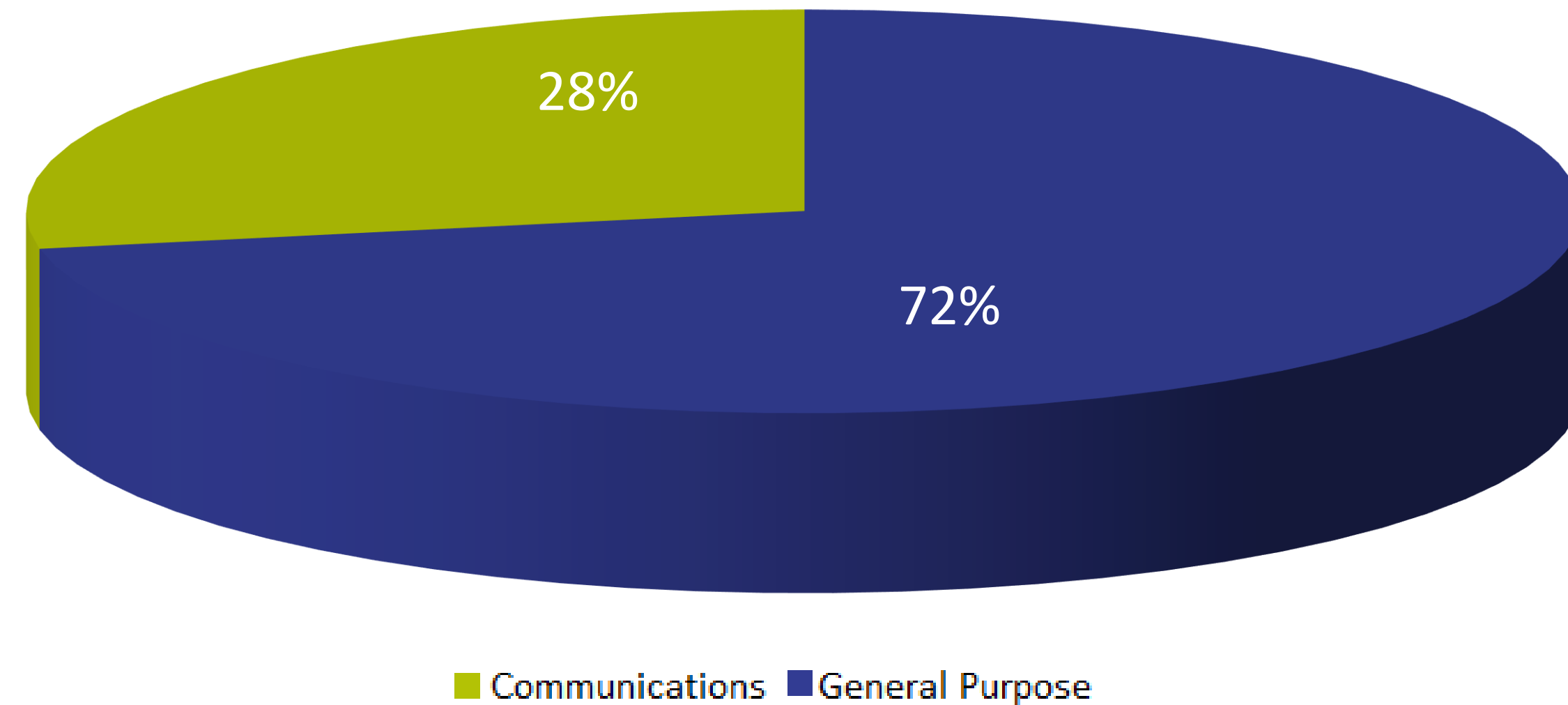


General Purpose Customers

- Aerospace & Defense
- General Manufacturing
- Government
- Industrial
- Semiconductor R&D
- System Integrators
- Wireless R&D

Communications Customers

- Equipment Manufacturers
- Installation & Maintenance
- Mobile Device R&D/Repair
- Service Providers / Installation Contractors



TRS-RenTelco Rental Applications

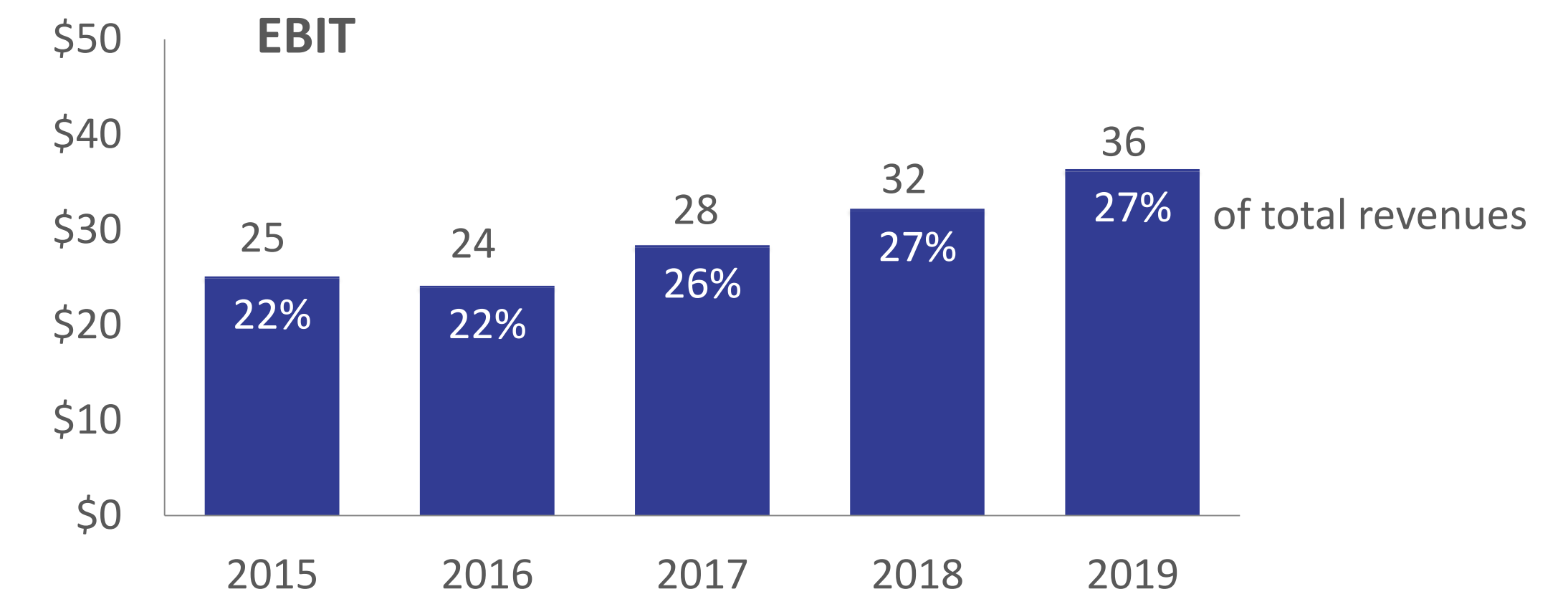
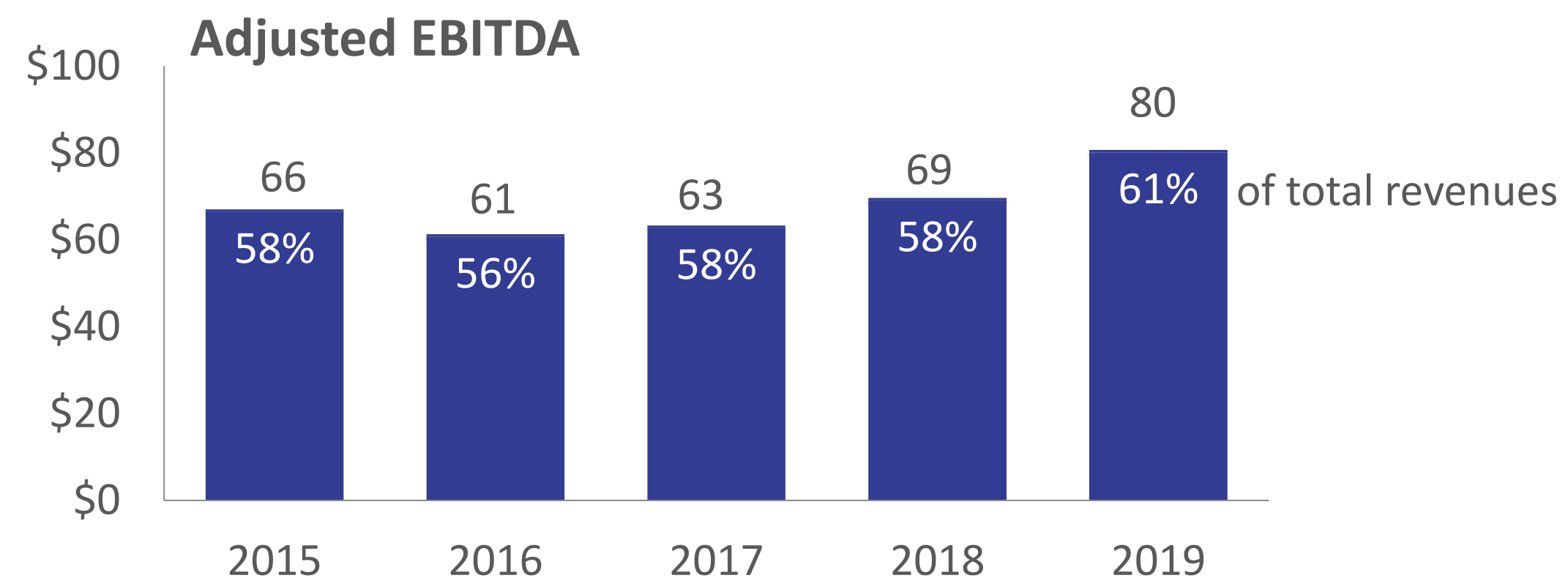
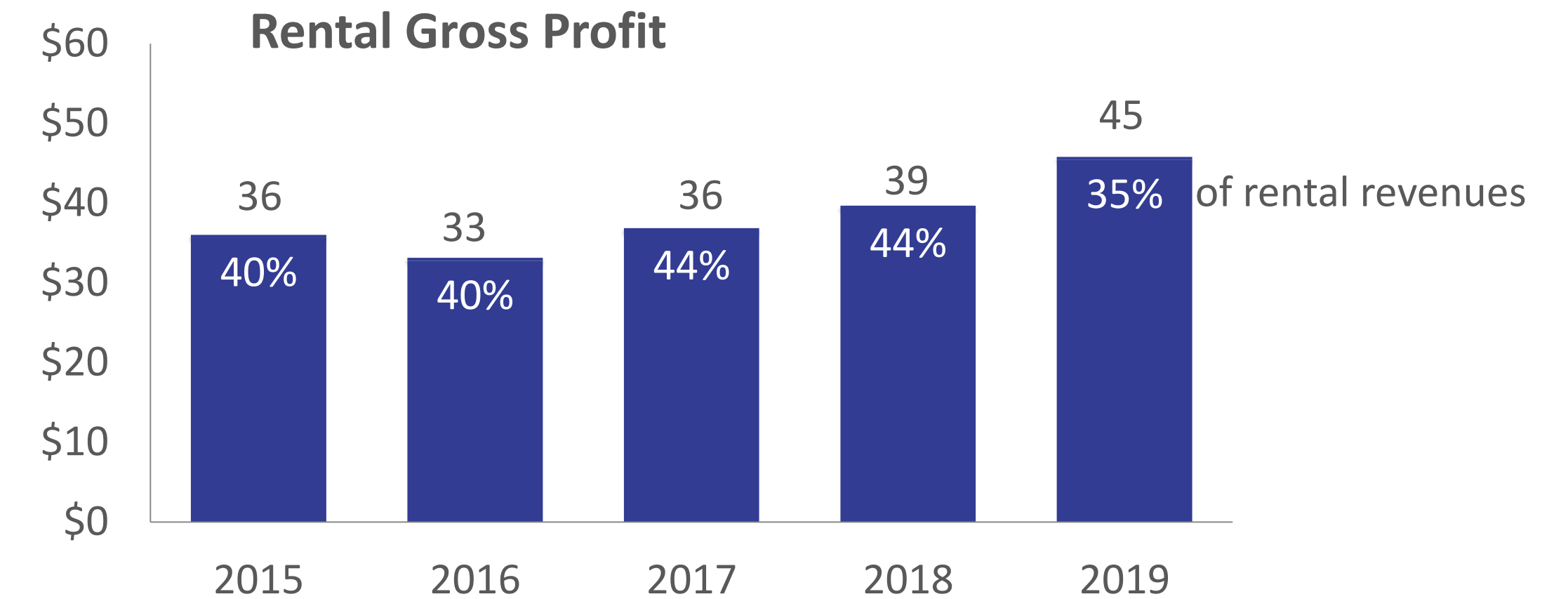
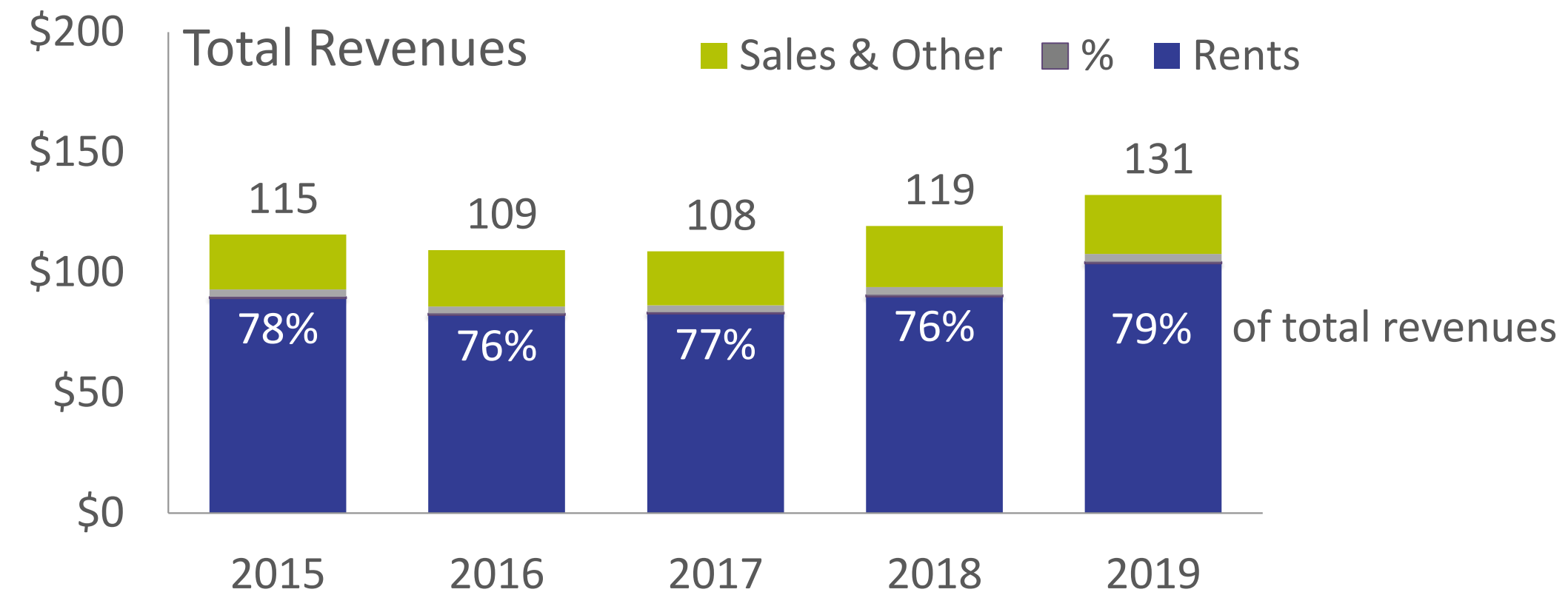
Test Equipment Rental Applications



Product Utilized	User Group	Test Application
Wireless Communication Test Set	Mobile/Connected Device Manufacturers, 3 rd Party Repair Facilities, Wireless Equipment Manufacturers	Test Mobile Phone Handsets and other wireless communications equipment.
Category 6 Cable Analyzers	Cable installation contractors, IT Departments	Installation and troubleshooting of Category 6 cable used primarily in Local Area Networks (LAN).
Power Demand & power Quality Analyzer	Electrical Contractors, Electrical Service Providers	Test electrical power quality and demand. Troubleshoot quality problems.
Optical Time Domain Reflectometers	Fiber optic cable installation and maintenance companies	Testing loss on a fiber link and locating precisely where break or loss is occurring.
Spectrum Analyzer	Aerospace and Defense contractors, Broad base of electronic equipment manufacturers; R&D Labs.	Detect and measure the power and frequency of RF signals across a range of frequencies.
Oscilloscopes	Broad base of Equipment Manufacturers ranging from Consumer Products Manufacturers to High-end Aerospace & Defense, Computer /Semiconductor Manufacturers	Display the performance of an electrical signal. Troubleshoot signal and circuit performance.

TRS-RenTelco Operating Results (a)

(dollars in millions)

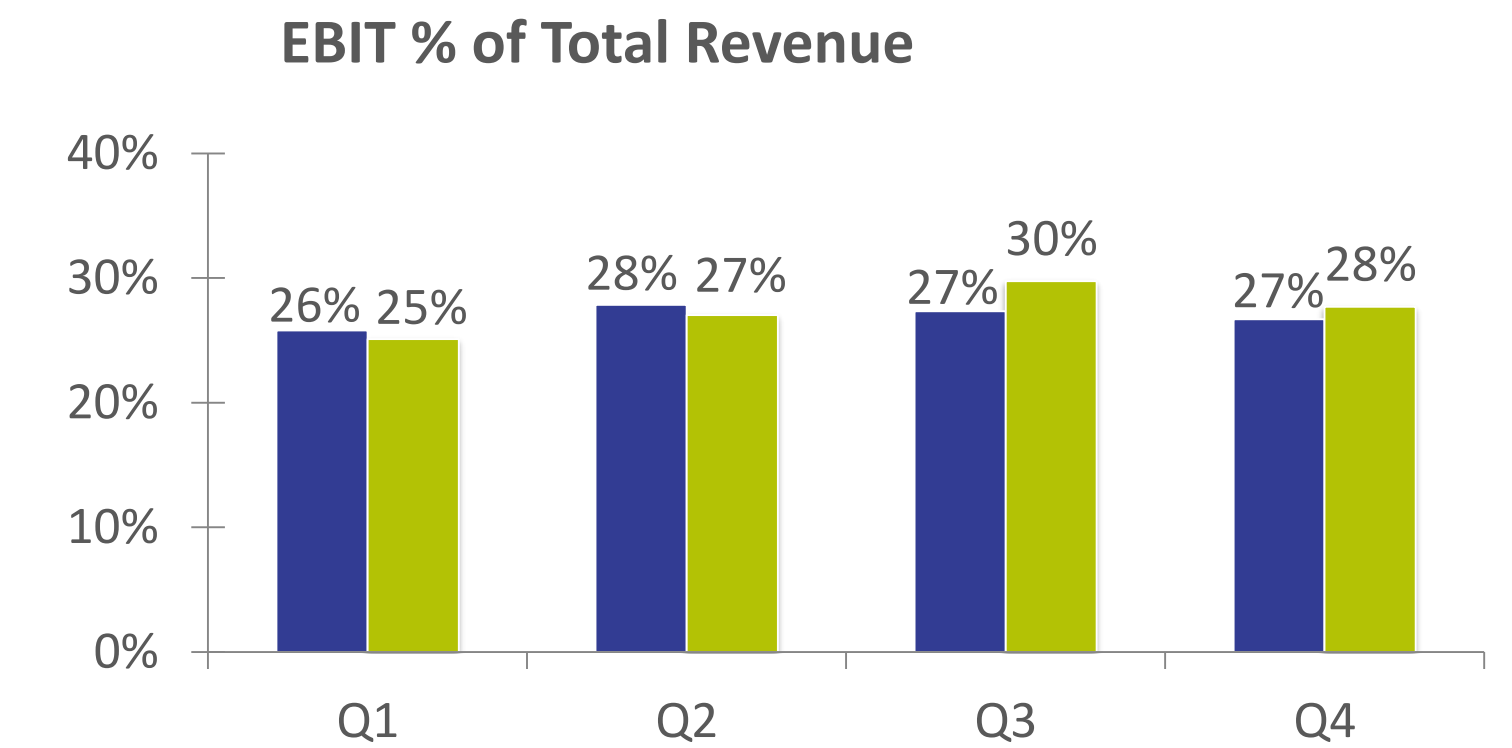
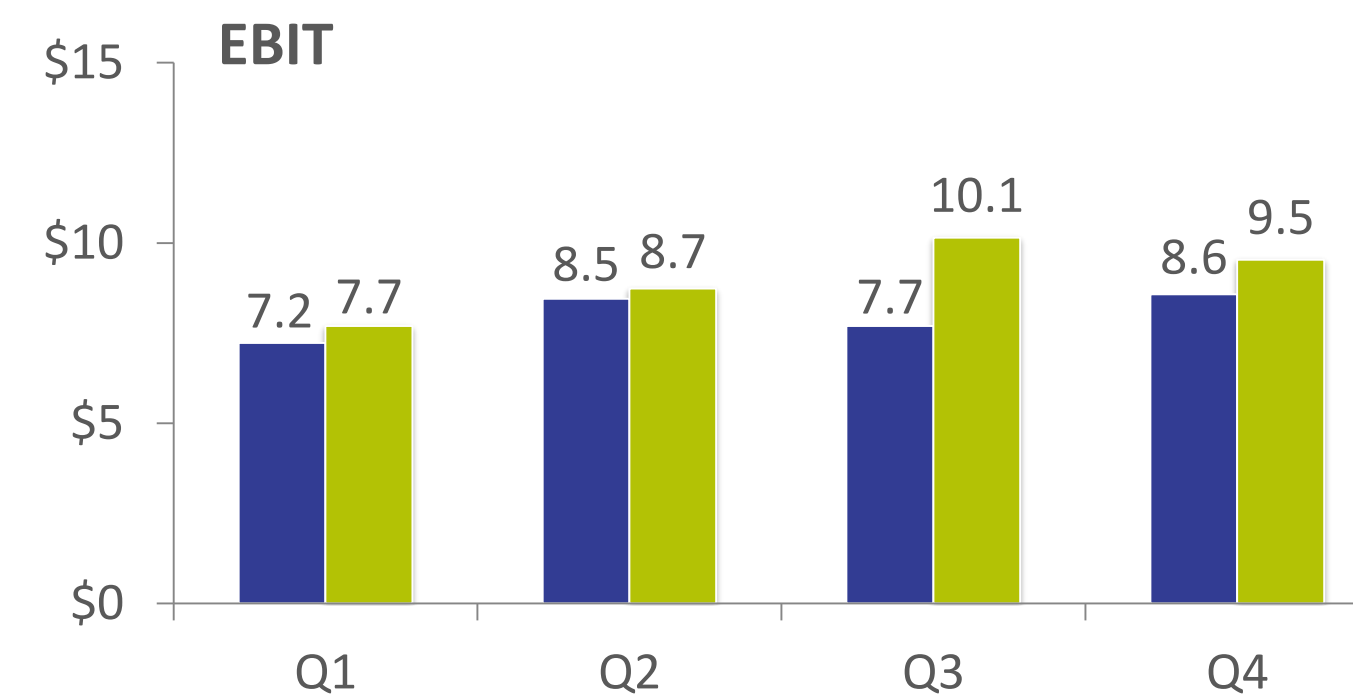
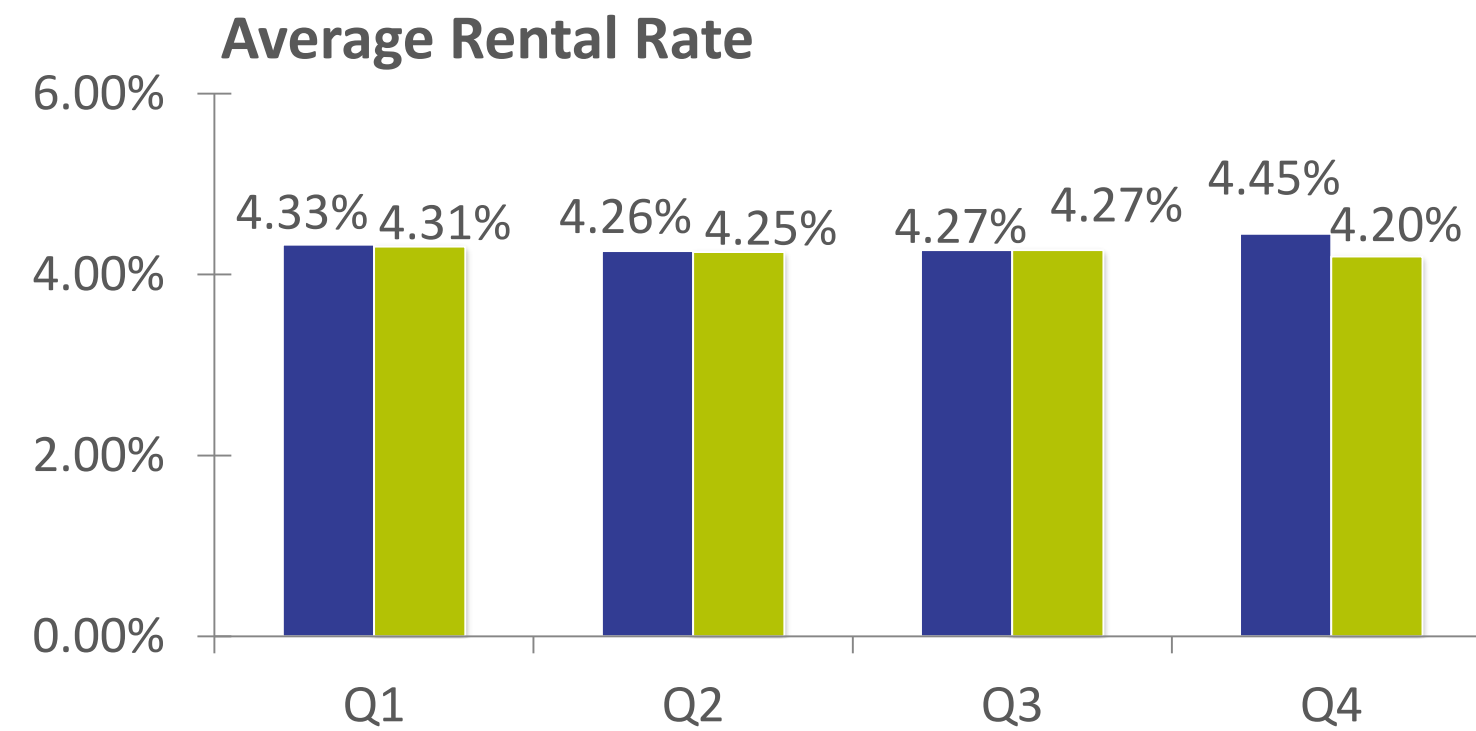
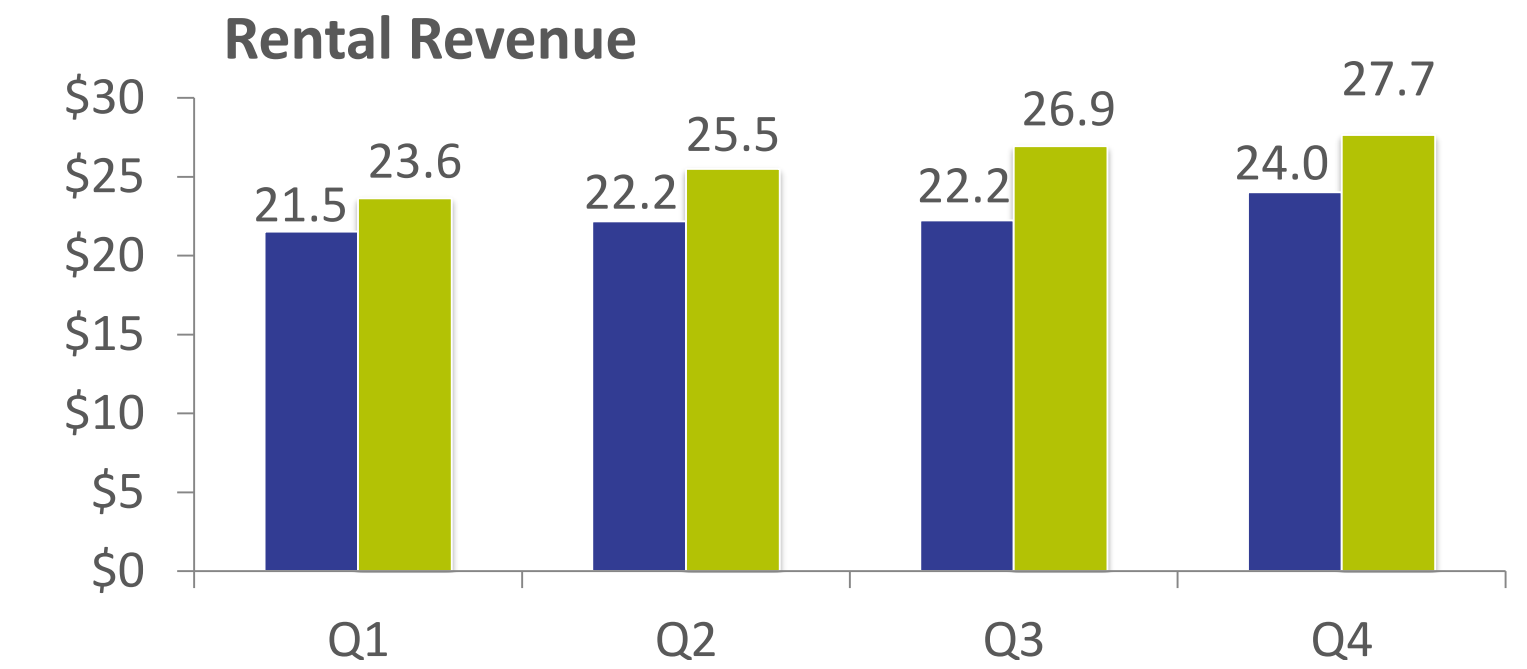
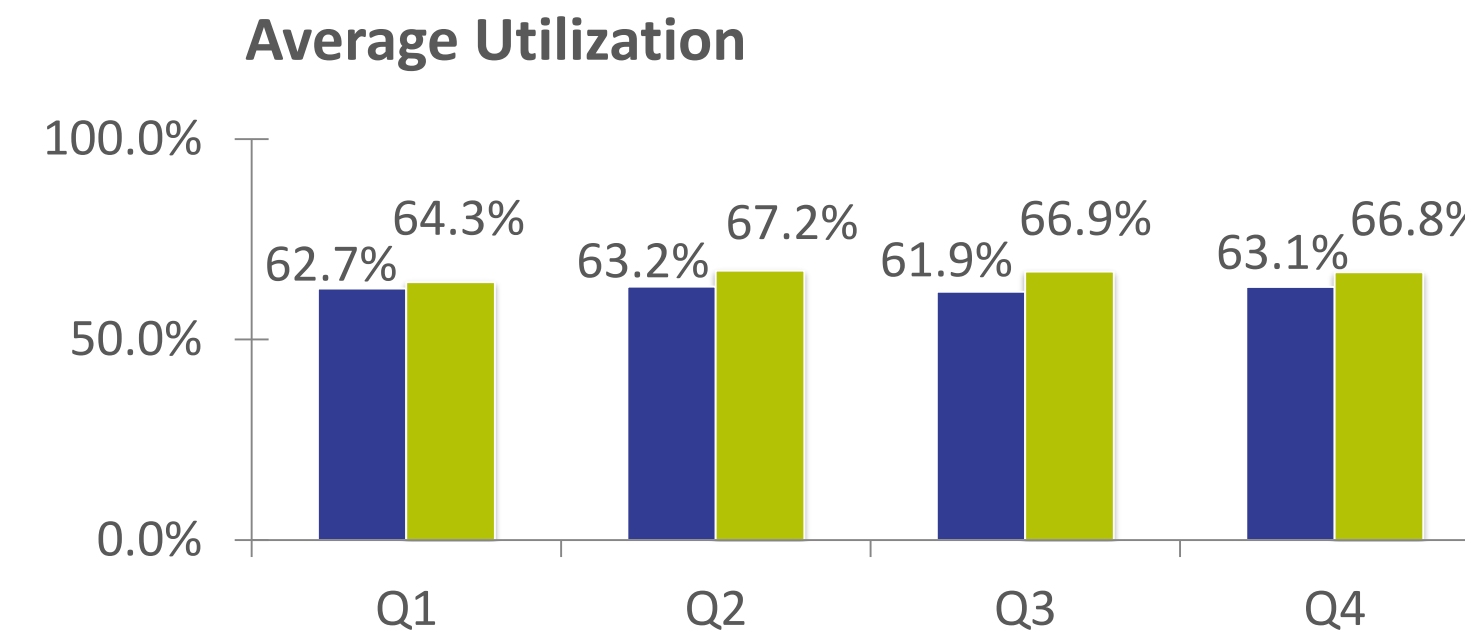
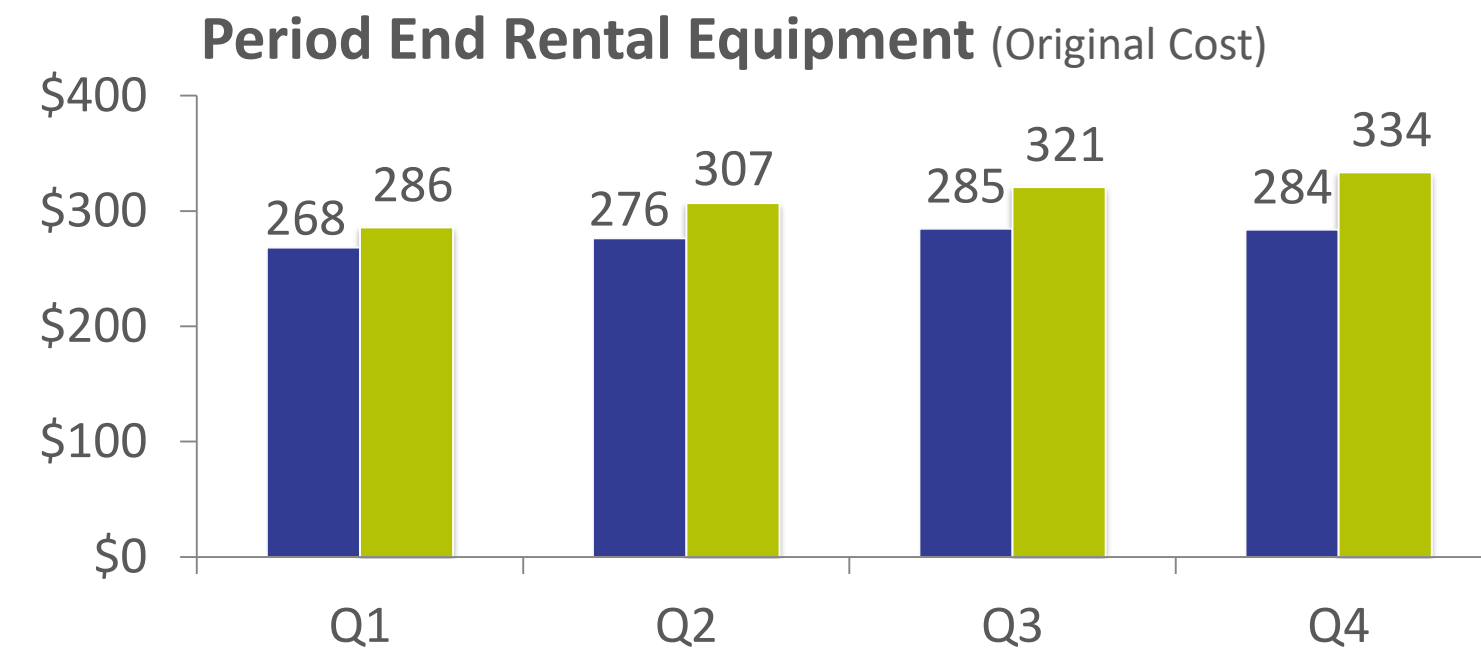


(a) Adjusted EBITDA defined on page 12

TRS-RenTelco Highlights (a)

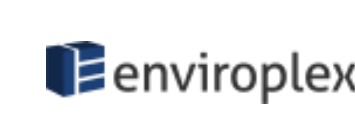


(dollars in millions)



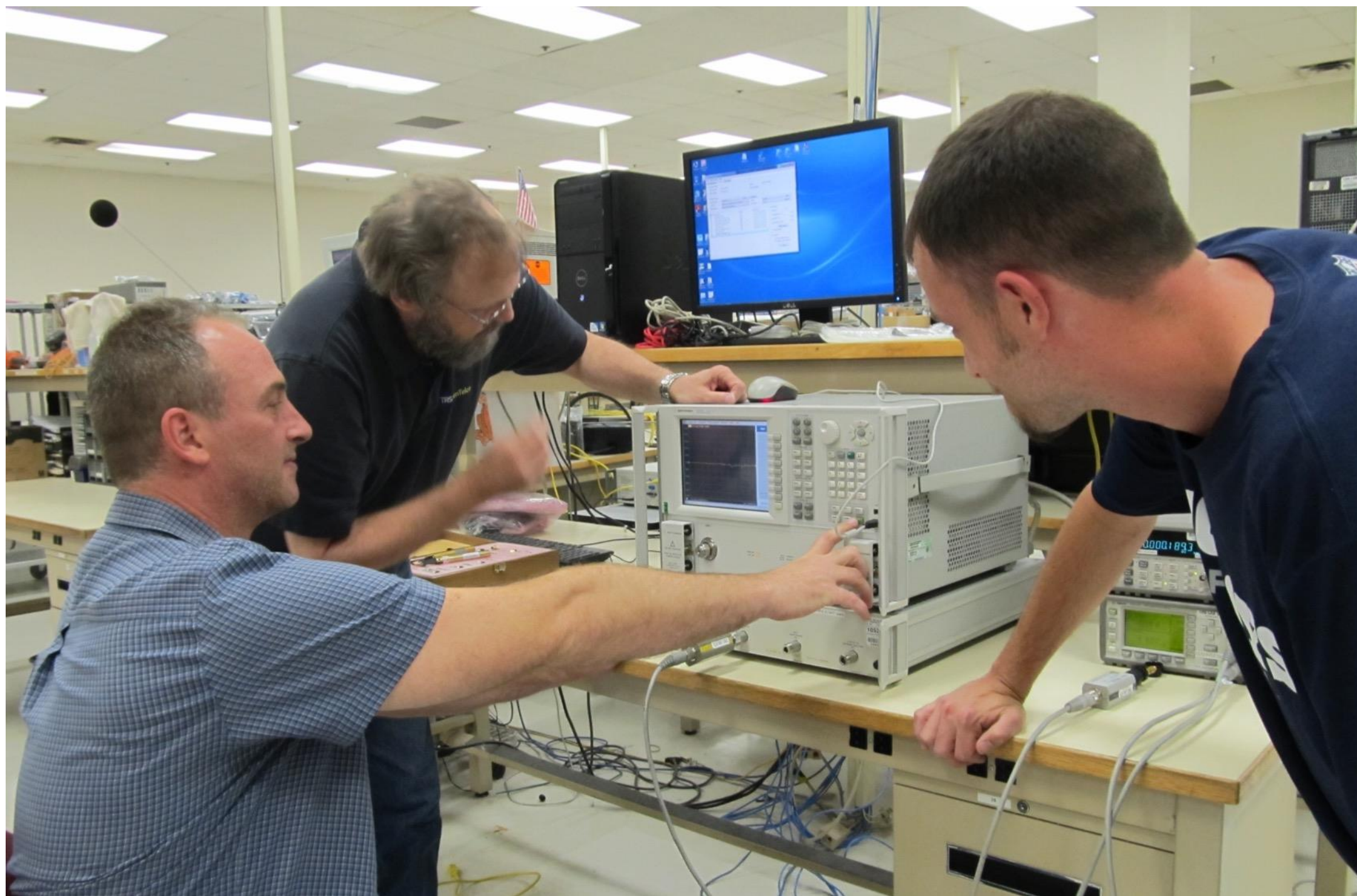
(a) See page 53 for definitions of rental equipment, utilization, and rate

■ 2018 ■ 2019



Growth Opportunities

- General Purpose market growth
- Market leadership focus on rental vs. distributor sales
- Communications segment expertise

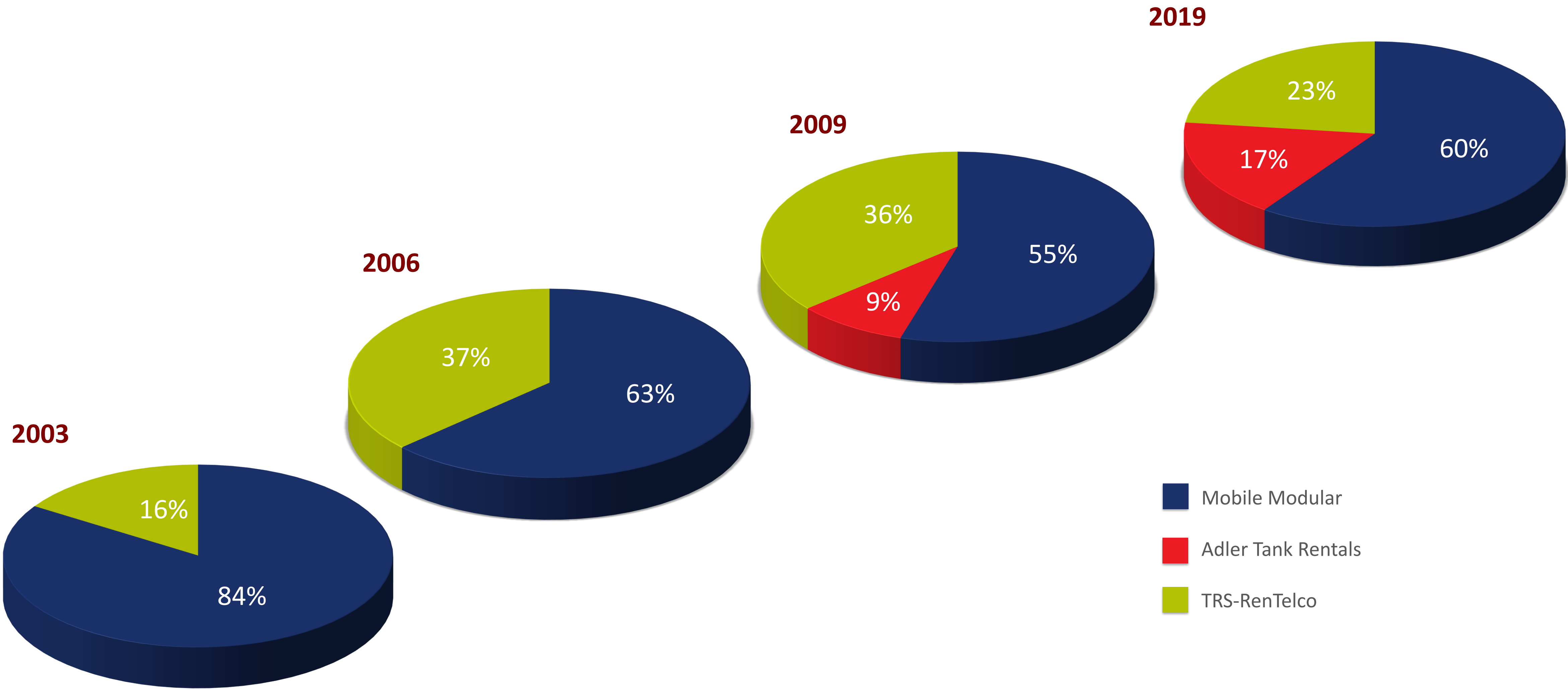


McGrath RentCorp

ADDITIONAL FINANCIAL DETAIL

McGrath RentCorp Business Mix

Total Revenues

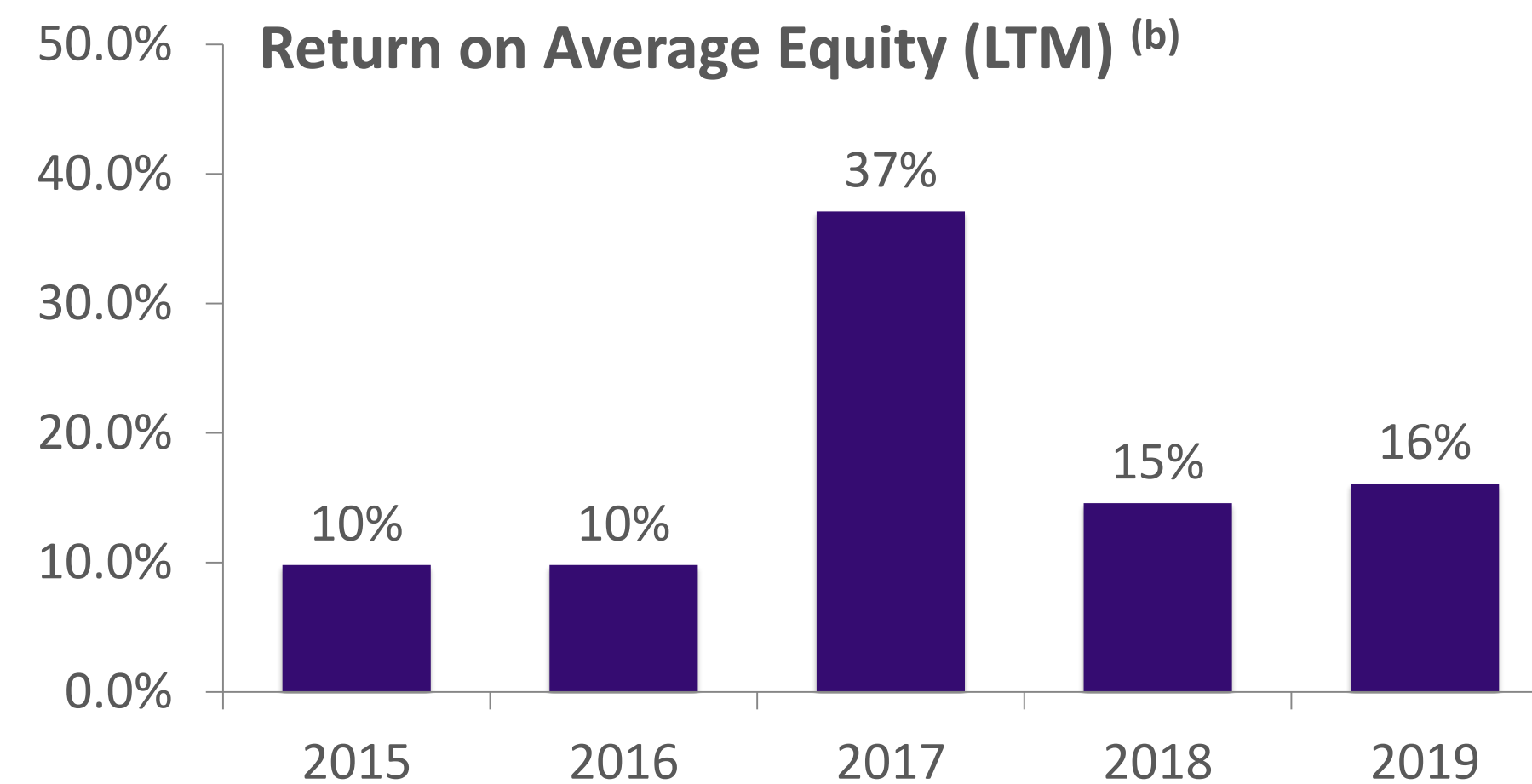
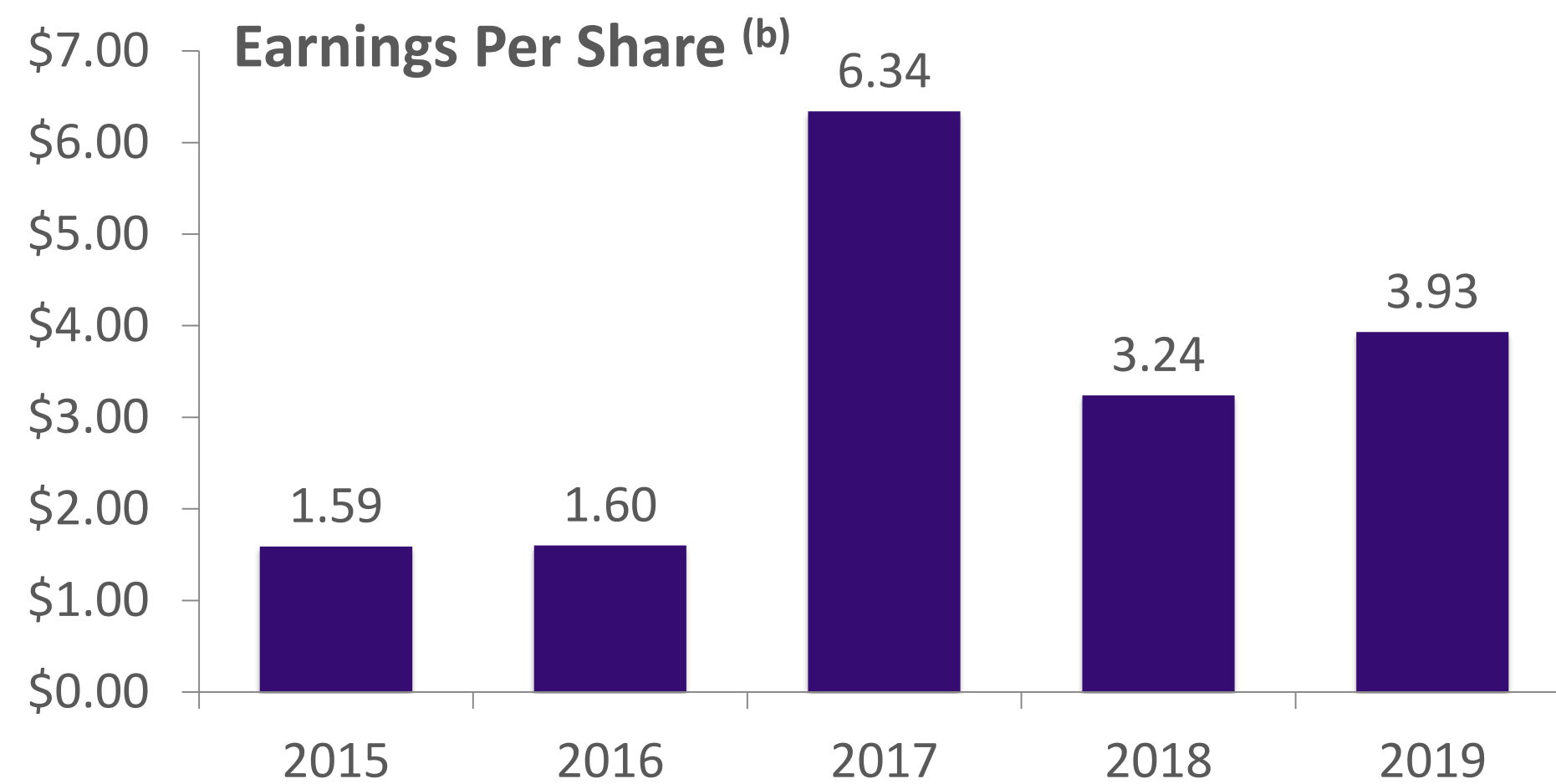
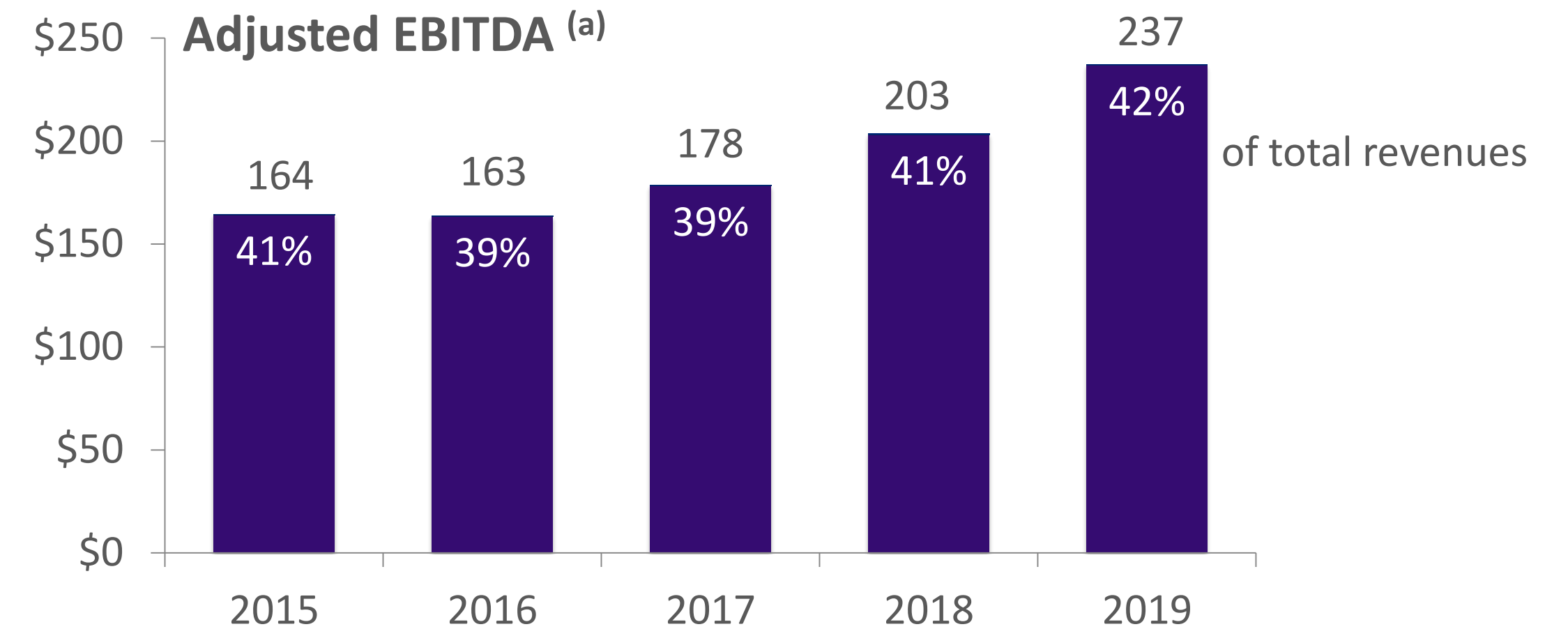
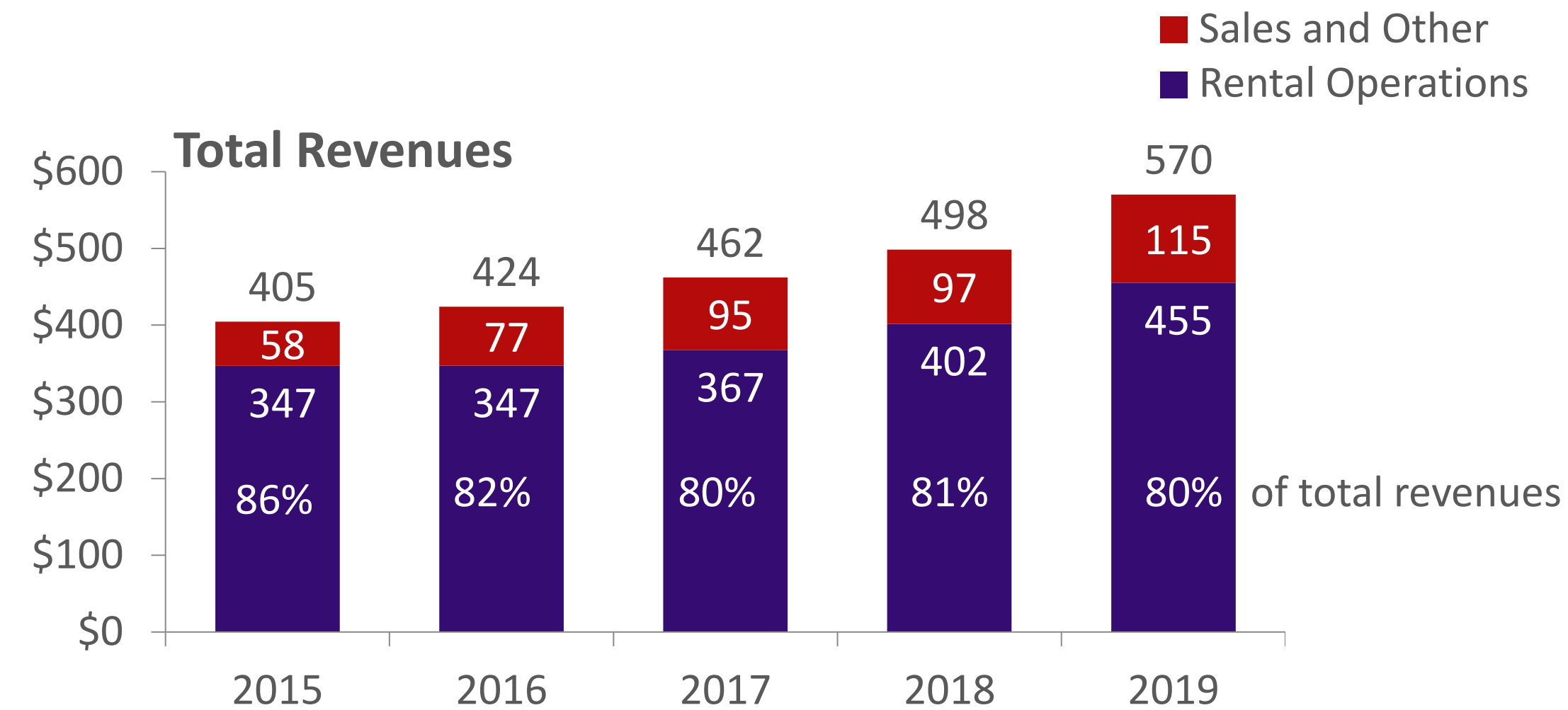


• Mobile Modular includes Mobile Modular Portable Storage and Enviroplex

Operating Results



(dollars and shares in millions except per share amounts)



(a) Adjusted EBITDA defined on page 12

(b) 2017 includes a net income benefit of \$102.5 million, or \$4.23 per diluted share, associated with the enactment of the Tax Cut and Jobs Act. See page 55 for additional information. The Return on Average Equity excluding the impact of the Tax Cut and Jobs Act for December 31, 2017 was 12.6%.

Financial Data

Rental Metrics



Period End Utilization ⁽¹⁾																						Q4-19 vs.			
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q419	Q3-19	% chg	Q4 Y/Y	% chg	
Mobile Modular ⁽⁴⁾	69.0%	67.2%	67.3%	66.7%	70.7%	75.0%	76.9%	77.3%	77.8%	79.3%	79.1%	77.8%	76.9%	77.2%	79.2%	79.3%	78.9%	79.6%	79.5%	79.1%	-0.4%	-0.5%	-0.2%	-0.3%	
TRS-RenTelco	63.1%	64.3%	67.1%	64.1%	58.2%	59.8%	58.7%	61.0%	61.7%	62.1%	64.5%	61.7%	63.5%	62.8%	61.5%	62.1%	66.5%	67.3%	67.1%	64.5%	-2.6%	-3.9%	2.4%	3.9%	
Adler Tank Rentals	71.2%	84.9%	79.8%	67.5%	57.7%	63.9%	49.7%	50.7%	57.5%	56.4%	48.4%	57.5%	57.5%	61.3%	64.0%	56.4%	59.2%	55.3%	51.0%	48.4%	-2.6%	-5.1%	-8.0%	-14.2%	
Average Utilization ⁽¹⁾																						Q4-19 vs.			
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q419	Q3-19	% chg	Q4 Y/Y	% chg	
Mobile Modular ⁽⁴⁾	73.4%	67.7%	67.1%	66.4%	68.3%	72.3%	75.8%	76.6%	76.8%	78.2%	79.2%	77.3%	77.3%	77.1%	78.6%	79.2%	78.8%	79.2%	79.4%	79.3%	-0.1%	-0.1%	0.1%	0.1%	
TRS-RenTelco	61.4%	66.0%	66.0%	65.8%	62.7%	60.4%	60.5%	60.6%	62.9%	62.7%	66.2%	63.6%	62.7%	63.2%	61.9%	63.1%	64.3%	67.2%	66.9%	66.8%	-0.1%	-0.1%	3.7%	5.9%	
Adler Tank Rentals	66.4%	76.0%	86.2%	71.5%	64.2%	62.9%	58.3%	50.1%	56.0%	59.9%	54.7%	60.2%	57.6%	59.1%	62.5%	61.0%	57.3%	57.5%	54.5%	50.0%	-4.5%	-8.3%	-11.0%	-18.0%	
Average Monthly Rental Rate ⁽²⁾																						Q4-19 vs.			
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q419	Q3-19	% chg	Q4 Y/Y	% chg	
Mobile Modular ⁽⁴⁾	2.19%	2.07%	1.97%	1.90%	1.84%	1.86%	1.91%	1.96%	2.07%	2.24%	2.41%	2.16%	2.14%	2.21%	2.30%	2.33%	2.30%	2.39%	2.45%	2.51%	0.1%	2.4%	0.2%	7.7%	
TRS-RenTelco	4.13%	4.26%	4.66%	4.83%	5.09%	5.20%	4.62%	4.45%	4.35%	4.33%	4.26%	4.48%	4.33%	4.26%	4.27%	4.45%	4.31%	4.25%	4.27%	4.20%	-0.1%	-1.6%	-0.3%	-5.6%	
Adler Tank Rentals	3.94%	3.84%	3.63%	3.50%	3.50%	3.39%	3.22%	3.17%	3.10%	3.13%	3.29%	3.20%	2.94%	3.08%	3.21%	3.22%	3.13%	3.31%	3.34%	3.39%	0.1%	1.5%	0.2%	5.3%	
Period End Rental Equipment ⁽³⁾ - (dollars in millions)																						Q4-19 vs.			
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q419	Q3-19	% chg	Q4 Y/Y	% chg	
Mobile Modular ⁽⁴⁾	485.9	496.7	516.3	534.2	564.9	635.4	706.2	744.1	746.9	775.5	814.4	746.9	746.2	750.7	767.5	775.5	781.4	792.2	812.5	814.4	1.8	0.2%	38.9	5.0%	
TRS-RenTelco	238.9	249.8	258.4	266.5	267.2	260.7	262.0	245.7	261.6	283.9	333.6	261.6	268.4	276.3	284.7	283.9	285.8	306.7	320.7	333.6	12.9	4.0%	49.7	17.5%	
Adler Tank Rentals	74.9	129.1	193.9	248.9	278.6	299.5	307.6	306.7	308.9	312.2	315.0	308.9	309.2	310.8	311.5	312.2	313.3	313.7	314.8	315.0	0.1	0.0%	2.8	0.9%	

(1) Period End Utilization is calculated by dividing the cost of rental equipment on rent by the total cost of rental equipment excluding new equipment inventory and accessory equipment. Average utilization for the period is calculated using the average costs of the rental equipment

(2) Average Monthly Rental Rate is calculated by dividing the averages of monthly rental revenues by the cost of rental equipment on rent, for the period

(3) Period End Rental Equipment represents the original cost of rental equipment excluding new equipment inventory and accessory equipment

(4) Mobile Modular includes Mobile Modular Portable Storage

Financial Data

2020 Financial Outlook



	<u>2019</u>	<u>February 25, 2020 Outlook Comments</u>
Total revenue	\$ 570M	\$575 million - \$595 million
Adjusted EBITDA	\$ 237M	\$240 million - \$248 million
Net capital expenditures	\$ 135M	\$110 million to \$120 million

- On December 22, 2017, the U.S. government enacted the Tax Cut and Jobs act (“the Tax Act”)
- The Tax Act reduced the federal income tax rate from 35% to 21% effective January 1, 2018
- Net deferred tax liabilities were re-measured and a net benefit of \$102.8 million was recognized in 2017
- One-time transition income tax estimated at \$0.3 million related to repatriation of foreign earnings was recorded in 2017

Financial Data

Financing Summary



(dollars in millions)

		Year Ended December 31,																					
		2009		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019	
Total Debt	\$	247	\$	266	\$	297	\$	302	\$	290	\$	322	\$	381	\$	326	\$	303	\$	299	\$	293	
Adjusted EBITDA ^(a)	\$	128	\$	132	\$	161	\$	158	\$	161	\$	171	\$	164	\$	163	\$	178	\$	203	\$	237	
Funded Debt to EBITDA		1.94		2.01		1.84		1.91		1.81		1.89		2.32		2.00		1.70		1.47		1.24	
Available Debt Capacity	\$	132	\$	101	\$	159	\$	228	\$	240	\$	228	\$	209	\$	246	\$	249	\$	233	\$	239	

^(a) Adjusted EBITDA defined on page 12

Financial Data

Capital Expenditures



(dollars in millions)

	Year Ended December 31,											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Mobile Modular	\$ 13	\$ 23	\$ 34	\$ 21	\$ 53	\$ 83	\$ 80	\$ 43	\$ 35	\$ 63	\$ 75	
TRS-RenTelco	23	42	55	52	53	45	44	31	59	65	90	
Adler Tank Rentals	38	52	69	56	31	21	9	1	5	5	5	
Total Rental Equipment ^(a)	74	118	158	129	137	149	133	75	98	134	170	
Proceeds from used equipment sales	(29)	(29)	(28)	(31)	(33)	(33)	(26)	(29)	(38)	(42)	(44)	
Net Rental Equipment Capital	45	89	129	98	103	116	107	45	60	92	126	
PP&E	2	12	17	14	12	13	9	11	15	16	12	
Total Capital Expenditures	\$ 47	\$ 101	\$ 147	\$ 112	\$ 115	\$ 129	\$ 116	\$ 56	\$ 74	\$ 108	\$ 138	

^(a) Represents total rental equipment acquisitions including equipment received, not yet paid for

- Mobile Modular includes Mobile Modular Portable Storage
- PP&E includes ERP and Non-ERP systems, land, facility improvements, and other equipment

Financial Data

Consolidated Income Statement



(dollars and shares in millions except per share amounts)

	Year Ended December 31,																					
	2009		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019	
Revenues																						
Rental	\$	186	\$	201	\$	235	\$	248	\$	256	\$	270	\$	274	\$	271	\$	289	\$	319	\$	354
Rental Related Services		33		35		39		47		53		64		73		76		78		83		101
Rental Operations		220		235		274		295		309		334		347		347		367		402		455
Sales		53		54		66		66		68		72		55		74		92		93		110
Other		2		2		2		2		2		2		2		2		3		4		5
Total Revenues		276		291		343		364		380		408		405		424		462		498		570
Costs and Expenses																						
Direct Costs of Rental Operations																						
Depreciation of Rental Equipment		57		56		60		64		68		73		75		72		70		73		80
Rental Related Services		25		27		31		37		40		49		57		59		60		64		76
Other		33		40		40		46		55		57		59		60		65		69		79
Total Direct Costs of Rental Operations		116		123		131		147		163		178		191		191		195		206		236
Costs of Sales		39		38		45		49		47		47		37		49		60		59		68
Total Costs		154		161		176		196		210		226		228		240		256		265		304
Gross Margin		121		131		167		168		169		182		177		184		206		233		266
Selling and Administrative		60		66		78		86		89		97		100		105		112		116		125
Income from Operations		61		65		89		82		80		85		77		79		95		117		141
Interest		(7)		(6)		(8)		(9)		(9)		(9)		(10)		(12)		(12)		(12)		(12)
Gain on sale of property, plant and equipment		-		-		-		-		-		1		-		-		-		-		-
Foreign currency exchange gain (loss)		-		-		-		0		(0)		(0)		(0)		(0)		0		(0)		0
Income before Provision for Income Taxes		54		59		81		73		71		77		66		67		83		105		129
Provision for Income Taxes		21		23		31		28		28		31		26		29		(70)		25		32
Net Income ⁽¹⁾		33		36		50		45		43		46		40		38		154		79		97
Earnings per share: ⁽¹⁾																						
Diluted	\$	1.40	\$	1.50	\$	2.00	\$	1.78	\$	1.67	\$	1.75	\$	1.59	\$	1.60	\$	6.34	\$	3.24	\$	3.93
Shares used in Per Share Calculation:																						
Diluted		23.9		24.3		24.8		25.2		25.9		26.2		25.5		24.0		24.3		24.5		24.6
EBITDA	\$	128	\$	132	\$	161	\$	158	\$	161	\$	171	\$	164	\$	163	\$	178	\$	203	\$	237

⁽¹⁾ 2017 includes a net income benefit of \$102.5 million, or \$4.23 per diluted share, associated with the enactment of the Tax Cut and Jobs Act. See page 55 for additional information.

Financial Data

Consolidated Balance Sheet Highlights



(dollars in millions)

As of December 31,		2009		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019
Rental Equipment, at cost																						
Relocatable modular buildings	\$	504	\$	515	\$	539	\$	551	\$	592	\$	664	\$	737	\$	769	\$	775	\$	817	\$	869
Electronic test equipment		239		250		259		267		268		262		263		246		262		285		335
Liquid and solid containment tanks and boxes		81		133		201		255		284		303		310		309		310		314		316
Total Rental Equipment at cost		824		898		999		1,073		1,144		1,230		1,310		1,324		1,348		1,416		1,520
Rental Equipment, net book value																						
Relocatable modular buildings		368		369		384		385		415		475		529		544		544		572		610
Electronic test equipment		102		98		106		108		110		105		102		90		109		131		172
Liquid and solid containment tanks and boxes		77		124		184		226		242		246		238		222		209		198		185
Total NBV Rental Equipment		547		592		673		719		767		826		870		856		862		901		968
Total Assets		758		814		919		972		1,028		1,116		1,153		1,128		1,148		1,217		1,310
Notes Payable		247		266		297		302		290		322		381		326		303		299		293
Total Liabilities		491		519		586		608		627		692		773		734		624		646		676
Shareholder Equity		267		295		333		365		401		425		380		394		524		572		634
Debt (Total Liabilities) to Equity		1.83		1.76		1.76		1.67		1.56		1.63		2.04		1.86		1.19		1.13		1.07
Debt (Notes Payable) to Equity		0.92		0.90		0.89		0.83		0.72		0.76		1.00		0.83		0.58		0.52		0.46
Funded Debt to EBITDA		1.94		2.01		1.84		1.91		1.81		1.89		2.32		2.00		1.70		1.47		1.24
EBITDA		128		132		161		158		161		171		164		163		178		203		237

- Effective March 31, 2016 the Company entered into a \$420M credit facility which matures on March 31, 2021. In addition, the Company extended the Sweep Service Facility with Union Bank and increased the facility from \$10M to \$12M.
- \$40M of “Series B” senior notes at an interest rate of 3.68% were issued on March 17, 2014. The notes mature in March 2021.
- \$60M of “Series C” senior notes at an interest rate of 3.84% were issued on November 5, 2015. The notes mature in November 2022.

Financial Data

Consolidated Cash Flow



(dollars in millions)




	Year Ended December 31,										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sources of Cash:											
Cash Flow from Operating Activities	\$ 122	\$ 101	\$ 129	\$ 126	\$ 134	\$ 123	\$ 144	\$ 141	\$ 122	\$ 143	\$ 188
Proceeds from Sales of Used Equipment	29	29	28	31	33	33	26	29	38	42	44
Proceeds from Exercise of Stock Options	2	9	6	7	16	4	2	0	-	-	-
Total Cash Available	\$ 153	\$ 138	\$ 164	\$ 164	\$ 183	\$ 159	\$ 173	\$ 170	\$ 161	\$ 184	\$ 232
Uses of Cash:											
Purchases of Rental Equipment	(70)	(123)	(155)	(132)	(133)	(152)	(131)	(79)	(95)	(123)	(168)
Acquisitions	(2)	(0)	(0)	(0)	(0)	-	-	-	-	(8)	(8)
Other Capital Investments	(2)	(12)	(17)	(14)	(12)	(13)	(9)	(11)	(15)	(16)	(12)
Repurchase of Common Stock	-	-	-	-	-	-	(64)	-	-	-	-
Taxes Paid on Stock Awards	-	-	-	(0)	(2)	(4)	(2)	(1)	(2)	(3)	(3)
Payment of Dividends	(20)	(21)	(22)	(23)	(24)	(26)	(26)	(24)	(25)	(31)	(36)
Total Uses of Cash	(95)	(156)	(194)	(169)	(171)	(194)	(232)	(115)	(136)	(180)	(226)
Net Payments (Borrowings) under Bank Lines	58	(18)	(31)	(5)	12	(35)	(59)	55	25	4	6
Net increase (decrease)	(0)	(0)	0	0	0	(0)	(0)	(0)	2	(1)	1
Cash, beginning of period	1	1	1	1	2	2	1	1	1	3	2
Cash, end of period	1	1	1	2	2	1	1	1	3	2	2
Calculation of Free Cash Flow											
Cash Flow from Operating Activities	122	101	129	126	134	123	144	141	122	143	188
Purchases of Rental Equipment	(70)	(123)	(155)	(132)	(133)	(152)	(131)	(79)	(95)	(123)	(168)
Acquisitions	(2)	(0)	(0)	(0)	(0)	-	-	-	-	(8)	(8)
Other Capital Investments	(2)	(12)	(17)	(14)	(12)	(13)	(9)	(11)	(15)	(16)	(12)
Proceeds from Sales of Used Equipment	29	29	28	31	33	33	26	29	38	42	44
Free Cash Flow	77	(6)	(14)	11	22	(9)	30	81	52	38	45

Notes Payable	247	266	297	302	290	322	381	326	303	299	293
Funded Debt to EBITDA	1.94	2.01	1.84	1.91	1.81	1.89	2.32	2.00	1.70	1.47	1.24

- In May 2008, the Company's Board of Directors authorized the Company to repurchase an aggregate of 2,000,000 shares of the Company's outstanding common stock.
- The Company has in the past made purchases of shares of its common stock from time to time in over-the-counter market (NASDAQ) transactions, through privately negotiated, large block transactions and through a share repurchase plan, in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934.
- In August 2015, the Company's Board of Directors authorized the Company to repurchase an additional 2,000,000 shares of the Company's outstanding common stock.
- The amount and time of the specific repurchases are subject to prevailing market conditions, applicable legal requirements and other factors, including management's discretion. There can be no assurance that any authorized shares will be repurchased and the repurchase program may be modified, extended or terminated by the board of directors at any time.
- All shares repurchased by the Company are canceled and returned to the status of authorized but unissued shares of common stock.
- As of December 31, 2019, 1,592,026 shares remain authorized for repurchase.
- No share repurchases were made during 2019.

Typical Rental Assets Investment Metrics



	Depreciable Life	Time to Recover Original Cost ⁽¹⁾	Average Age of Asset Sold	Gross Margin on Used Asset Sales	IRR Target (after tax)
	18 years (50% residual value)	~ 5 years	12-15 years	~ 30 – ~ 40%	10%-12%
	20 years (zero residual value)	~ 4 years	N/A	N/A	10%-12%
	~ 5 years (zero residual value)	~ 3 years	~ 5-6 years	~ 50 – ~ 60%	12%-15%

⁽¹⁾ Based on the respective product’s annual yield (annual rental revenues divided by the average cost of rental inventory). Excludes operating costs.

Mobile Modular Transaction

Illustrative Transaction – Educational Rental



Gross Margin Analysis

Customer:	School
Need:	Additional classroom space for increased student population
Product:	24'x40' (960 sq.ft.) Classroom
Initial Contract Term:	24 months
Capitalized Building Cost:	\$27,800

Revenues

Rental: (24 mths. x \$475)	\$ 11,400
Rental Related Services	<u>\$ 4,300</u>
Total Revenues	\$ 15,700

Costs and Expenses

Direct Costs of Rental Operations	
Depreciation: (24 mths. x \$64)	\$ 1,536
Rental Related Services	\$ 3,000
Other	<u>\$ 3,400</u>
Total Costs and Expenses	\$ 7,936

Gross Profit On Total Revenues	\$ 7,764
Gross Margin On Total Revenues %	49%
Gross Profit On Rental Revenues	\$ 6,464
Gross Margin On Rental Revenues %	57%

Adler Tank Rentals Transaction

Illustrative Transaction – Tank



Gross Margin Analysis

Customer:	Heavy Construction
Need:	Raw material storage, ground water control, containment of waste for disposal or treatment
Product:	21,000 Gallon Steel Tank
Average Rental Term:	3 months
Capitalized Equipment Cost:	\$35,000

Revenues

Rental: (3 mths. x \$23/day x 30 days)	\$ 2,070
Rental Related Services	\$ 840
Total Revenues	\$ 2,910

Costs and Expenses

Direct Costs of Rental Operations	
Depreciation: (3 mths. x \$146)	\$ 438
Rental Related Svc Costs	\$ 670
Other	\$ 360
Total Costs and Expenses	\$ 1,468

Gross Profit On Total Revenues	\$ 1,442
Gross Margin On Total Revenues %	50%
Gross Profit On Rental Revenues	\$ 1,272
Gross Margin On Rental Revenues %	61%

TRS-RenTelco Transaction

Illustrative Transaction – Electronics



Gross Margin Analysis

Customer:	Aerospace and Defense Company
Need:	Measure active devices like amplifiers, mixers, and frequency converters
Product:	Network Analyzer
Average Rental Term:	8 months
Capitalized Equipment Cost:	\$12,400

Revenues

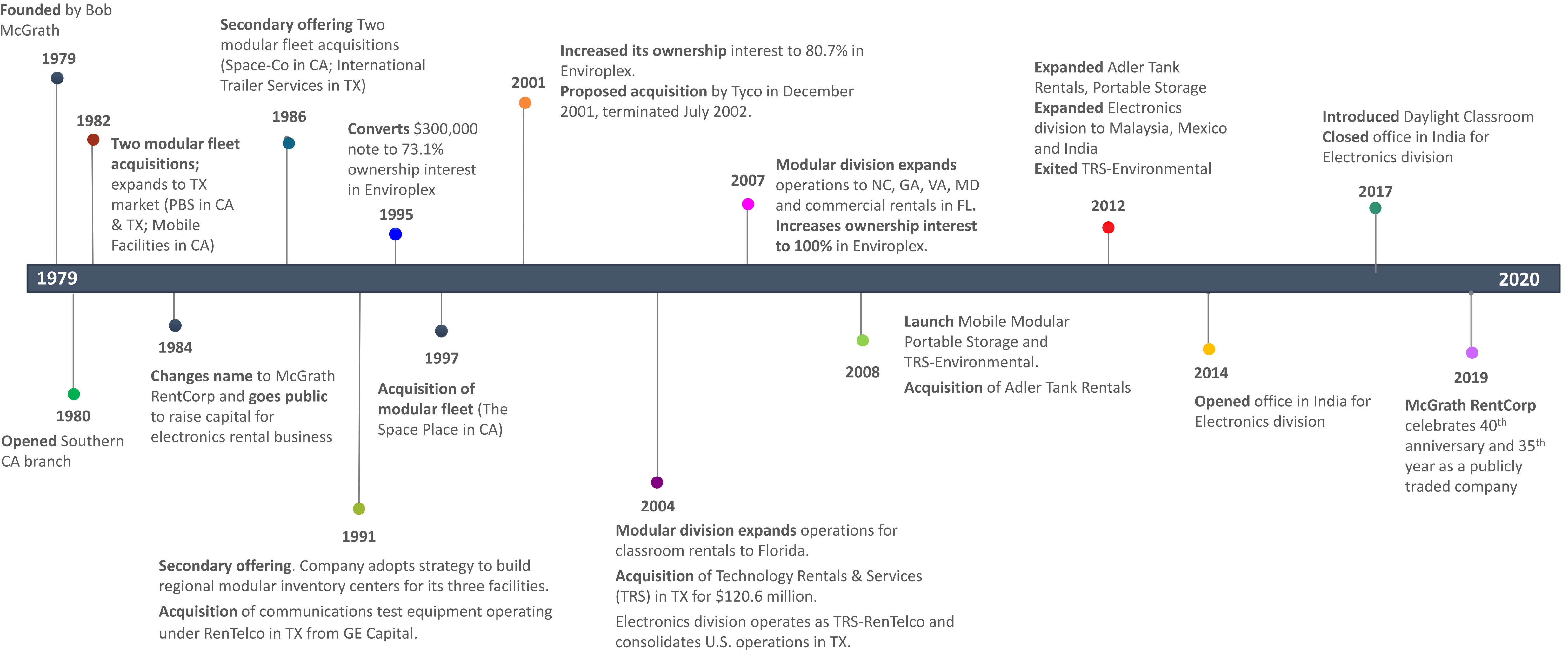
Rental: (8 mths. x \$400)	\$ 3,200
Rental Related Services	\$ 100
Total Revenues	\$ 3,300

Costs and Expenses

Direct Costs of Rental Operations	
Depreciation: (8 mths. x \$148)	\$ 1,184
Rental Related Services	\$ 100
Other	\$ 560
Total Costs and Expenses	\$ 1,844

Gross Profit On Total Revenues	\$ 1,456
Gross Margin On Total Revenues %	44%
Gross Profit On Rental Revenues	\$ 1,456
Gross Margin On Rental Revenues %	46%

History



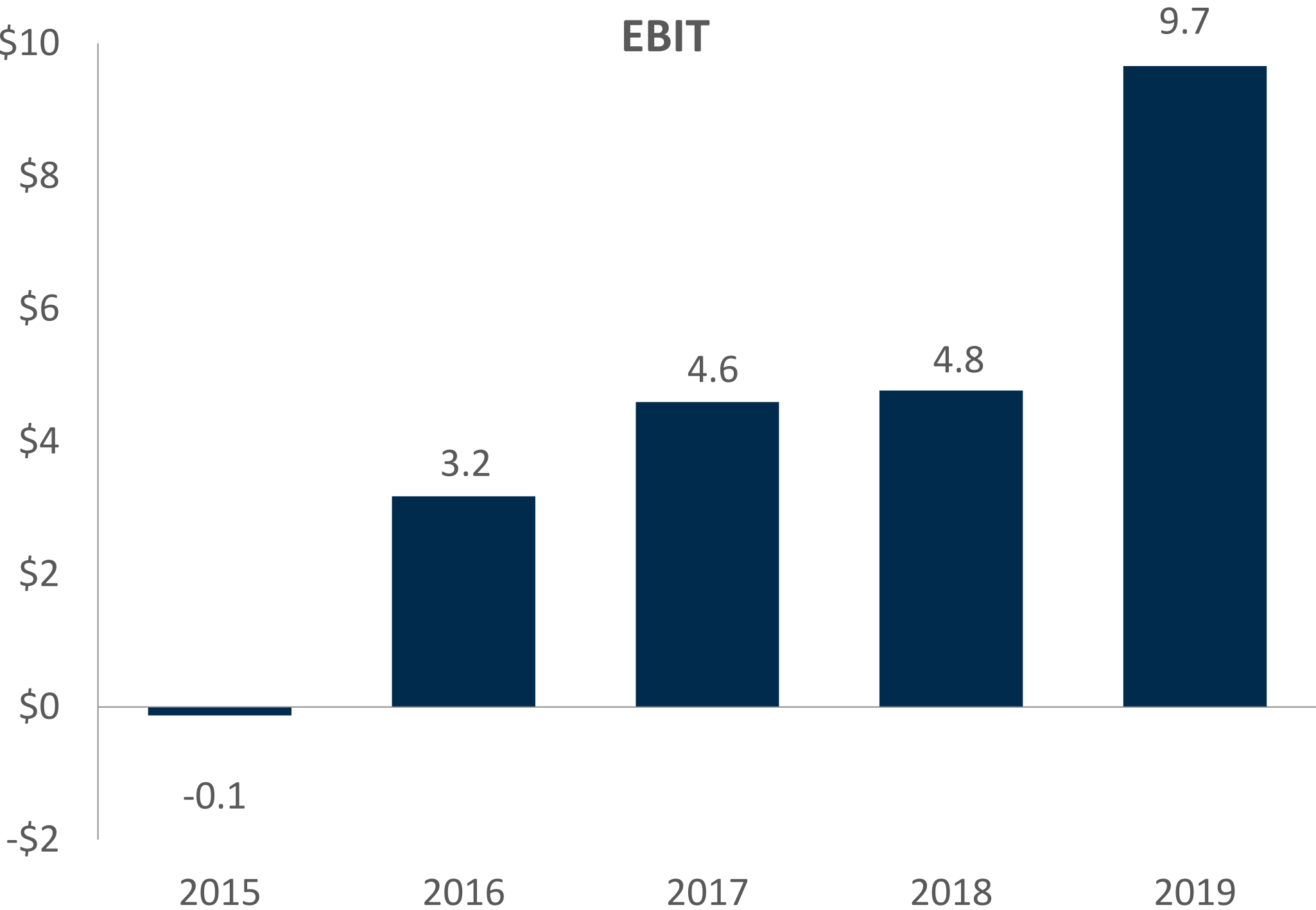
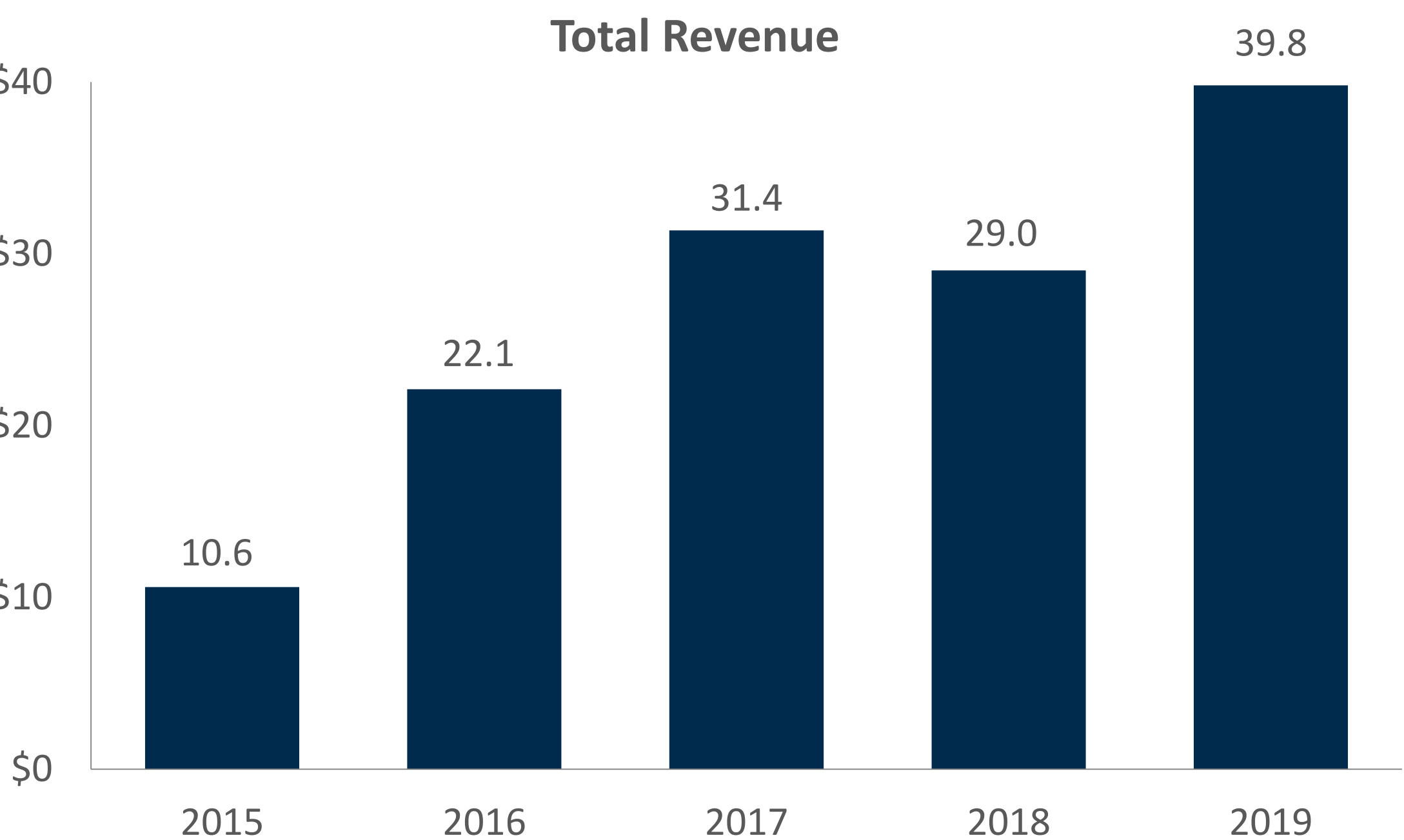
McGrath RentCorp

ADDITIONAL DETAIL – ENVIROPLEX

Manufacturer of High Performance Classrooms



(dollars in millions)



Manufacturer of High Performance Classrooms

Northern California - Stockton

