

Scaling for Sustainable Growth

Q2 2025 EARNINGS CONFERENCE CALL

July 29, 2025

 **HercRentals**[®]



Herc Rentals Team and Agenda



Larry Silber
President & Chief
Executive Officer



Aaron Birnbaum
Senior Vice President
& Chief Operating
Officer



Mark Humphrey
Senior Vice President
& Chief Financial
Officer



Leslie Hunziker
Senior Vice President
Investor Relations,
Communications &
Sustainability

Agenda

Safe Harbor

Q2 2025 Overview

Q2 Operations Review

Q2 Financial Review

2025 Outlook

Q&A

Safe Harbor Statements and Non-GAAP Financial Measures

Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of Section 21E of the Securities Exchange Act, as amended, and the Private Securities Litigation Reform Act of 1995. Forward looking statements are generally identified by the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "forecasts," "looks," and future or conditional verbs, such as "will," "should," "could" or "may," as well as variations of such words or similar expressions. All forward-looking statements are based upon our current expectations and various assumptions and there can be no assurance that our current expectations will be achieved. You should not place undue reliance on the forward-looking statements. They are subject to future events, risks and uncertainties - many of which are beyond our control - as well as potentially inaccurate assumptions, that could cause actual results to differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those projected include, but are not limited to, the following: (1) the cyclical nature of our industry and our dependence on the levels of capital investment and maintenance expenditures by our customers; (2) the competitiveness of our industry, including the potential downward pricing pressures or the inability to increase prices; (3) our dependence on relationships with key suppliers; (4) our heavy reliance on communication networks, centralized information technology systems and third party technology and services and our ability to maintain, upgrade or replace our information technology systems; (5) our ability to respond adequately to changes in technology and customer demands; (6) our ability to attract and retain key management, sales and trades talent; (7) our rental fleet is subject to residual value risk upon disposition; (8) the impact of climate change and the legal and regulatory responses to such change; (9) our ability to execute our strategy to grow through strategic transactions; (10) our significant indebtedness; and (11) our ability to integrate the acquisition of H&E Equipment Services, Inc. into our business and our ability to realize the anticipated benefits of the transaction.

Further information on the risks that may affect our business is included in filings we make with the Securities and Exchange Commission from time to time, including our most recent annual report on Form 10-K, subsequent quarterly reports on Form 10-Q, and in our other SEC filings. We undertake no obligation to update or revise forward-looking statements that have been made to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

Information Regarding Non-GAAP Financial Measures

In addition to results calculated according to accounting principles generally accepted in the United States ("GAAP"), the Company has provided certain information in this presentation that is not calculated according to GAAP ("non-GAAP"), such as adjusted net income, adjusted earnings per diluted share, EBITDA, adjusted EBITDA, adjusted EBITDA margin, REBITDA, REBITDA margin, REBITDA flow-through, free cash flow and adjusted free cash flow. Additionally, certain results are presented excluding the Cinelease studio entertainment business. Management uses these non-GAAP measures to evaluate operating performance and period-over-period performance of our core business without regard to potential distortions, and believes that investors will likewise find these non-GAAP measures useful in evaluating the Company's performance. These measures are frequently used by security analysts, institutional investors and other interested parties in the evaluation of companies in our industry.

Non-GAAP measures should not be considered in isolation or as a substitute for our reported results prepared in accordance with GAAP and, as calculated, may not be comparable to similarly titled measures of other companies. For the definitions of these terms, further information about management's use of these measures as well as a reconciliation of these non-GAAP measures to the most comparable GAAP financial measures, please see the appendix that accompanies this presentation.

Second Quarter 2025 Overview

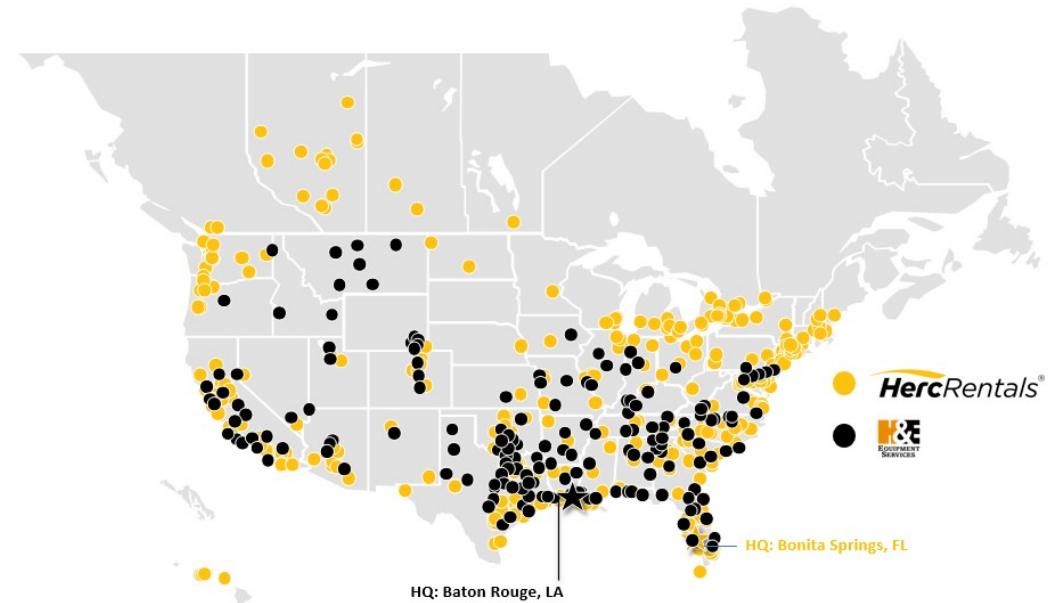
Larry Silber

President and Chief Executive Officer



H&E Acquisition Closed June 2, 2025

- **Successfully raised \$4.4B in debt at 6.8% WACD, despite bond market volatility**
- **Extensive planning set stage for effective Day 1 integration launch**
 - **People**
 - Stabilized employee base
 - Remapped organizational structure
 - **Fleet**
 - Assessment completed
 - Initial dispositions planned through year end
 - Equipment sharing underway



- **Processes**
 - Training for standardization
 - Communicated governance policies
- **Technology**
 - Phased approach to cutovers through Q3 25
 - Initial cutover successfully completed in July
 - ERP, Pricing, Go-to-Market, HR, CRM, ProControl™

Q2 2025: Delivering on Growth Strategies

Strategies to Accelerate ROIC and Increase Shareholder Returns:

Grow the Core

Expand Specialty

Elevate Technology

Allocate Capital

Execute at Highest Level

Optimize branch network for fleet / operating efficiencies at scale

- Completed acquisition of H&E Equipment Services; integration of 162 branches underway
- Opened 8 previously planned greenfield locations

Enhance fleet mix

- Focused on specialty fleet to support mega projects, cross-selling and end-market expansion

Support customers' efficiency goals through data and telematics

- Advanced our industry leading digital capabilities: ProControl by Herc Rentals™

Prioritize Capital and Invest Responsibly

- Continued disciplined investments in fleet
- Declared regular dividend

Lead through continuous improvement with E3OS

- Standardized processes
- Committed to superior customer experiences



Operations Review

Aaron Birnbaum

Senior Vice President and
Chief Operating Officer



Focusing on Safety

Continuing focus on Perfect Days

- Q2 25 all branches reported > 96% Perfect Days
- Perfect Days are those with no:
 - OSHA reportable incidents
 - At-fault moving vehicle accidents
 - DOT violations

Total TTM Recordable Incident Rate is 0.92

— favorable to industry standard of 1.0

Proven safety record is a must-have for customers

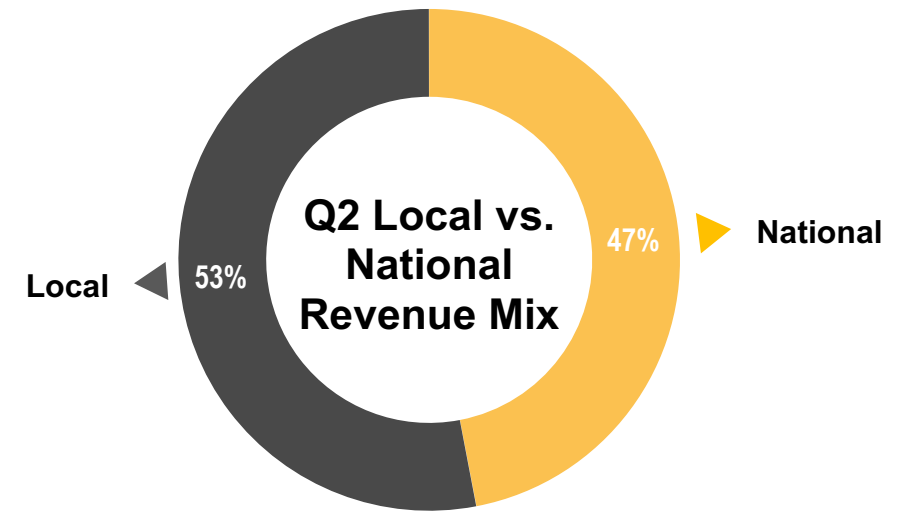
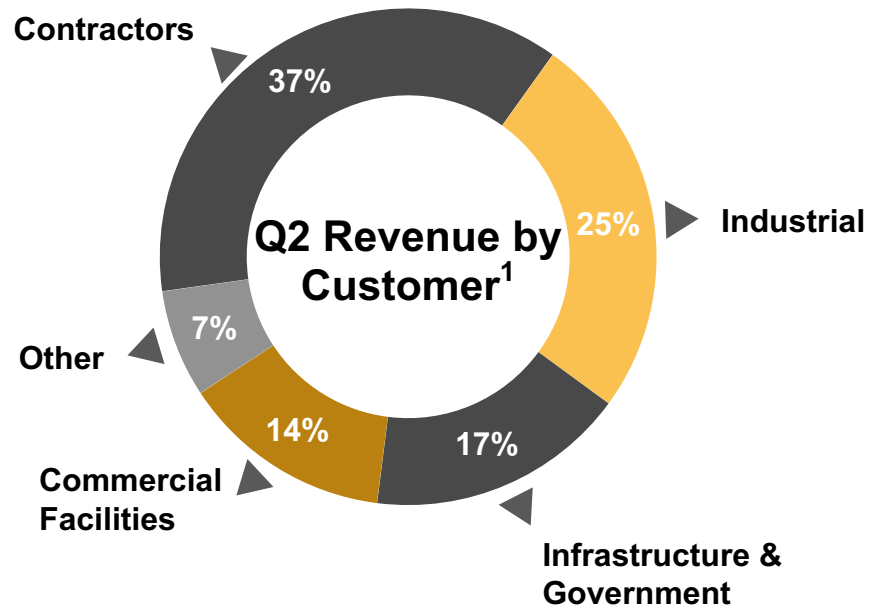
Herc's Safety Program is integrated into all acquisitions



Think Safety!



Delivering Growth and Resiliency through Diversification



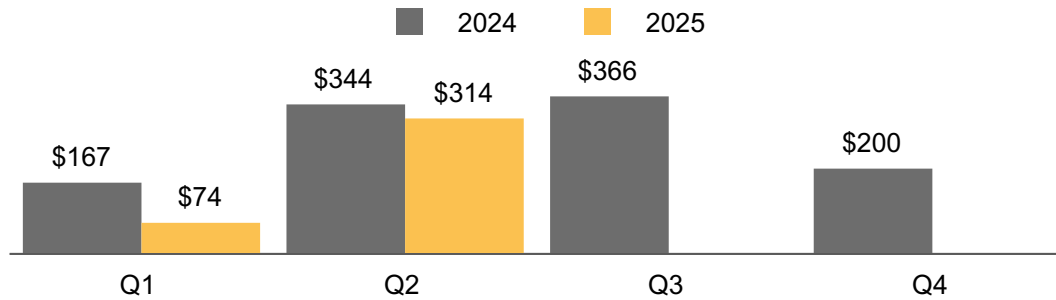
- Local growth restricted by interest rate environment
 - Infrastructure, government and MRO help offset moderating commercial sector
- National account revenue benefiting from general growth and mega project activity
 - Growth from mix of existing projects ramping up and new projects launching in 2025
 - Project pipeline remains strong; supported by private- and federal-funding opportunities
- Long-term, balanced target of 60% local / 40% national accounts

1. Refer to 10-K for description of industries related to each customer classification.

Optimizing Fleet Mix and Lifecycle Performance

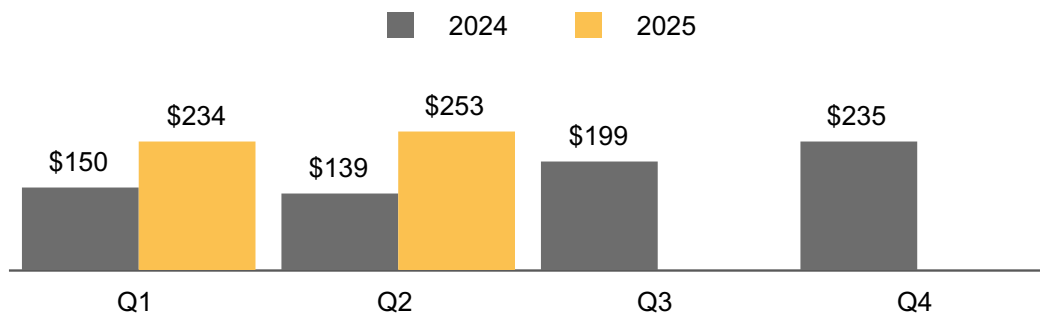
Fleet Expenditures at OEC¹

\$ in millions

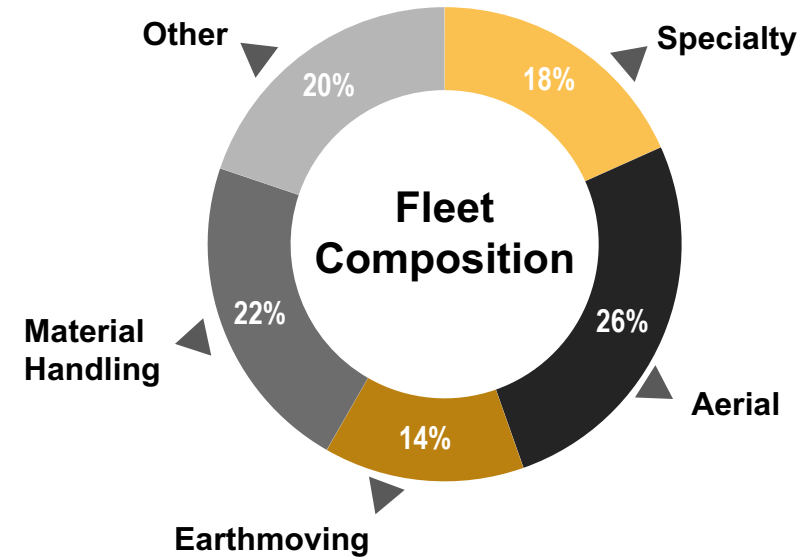


Fleet Disposals at OEC¹

\$ in millions



\$9.9 billion at OEC^{1,2}



- Focus on fleet efficiency:
 - Disciplined expenditures for rotation, mega projects, specialty equipment
 - Dispositions increase sequentially and YoY to align utilization
- Q2 25 disposals generated proceeds of ~44% of OEC
 - Average age of fleet disposals in the quarter of 85 months
- Average fleet age of 46 months at June 30, 2025

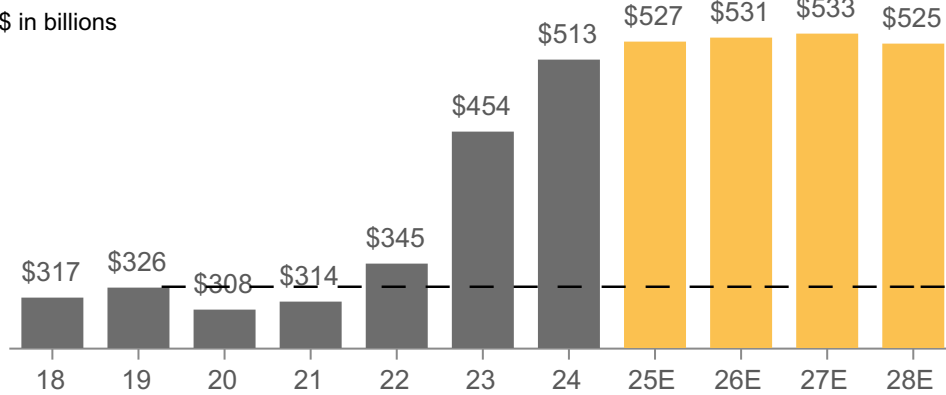
1. Original equipment cost based on ARA guidelines.

2. End fleet as of June 30, 2025, includes Cinelease

Continued Strength in Key End Markets

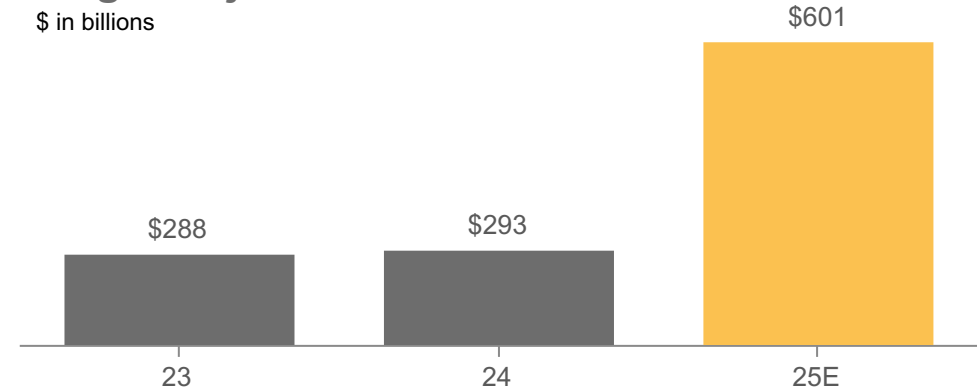
Industrial Spending¹

\$ in billions



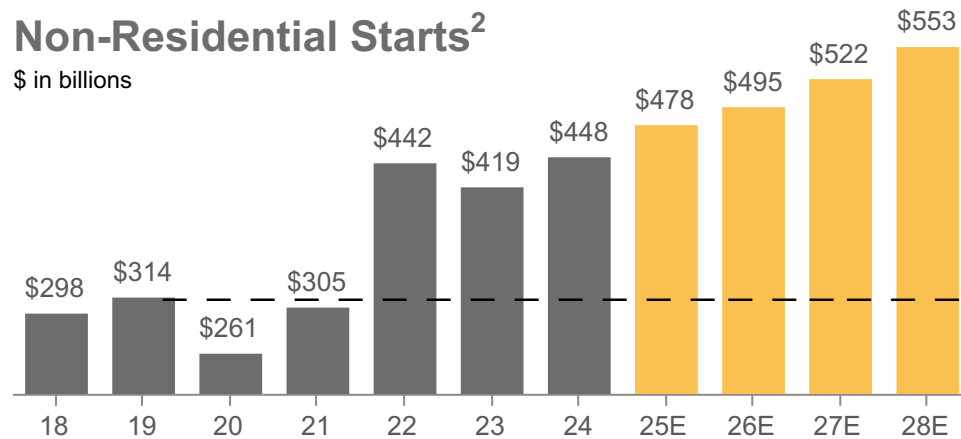
Mega Project Starts³

\$ in billions



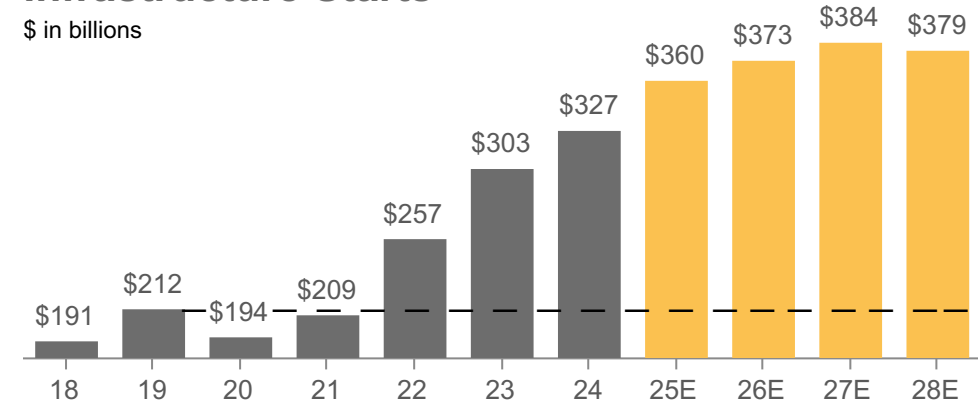
Non-Residential Starts²

\$ in billions



Infrastructure Starts²

\$ in billions



1.Source: IIR as of June 2025









2.Source: Dodge Analytics U.S. as of June 2025

3.Source: Dodge Analytics U.S. as of June 2025; mega project defined as total dollar value exceeding \$250 million

Capitalizing on Growth Trends Across Diverse Customer and Project Base

Contractors (37%)	Industrial (25%)	Infrastructure & Gov. Direct (17%)	Commercial Facilities (14%)	Other (7%)
<ul style="list-style-type: none"> Electrical General Contractors Mechanical Remediation & Environmental Residential Restoration Specialty Contractors 	<ul style="list-style-type: none"> Agriculture Chemical Processing Industrial Manufacturing Metals & Minerals Oil & Gas Production Oil & Gas Pipeline Oil & Gas Refineries Pharmaceutical Power Pulp, Paper & Wood Shipbuilding/Yards Aerospace Alternative Automotive/EV Energy/Renewables Food & Beverage 	<ul style="list-style-type: none"> Airports Bridge Federal Government Local & State Government Military Base Prisons Railroad & Mass Transportation Streets, Road & Highway Sewer & Waste Disposal Water Supply & Distribution Utilities 	<ul style="list-style-type: none"> Banks Casinos Hospitality (hotel & motel) Parking Garages Religious Building Retail Facilities Commercial Warehousing Education Facility Maintenance Healthcare Data Centers 	<ul style="list-style-type: none"> Sporting Events TV, Film & Radio Live Events

Herc Rentals is Well Positioned with Current Trending Opportunities

Chip Plants Data Centers Renewables EV/Battery Utilities Healthcare Infrastructure LNG Plant

Pipeline of new construction and maintenance projects offers wide spectrum of growth opportunities

New verticals since 2016 in **bold**.

Financial Review

Mark Humphrey

Senior Vice President and
Chief Financial Officer



Q2 2025 Financial Results

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	2025 vs 2024 % Change	2025	2024	2025 vs 2024 % Change
<i>\$ in millions, except per share data</i>						
Equipment Rental Revenue	\$870	\$765	13.7%	\$1,609	\$1,484	8.4%
Total Revenues	\$1,002	\$848	18.2%	\$1,863	\$1,652	12.8%
Net Income (Loss)	\$(35)	\$70	(150.0)%	\$(53)	\$135	(139.3)%
Earnings (Loss) Per Diluted Share	\$(1.17)	\$2.46	(147.6)%	\$(1.82)	\$4.75	(138.3)%
Adjusted Net Income¹	\$56	\$74	(24.3)%	\$93	\$141	(34.0)%
Adjusted Earnings Per Diluted Share¹	\$1.87	\$2.60	(28.1)%	\$3.17	\$4.96	(36.1)%
Adjusted EBITDA¹	\$406	\$360	12.8%	\$745	\$699	6.6%
Adjusted EBITDA Margin¹	40.5%	42.5%	(200) bps	40.0%	42.3%	(230) bps
REBITDA^{1,2}	\$379	\$336	12.8%	\$686	\$649	5.7%
REBITDA Margin^{1,2}	43.1%	43.5%	(40) bps	42.2%	43.3%	(110) bps
REBITDA YoY Flow-Through^{1,2}	40.6%	21.9%	NM*	29.6%	36.4%	NM*
Average Fleet³ (YoY)	20.6%	7.7%		15.0%	8.9%	
Dollar Utilization³	38.3%	41.0%	(270) bps	38.0%	40.4%	(240) bps

* NM - Not Meaningful

1. For a reconciliation to the most comparable GAAP financial measure, see the Appendix beginning on Slide 20

2. REBITDA measures contribution from our core rental business without impact of sales of equipment, parts and supplies

3. Based on ARA guidelines

Equipment Rental Revenue Contribution

Q2 25 Equipment rental revenue +14% as reported; Pro forma¹ -2% YoY

- Cinelease Q2 25 decline in rental revenue reflects continued entertainment industry softness
- Q2 25 Equipment rental revenue contribution from ongoing business:
 - Herc legacy branches +4% YoY, excluding Cinelease
 - Local market growth in government, infrastructure, MRO
 - Continued strength in national account and mega project activity
 - H&E legacy branches -14.1% YoY
 - Dis-synergies pulled forward pre-close
 - Over-indexed to local market weakness

Q3 25 will be combined reporting

- Systems, fleet and branches integrated
- Legacy rollup data will no longer be available

1. Pro forma includes the results of Herc, excluding Cinelease, plus the standalone, pre-acquisition of H&E for the three months ended June 30, 2025 and 2024. For a reconciliation to the most comparable GAAP financial measures, see the Appendix beginning on Slide 20

Q2 2025 Financial Results Excluding Cinelease Studio Entertainment¹

\$ in millions	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	2025 vs 2024 % Change	2025	2024	2025 vs 2024 % Change
Core Equipment Rental Revenue	\$854	\$739	15.6%	\$1,578	\$1,429	10.4%
Core Total Revenues	\$984	\$819	20.1%	\$1,828	\$1,593	14.8%
Core Net Income (Loss)	\$1	\$66	(98.5)%	(\$17)	\$124	(113.7)%
Core Adjusted EBITDA	\$405	\$352	15.1%	\$743	\$681	9.1%
Core Adjusted EBITDA Margin	41.2%	43.0%	(180) bps	40.6%	42.7%	(210) bps
Core REBITDA²	\$378	\$330	14.5%	\$685	\$634	8.0%
Core REBITDA Margin²	43.9%	44.2%	(30) bps	43.1%	43.9%	(80) bps
Core REBITDA YoY Flow-Through²	41.7%	14.5%	NM*	34.5%	30.6%	390 bps
Core Average Fleet³ (YoY)	21.6%	8.2%		15.8%	9.7%	
Core Dollar Utilization³	39.1%	41.6%	(250) bps	38.8%	40.9%	(210) bps

* NM - Not Meaningful

1. Results excluding the Cinelease studio entertainment business is referred to as "core" business. For a reconciliation to the most comparable GAAP financial measures, see the Appendix beginning on Slide 20

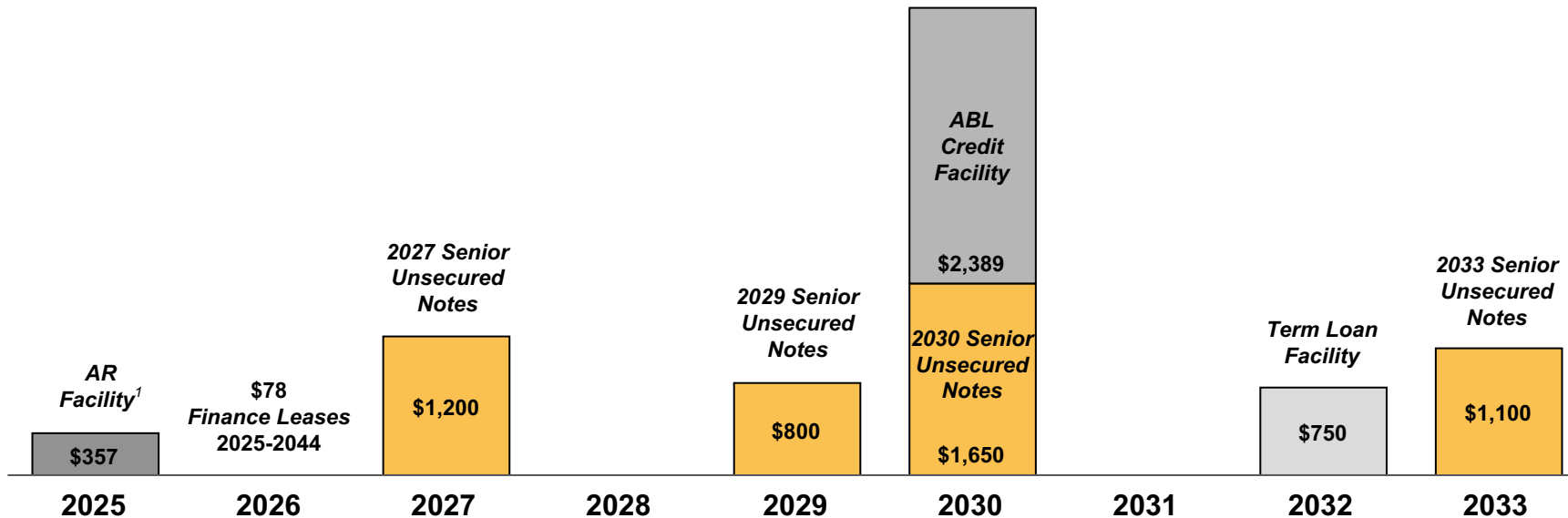
2. REBITDA measures contribution from our core rental business without impact of sales of equipment, parts and supplies

3. Based on ARA guidelines

Disciplined Capital Management

Maturities

As of June 30, 2025
\$ in millions



Ample liquidity² of \$1.6 billion provides financial flexibility

Net leverage³ of 3.8x

Adjusted free cash flow³ of \$270 million for first half 2025

Quarterly dividend of \$0.70 per share, paid on June 13, 2025

Maintained Credit Ratings
Moody's CFR Ba2; S&P BB

Completed Acquisition Financing; Total Debt now at \$8.3 billion at Weighted Average Interest Rate of 6.3%

1. The AR Facility is excluded from current maturities of long-term debt as the Company has the intent and ability to consummate refinancing and extend the term of the agreement
2. Total liquidity includes cash and cash equivalents and the unused commitments under the ABL Credit Facility and AR Facility
3. For a definition and calculation, see the Appendix beginning on Slide 20

2025 Outlook (Excluding Cinelease)

Metric	Updated 2025 Guidance
Equipment Rental Revenue	\$3.7 billion to \$3.9 billion
Adjusted EBITDA	\$1.8 billion to \$1.9 billion
Net Rental Equipment Expenditures	\$400 million to \$600 million
Gross Capex	\$900 million to \$1.1 billion

Key Assumptions:

- Accelerated impact of acquisition dis-synergies created lower revenue base
- Incremental gross capex for specialty equipment to support cross-sell synergies
- OEC dispositions of \$1.1B to \$1.2B to optimize fleet
- Adjusted free cash flow¹ of \$400M to \$500M, includes benefits from the One Big Beautiful Bill Act

1. Adjusted free cash flow removes the impact of cash paid for transaction expenses. For a reconciliation to the most comparable GAAP financial measures, see the Appendix beginning on Slide 20

Purpose, Vision, Mission and Values



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

Appendix



Glossary of Terms Commonly Use in the Industry

OEC: Original Equipment Cost which is an operating measure based on the guidelines of the American Rental Association (ARA), which is calculated as the cost of the asset at the time it was first purchased plus additional capitalized refurbishment costs (with the basis of refurbished assets reset at the refurbishment date).

Fleet Age: The OEC weighted age of the entire fleet, based on ARA guidelines.

Net Fleet Capital Expenditures: Capital expenditures of rental equipment minus the proceeds from disposal of rental equipment.

Dollar Utilization (\$ UT): Dollar utilization is an operating measure calculated by dividing equipment rental revenue (excluding re-rent, delivery, pick-up and other ancillary revenue) by the average OEC of the equipment fleet for the relevant time period, based on ARA guidelines.

Reconciliation of Net Income to Adj. EBITDA and Adj. EBITDA Margin, Rental Adj. EBITDA (REBITDA), REBITDA Margin and Flow-Through

EBITDA, Adjusted EBITDA, and REBITDA—EBITDA represents the sum of net income, provision (benefit) for income taxes, interest expense, net, depreciation of rental equipment and non-rental depreciation and amortization. Adjusted EBITDA represents EBITDA plus the sum of transaction related costs, restructuring and restructuring related charges, spin-off costs, non-cash stock based compensation charges, loss on extinguishment of debt (which is included in interest expense, net), impairment charges, gain (loss) on disposal of a business and certain other items. REBITDA represents Adjusted EBITDA excluding the gain (loss) on sales of rental equipment and new equipment, parts and supplies. EBITDA, Adjusted EBITDA and REBITDA do not purport to be alternatives to net income as an indicator of operating performance. Additionally, none of these measures purports to be an alternative to cash flows from operating activities as a measure of liquidity, as they do not consider certain cash requirements such as interest payments and tax payments.

Adjusted EBITDA Margin, REBITDA Margin and REBITDA Flow-Through—Adjusted EBITDA Margin (Adjusted EBITDA / Total Revenues) is a commonly used profitability ratio. REBITDA Margin (REBITDA / Equipment rental, service and other revenues) and REBITDA Flow-Through (the year-over-year change in REBITDA/the year-over-year change in Equipment rental, service, and other revenues) are useful operating profitability ratios to management and investors.

EBITDA, Adjusted EBITDA, REBITDA, Adjusted EBITDA Margin, REBITDA Margin and REBITDA Flow-Through Excluding Studio Entertainment—On slides 24 and 25, each metric has been adjusted to exclude the studio entertainment business due to the intent to sell that business and provides the operating performance of the remaining business.

Reconciliation of Net Income to Adj. EBITDA and Adj. EBITDA Margin, Rental Adj. EBITDA (REBITDA), REBITDA Margin and Flow-Through

\$ in millions	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ (35)	\$ 70	(\$53)	\$135
Income tax provision (benefit)	(11)	23	(1)	39
Interest expense, net	86	63	148	124
Depreciation of rental equipment	195	165	367	325
Non-rental depreciation and amortization	45	30	78	59
EBITDA	280	351	539	682
Non-cash stock-based compensation charges	5	4	11	9
Transaction related costs	73	3	147	6
Loss on assets held for sale	49	—	49	—
Other	(1)	2	(1)	2
Adjusted EBITDA	406	360	745	699
Less: Gain (loss) on sales of rental equipment	20	20	49	43
Less: Gain (loss) on sales of new equipment, parts and supplies	7	4	10	7
Rental Adjusted EBITDA (REBITDA)	\$ 379	\$ 336	\$686	\$649
Total revenues	\$ 1,002	\$ 848	\$1,863	\$1,652
Less: Sales of rental equipment	106	65	211	134
Less: Sales of new equipment, parts and supplies	17	10	28	19
Equipment rental, service and other revenues	\$ 879	\$ 773	\$1,624	\$1,499
Total revenues	\$ 1,002	\$ 848	\$1,863	\$1,652
Adjusted EBITDA	\$ 406	\$ 360	\$745	\$699
Adjusted EBITDA Margin	40.5 %	42.5 %	40.0 %	42.3 %
Equipment rental, service and other revenues	\$ 879	\$ 773	\$1,624	\$1,499
REBITDA	\$ 379	\$ 336	\$686	\$649
REBITDA Margin	43.1 %	43.5 %	42.2 %	43.3 %
YOY Change in REBITDA	\$ 43		\$37	
YOY Change in Equipment rental, service and other revenues	\$ 106		\$125	
YOY REBITDA Flow-Through	40.6 %		29.6 %	

Reconciliation of Net Income to Adj. EBITDA and Adj. EBITDA Margin, Rental Adj. EBITDA (REBITDA), REBITDA Margin and Flow-Through, Excluding Studio Entertainment

Three Months Ended June 30,

\$ in millions	2025			2024		
	Herc	Studio Entertainment	Herc, excl Studio	Herc	Studio Entertainment	Herc, excl Studio
Equipment rental revenue	\$ 870	\$ 16	\$ 854	\$ 765	\$ 26	\$ 739
Total revenues	1,002	18	984	848	29	819
Total expenses	1,048	66	982	755	21	734
Income (loss) before income taxes	(46)	(48)	2	93	8	85
Income tax (provision) benefit	11	12	(1)	(23)	(4)	(19)
Net income (loss)	\$ (35)	\$ (36)	\$ 1	\$ 70	\$ 4	\$ 66
Income tax provision (benefit)	(11)	(12)	1	23	4	19
Interest expense, net	86	—	86	63	—	63
Depreciation of rental equipment	195	—	195	165	—	165
Non-rental depreciation and amortization	45	—	45	30	—	30
EBITDA	280	(48)	328	351	8	343
Non-cash stock-based compensation charges	5	—	5	4	—	4
Transaction related costs	73	1	72	3	—	3
Loss on assets held for sale	49	49	—	—	—	—
Other	(1)	(1)	—	2	—	2
Adjusted EBITDA	406	1	405	360	8	352
Less: Gain (loss) on sales of rental equipment	20	(1)	21	20	1	19
Less: Gain (loss) on sales of new equipment, parts and supplies	7	1	6	4	1	3
Rental Adjusted EBITDA (REBITDA)	\$ 379	\$ 1	\$ 378	\$ 336	\$ 6	\$ 330
Total revenues	\$ 1,002	\$ 18	\$ 984	\$ 848	\$ 29	\$ 819
Less: Sales of rental equipment	106	(1)	107	65	—	65
Less: Sales of new equipment, parts and supplies	17	1	16	10	2	8
Equipment rental, service and other revenues	\$ 879	\$ 18	\$ 861	\$ 773	\$ 27	\$ 746
Total revenues	\$ 1,002	\$ 18	\$ 984	\$ 848	\$ 29	\$ 819
Adjusted EBITDA	\$ 406	\$ 1	\$ 405	\$ 360	\$ 8	\$ 352
Adjusted EBITDA Margin	40.5 %	5.6 %	41.2 %	42.5 %	27.6 %	43.0 %
Equipment rental, service and other revenues	\$ 879	\$ 18	\$ 861	\$ 773	\$ 27	\$ 746
REBITDA	\$ 379	\$ 1	\$ 378	\$ 336	\$ 6	\$ 330
REBITDA Margin	43.1 %	5.6 %	43.9 %	43.5 %	22.2 %	44.2 %
YOY Change in REBITDA	\$ 43	\$ (5)	\$ 48	\$ 14	\$ 6	\$ 8
YOY Change in Equipment rental, service and other revenues	\$ 106	\$ (9)	\$ 115	\$ 64	\$ 9	\$ 55
YOY REBITDA Flow-Through	40.6 %	55.6 %	41.7 %	21.9 %	66.7 %	14.5 %

Reconciliation of Net Income to Adj. EBITDA and Adj. EBITDA Margin, Rental Adj. EBITDA (REBITDA), REBITDA Margin and Flow-Through, Excluding Studio Entertainment

Six Months Ended June 30,

\$ in millions	2025			2024		
	Herc	Studio Entertainment	Herc, excl Studio	Herc	Studio Entertainment	Herc, excl Studio
Equipment rental revenue	\$ 1,609	\$ 31	\$ 1,578	\$ 1,484	\$ 55	\$ 1,429
Total revenues	1,863	35	1,828	1,652	59	1,593
Total expenses	1,917	83	1,834	1,478	42	1,436
Income (loss) before income taxes	(54)	(48)	(6)	174	17	157
Income tax (provision) benefit	1	12	(11)	(39)	(6)	(33)
Net income (loss)	\$ (53)	\$ (36)	\$ (17)	\$ 135	\$ 11	\$ 124
Income tax provision (benefit)	(1)	(12)	11	39	6	33
Interest expense, net	148	—	148	124	—	124
Depreciation of rental equipment	367	—	367	325	—	325
Non-rental depreciation and amortization	78	—	78	59	—	59
EBITDA	539	(48)	587	682	17	665
Non-cash stock-based compensation charges	11	—	11	9	—	9
Transaction related costs	147	2	145	6	1	5
Loss on assets held for sale	49	49	—	—	—	—
Other	(1)	(1)	—	2	—	2
Adjusted EBITDA	745	2	743	699	18	681
Less: Gain (loss) on sales of rental equipment	49	—	49	43	1	42
Less: Gain (loss) on sales of new equipment, parts and supplies	10	1	9	7	2	5
Rental Adjusted EBITDA (REBITDA)	\$ 686	\$ 1	\$ 685	\$ 649	\$ 15	\$ 634
Total revenues	\$ 1,863	\$ 35	\$ 1,828	\$ 1,652	\$ 59	\$ 1,593
Less: Sales of rental equipment	211	—	211	134	—	134
Less: Sales of new equipment, parts and supplies	28	2	26	19	3	16
Equipment rental, service and other revenues	\$1,624	\$33	\$1,591	\$1,499	\$56	\$1,443
Total revenues	\$ 1,863	\$ 35	\$ 1,828	\$ 1,652	\$ 59	\$ 1,593
Adjusted EBITDA	\$ 745	\$ 2	\$ 743	\$ 699	\$ 18	\$ 681
Adjusted EBITDA Margin	40.0 %	5.7 %	40.6 %	42.3 %	30.5 %	42.7 %
Equipment rental, service and other revenues	\$ 1,624	\$ 33	\$ 1,591	\$ 1,499	\$ 56	\$ 1,443
REBITDA	\$ 686	\$ 1	\$ 685	\$ 649	\$ 15	\$ 634
REBITDA Margin	42.2 %	3.0 %	43.1 %	43.3 %	26.8 %	43.9 %
YOY Change in REBITDA	\$ 37	\$ (14)	\$ 51	\$ 47	\$ 13	\$ 34
YOY Change in Equipment rental, service and other revenues	\$ 125	\$ (23)	\$ 148	\$ 129	\$ 18	\$ 111
YOY REBITDA Flow-Through	29.6 %	60.9 %	34.5 %	36.4 %	72.2 %	30.6 %

Pro forma Equipment Rental Revenue and Total Revenues Reconciliation

The reconciliations below include (i) the results of Herc, excluding Cinelease, plus the standalone, pre-acquisition results of H&E, (ii) the standalone results of Herc, excluding Studio and H&E and (iii) the standalone results of H&E for the three months ended June 30, 2025 and 2024. Management believes this information is useful to both management and investors as it provides equipment rental revenue and total revenue on a comparative basis as if Herc and H&E had completed the acquisition at the beginning of the second quarter as well as standalone results for comparison and analysis.

Herc (excluding Studio) including H&E

\$ in millions	Three Months Ended June 30,						2025 vs 2024 % Change
	2025			2024			
	Herc, excl Studio	H&E	Pro Forma	Herc, excl Studio	H&E	Pro Forma	
Equipment rental revenue	\$ 854	\$ 181	\$ 1,035	\$ 739	\$ 312	\$ 1,051	(2)%
Total revenues	984	217	1,201	819	377	1,196	— %

Herc, excluding Studio and H&E

\$ in millions	Three Months Ended June 30,						2025 vs 2024 % Change
	2025			2024			
	Herc, excl Studio	Excluding H&E	Herc, excl H&E & Studio	Herc, excl Studio	Excluding H&E	Herc, excl H&E & Studio	
Equipment rental revenue	\$ 854	\$ 87	\$ 767	\$ 739	\$ —	\$ 739	4 %
Total revenues	984	100	884	819	—	819	8 %

H&E Standalone

\$ in millions	Three Months Ended June 30,		
	2025	2024	2025 vs 2024 % Change
	H&E	H&E	
Equipment rental revenue	\$ 268	\$ 312	(14)%
Total revenues	317	377	(16)%

REBITDA Margin and Flow-Through Quarterly Trend

\$ in millions	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025	Q2 2025
Net income (loss)	\$ 65	\$ 70	\$ 122	\$ (46)	\$ 211	\$ (18)	\$ (35)
Income tax provision (benefit)	16	23	38	3	80	10	(11)
Interest expense, net	61	63	69	67	260	62	86
Depreciation of rental equipment	160	165	174	180	679	172	195
Non-rental depreciation and amortization	29	30	33	35	127	33	45
EBITDA	331	351	436	239	1,357	259	280
Non-cash stock-based compensation charges	5	4	7	1	17	6	5
Transaction related costs	3	3	3	2	11	74	73
Loss on assets held for sale	—	—	—	194	194	—	49
Other	—	2	—	2	4	—	(1)
Adjusted EBITDA	339	360	446	438	1,583	339	406
Less: Gain (loss) on sales of rental equipment	23	20	15	29	87	29	20
Less: Gain (loss) on sales of new equipment, parts and supplies	3	4	3	3	13	3	7
Rental Adjusted EBITDA (REBITDA)	\$ 313	\$ 336	\$ 428	\$ 406	\$ 1,483	\$ 307	\$ 379
Total revenues	\$ 804	\$ 848	\$ 965	\$ 951	\$ 3,568	\$ 861	\$ 1,002
Less: Sales of rental equipment	69	65	81	96	311	105	106
Less: Sales of new equipment, parts and supplies	9	10	9	9	37	11	17
Equipment rental, service and other revenues	\$ 726	\$ 773	\$ 875	\$ 846	\$ 3,220	\$ 745	\$ 879
REBITDA Margin	43.1 %	43.5 %	48.9 %	48.0 %	46.1 %	41.2 %	43.1 %
YOY REBITDA Flow-Through	50.8 %	21.9 %	46.1 %	47.8 %	42.9 %	(31.6)%	40.6 %

REBITDA Margin and Flow-Through Annual Trend

\$ in millions	2020		2021		2022		2023		2024	
Net income	\$	74	\$	224	\$	330	\$	347	\$	211
Income tax provision		20		67		104		100		80
Interest expense, net		93		86		122		224		260
Depreciation of rental equipment		403		420		536		643		679
Non-rental depreciation and amortization		63		68		95		112		127
EBITDA		653		865		1,187		1,426		1,357
Non-cash stock-based compensation charges		16		23		27		18		17
Restructuring		1		—		—		—		—
Impairment		15		3		3		—		—
Transaction related costs		—		4		7		8		11
Loss on assets held for sale / disposal of business		3		—		—		—		194
Other		1		—		3		—		4
Adjusted EBITDA		689		895		1,227		1,452		1,583
Less: Gain (loss) on sales of rental equipment		(5)		19		36		94		87
Less: Gain (loss) on sales of new equipment, parts and supplies		8		10		15		13		13
Rental Adjusted EBITDA (REBITDA)	\$	686	\$	866	\$	1,176	\$	1,345	\$	1,483
Total revenues	\$	1,780	\$	2,073	\$	2,740	\$	3,282	\$	3,568
Less: Sales of rental equipment		198		113		125		346		311
Less: Sales of new equipment, parts and supplies		28		31		36		38		37
Equipment rental, service and other revenues	\$	1,554	\$	1,929	\$	2,579	\$	2,898	\$	3,220
REBITDA Margin		44.2 %		44.8 %		45.7 %		46.4 %		46.1 %
YOY REBITDA Flow-Through		27.9 %		47.5 %		48.1 %		53.0 %		42.9 %

Reconciliation of Net Income and Adjusted Earnings Per Diluted Share

Adjusted Net Income and Adjusted Earnings Per Diluted Share - Adjusted Net Income represents the sum of net income (loss), transaction related costs, restructuring and restructuring related charges, spin-off costs, loss on extinguishment of debt, impairment charges, gain (loss) on the disposal of a business and certain other items. Adjusted Earnings per Diluted Share represents Adjusted Net Income divided by diluted shares outstanding. Adjusted Net Income and Adjusted Earnings Per Diluted Share are important measures to evaluate our results of operations between periods on a more comparable basis and to help investors analyze underlying trends in our business, evaluate the performance of our business both on an absolute basis and relative to our peers and the broader market, provide useful information to both management and investors by excluding certain items that may not be indicative of our core operating results and operational strength of our business.

\$ in millions	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ (35)	\$ 70	(\$53)	\$135
Transaction related costs	73	3	147	6
Loss on assets held for sale	49	—	49	—
Other ⁽¹⁾	(1)	2	(1)	2
Tax impact of adjustments ⁽¹⁾	(30)	(1)	(49)	(2)
Adjusted net income	\$ 56	\$ 74	\$93	\$141
Diluted common shares	30.0	28.5	29.3	28.4
Adjusted earnings per diluted share	\$ 1.87	\$ 2.60	\$3.17	\$4.96

(1) The tax rate applied for adjustments is 25.0% in the three and six months ended June 30, 2025 and 25.5% in the three and six months ended June 30, 2024 and reflects the statutory rates in the applicable entities.

Calculation of Net Leverage Ratio

Net Leverage Ratio –The Company has defined its net leverage ratio as net debt, as calculated below, divided by adjusted EBITDA for the trailing twelve-month period. This measure should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. The Company’s definition of this measure may differ from similarly titled measures used by other companies.

\$ in millions	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Long-Term Debt, Net	\$ 3,753	\$ 3,864	\$ 4,163	\$ 4,069	\$ 4,026	\$ 8,251
(Plus) Current maturities of long-term debt	15	15	15	17	17	23
(Plus) Unamortized debt issuance costs and debt discount	5	13	13	12	11	50
(Less) Cash and Cash Equivalents	(63)	(70)	(142)	(83)	(48)	(53)
Net Debt	\$ 3,710	\$ 3,822	\$ 4,049	\$ 4,015	\$ 4,006	\$ 8,271
Trailing Twelve-Month Adjusted EBITDA ⁽¹⁾	1,483	1,491	1,527	1,583	1,583	2,200
Net Leverage	2.5 x	2.6 x	2.7 x	2.5 x	2.5 x	3.8 x

(1) Trailing Twelve-Month Adjusted EBITDA for Q2 2025 includes the historical results of Herc and H&E combined for the entire period.

Reconciliation of Free Cash Flow

Free cash flow is not a recognized term under GAAP and should not be considered in isolation or as a substitute for our reported results prepared in accordance with GAAP. Further, since all companies do not use identical calculations, our definition and presentation of this measure may not be comparable to similarly titled measures reported by other companies.

Free Cash Flow and Adjusted Free Cash Flow—Free cash flow represents net cash provided by (used in) operating activities less rental equipment expenditures and non-rental capital expenditures, plus proceeds from disposal of rental equipment, proceeds from disposal of property and equipment, and other investing activities. Adjusted free cash flow removes the impact on operating activities of cash paid for transaction costs. Free cash flow and adjusted free cash flow are used by management in analyzing the Company's ability to service and repay its debt, fund potential acquisitions and to forecast future periods. However, this measure does not represent funds available for investment or other discretionary uses since it does not deduct cash used to service debt or for other non-discretionary expenditures.

\$ in millions	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
Net cash provided by operating activities	\$ 412	\$ 558	\$ 1,225	\$ 1,086	\$ 917
Rental equipment expenditures	(421)	(468)	(1,048)	(1,320)	(1,168)
Proceeds from disposal of rental equipment	183	125	288	325	121
Net Fleet Capital Expenditures	(238)	(343)	(760)	(995)	(1,047)
Non-rental capital expenditures	(80)	(71)	(161)	(156)	(104)
Proceeds from disposal of property and equipment	9	4	10	15	7
Other	—	—	—	(15)	(23)
Free Cash Flow	103	148	314	(65)	(250)
Acquisitions, net of cash acquired	(4,251)	(290)	(600)	(430)	(515)
(Increase) decrease in Net Debt, excluding financing activities	\$ (4,148)	\$ (142)	\$ (286)	\$ (495)	\$ (765)
Free Cash Flow	\$ 103				
Cash paid for transaction related costs	167				
Adjusted Free Cash Flow	\$ 270				

Historical Fleet at OEC¹

\$ in millions	FY 2020	FY 2021	FY 2022	FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025	Q2 2025
Beginning Balance	\$ 3,822	\$ 3,589	\$ 4,381	\$ 5,637	\$ 6,328	\$ 6,416	\$ 6,714	\$ 7,088	\$ 6,328	\$ 7,044	\$ 6,879
Expenditures	348	725	1,218	1,218	167	344	366	200	1,077	74	314
Disposals	(552)	(281)	(322)	(813)	(150)	(139)	(199)	(235)	(723)	(234)	(253)
Acquisitions	28	346	395	303	76	100	200	19	395	—	2,893
Foreign Currency / Other	(57)	2	(35)	(17)	(5)	(7)	7	(28)	(33)	(5)	25
Ending Balance	\$ 3,589	\$ 4,381	\$ 5,637	\$ 6,328	\$ 6,416	\$ 6,714	\$ 7,088	\$ 7,044	\$ 7,044	\$ 6,879	\$ 9,858
Proceeds as a percent of OEC	37.0 %	41.8 %	44.4 %	44.2 %	49.5 %	47.9 %	42.4 %	42.4 %	44.9 %	44.8 %	43.5 %

1. Original equipment cost based on ARA guidelines.

**For additional information,
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