

McGrath RentCorp

Investor Meetings - Presentation and Additional Information Appendix



February 24, 2021 – 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 2021 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-Q 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



Over 40 YEARS OF EXCELLENCE

(a) Based on 1984 IPO through 12/31/20 assuming reinvestment of dividends

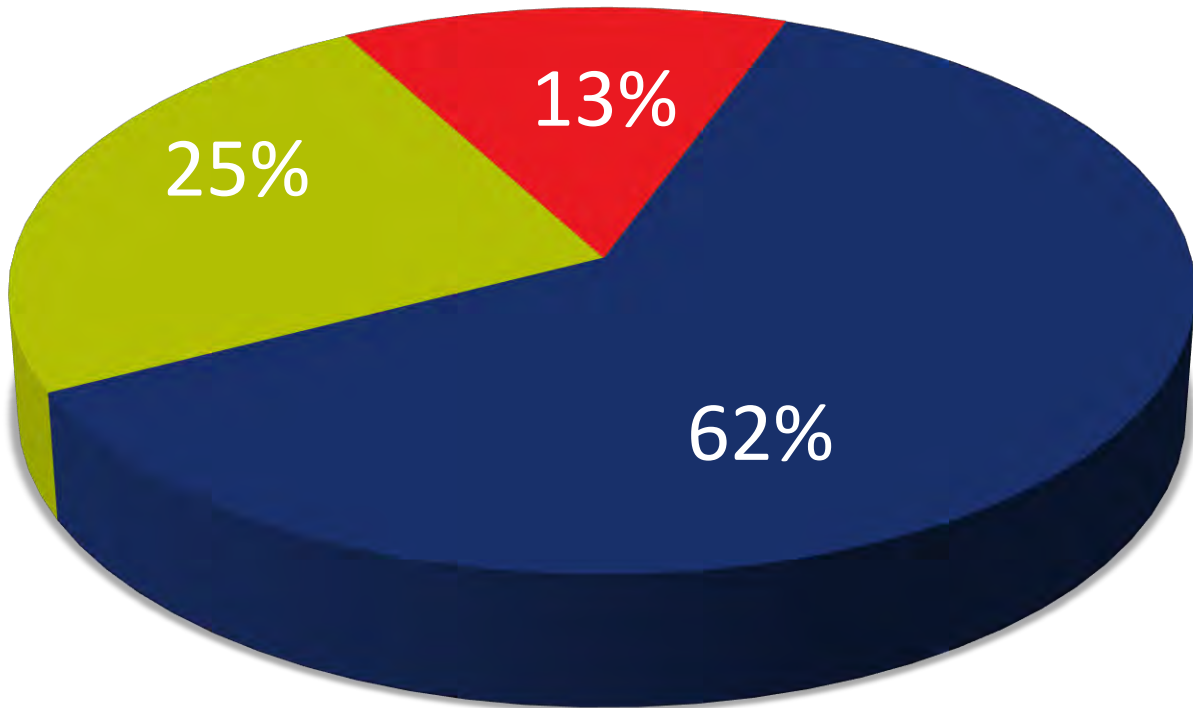
(b) Full year 2020

McGrath RentCorp is a Business to Business Rentals Company



2020	
Total Revenues	\$ 573 million
Rental Equipment, at cost	\$1.5 billion
Pieces of Rental Equipment	~ 95,000
Employees	1,061

Total Revenues – \$573M



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

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



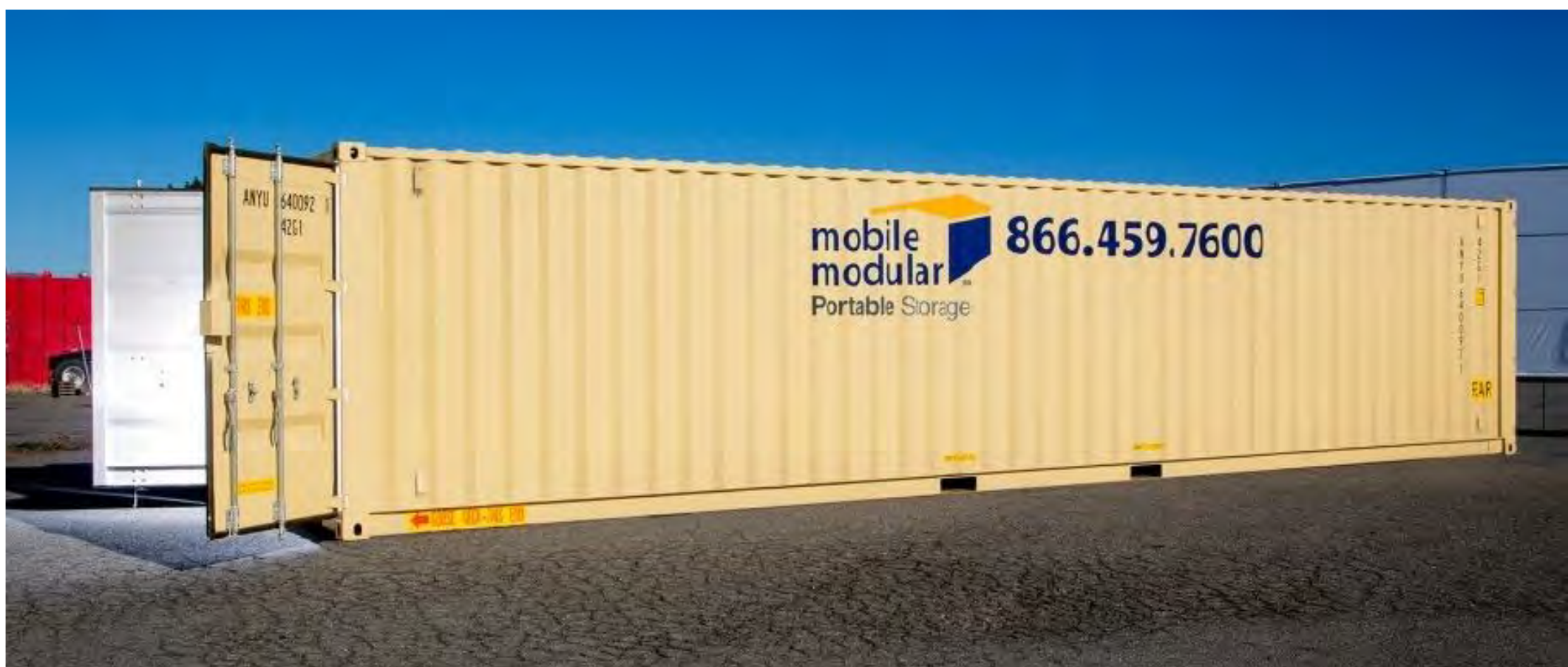
Why Do Our Customers Rent from Our Businesses?



- **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 the continental US
 - Portable Storage: servicing 21 states

Revenues:	\$322	million (FY 2020)
Rental Equipment:	\$882	million (YE 2020 OAC ⁽¹⁾)
Rental Fleet:	~57,000	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:	\$77	million (FY 2020)
Rental Equipment:	\$316	million (YE 2020 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

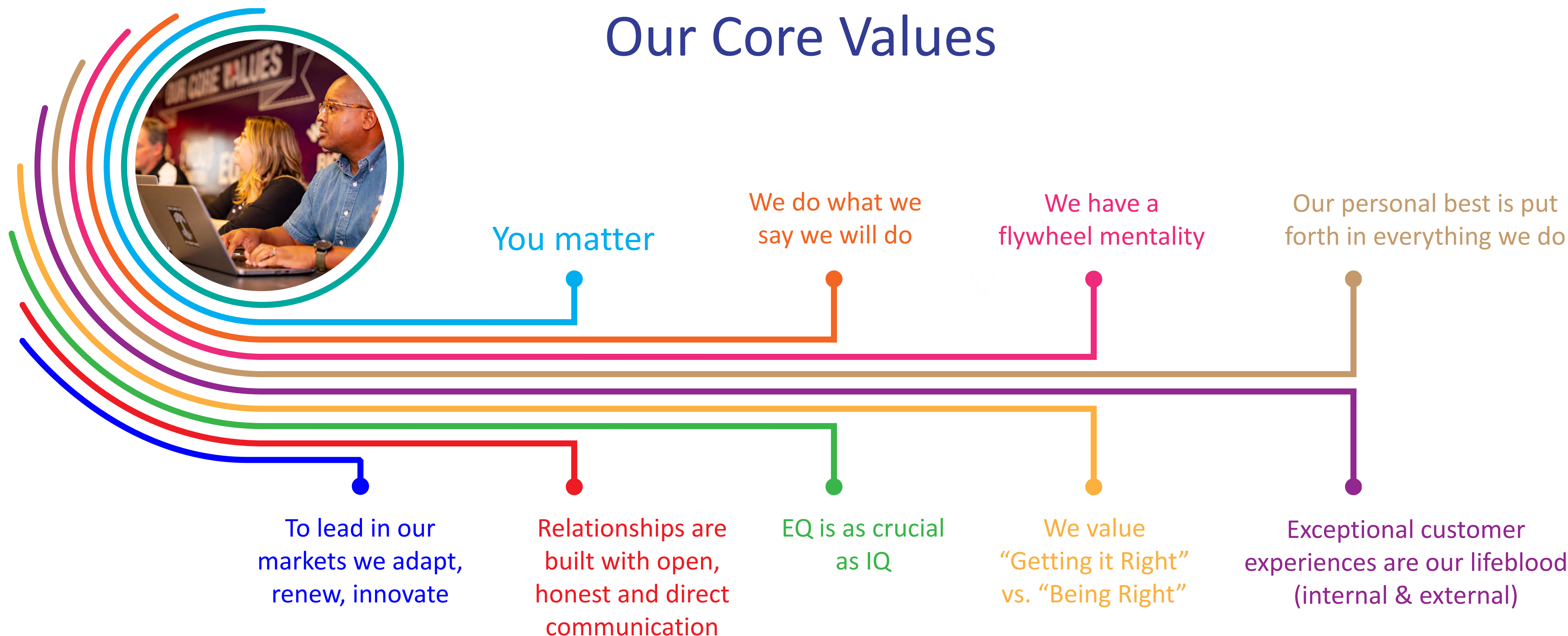
Revenues:	\$141	million (FY 2020)
Rental Equipment:	\$333	million (YE 2020 OAC ⁽¹⁾)
Rental Fleet:	~24,000	units

⁽¹⁾ Original Acquisition Cost

We take corporate social responsibility and fundamental good corporate citizenship seriously at McGrath RentCorp



Our Core Values





“Corporate Responsibility and Sustainability are long-standing hallmarks of our company’s culture and remain at the forefront in everything we do.”

-- Joe Hanna, President and CEO.

Visit our new corporate responsibility site for additional environmental sustainability, social responsibility and governance (ESG) information:
<https://investors.mgrc.com/corporate-responsibility>

Priorities for Our Teams



- ✓ **COVID-19 Pandemic**

- ☐ Adapting to new and challenging requirements to operate safely while serving our customers

- ✓ **Performance Improvement**

- ☐ Marketing and pricing initiatives to strengthen ROIC

- ✓ **Corporate Responsibility**

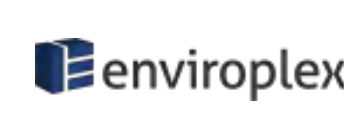
- ☐ Highlighting our commitment to Environmental, Social Responsibility and Governance (ESG) factors

- ✓ **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**



Operating Results



(dollars in millions except per share amounts)

	Twelve months ended December 31			Three months ended December 31		
	2020	2019	Change	2020	2019	Change
Rental Revenue	351.8	353.9	-1%	88.5	92.2	-4%
Rental Related Services	92.4	101.0	-9%	22.4	24.3	-8%
Sales	124.6	110.2	13%	37.2	28.8	29%
Total Revenue	572.6	570.2	0%	149.0	147.2	1%
Gross Profit	263.7	266.2	-1%	70.7	71.0	0%
SG&A	123.0	124.8	-1%	29.6	32.7	-10%
EBIT	140.8	141.4	0%	41.0	38.2	7%
Net Income	102.0	96.8	5%	31.2	26.4	18%
Earnings Per Share	4.16	3.93	6%	1.27	1.07	19%
Adjusted EBITDA ^(a)	241.0	236.8	2%	65.3	63.7	3%

^(a) Adjusted EBITDA defined on page 17



Balance Sheet – Summary Information



(dollars in millions)

	December 31, <u>2020</u>	December 31, <u>2019</u>	December 31, <u>2018</u>
Rental Equipment, at cost			
Relocatable modular buildings	882	869	817
Electronic test equipment	333	335	285
Liquid and solid containment tanks and boxes	316	316	314
	<u>1,531</u>	<u>1,520</u>	<u>1,416</u>
Rental Equipment, net book value			
Relocatable modular buildings	612	610	572
Electronic test equipment	157	172	131
Liquid and solid containment tanks and boxes	170	185	198
Total NBV Rental Equipment	938	968	901
Total Assets	1,276	1,310	1,217
Notes Payable	223	293	299
Total Liabilities	593	676	646
Shareholders Equity	683	634	572
Shares Issued and Outstanding	24.1	24.3	24.2
Debt (Total Liabilities) to Equity	0.87	1.07	1.13
Debt (Notes Payable) to Equity	0.33	0.46	0.52
Funded Debt to LTM EBITDA	0.92	1.24	1.47
Return on Average Equity for LTM ⁽¹⁾	15.6%	16.1%	14.6%
Capacity Under Existing Lines of Credit	309	239	233

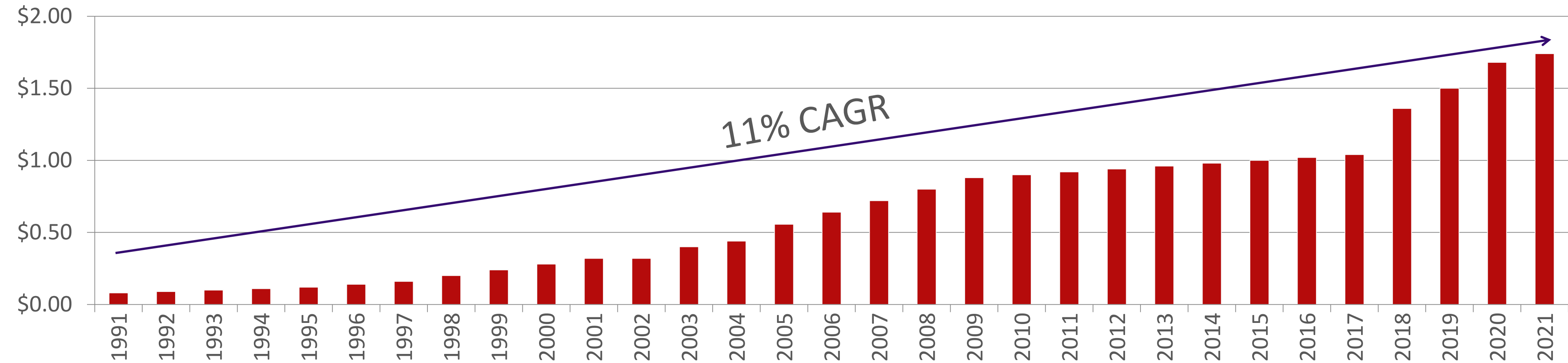


Our Dividend Distinction



- Dividend increases for 30 consecutive years
- \$1.74 per share annualized dividend
- 2.2% yield (2021 annualized dividend as of February 22, 2021)
- McGrath RentCorp is 1 of 138 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)

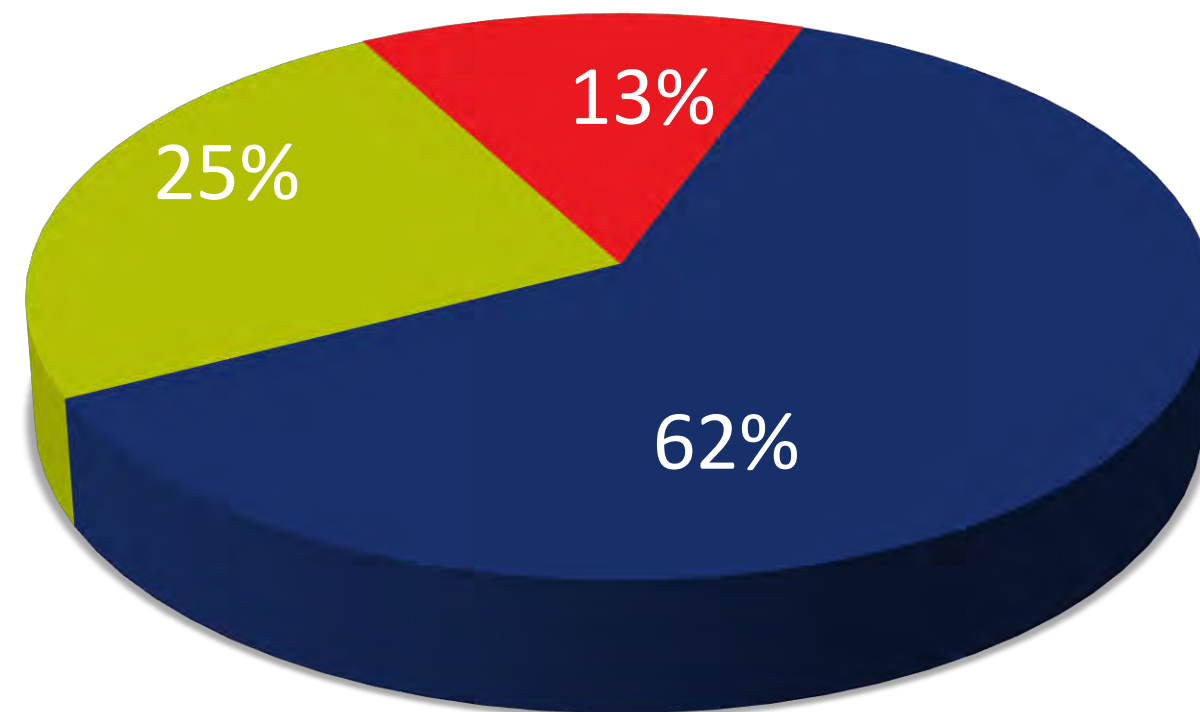


^(a) In February 2021, dividends declared for Q1 2021 were \$0.435 per share, a 4% increase over Q4 2019, equating to an annualized dividend rate of \$1.74 per share. On an annualized basis, this dividend represents a 2.2% yield on the February 22, 2021 close price of \$80.48.

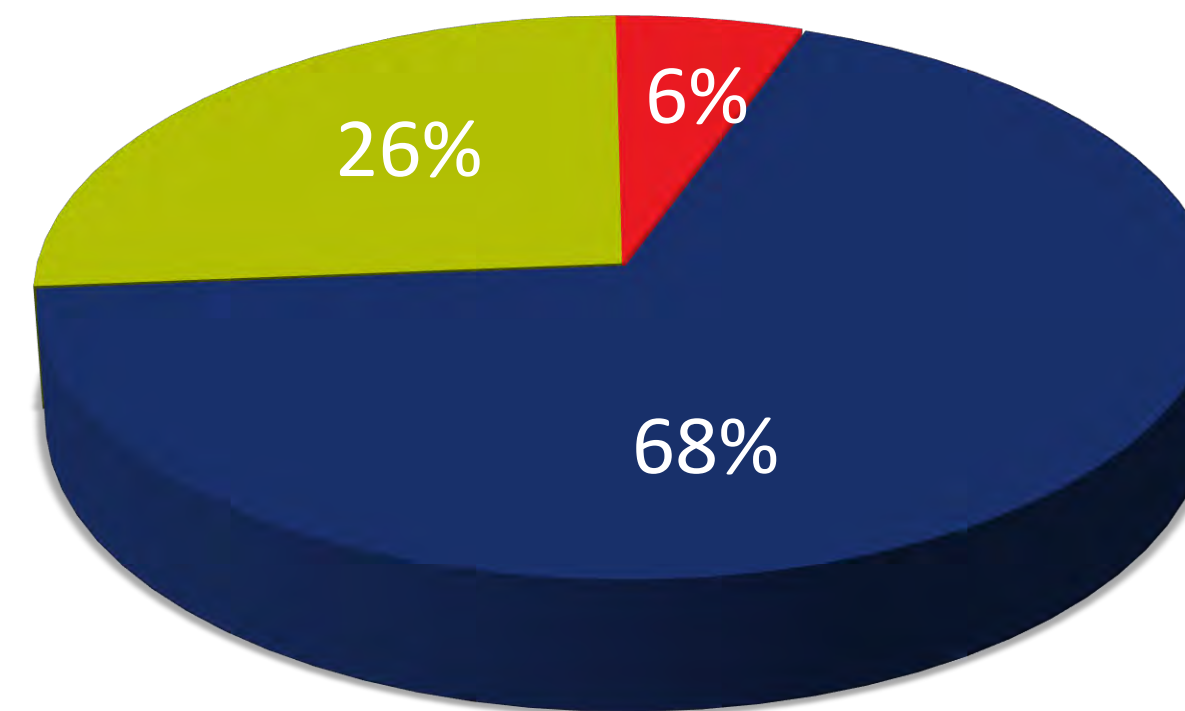
^(b) Source: seekingalpha.com/article/4392721-dividend-champions-for-december-2020

2020 Contribution by Division

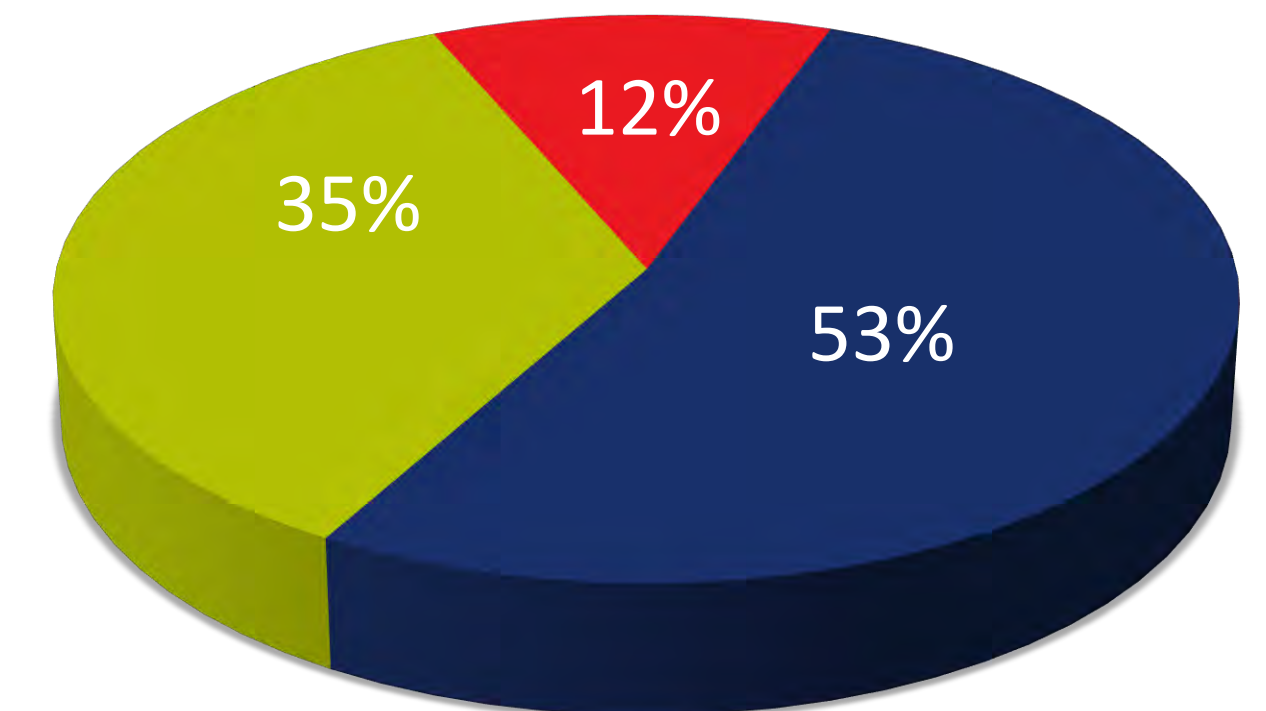
Total Revenues – \$573M



Net Income – \$102M



Adjusted EBITDA – \$241M

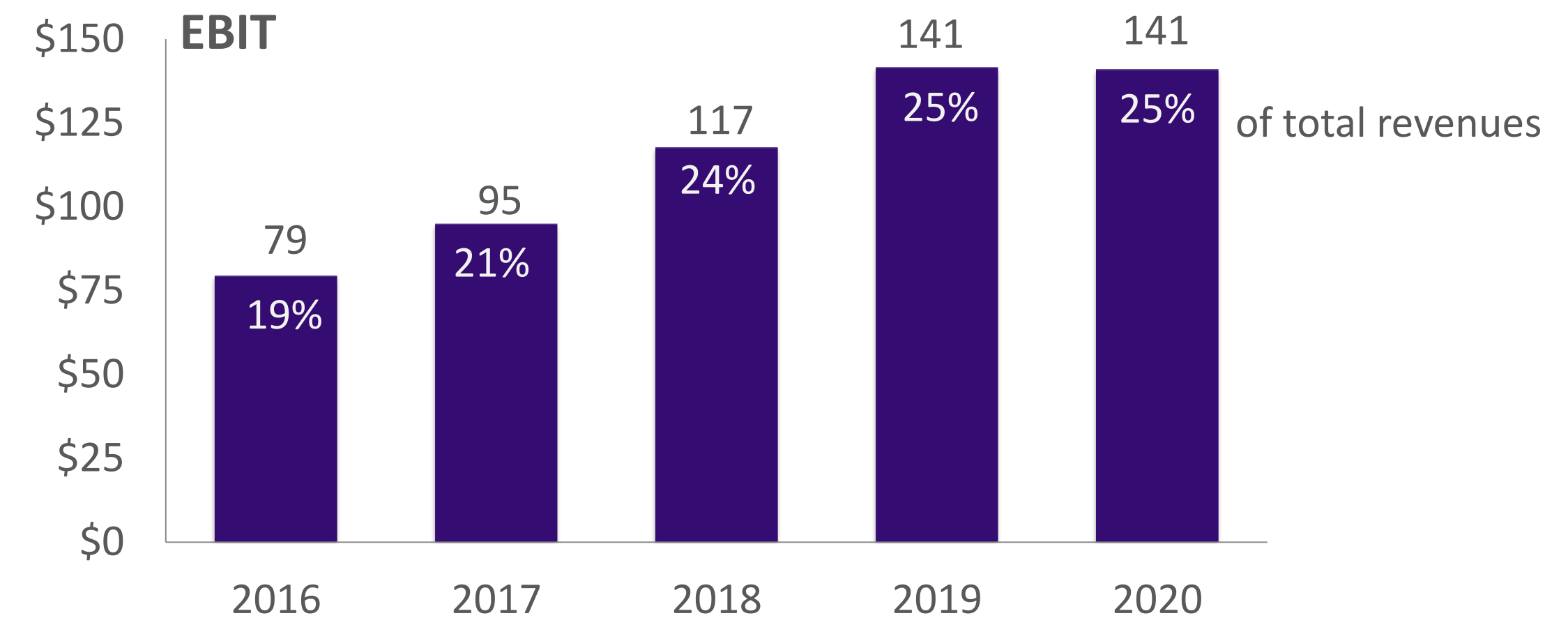
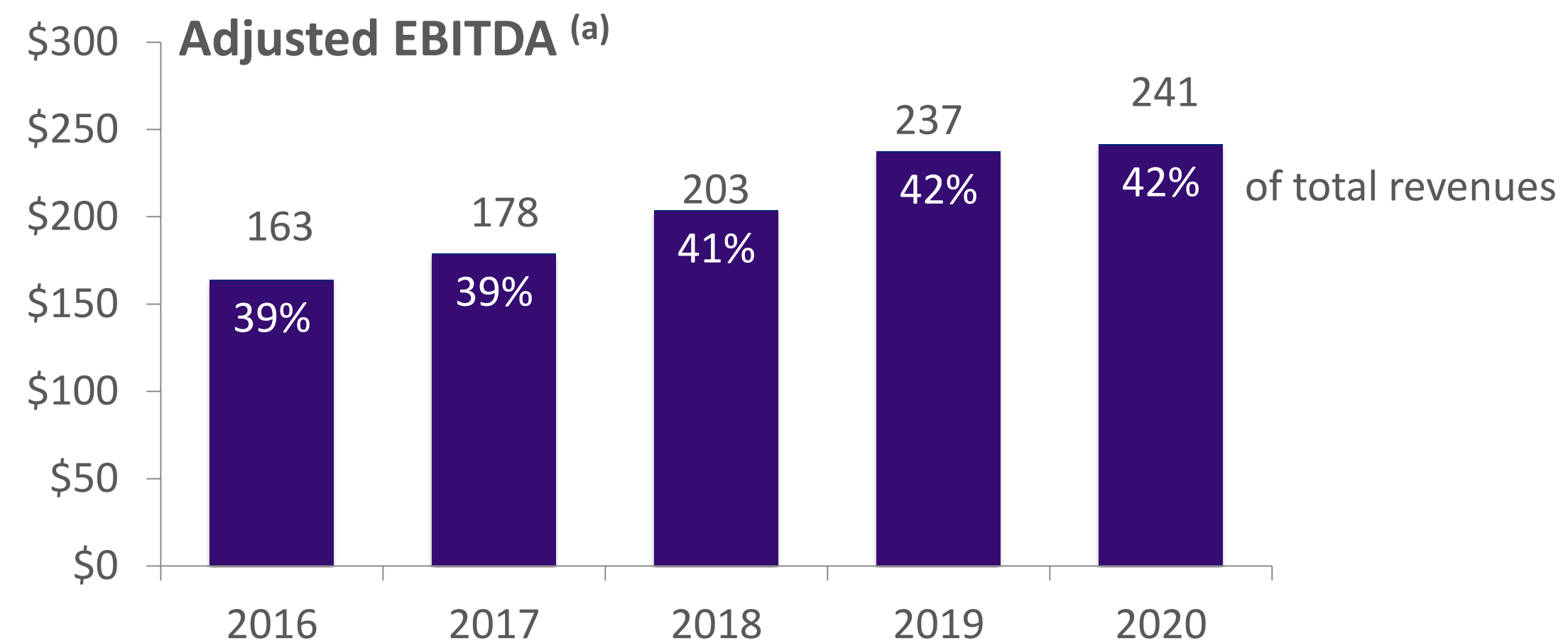
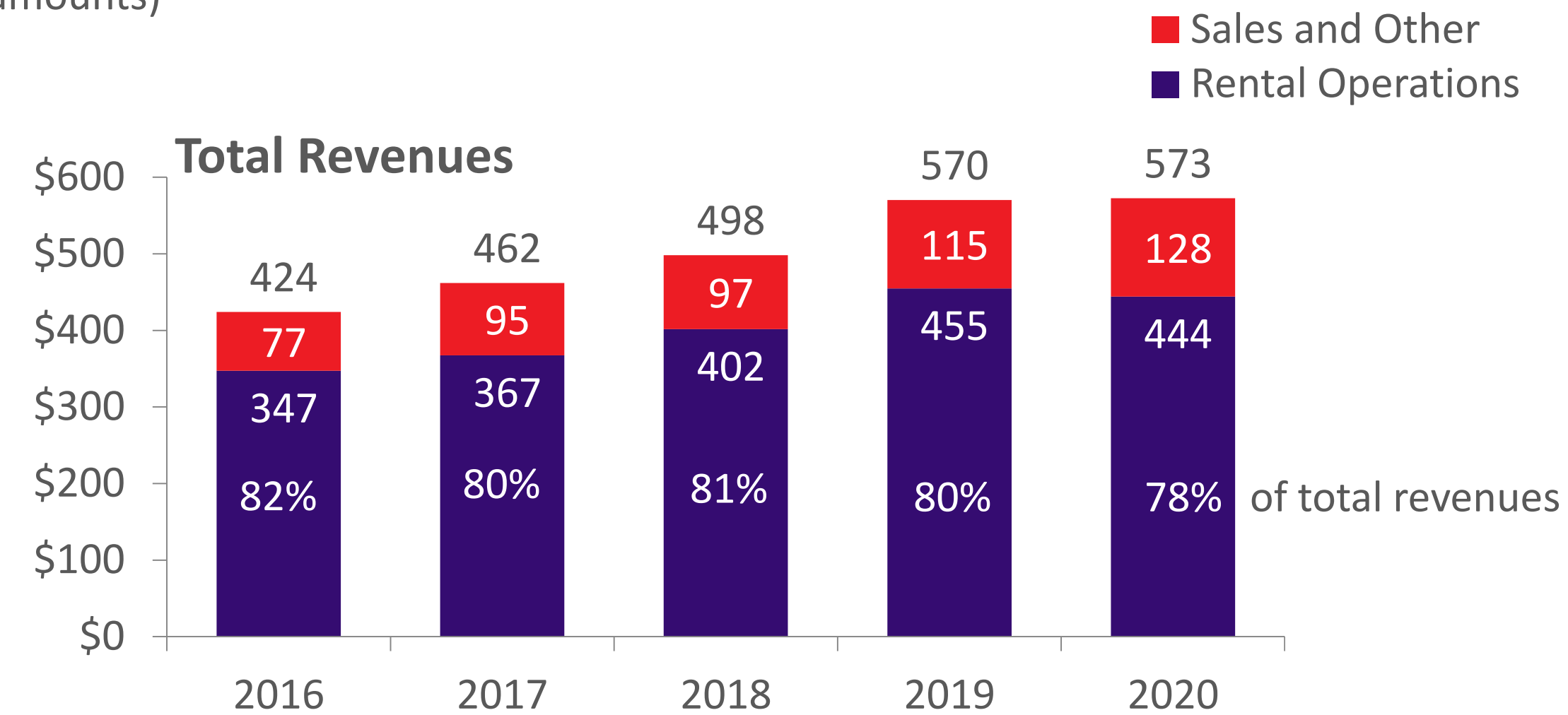


- Mobile Modular
- TRS-RenTelco
- Adler Tank Rentals

- 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)

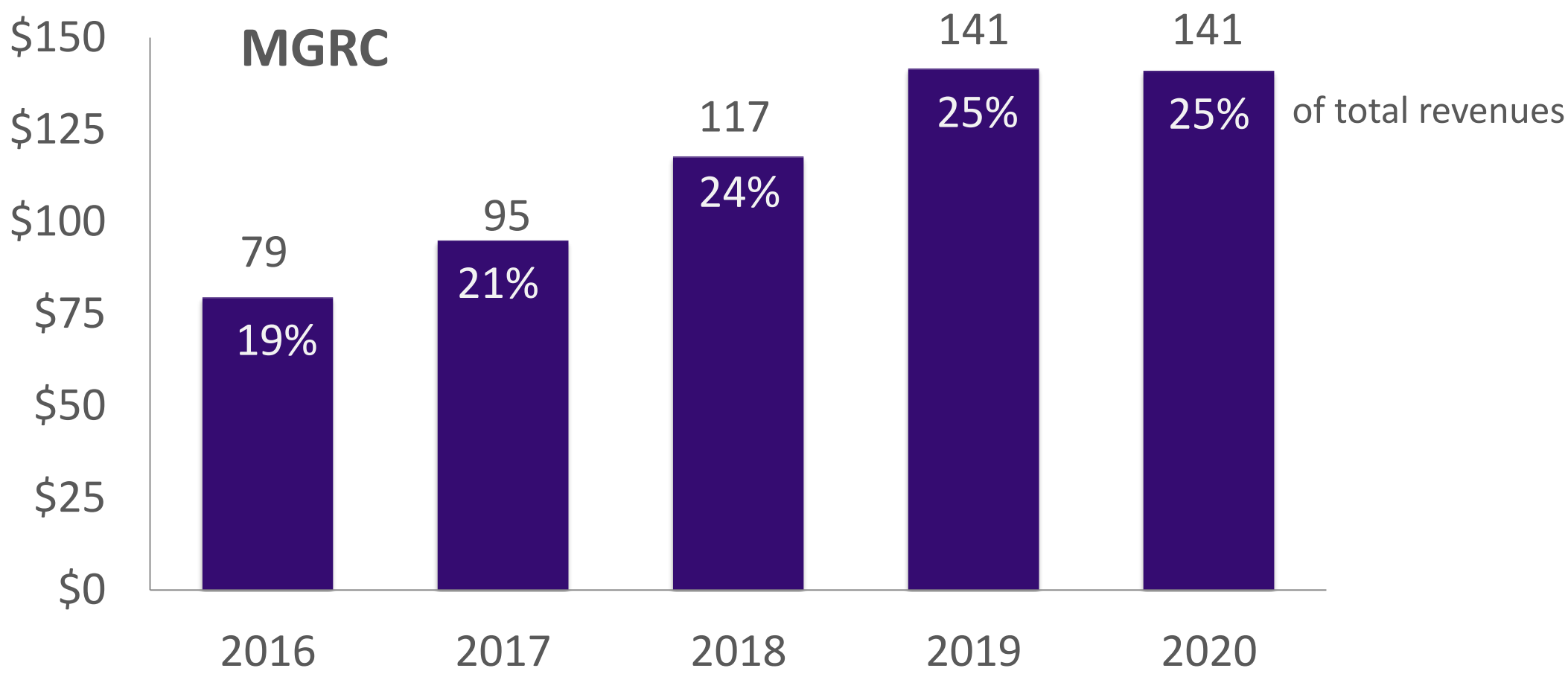
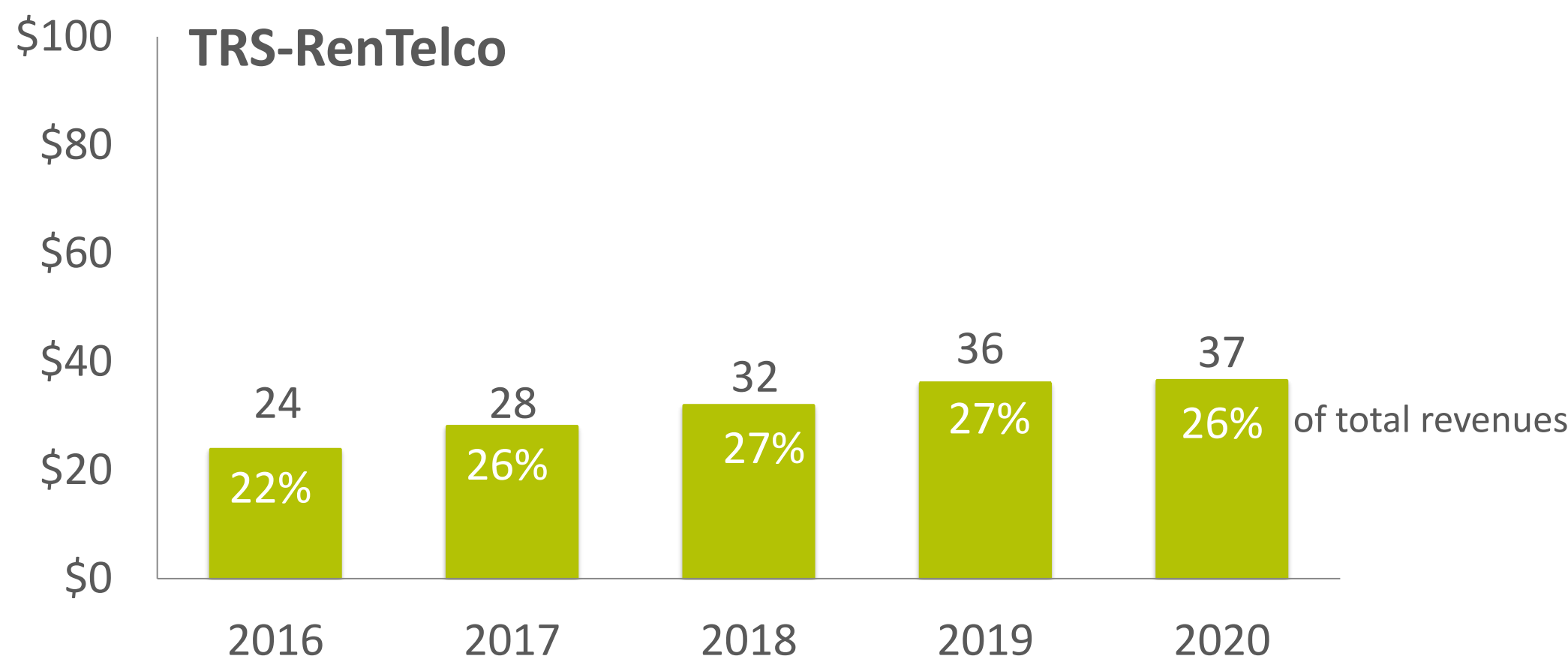
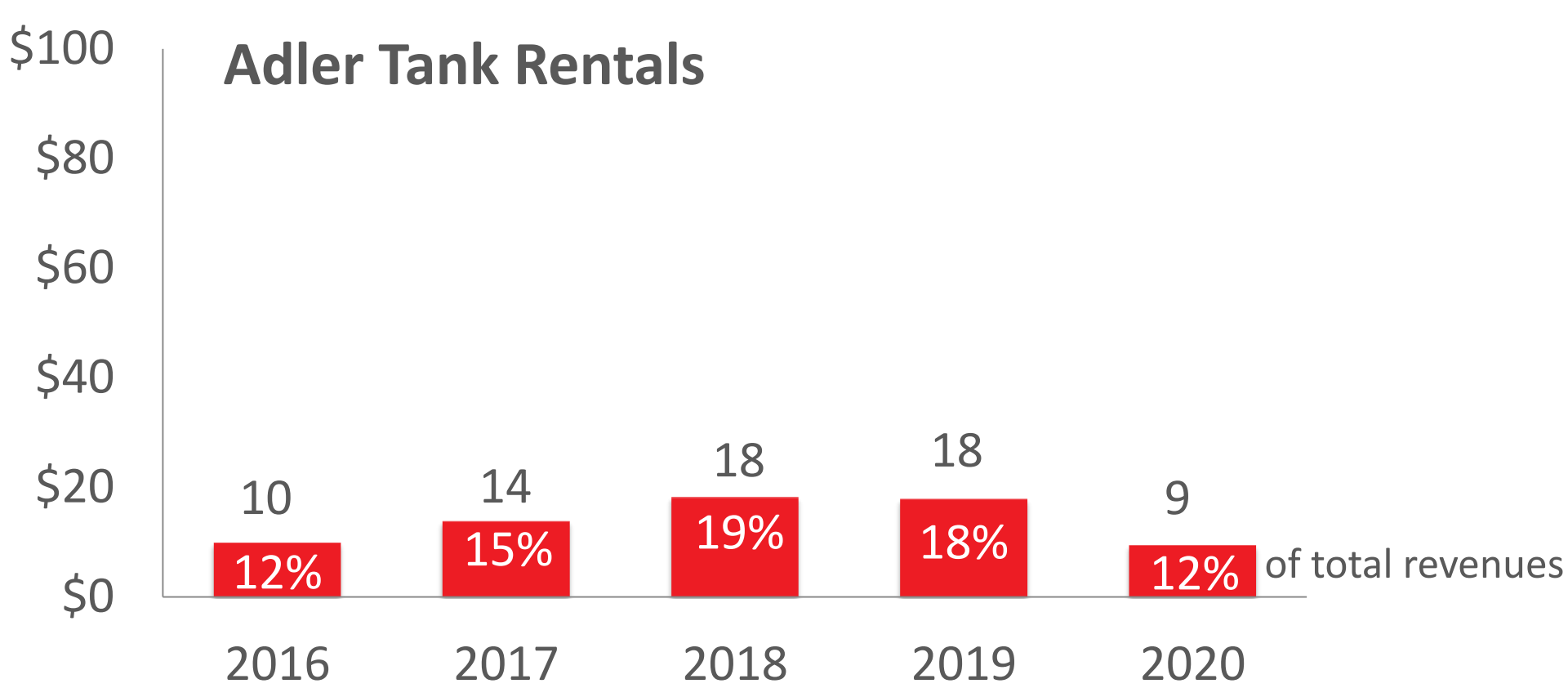
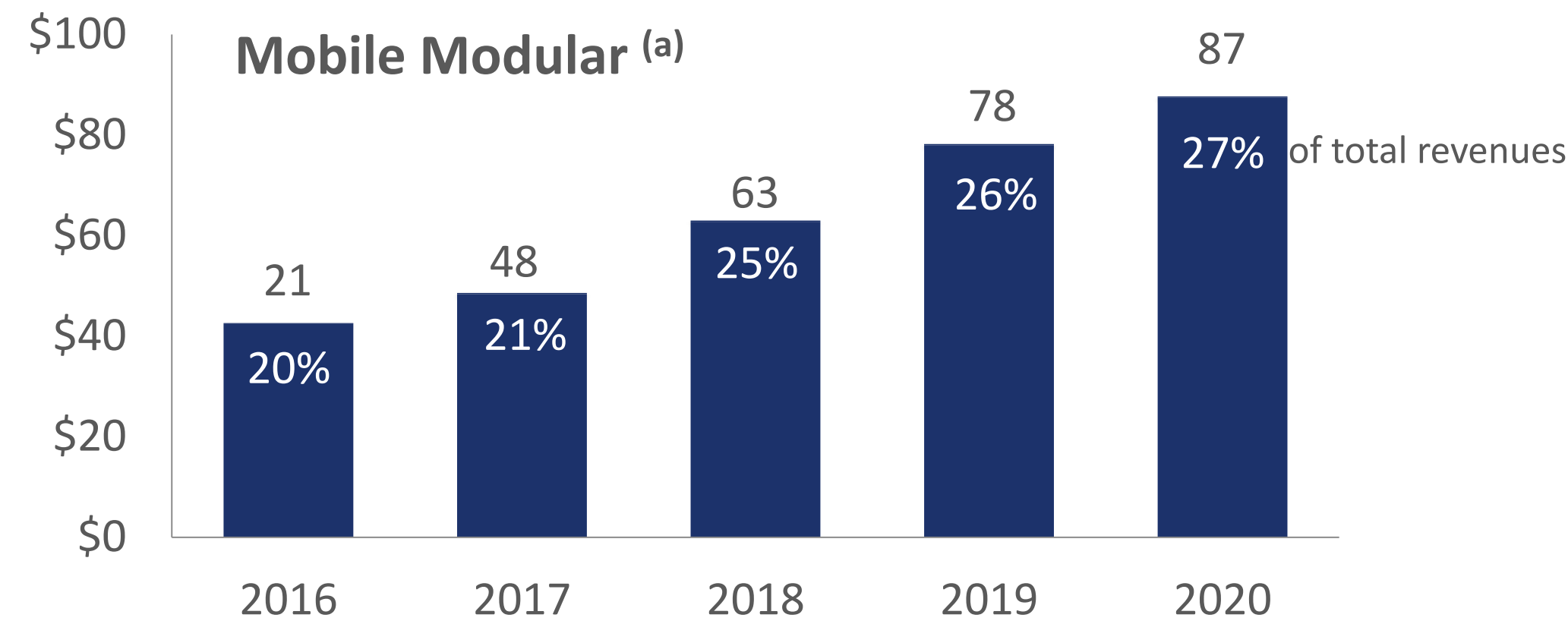


(a) Adjusted EBITDA defined on page 17

Earnings Before Interest & Taxes (EBIT)



(dollars in millions)

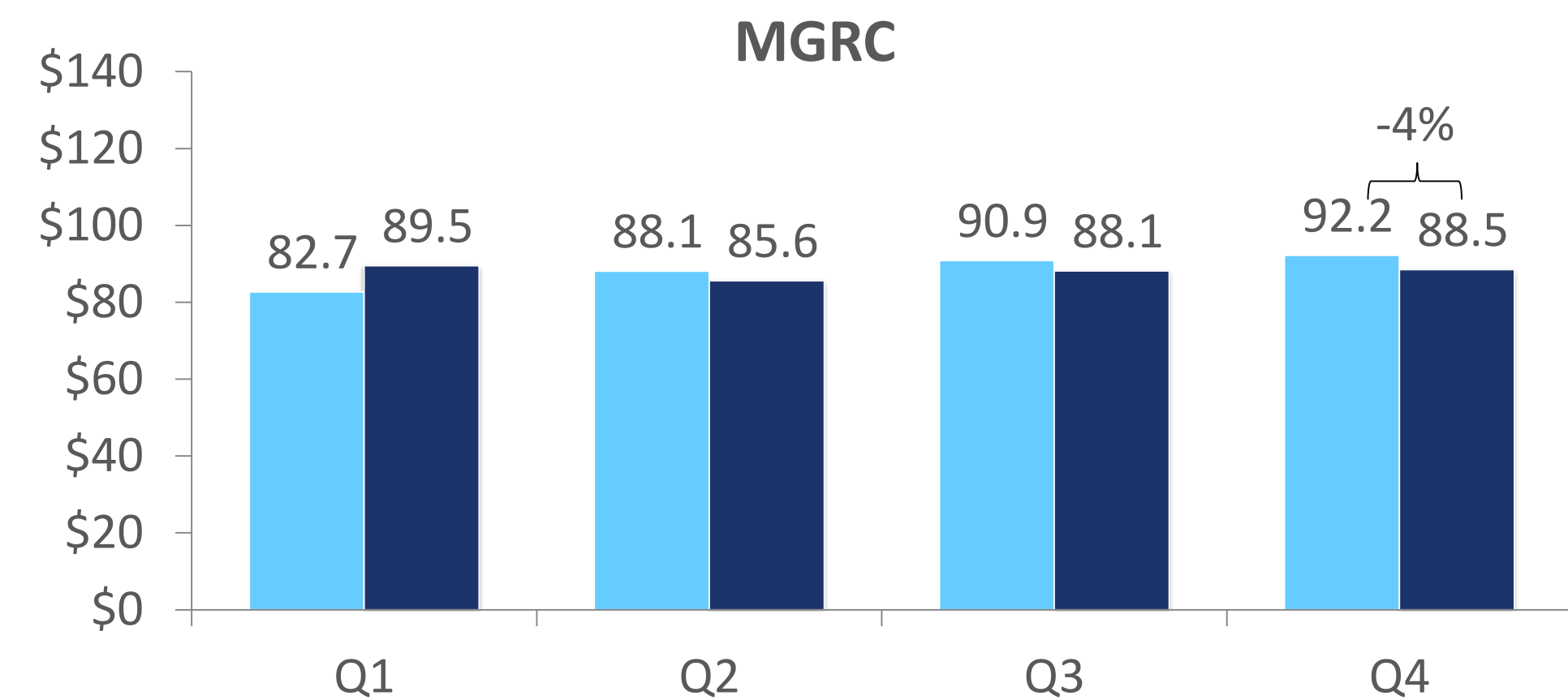
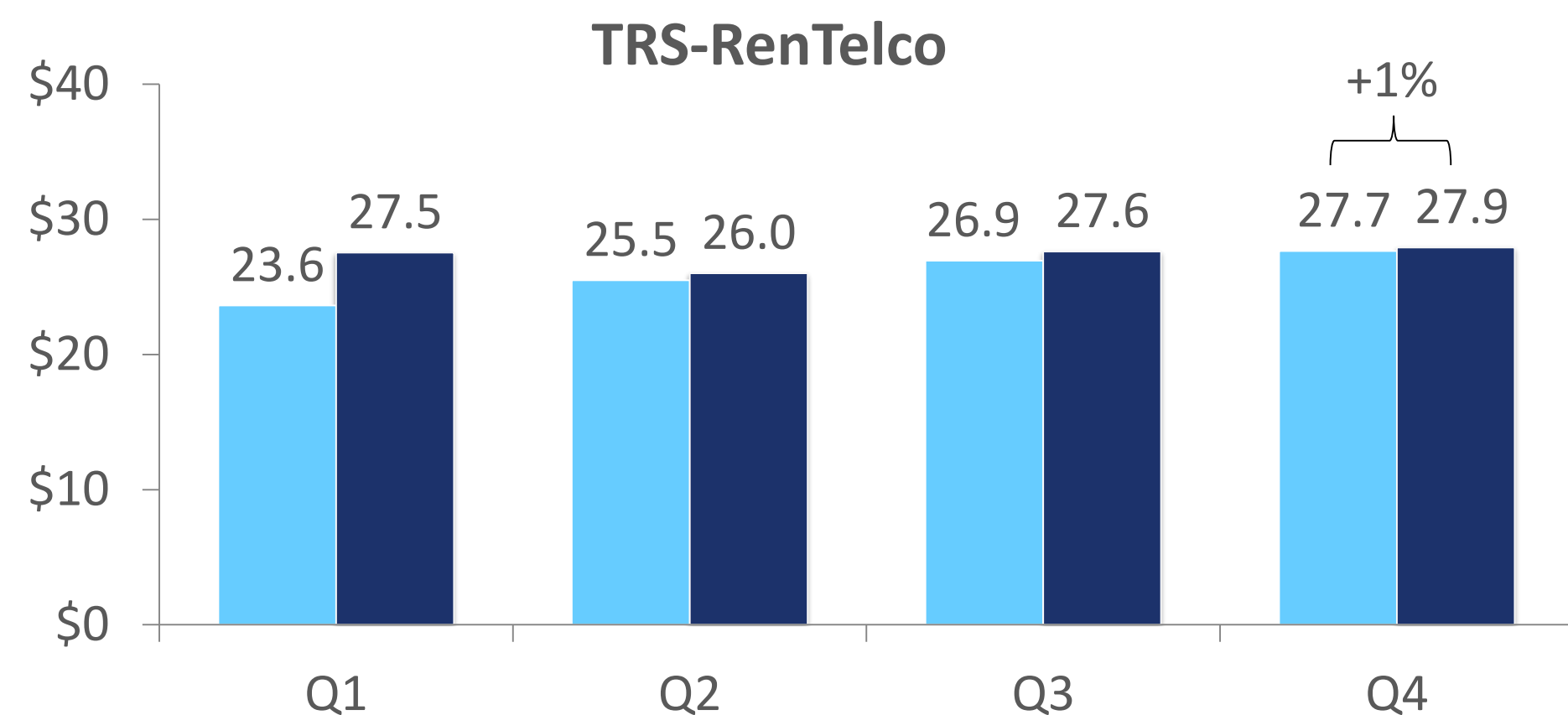
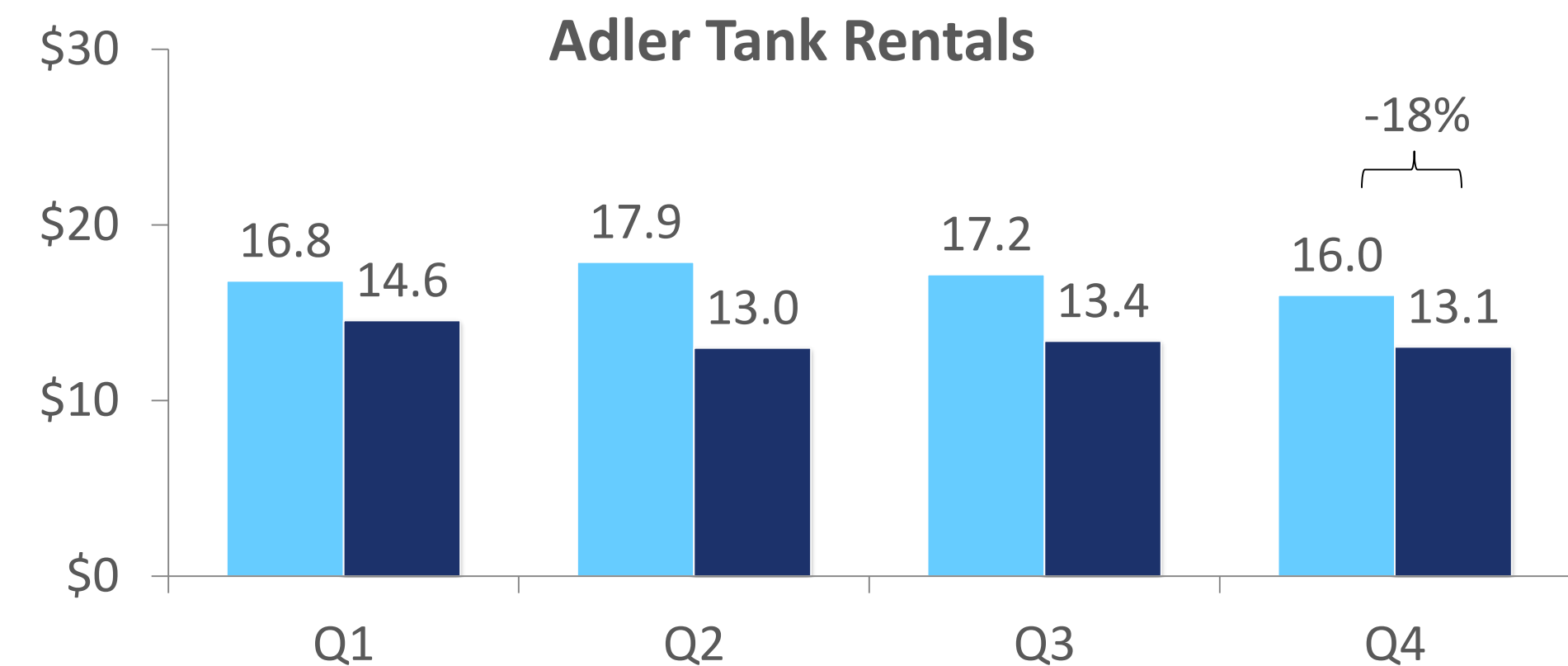
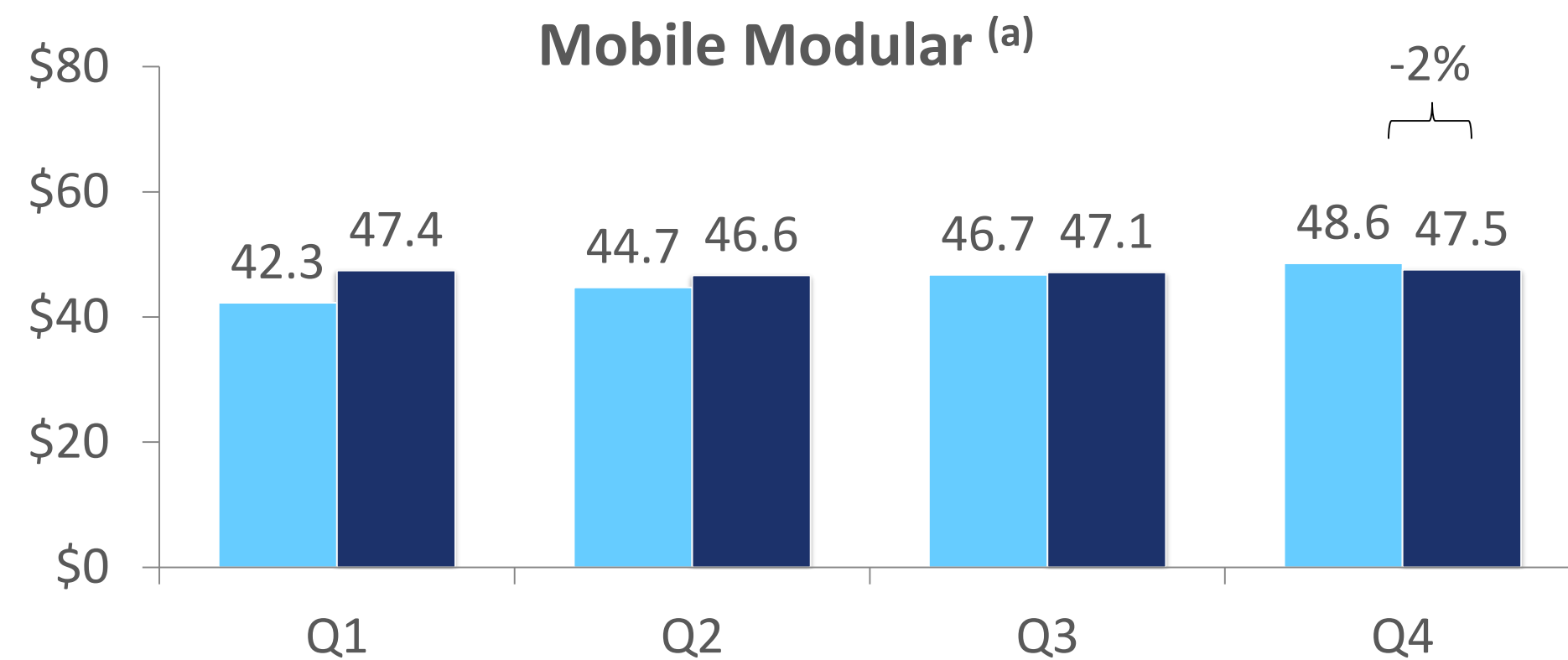


(a) Includes Mobile Modular Portable Storage and excludes Enviroplex. Enviroplex 2020 EBIT was \$7.5M.



Rental Revenue – Quarterly Comparison (2019-20)

(dollars in millions)

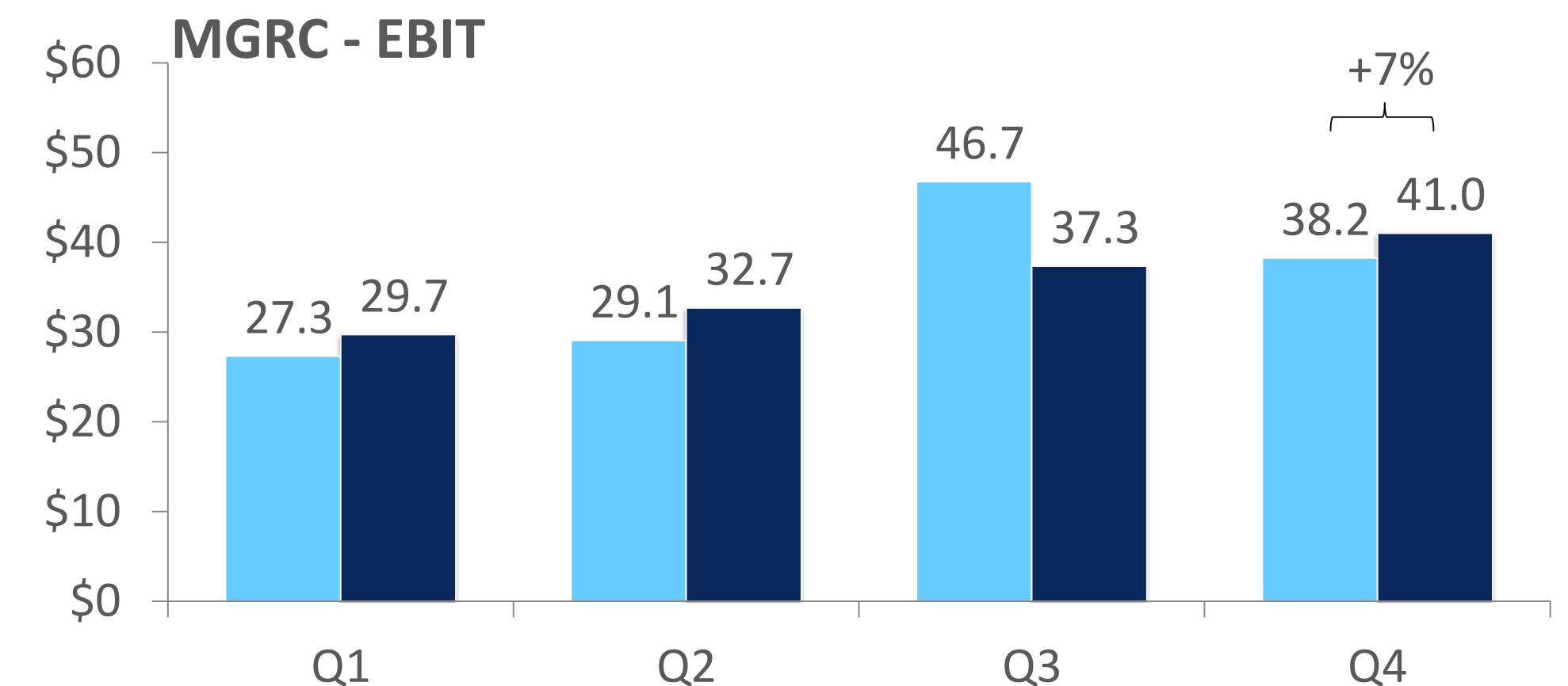
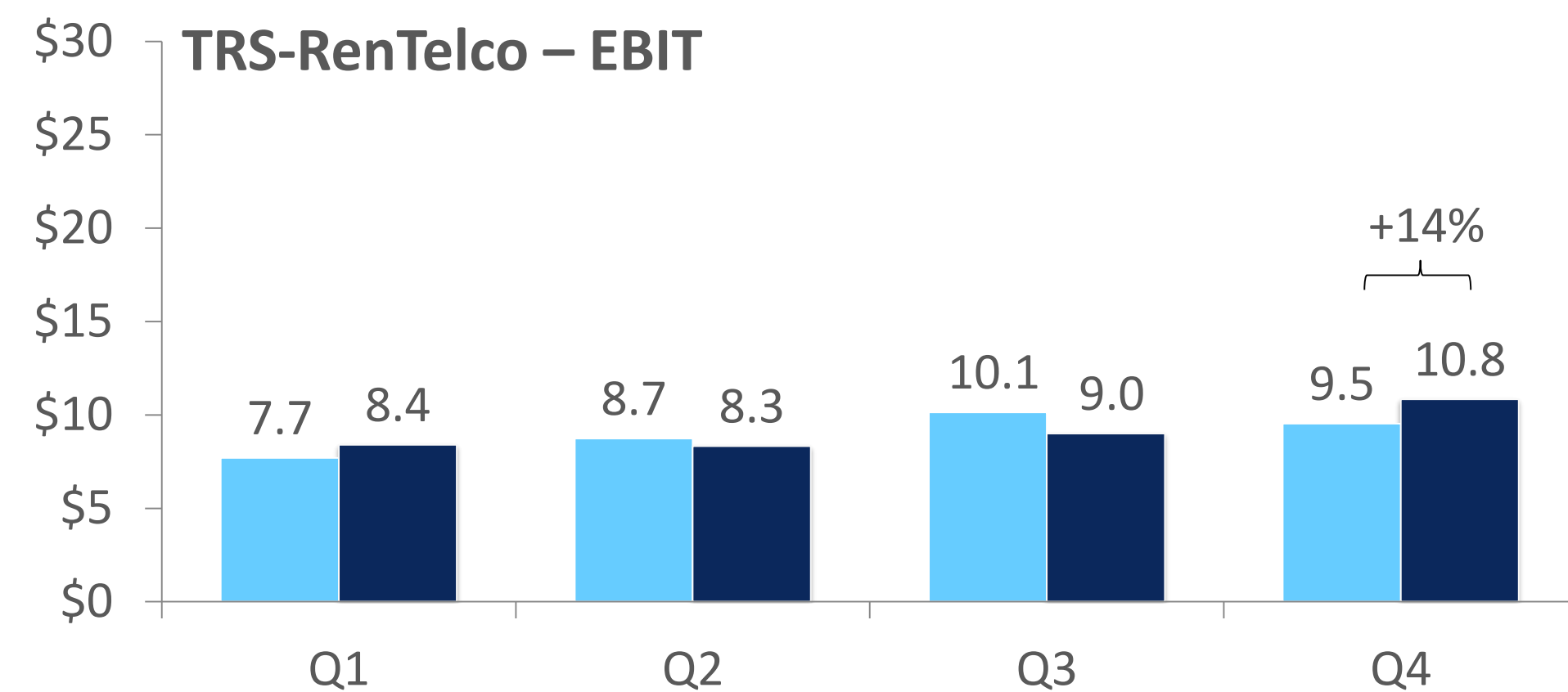
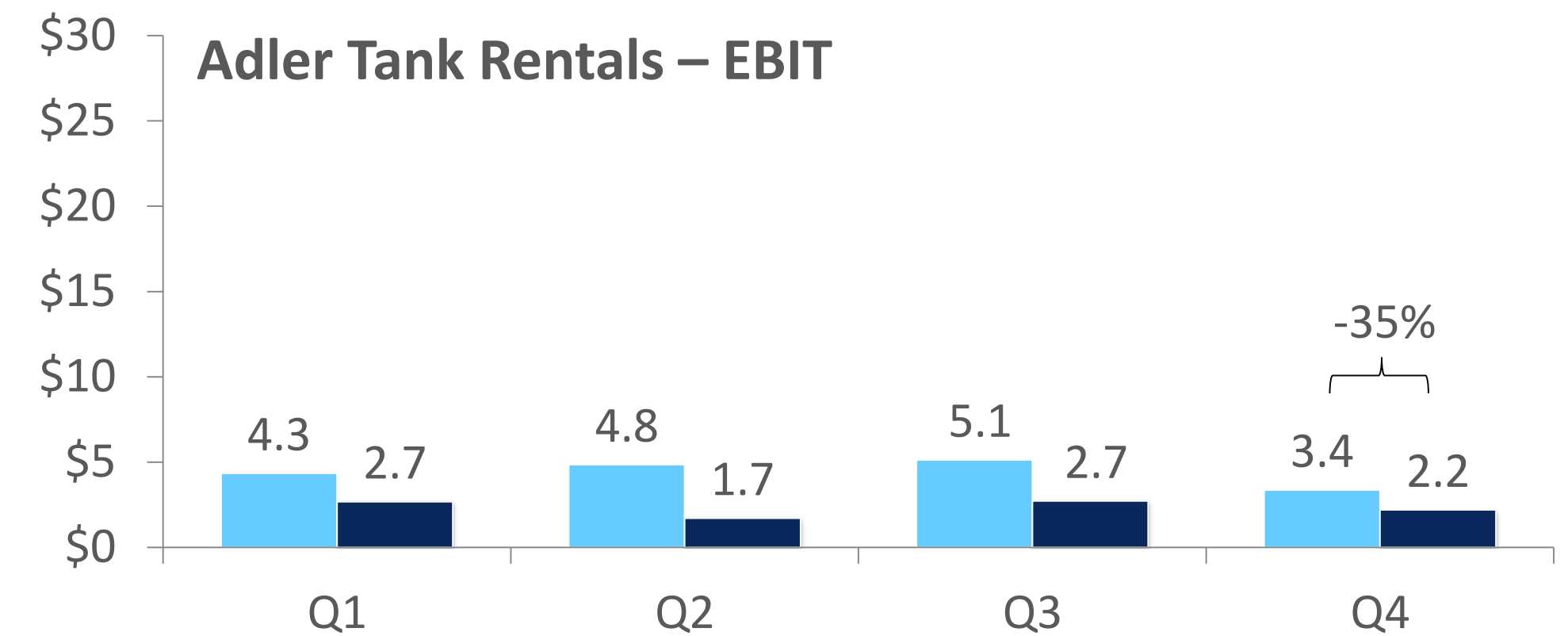
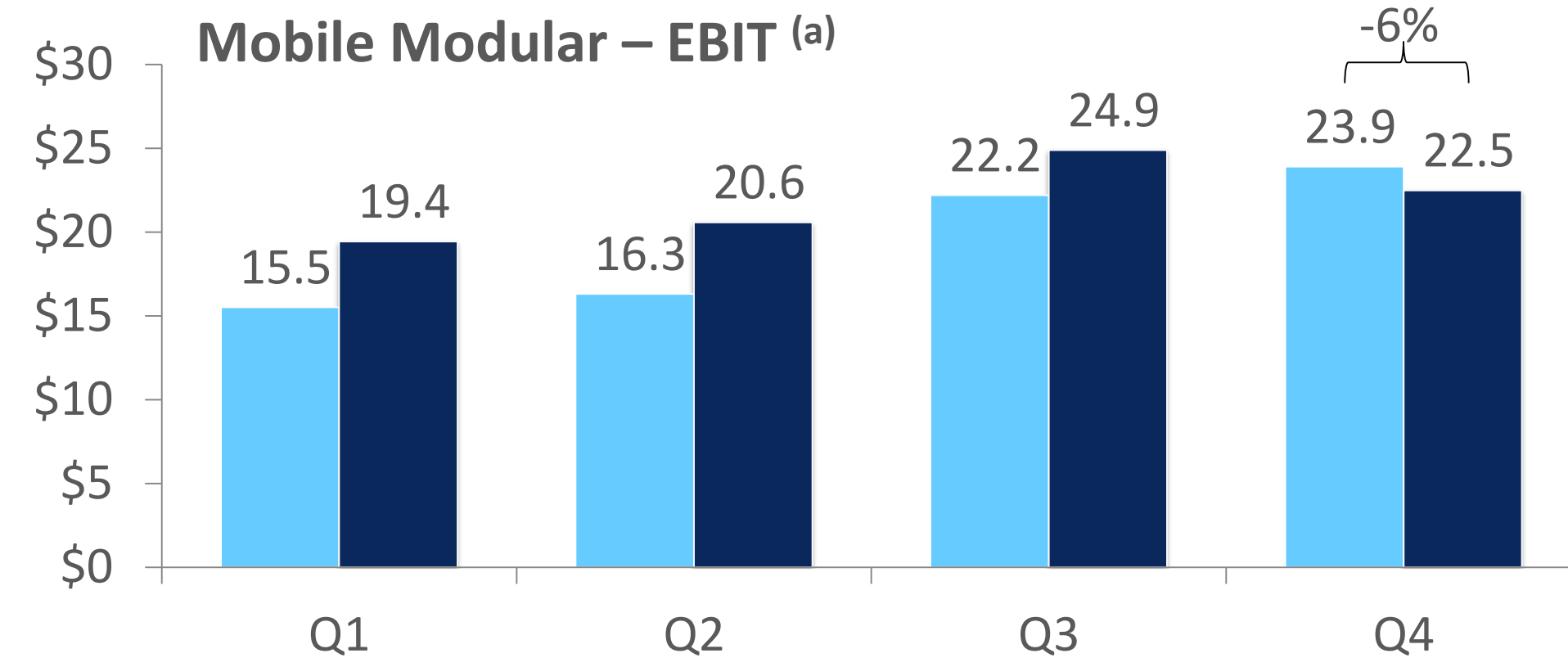


(a) Mobile Modular includes Mobile Modular Portable Storage

2019 2020

EBIT – Quarterly Comparison (2019-20)

(dollars in millions)



(a) Mobile Modular includes Mobile Modular Portable Storage and excludes Enviroplex. Enviroplex EBIT increased from \$1.4M in Q4-19 to \$5.5M in Q4-20.

2019 2020

Financial Data

2021 Financial Outlook



	2020	February 23, 2021 Outlook Comments
		<u>For the full year 2021:</u>
Total revenue	\$ 573M	\$560 million - \$595 million
Adjusted EBITDA	\$ 241M	\$230 million - \$245 million
Gross rental equipment capital expenditures	\$ 86M	\$90 million to \$110 million

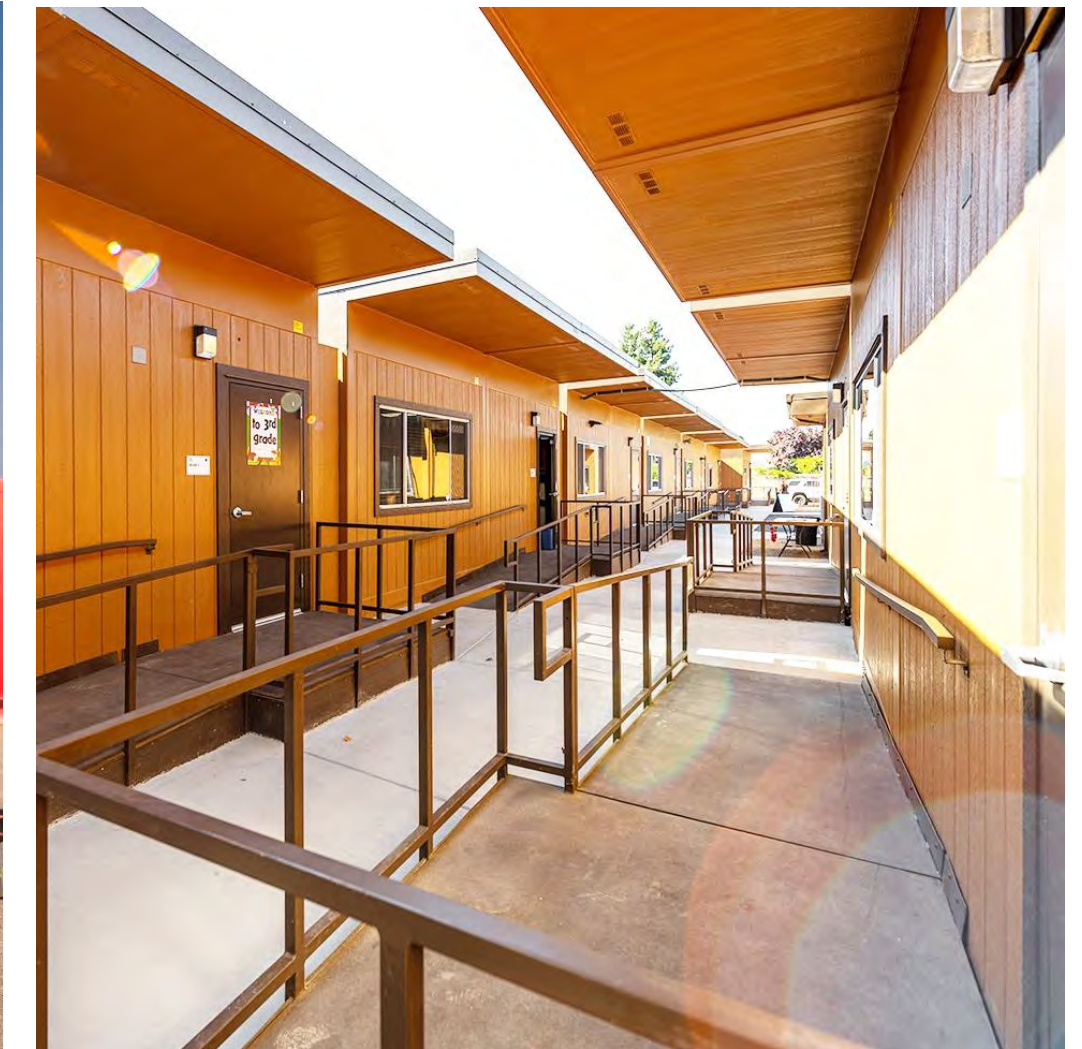


Investment Summary - McGrath RentCorp (Nasdaq: MGRC)



- ✓ Established rental businesses with solid market positions
- ✓ Strong focus on performance improvement
- ✓ Disciplined capital spending on new rental equipment
- ✓ Strong cash flow and resilient business model during periods of economic weakness
- ✓ Dividend increases for 30 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

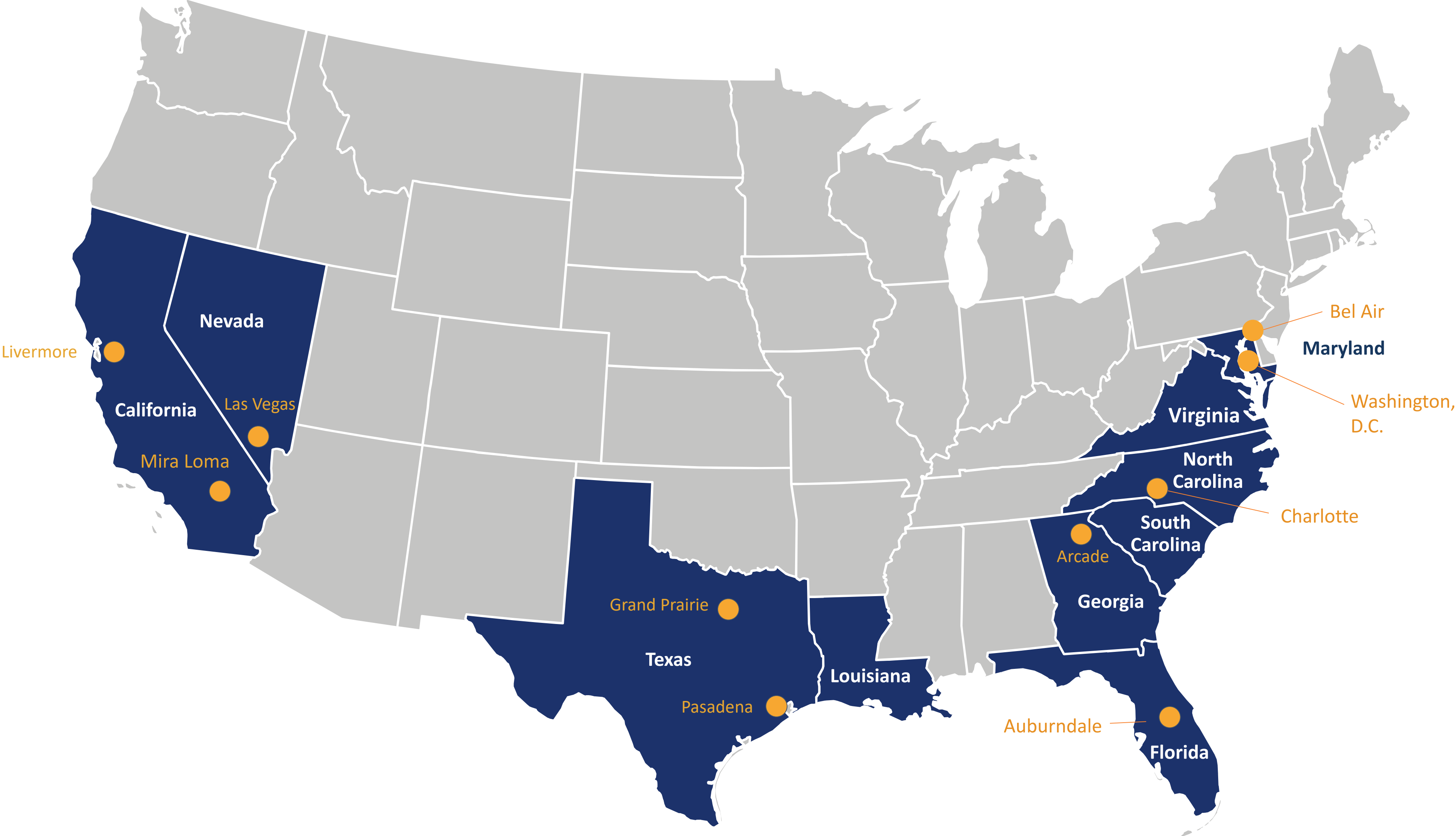
• Mobile Modular & Mobile Modular Portable Storage	25
• Adler Tank Rentals	35
• TRS-RenTelco	45
• Additional Financial Detail	53
• Additional Detail - Enviroplex	69

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



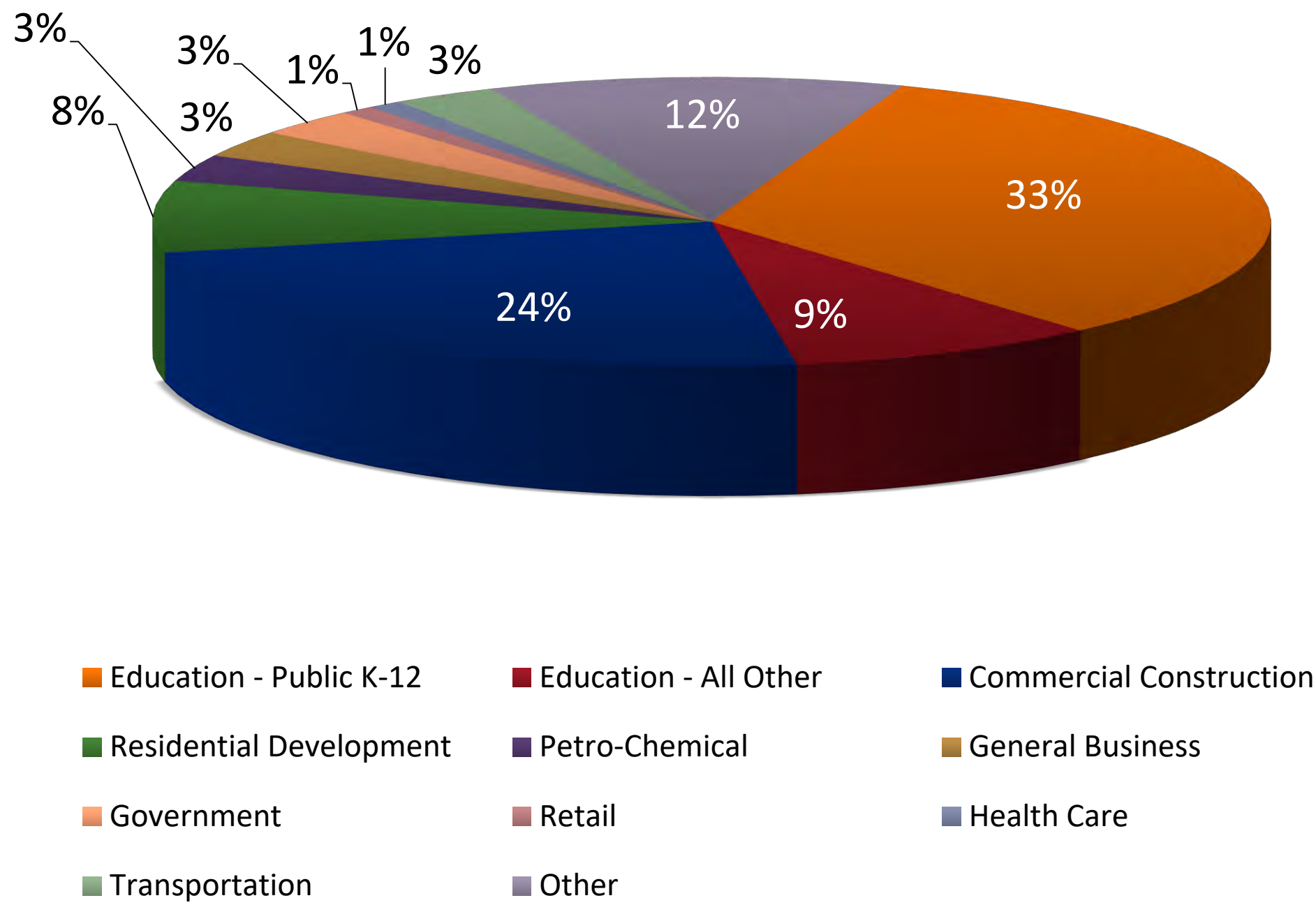
Office Building Complex



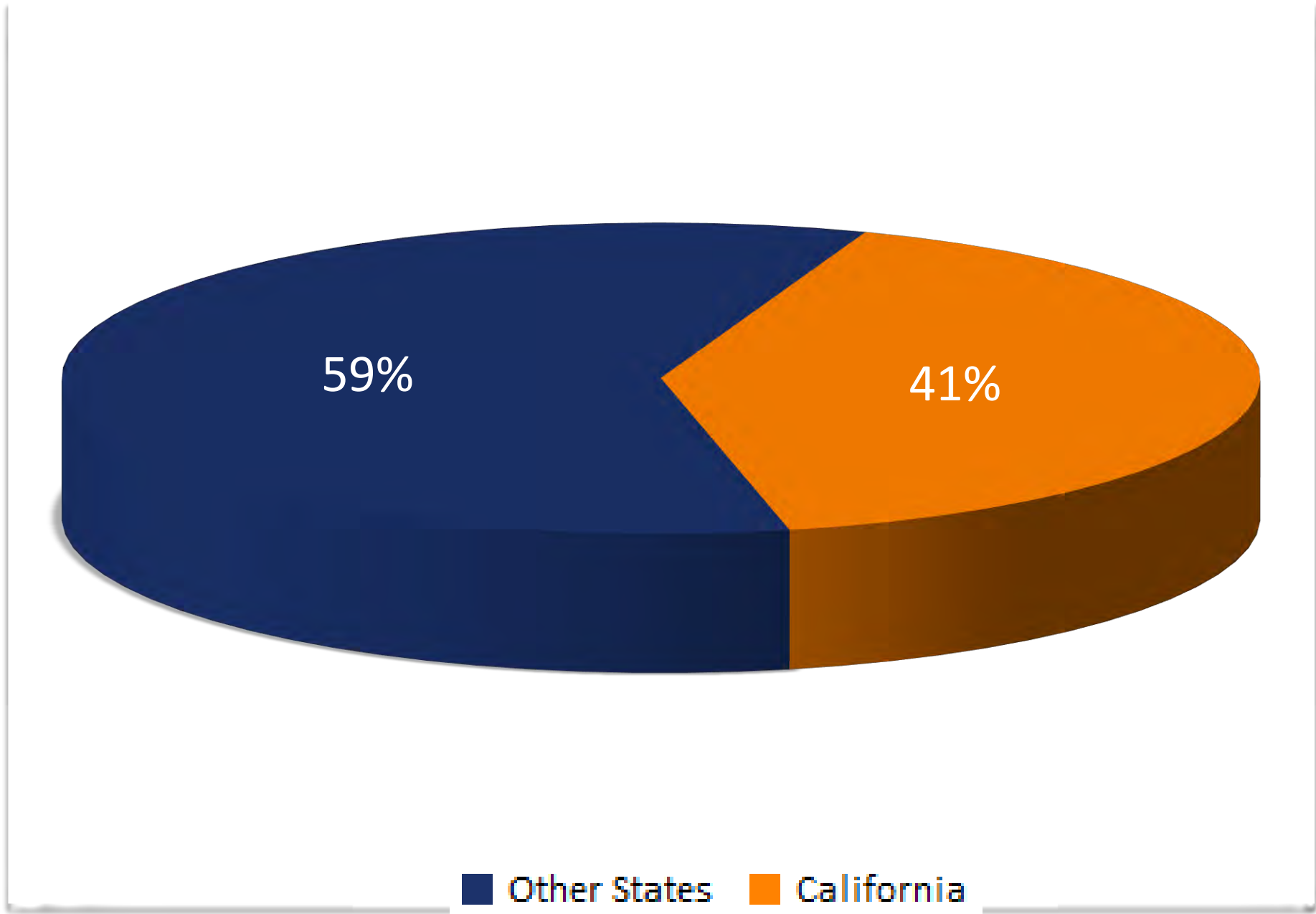
Rental Customer Mix ^(a)



2020 Rental Business Mix Breakdown by Industry Group



2020 Rental Business Mix Geographic Breakdown



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



Mobile Modular Rental Applications



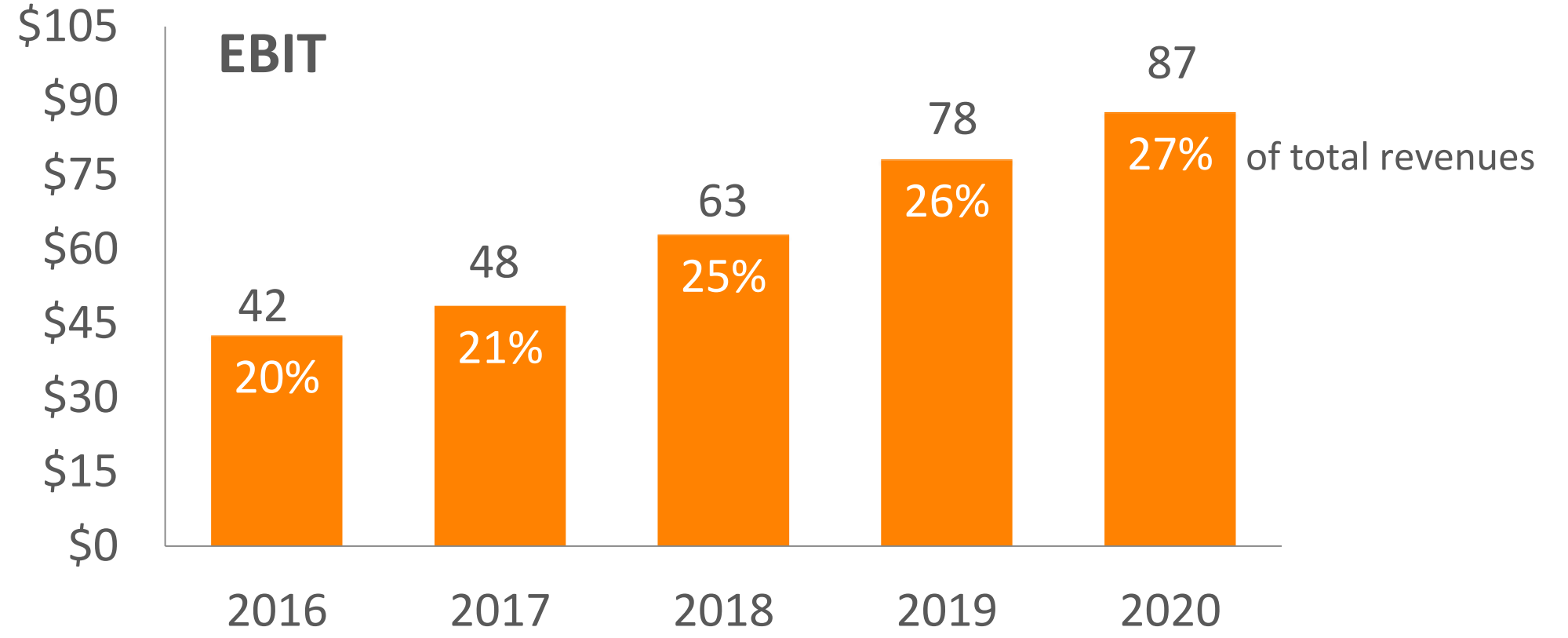
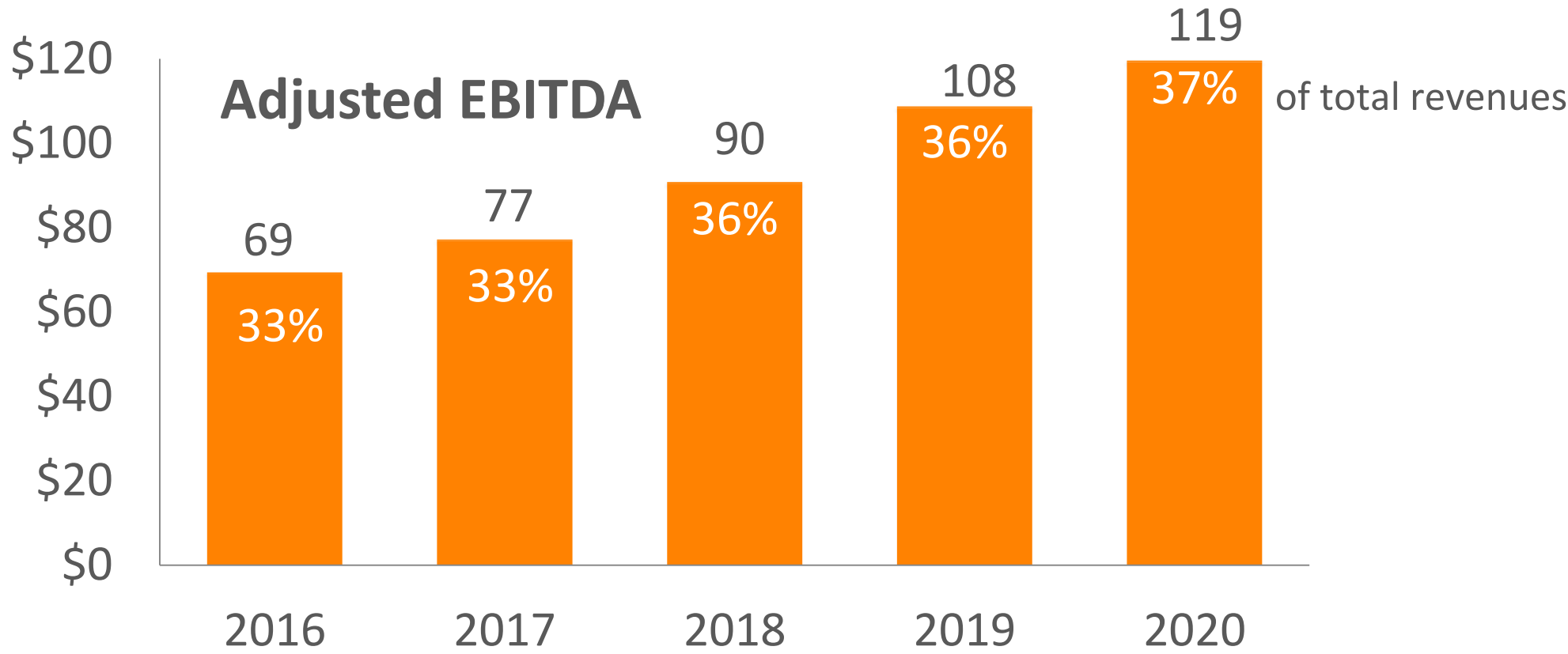
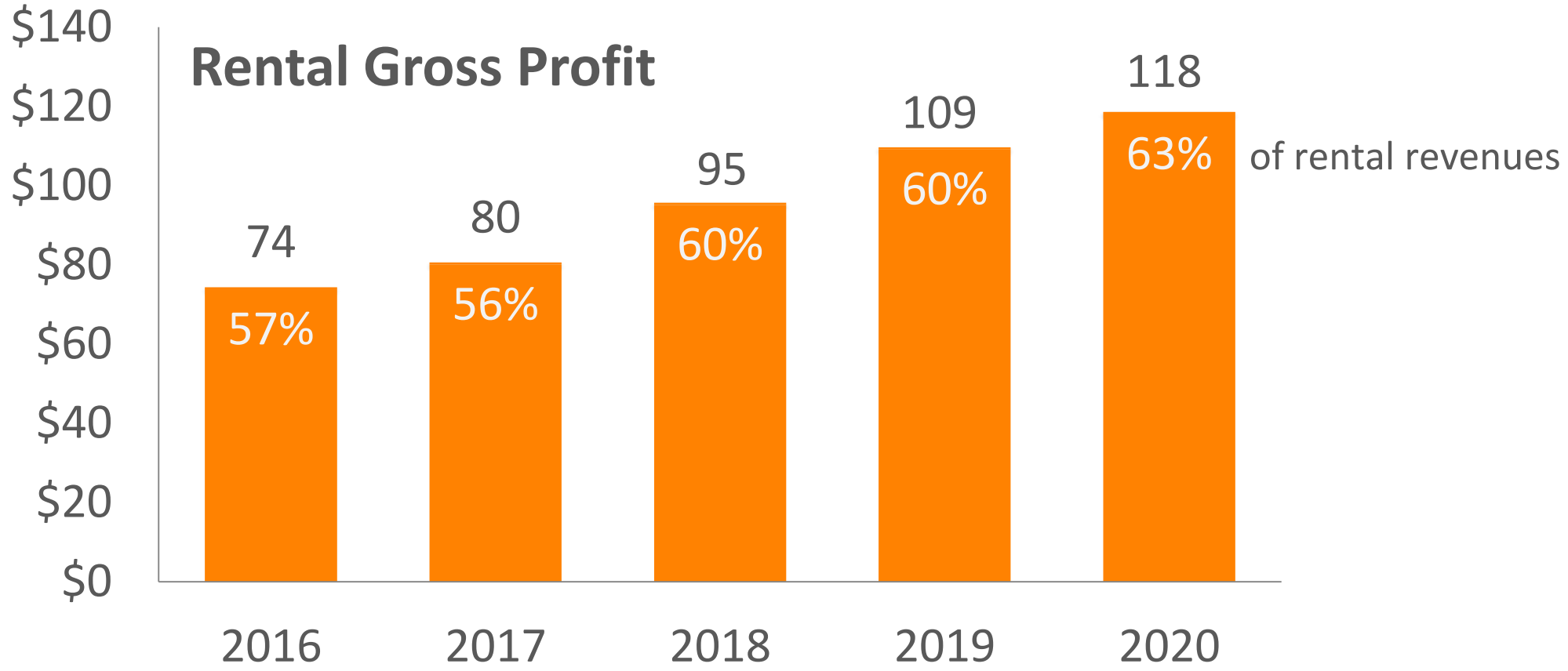
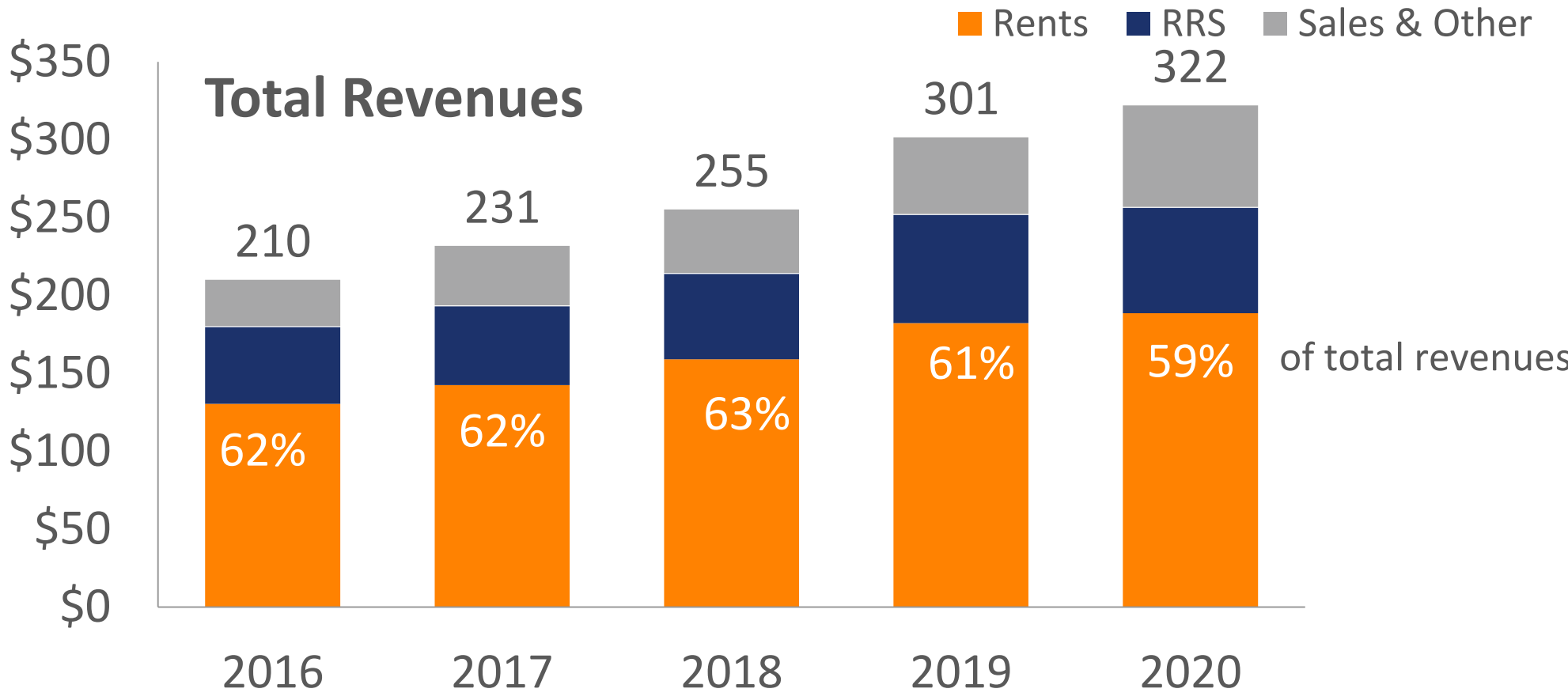
Education	Commercial	
Public School K-12	Construction/Developers Construction Site Offices Sales Offices Architect Engineering Firms	Petrochemical Refinery Plants Plant Operations Facilities Pipeline Construction
Private School K-12		
Charter School		
Public Community Colleges	Government City Services 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



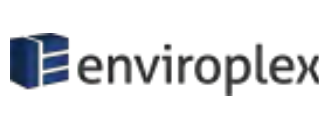
Mobile Modular Operating Results (a)(b)



(dollars in millions)



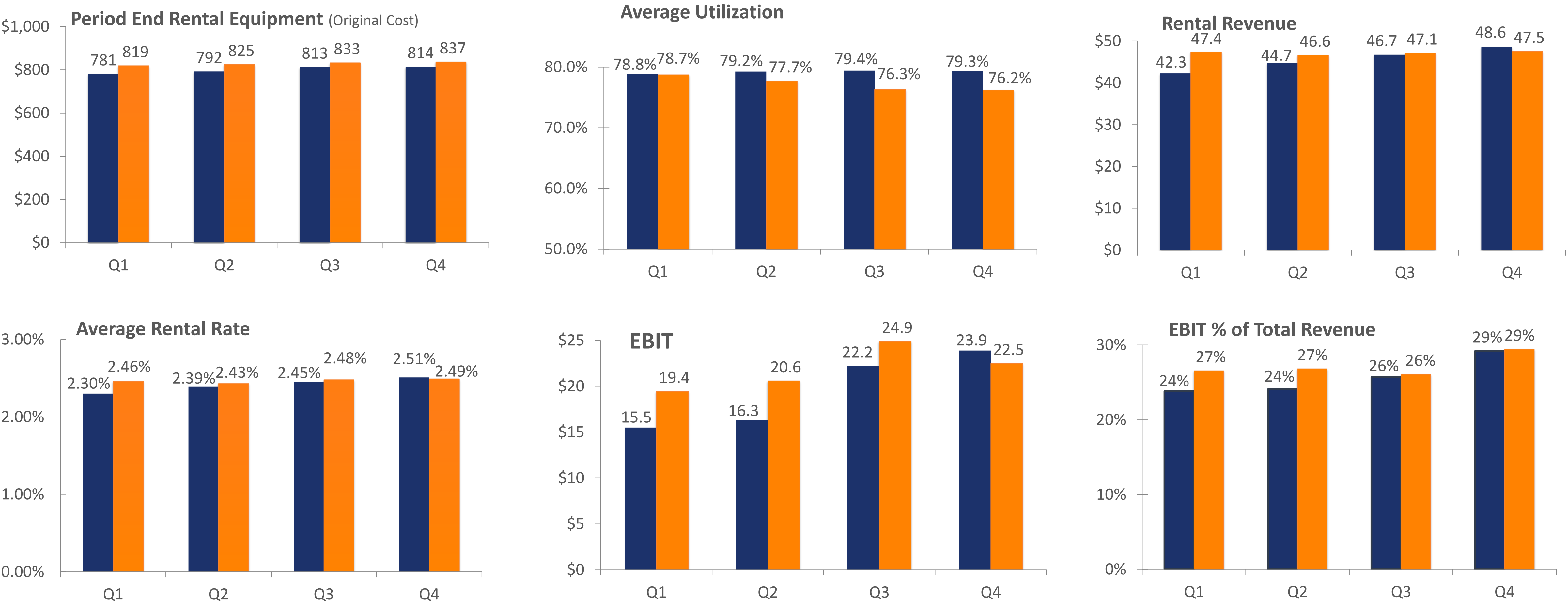
(a) Adjusted EBITDA defined on page 17 (b) Includes Mobile Modular Portable Storage and excludes Enviroplex



Mobile Modular Highlights (a) (b)



(dollars in millions)



(a) Includes Mobile Modular Portable Storage and excludes Enviroplex (b) See page 56 for definitions of rental equipment, utilization, and rate

2019 2020

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



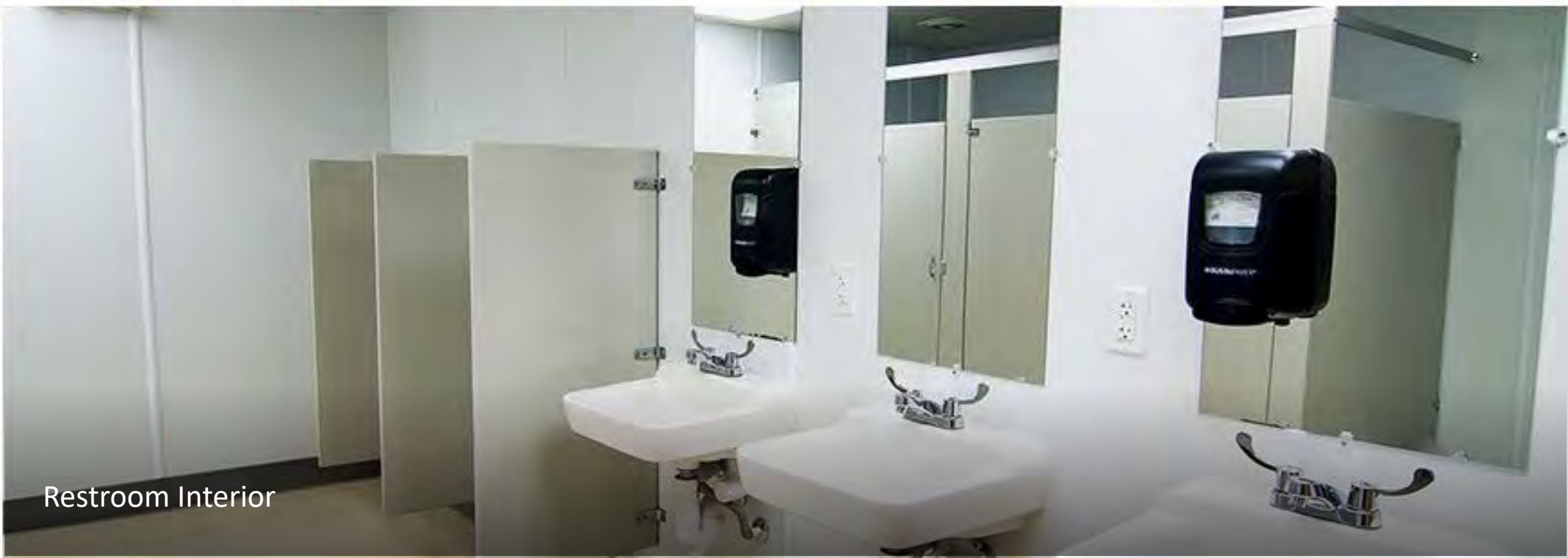
California Classrooms



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
- Potential for some new rentals and sales to education customers adjusting to COVID-19 disruptions

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



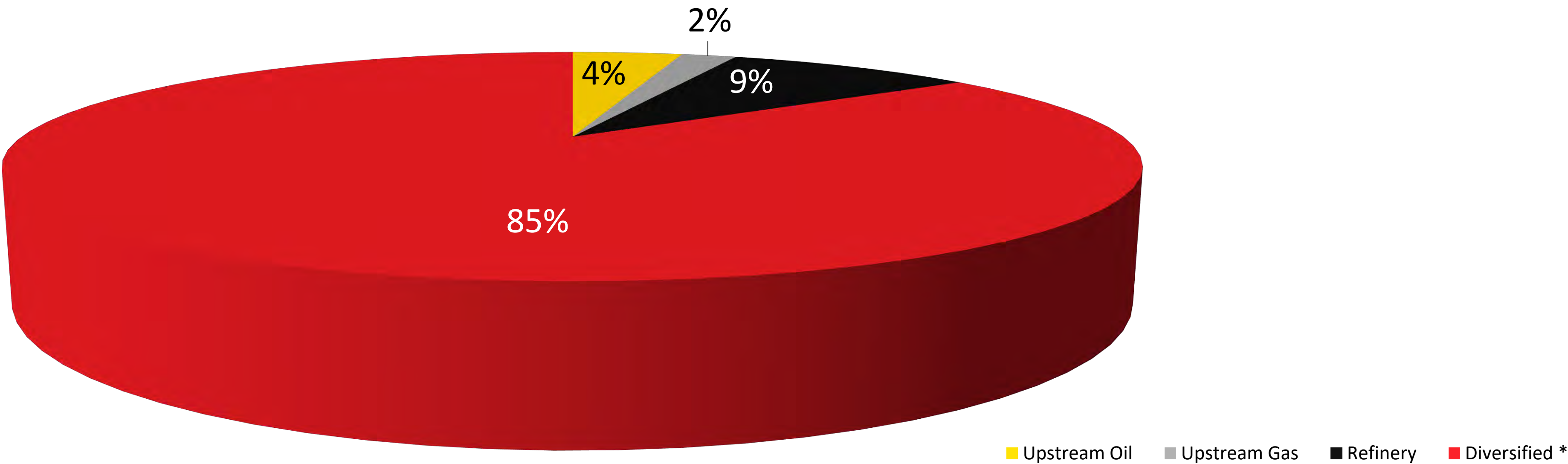
21,000 Gallon (Open Top) Tank



Berms



2020 Adler Tank Rentals Rental Revenues Mix Breakdown by Market



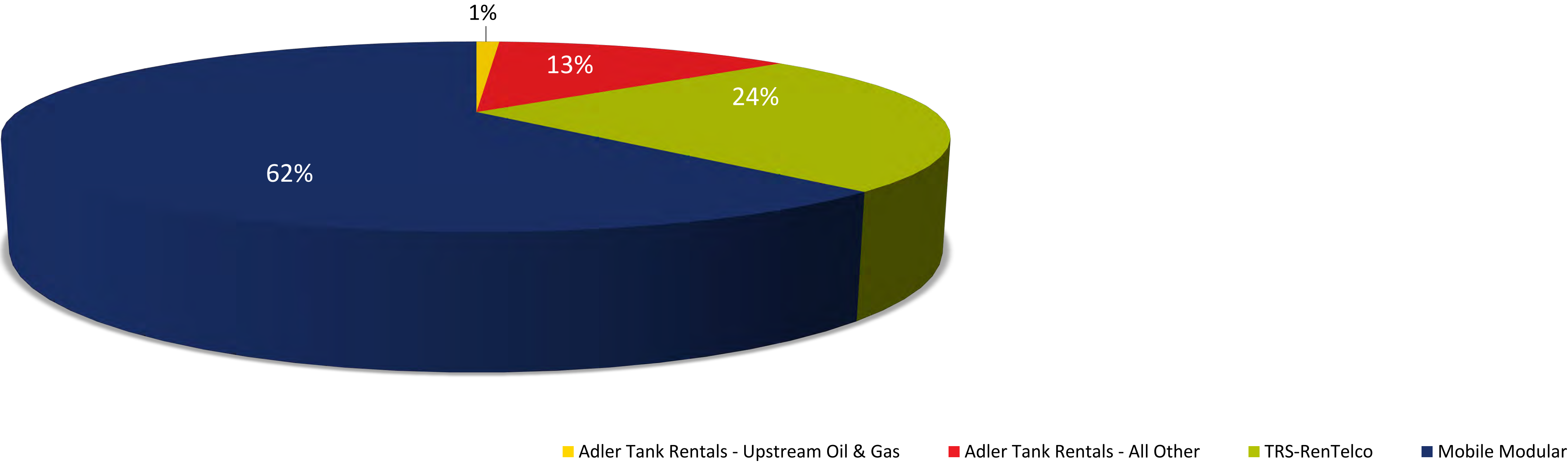
* Diversified includes Industrial and Environmental Services, Environmental Remediation, Construction and other.

- Upstream oil and gas revenues include both conventional and hydraulic fracturing projects. Upstream oil and gas projects accounted for 6% of 2020 total Adler Tank Rentals rental revenues
- See page 40 for market and application descriptions

2020 Total Revenues Mix by Division



MGRC Total Revenue \$573M



Mobile Modular includes Mobile Modular Portable Storage and Enviroplex

Tank and Box Applications



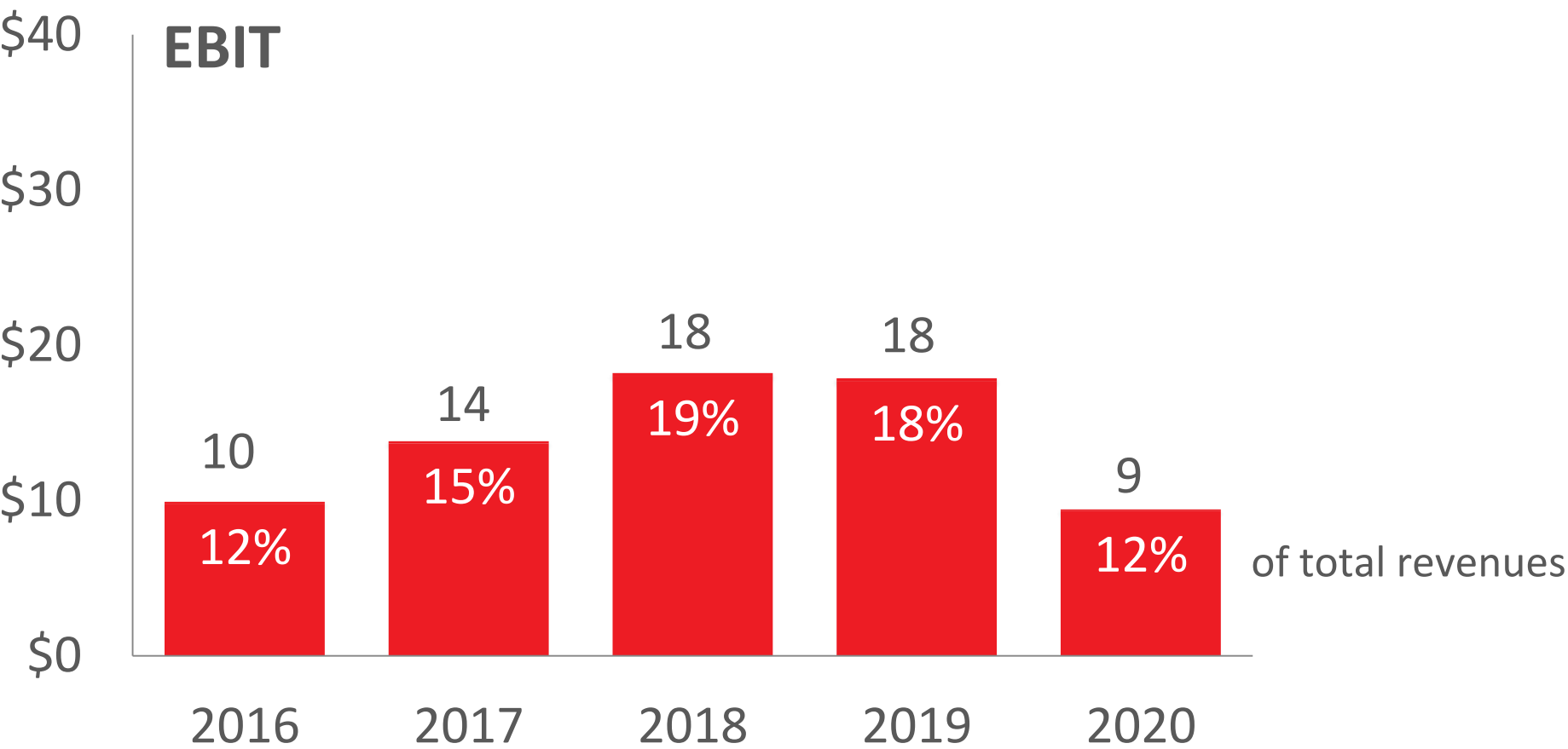
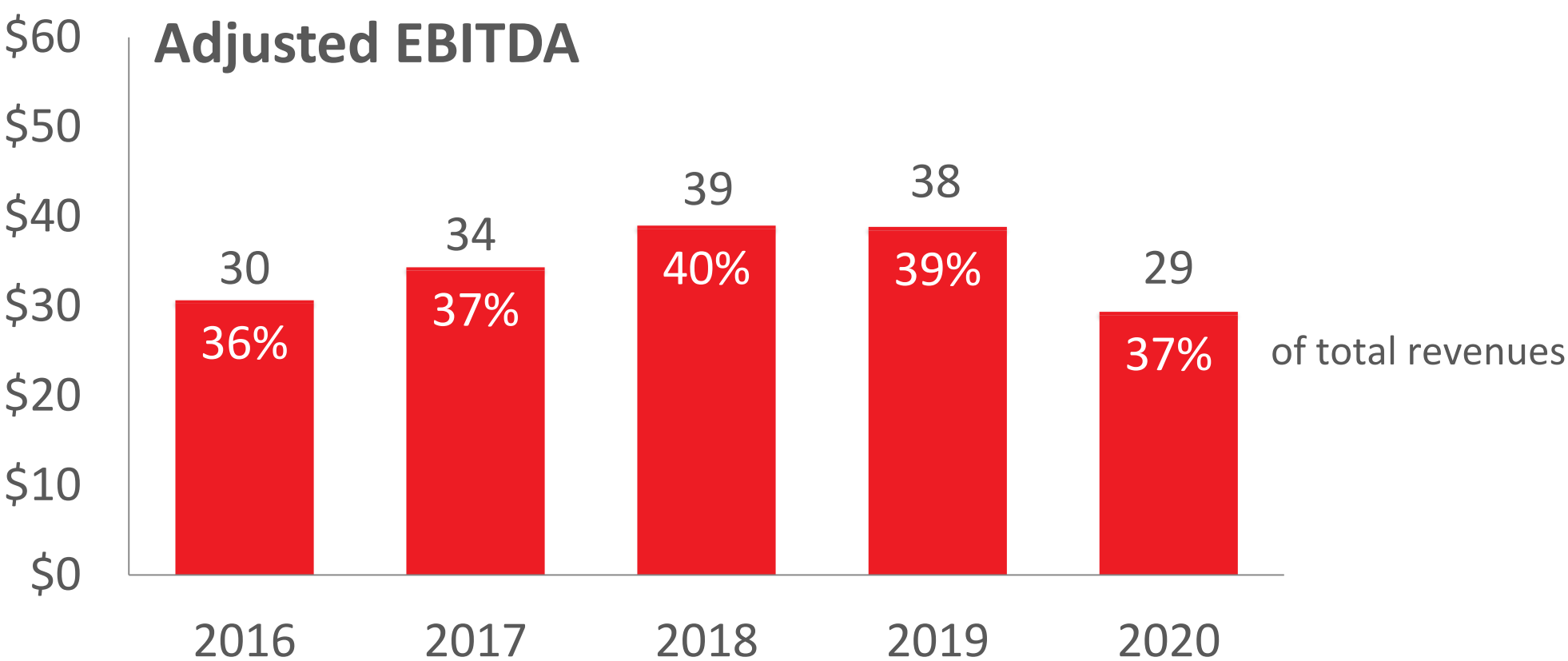
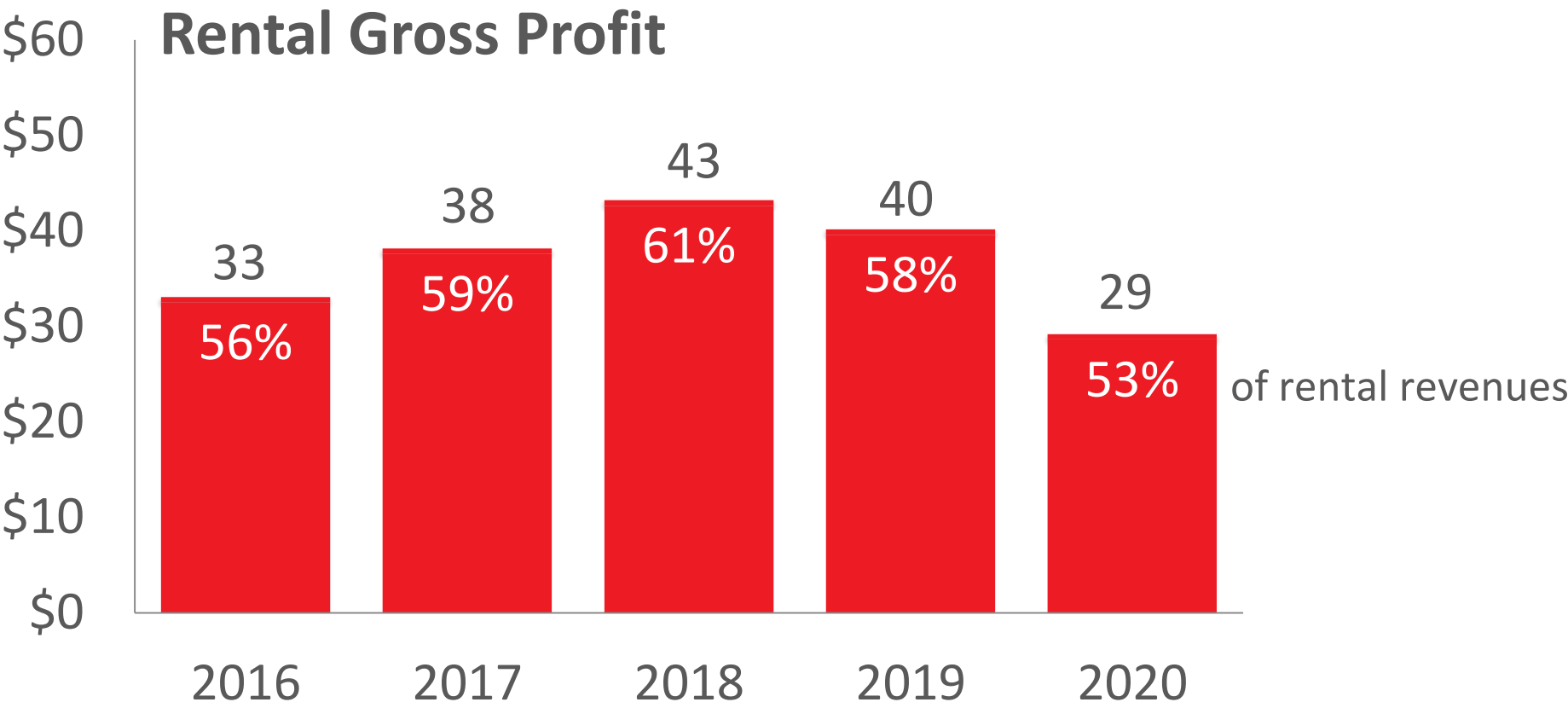
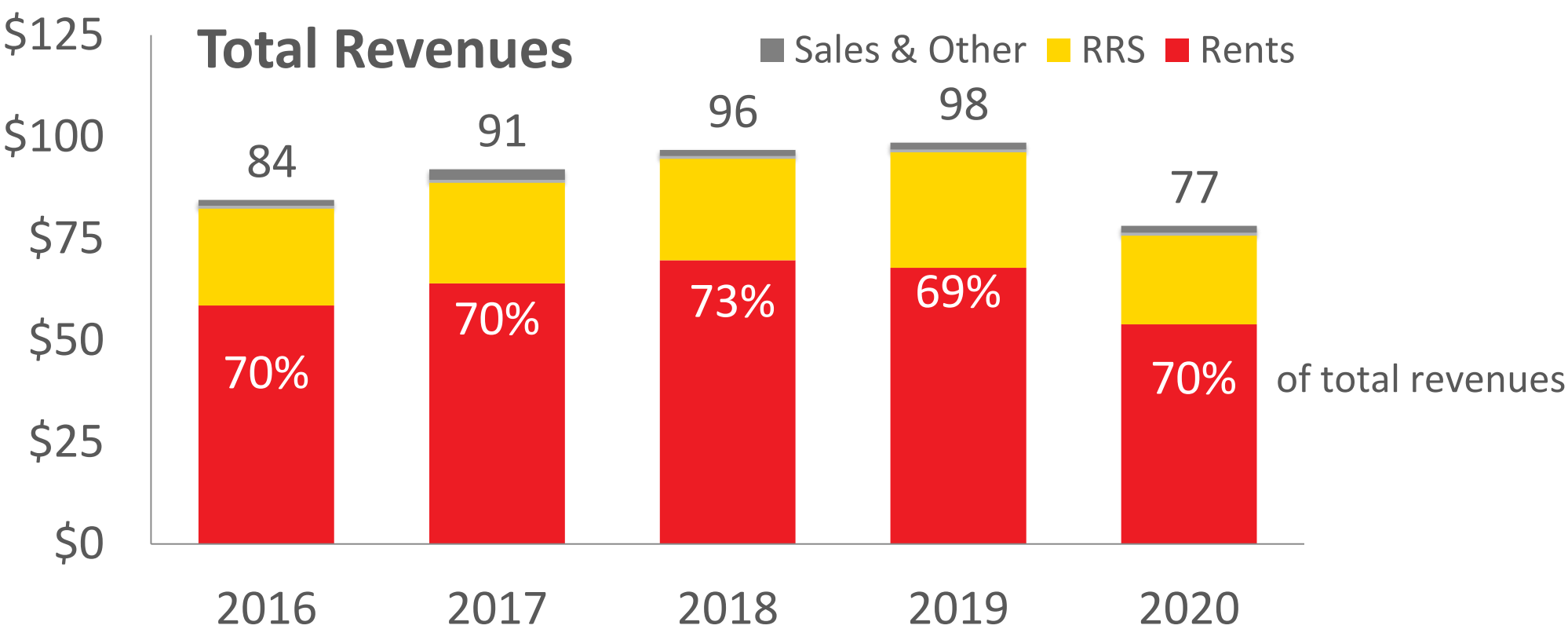
Market	Application		Products Utilized	Typical End User
Industrial and Environmental Services	<ul style="list-style-type: none"> Raw material and cleaning agent storage Containment of waste for disposal or treatment Plant maintenance and repair "turnaround" cycles 		<ul style="list-style-type: none"> 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)



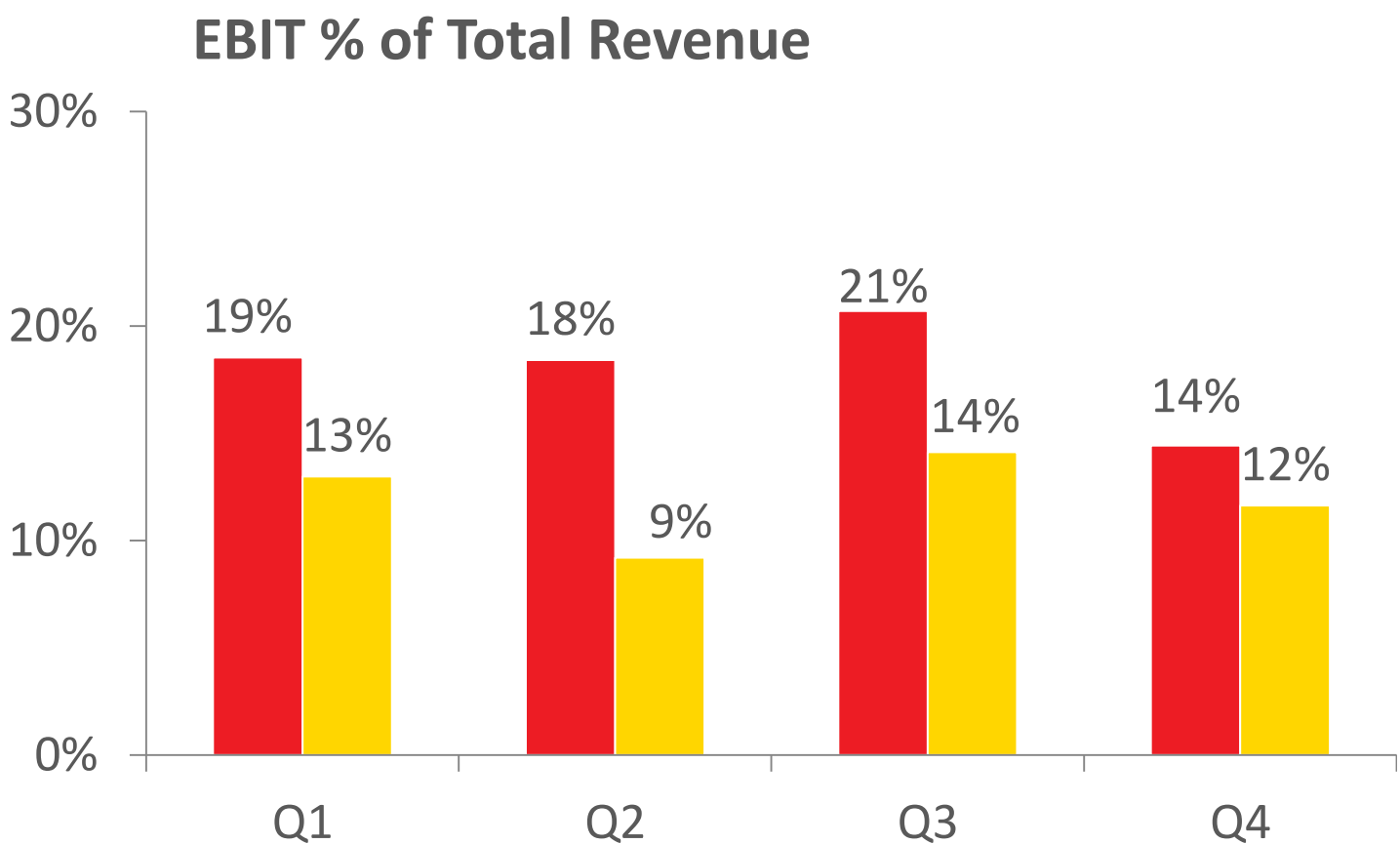
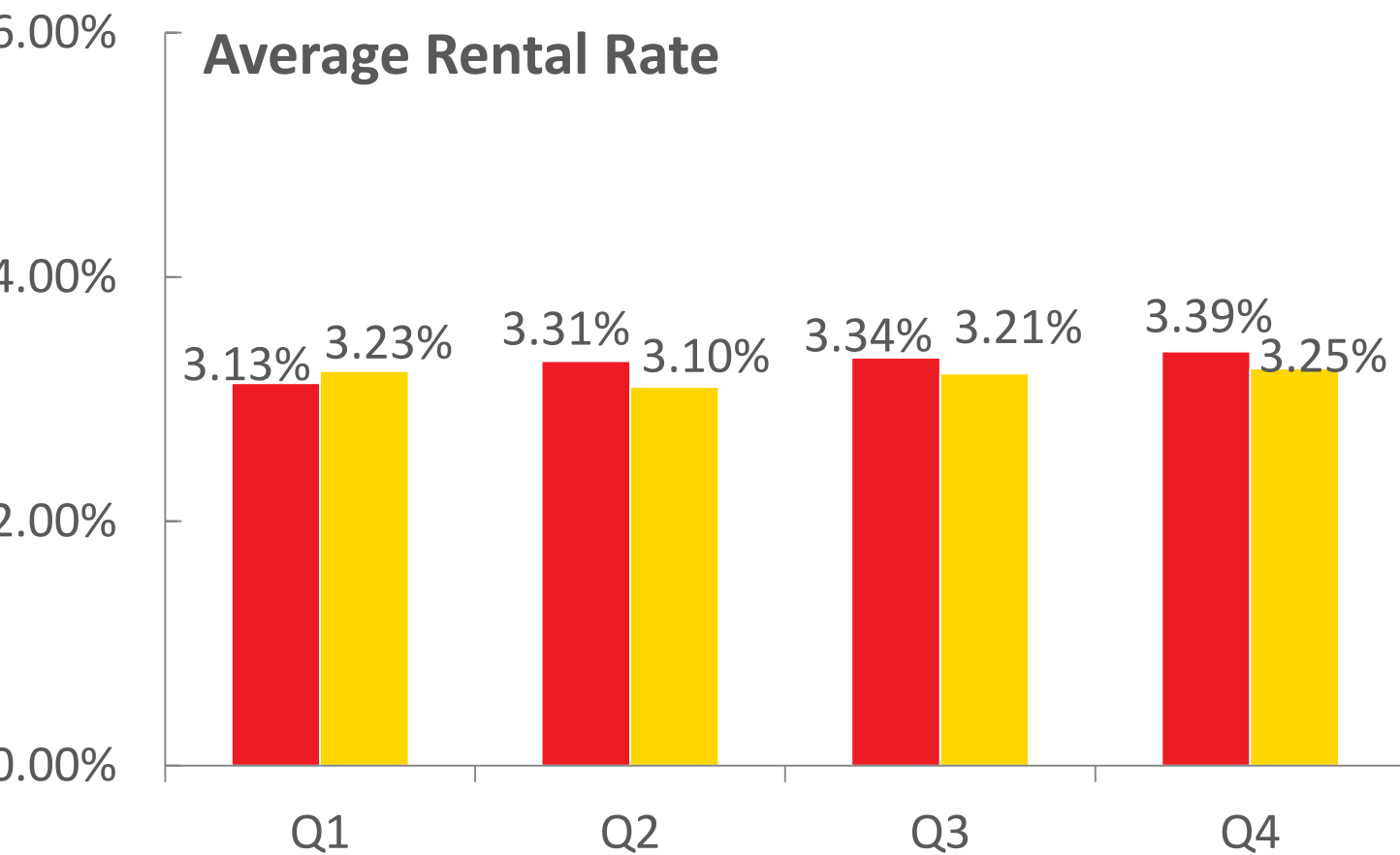
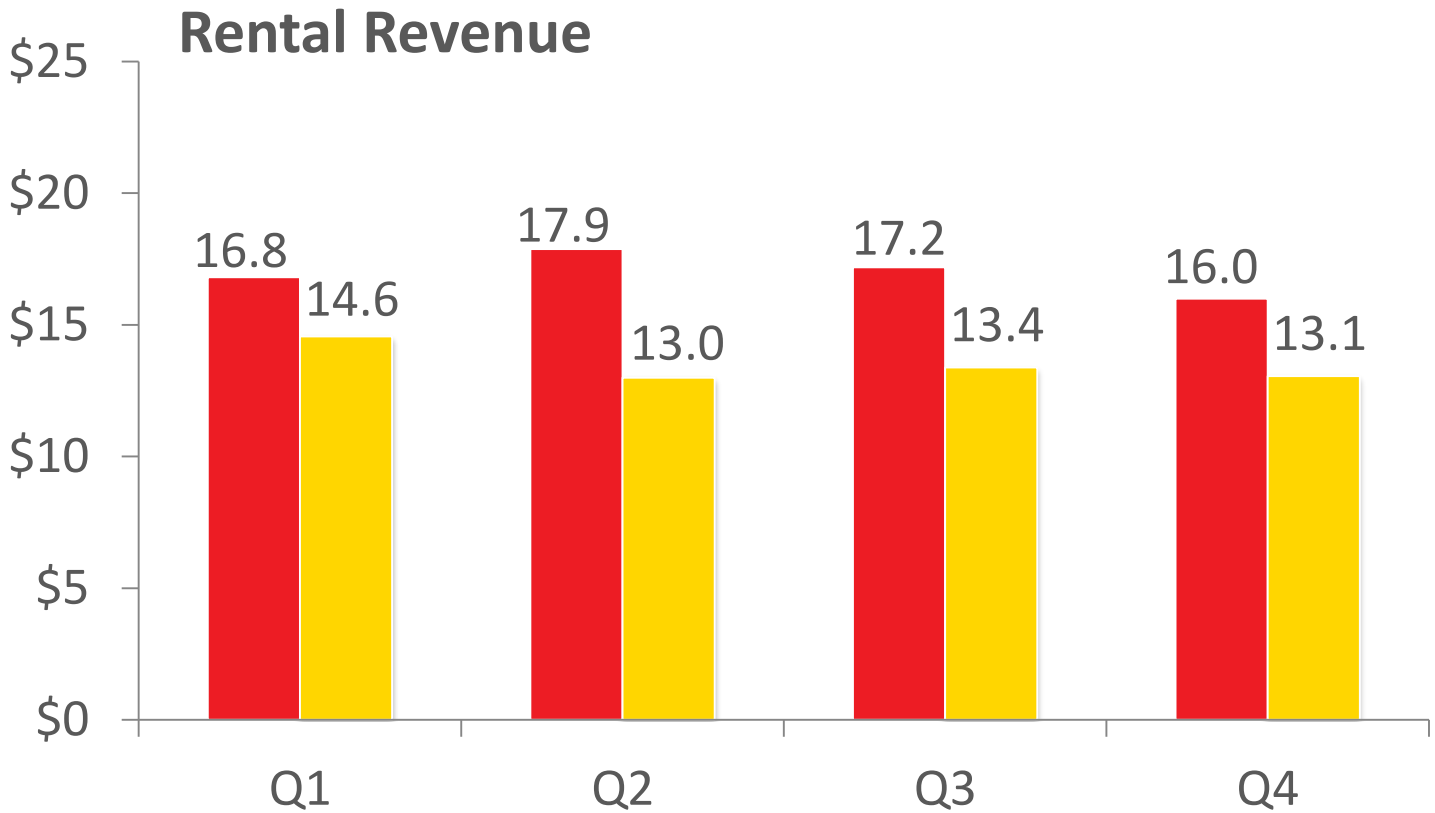
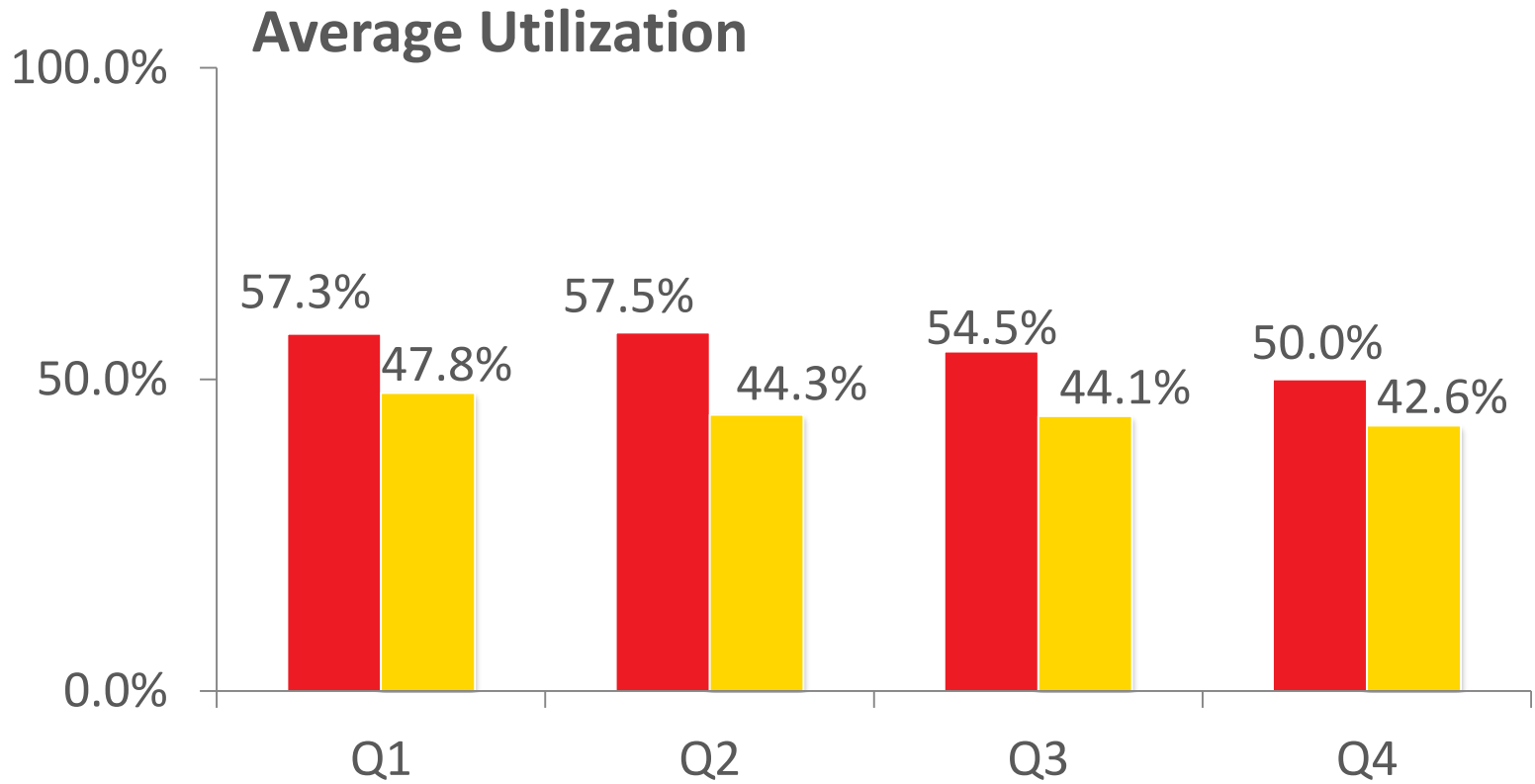
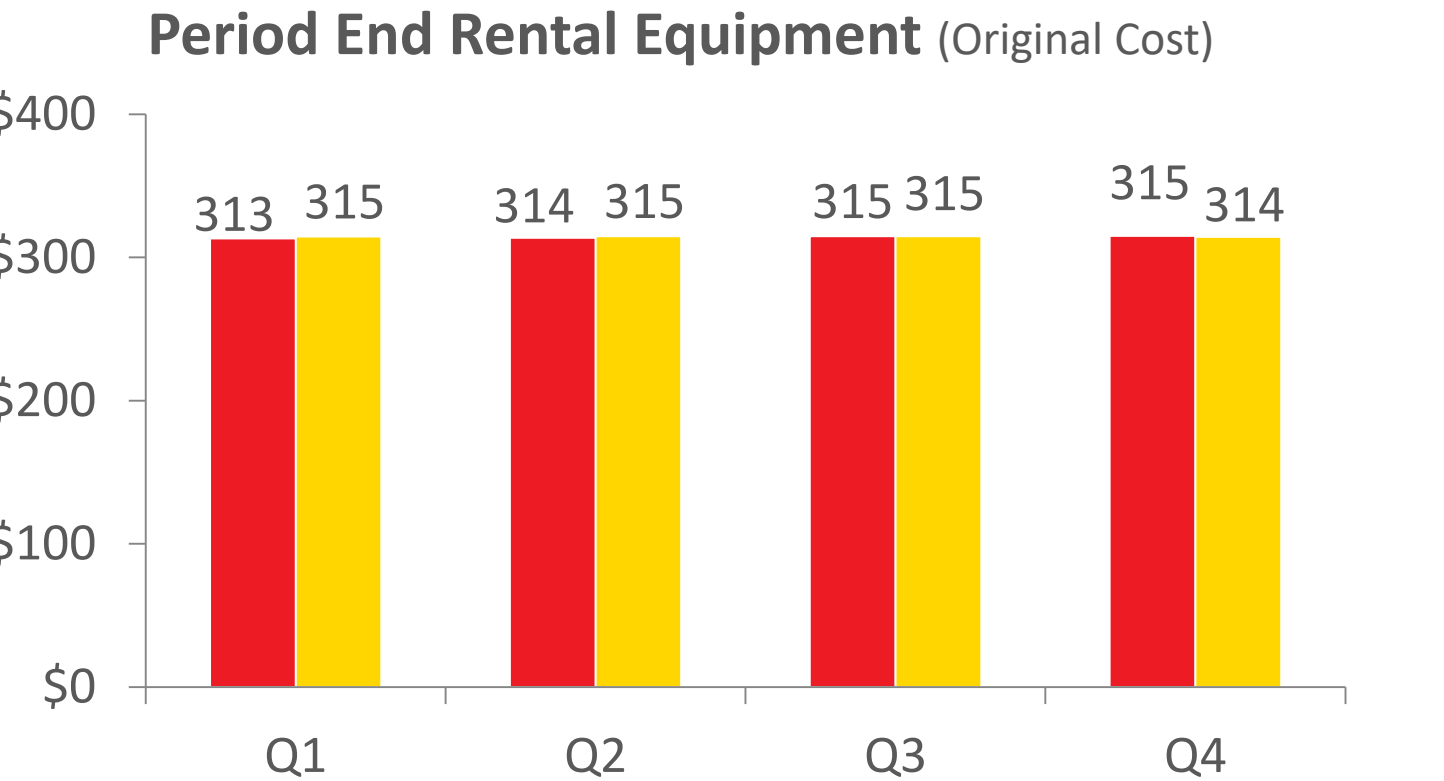
(a) Adjusted EBITDA defined on page 17



Adler Tank Rentals Highlights (a)



(dollars in millions)



(a) See page 56 for definitions of rental equipment, utilization, and rate

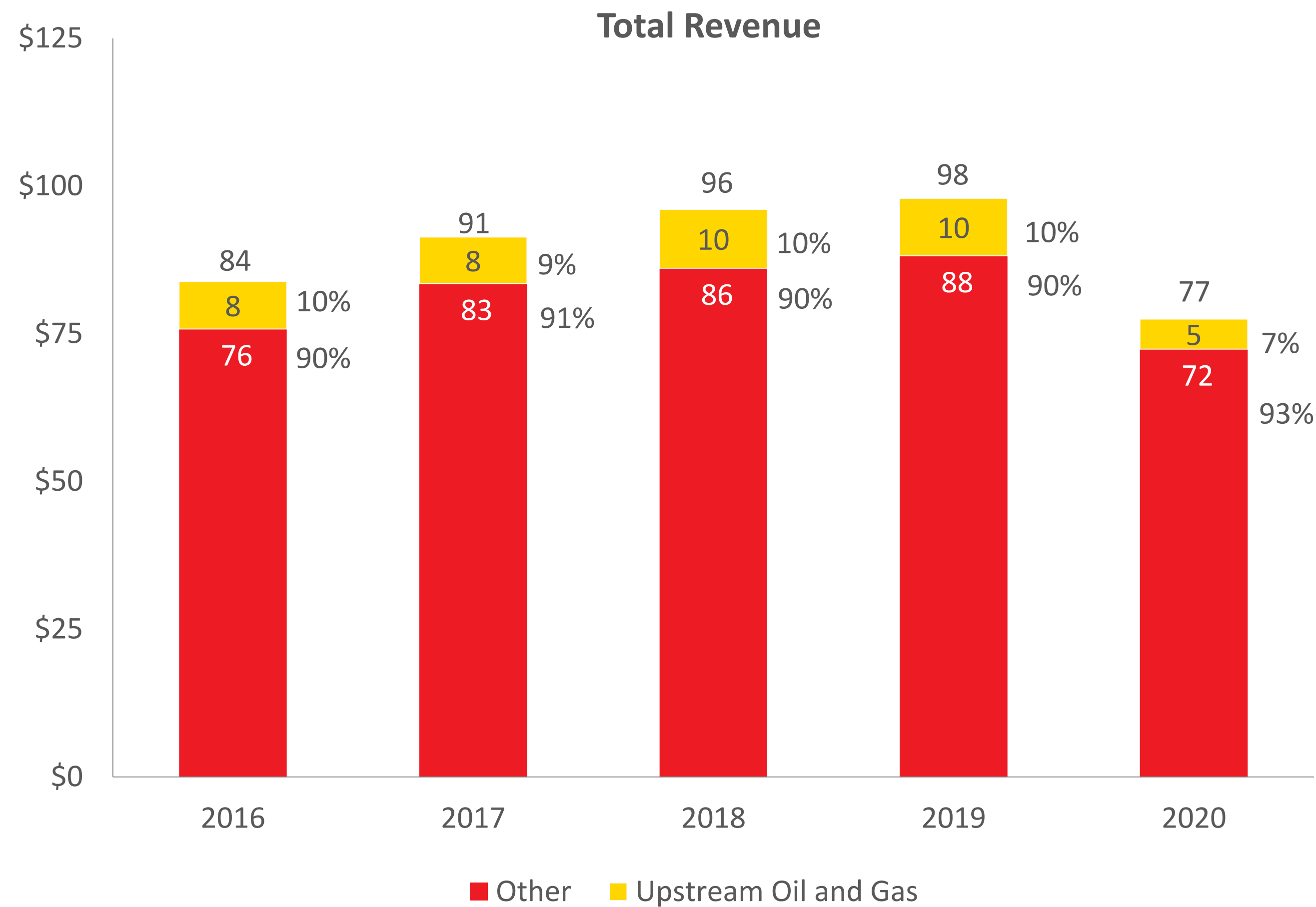
2019 2020



Adler Tank Rentals Highlights (a)



(dollars in millions)



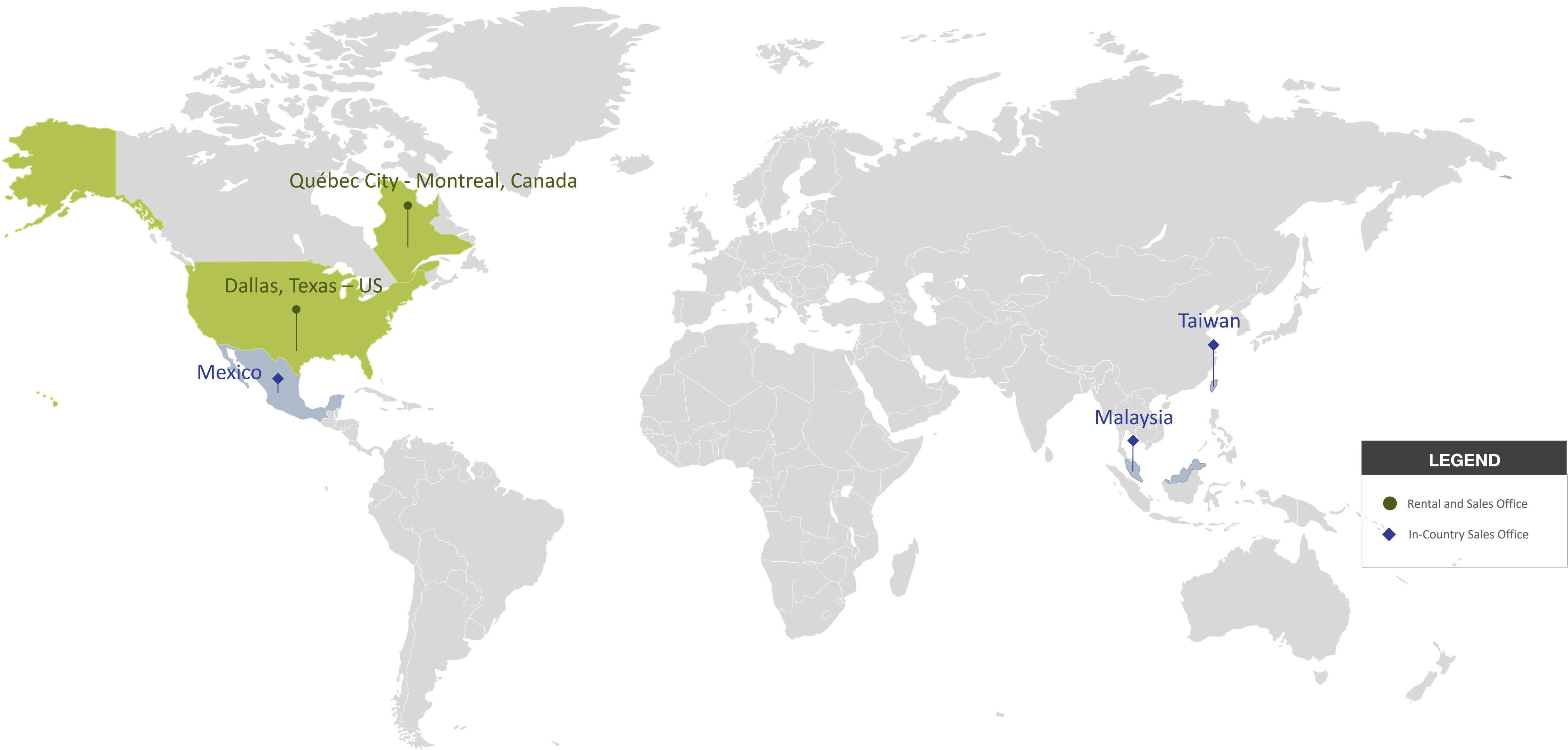
Growth Opportunities

- Broaden non-energy end market applications
- Gain share in established Adler markets
- Maximizing cash flow with disciplined capital spending and cost management



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 Mix

2020 Rental Business Mix Breakdown By Customer & Product Group



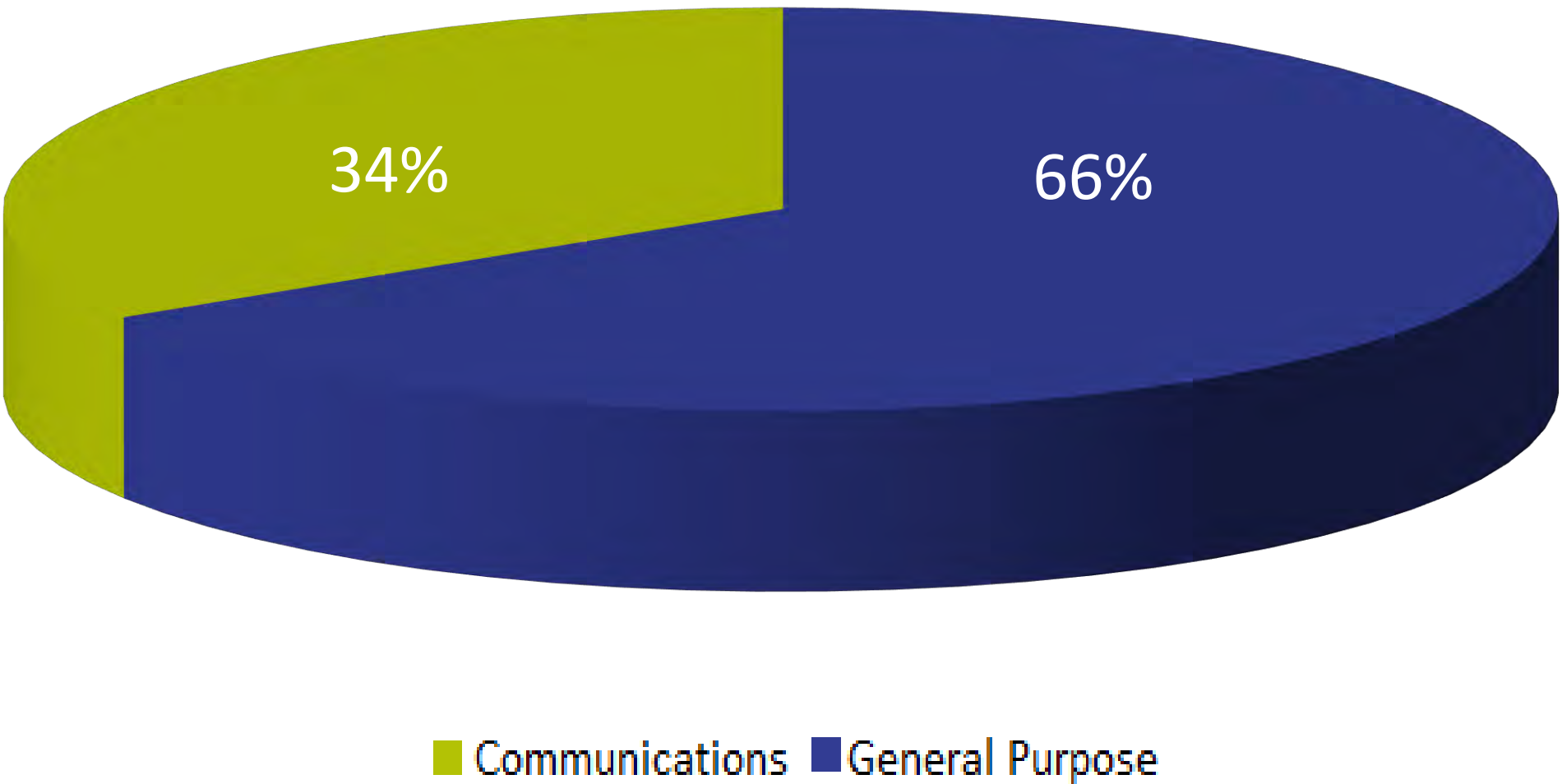
General Purpose Customers

- 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

Rental Revenue by Product Group



TRS-RenTelco Rental Applications

Test Equipment Rental Applications

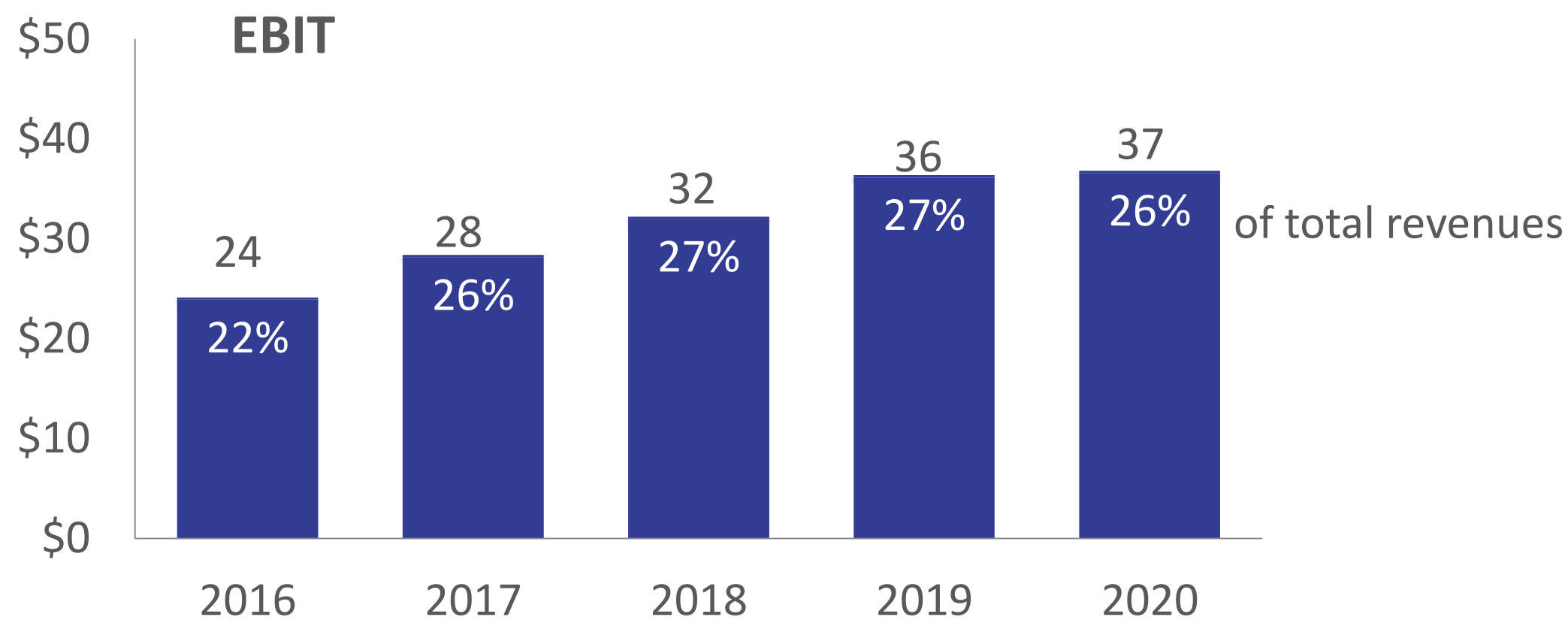
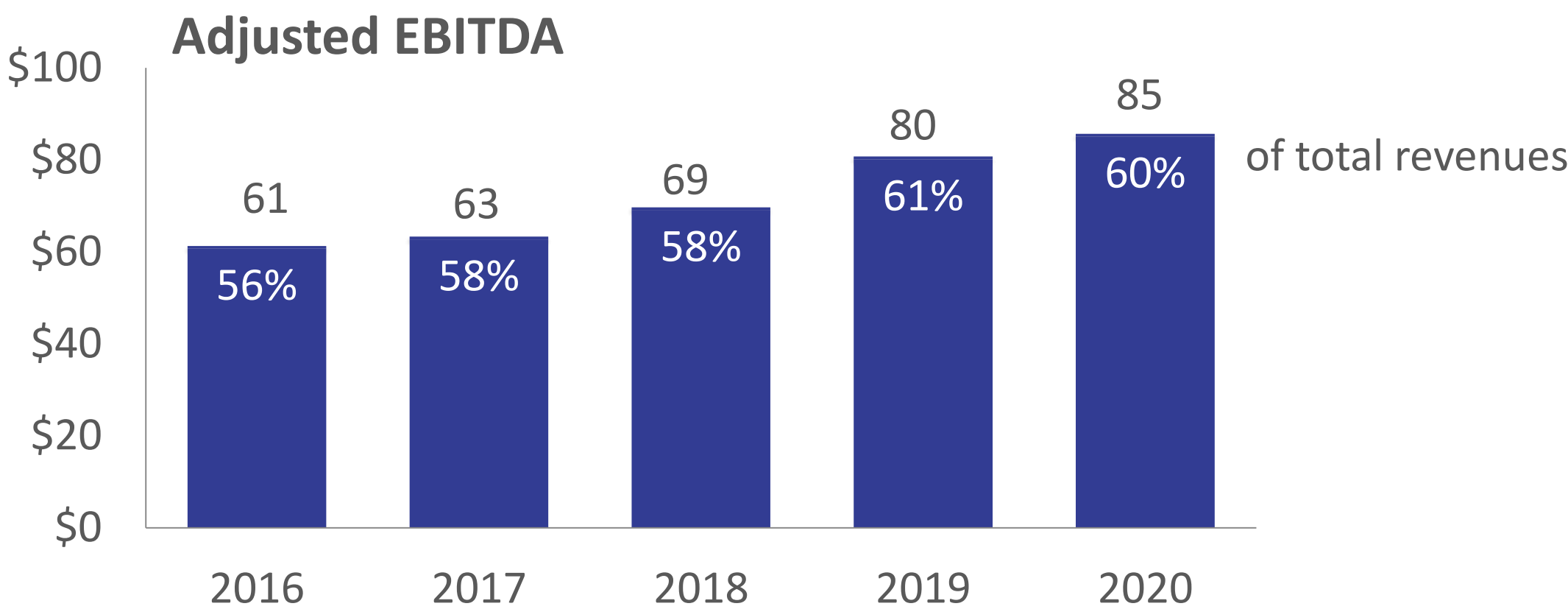
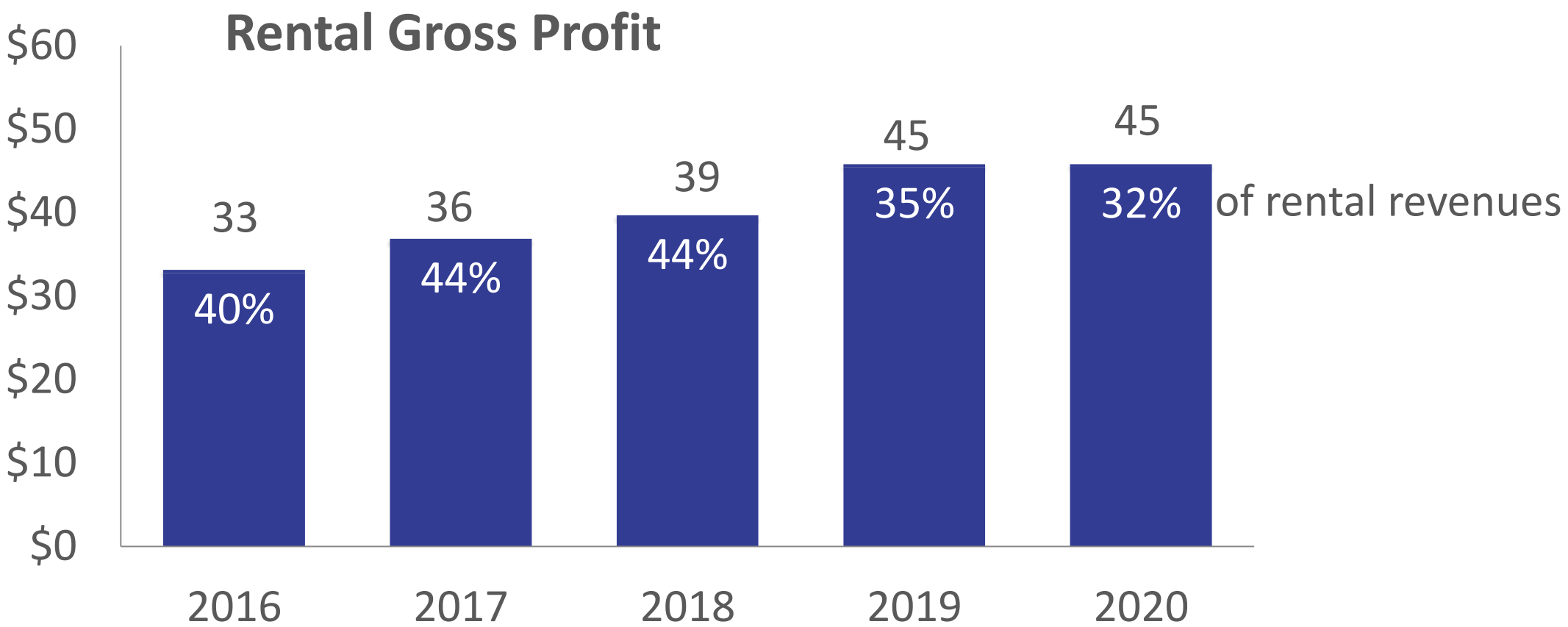
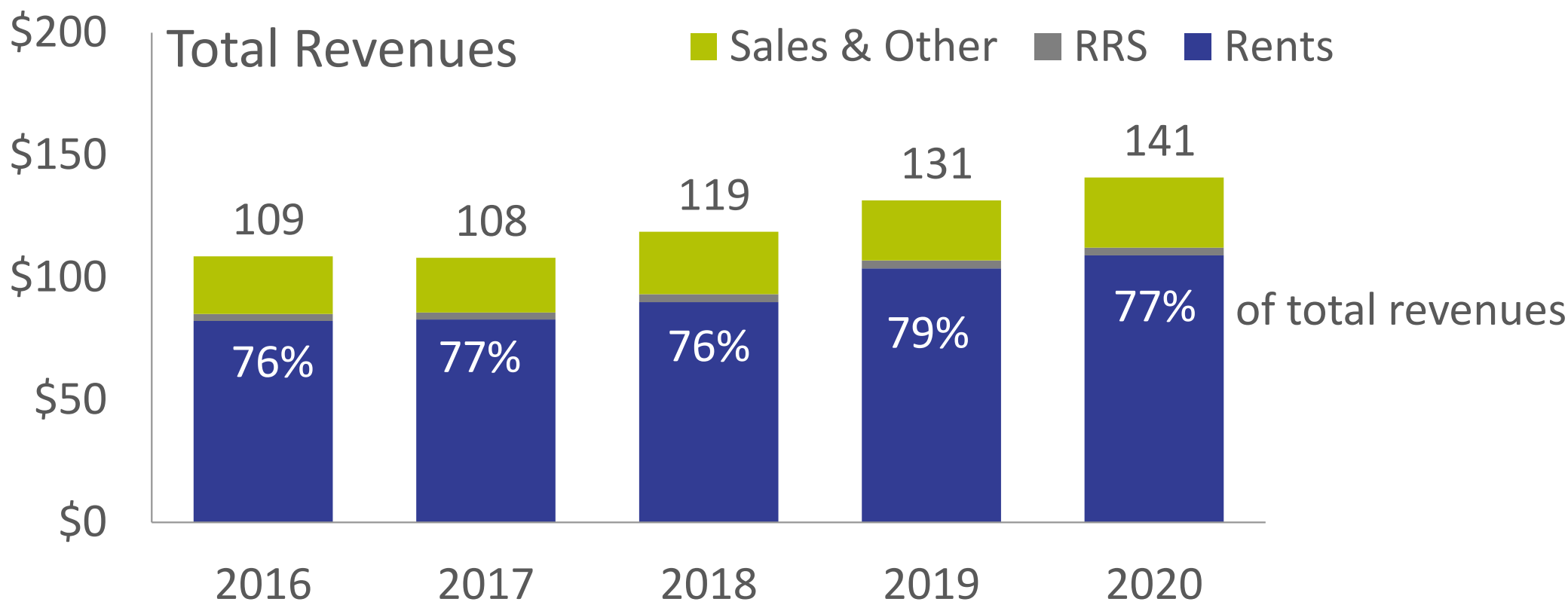


Product Utilized	User Group	Test Application
Wireless Communication Test Set	Mobile/Connected Device Manufacturers, 3 rd Party Repair Facilities, Wireless Equipment Manufacturers	Test Mobile Phone Handsets and other wireless communications equipment.
Category 6 Cable Analyzers	Cable installation contractors, 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.

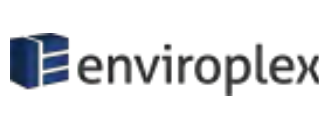
TRS-RenTelco Operating Results (a)



(dollars in millions)

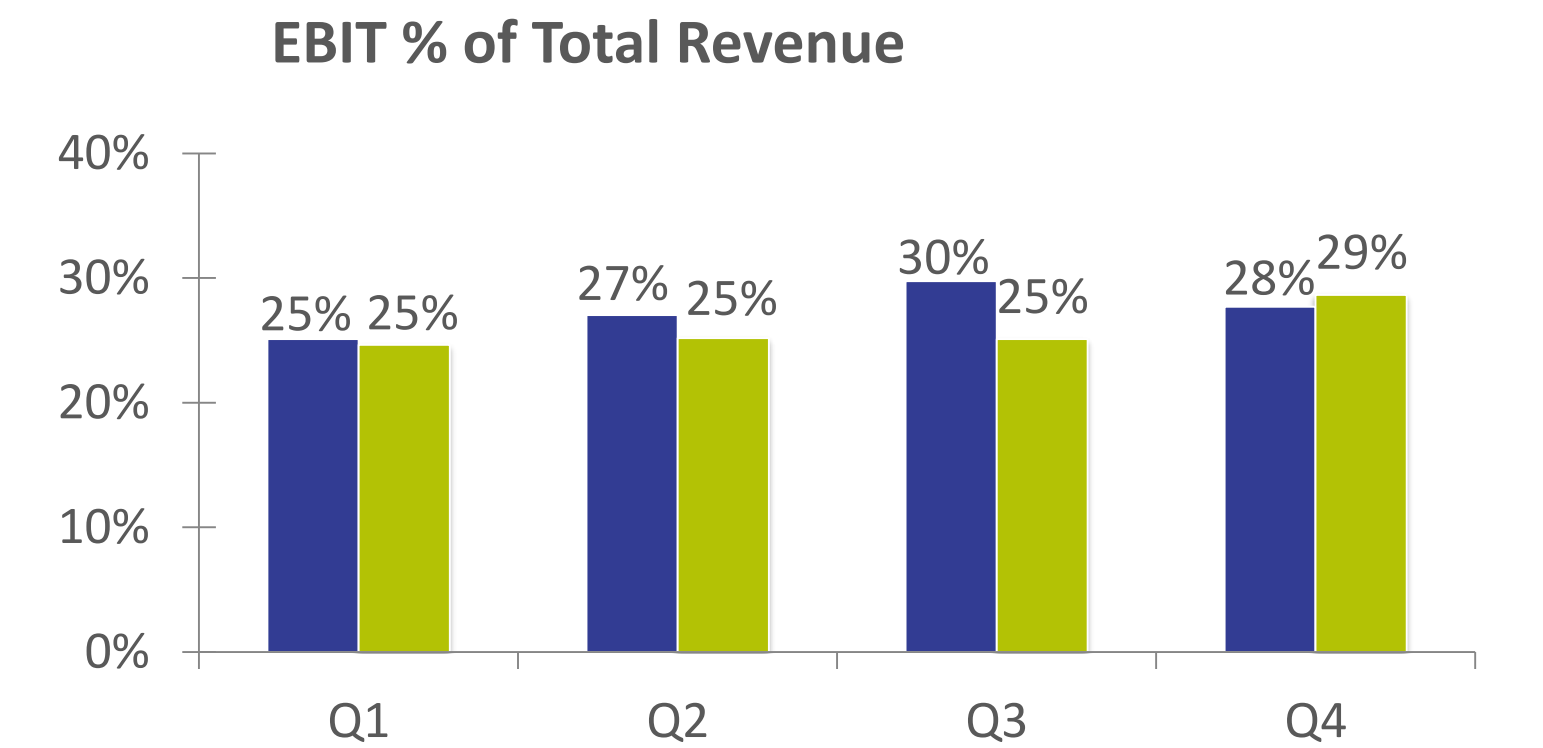
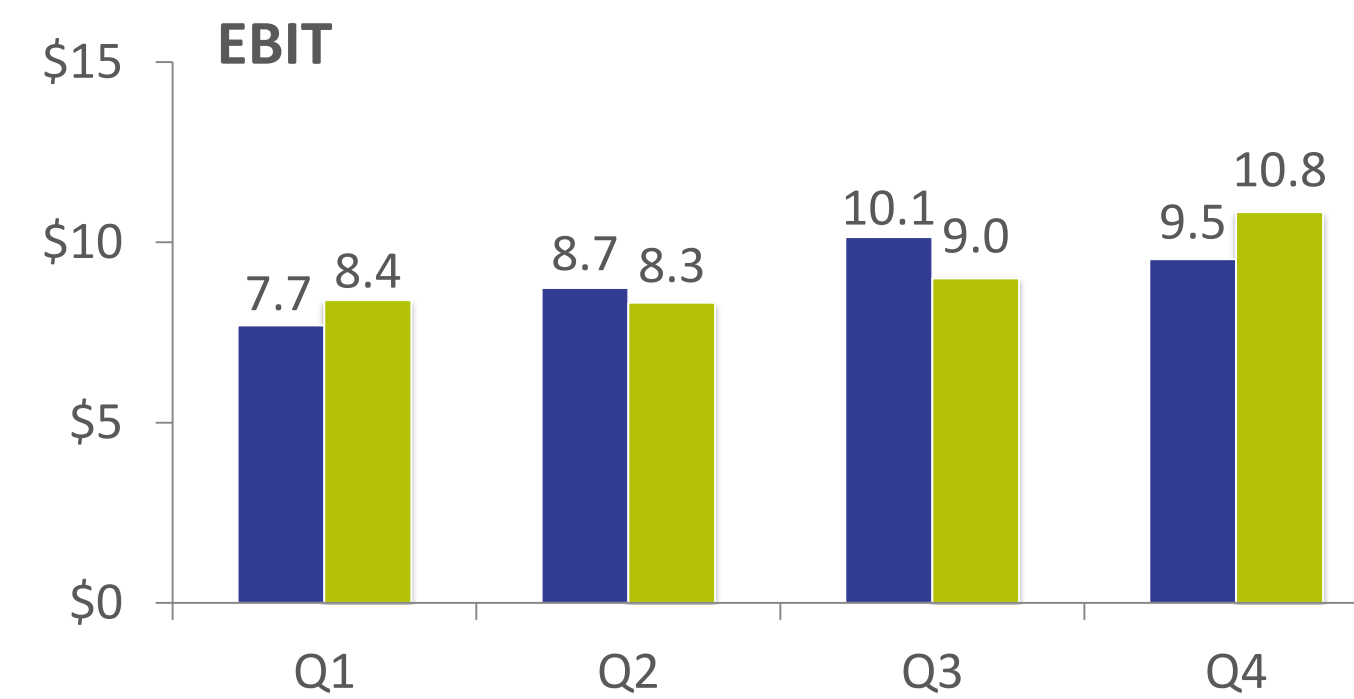
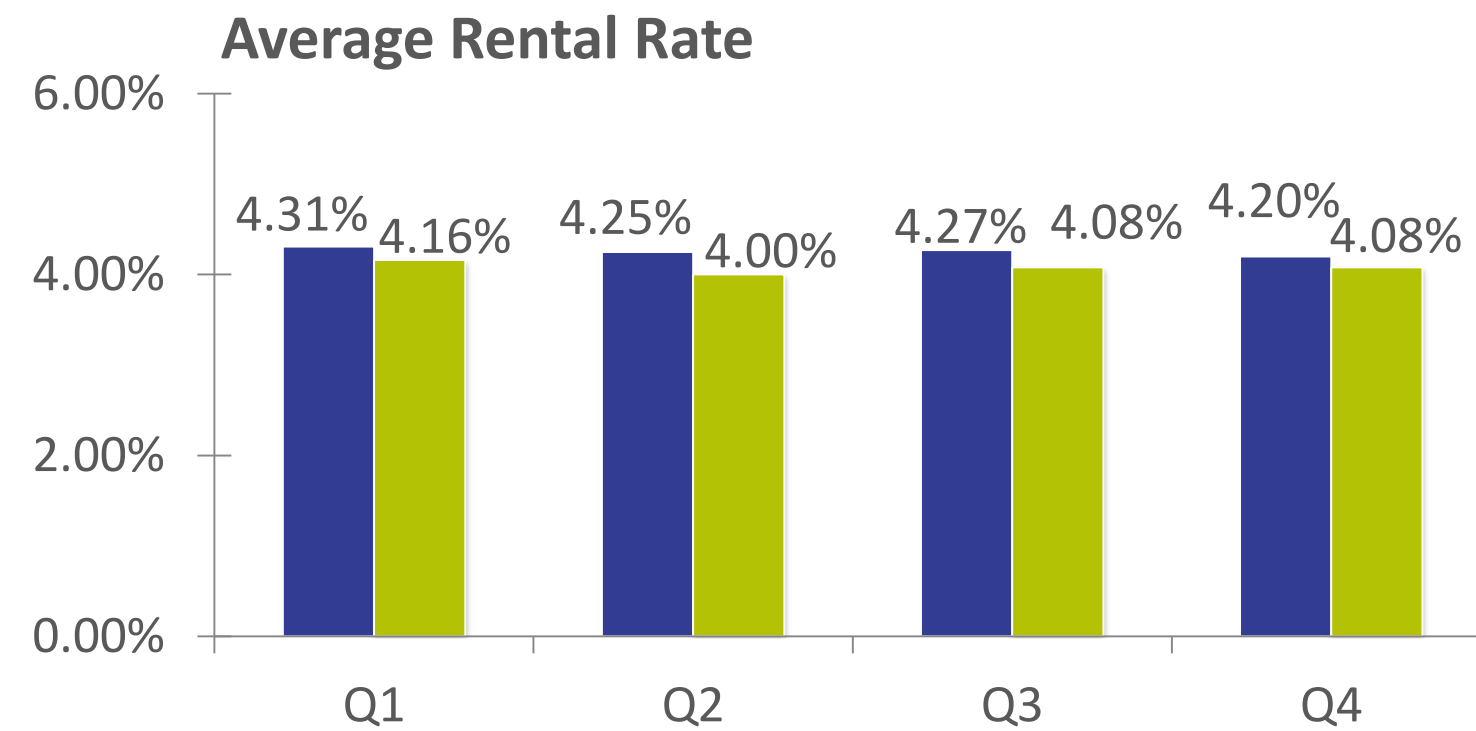
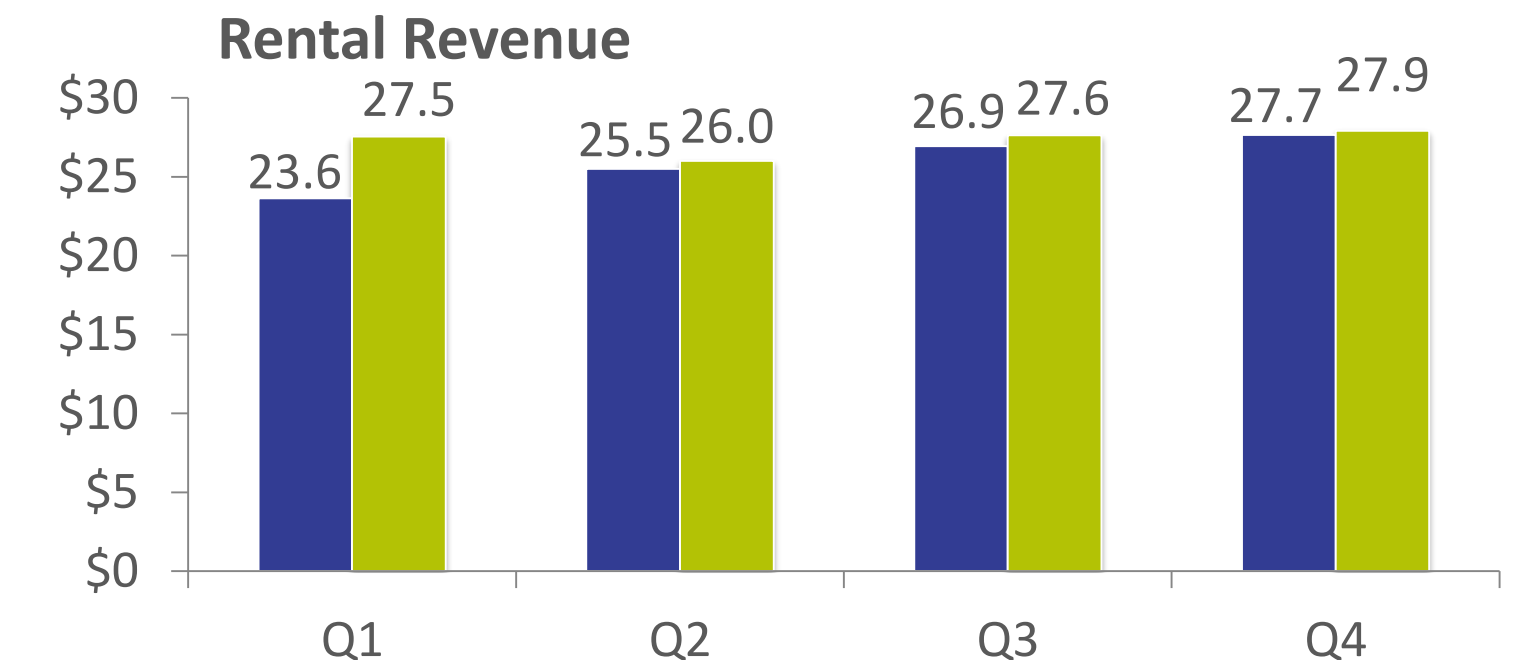
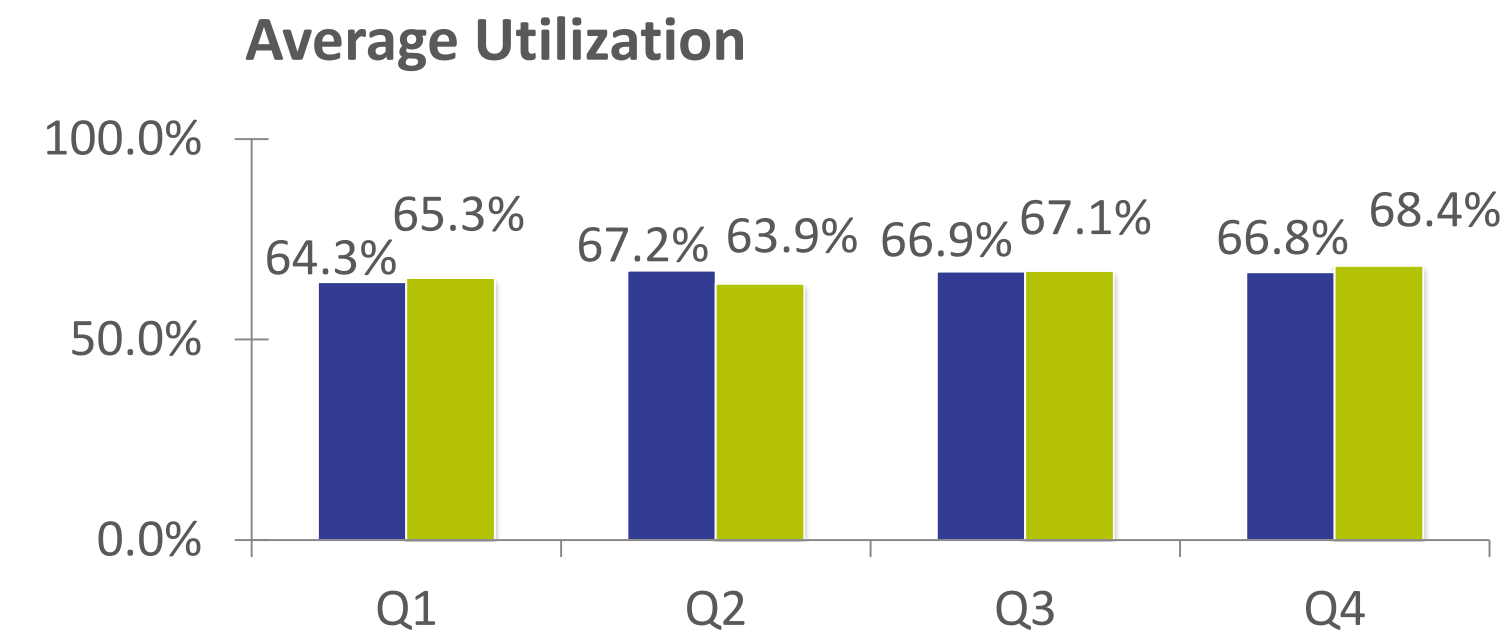
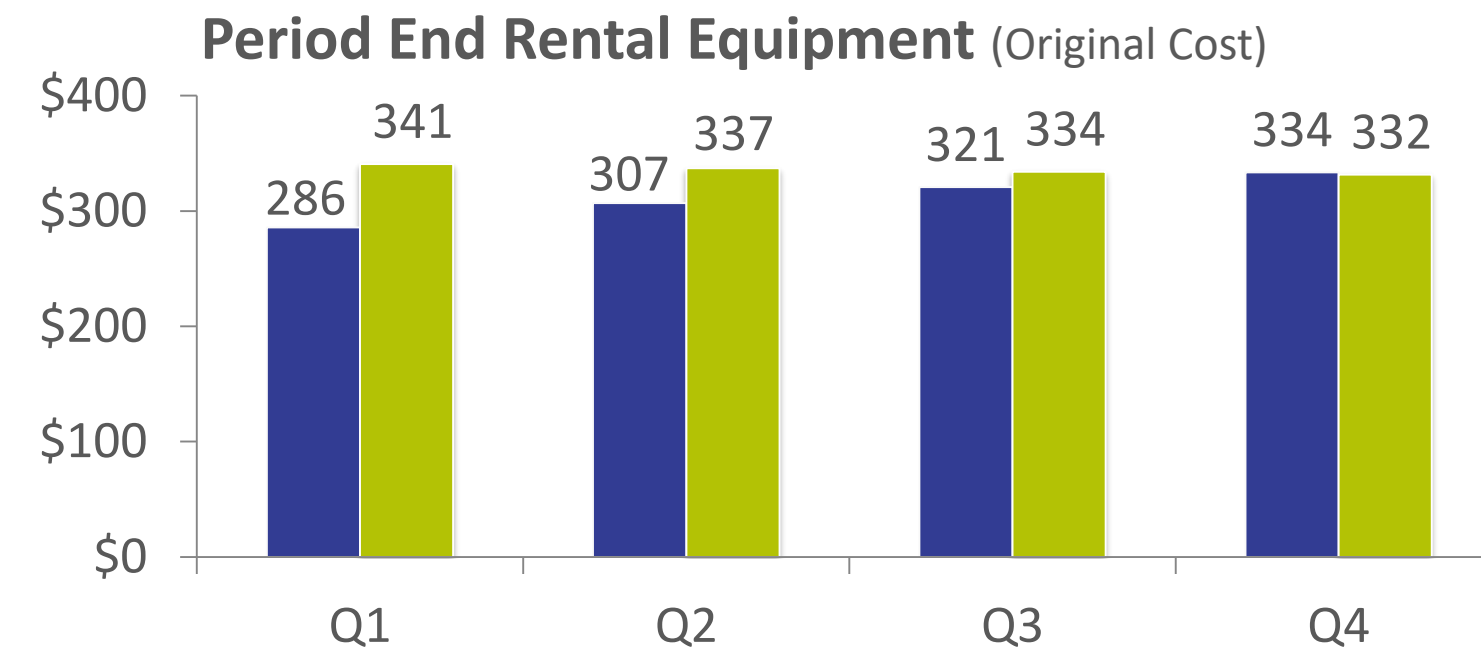


(a) Adjusted EBITDA defined on page 17



TRS-RenTelco Highlights (a)

(dollars in millions)

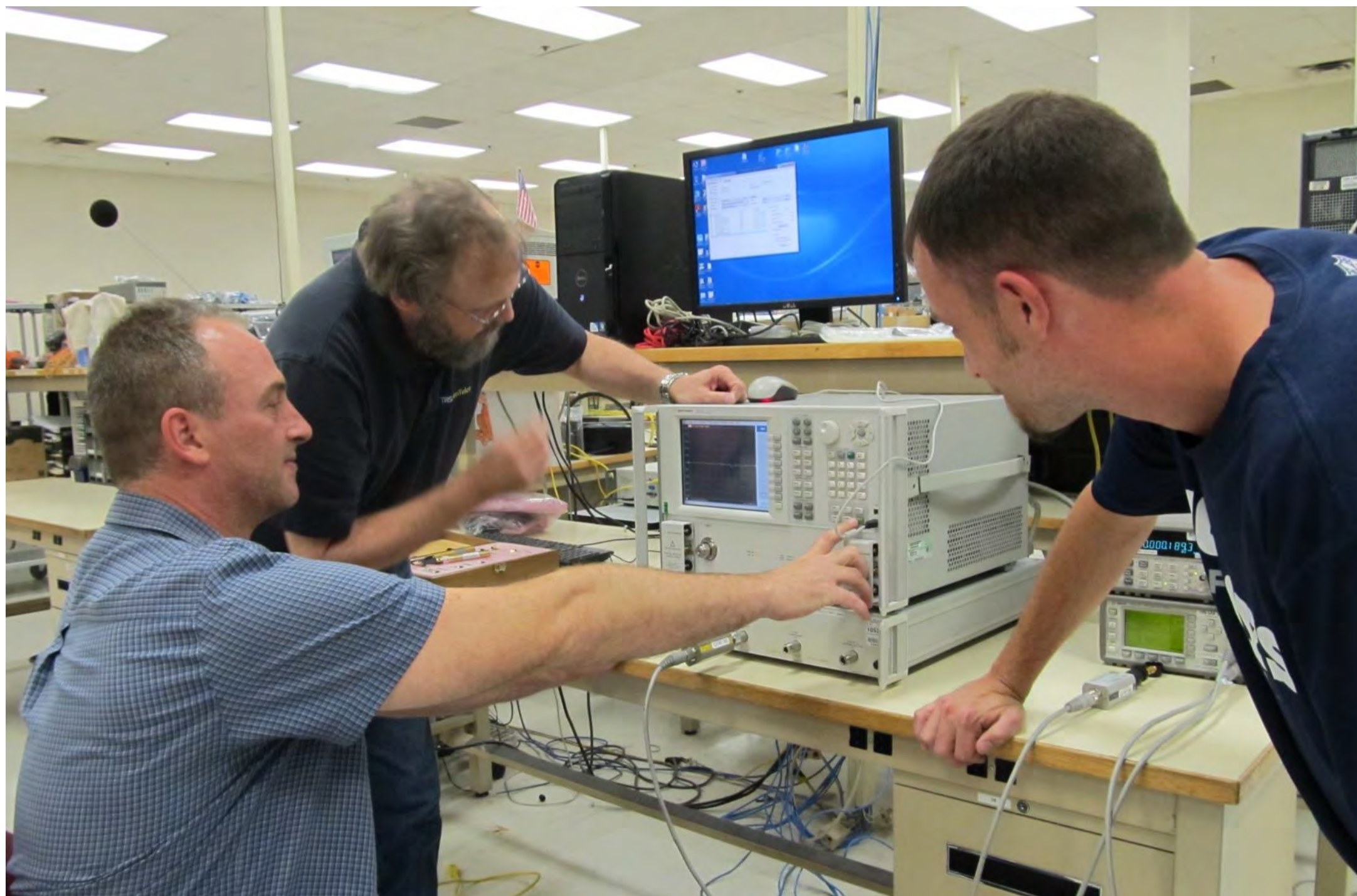


(a) See page 56 for definitions of rental equipment, utilization, and rate

■ 2019 ■ 2020

Growth Opportunities

- General Purpose market growth
- 5G network investment
- Communications segment expertise
- Market leadership focus on rental vs. distributor sales

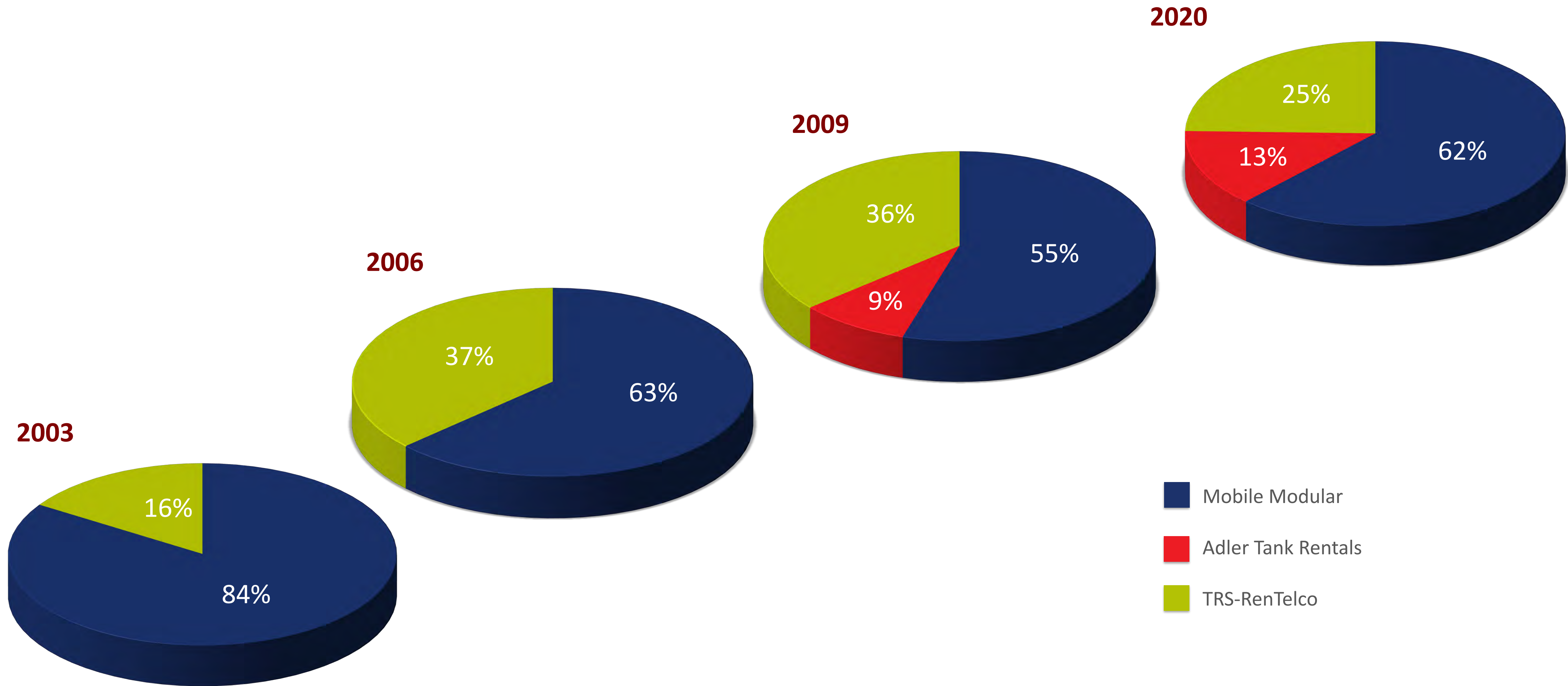


McGrath RentCorp

ADDITIONAL FINANCIAL DETAIL

McGrath RentCorp Business Mix

Total Revenues

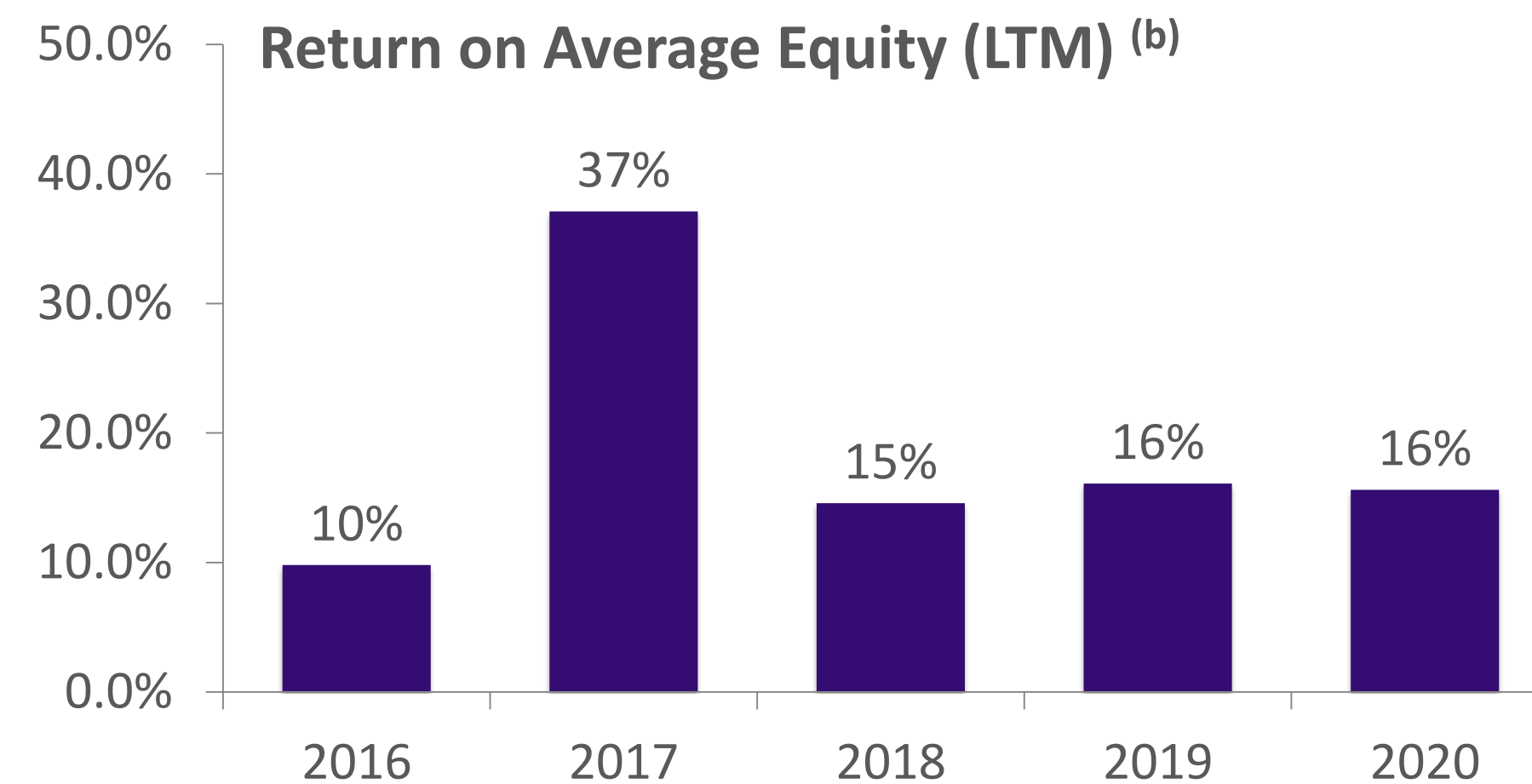
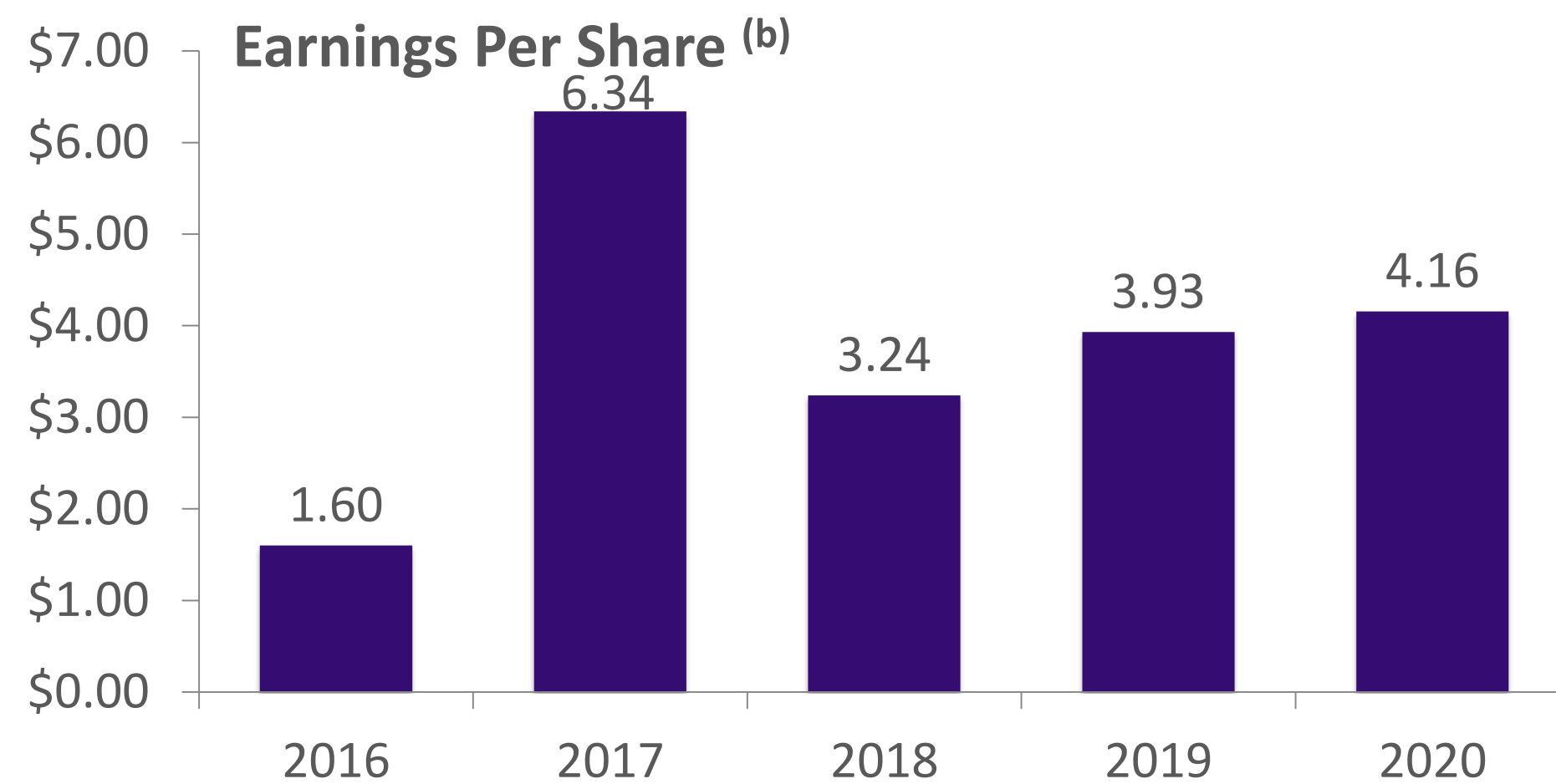
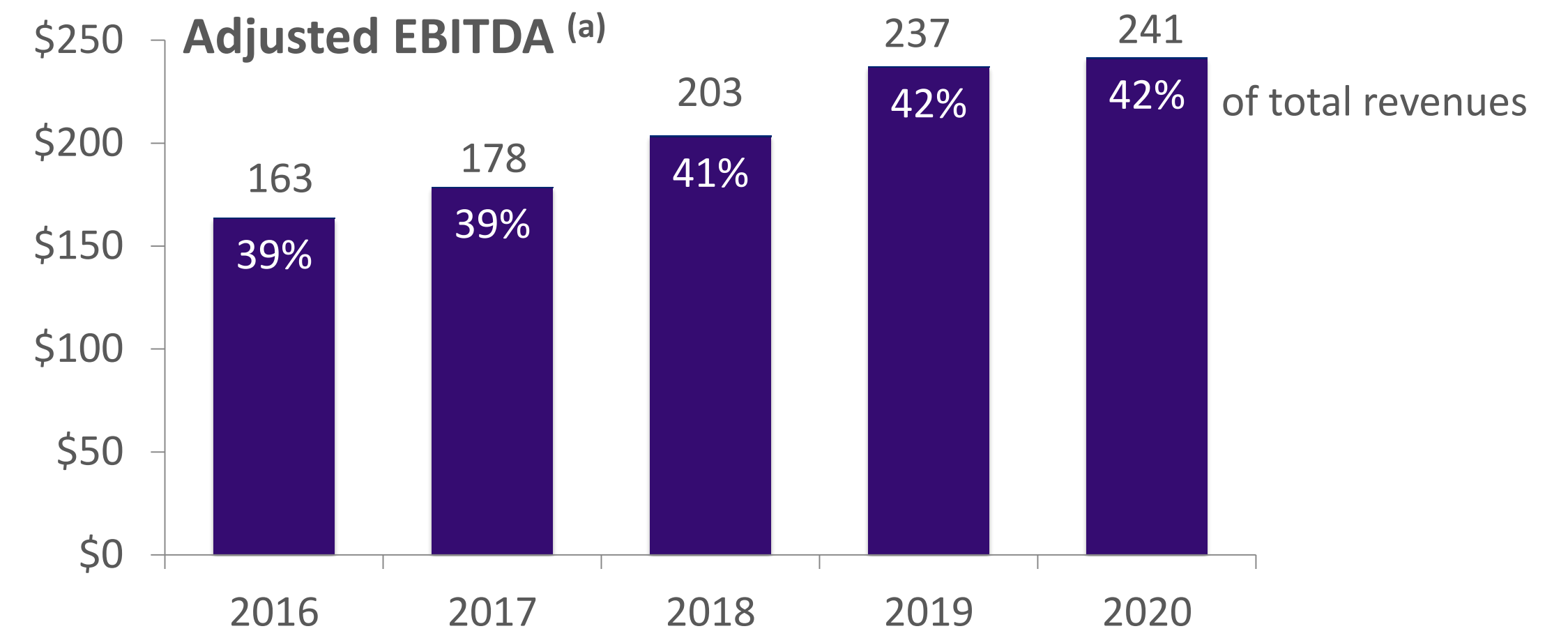
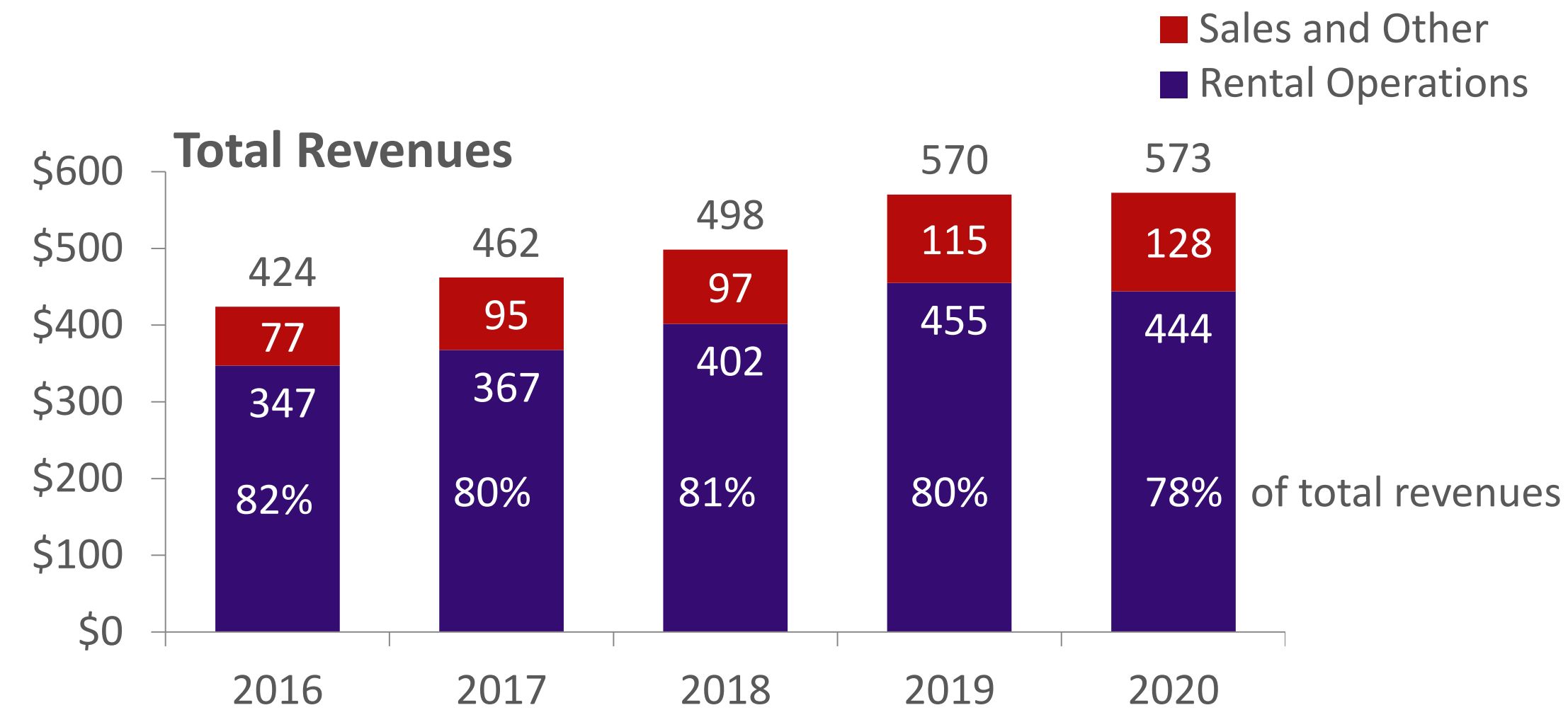


• Mobile Modular includes Mobile Modular Portable Storage and Enviroplex

Operating Results



(dollars and shares in millions except per share amounts)



(a) Adjusted EBITDA defined on page 17

(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. 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⁾

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Mobile Modular ⁽⁴⁾	67.2%	67.3%	66.7%	70.7%	75.0%	76.9%	77.3%	77.8%	79.3%	79.1%	76.0%
TRS-RenTelco	64.3%	67.1%	64.1%	58.2%	59.8%	58.7%	61.0%	61.7%	62.1%	64.5%	67.4%
Adler Tank Rentals	84.9%	79.8%	67.5%	57.7%	63.9%	49.7%	50.7%	57.5%	56.4%	48.4%	39.8%

Q418	Q119	Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q4 Y/Y	% chg
79.3%	78.9%	79.6%	79.5%	79.1%	78.3%	76.8%	76.5%	76.0%	-3.1%	-3.9%
62.1%	66.5%	67.3%	67.1%	64.5%	63.8%	65.7%	68.4%	67.4%	2.9%	4.5%
56.4%	59.2%	55.3%	51.0%	48.4%	47.0%	43.1%	45.5%	39.8%	-8.6%	-17.8%

Average Utilization ⁽¹⁾

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Mobile Modular ⁽⁴⁾	67.7%	67.1%	66.4%	68.3%	72.3%	75.8%	76.6%	76.8%	78.2%	79.2%	77.2%
TRS-RenTelco	66.0%	66.0%	65.8%	62.7%	60.4%	60.5%	60.6%	62.9%	62.7%	66.2%	66.2%
Adler Tank Rentals	76.0%	86.2%	71.5%	64.2%	62.9%	58.3%	50.1%	56.0%	59.9%	54.7%	44.6%

Q418	Q119	Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q4 Y/Y	% chg
79.2%	78.8%	79.2%	79.4%	79.3%	78.7%	77.7%	76.3%	76.2%	-3.1%	-3.9%
63.1%	64.3%	67.2%	66.9%	66.8%	65.3%	63.9%	67.1%	68.4%	1.6%	2.4%
61.0%	57.3%	57.5%	54.5%	50.0%	47.8%	44.3%	44.1%	42.6%	-7.4%	-14.8%

Average Monthly Rental Rate ⁽²⁾

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Mobile Modular ⁽⁴⁾	2.07%	1.97%	1.90%	1.84%	1.86%	1.91%	1.96%	2.07%	2.24%	2.41%	2.47%
TRS-RenTelco	4.26%	4.66%	4.83%	5.09%	5.20%	4.62%	4.45%	4.35%	4.33%	4.26%	4.08%
Adler Tank Rentals	3.84%	3.63%	3.50%	3.50%	3.39%	3.22%	3.17%	3.10%	3.13%	3.29%	3.21%

Q418	Q119	Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q4 Y/Y	% chg
2.33%	2.30%	2.39%	2.45%	2.51%	2.46%	2.43%	2.48%	2.49%	0.0%	-0.8%
4.45%	4.31%	4.25%	4.27%	4.20%	4.16%	4.00%	4.08%	4.08%	-0.1%	-2.9%
3.22%	3.13%	3.31%	3.34%	3.39%	3.23%	3.10%	3.21%	3.25%	-0.1%	-4.1%

Period End Rental Equipment ⁽³⁾ - (dollars in millions)

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Mobile Modular ⁽⁴⁾	496.7	516.3	534.2	564.9	635.4	706.2	744.1	746.9	775.5	814.4	836.5
TRS-RenTelco	249.8	258.4	266.5	267.2	260.7	262.0	245.7	261.6	283.9	333.6	331.5
Adler Tank Rentals	129.1	193.9	248.9	278.6	299.5	307.6	306.7	308.9	312.2	315.0	314.4

Q418	Q119	Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q4 Y/Y	% chg
775.5	781.4	792.2	812.5	814.4	819.2	825.1	832.6	836.5	22.2	2.7%
283.9	285.8	306.7	320.7	333.6	340.8	337.2	334.1	331.5	(2.1)	-0.6%
312.2	313.3	313.7	314.8	315.0	314.6	314.9	314.8	314.4	(0.5)	-0.2%

⁽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

Financing Summary



(dollars in millions)

		Year Ended December 31,																					
		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020	
Total Debt	\$	266	\$	297	\$	302	\$	290	\$	322	\$	381	\$	326	\$	303	\$	299	\$	293	\$	223	
Adjusted EBITDA ^(a)	\$	132	\$	161	\$	158	\$	161	\$	171	\$	164	\$	163	\$	178	\$	203	\$	237	\$	241	
Funded Debt to EBITDA		2.01		1.84		1.91		1.81		1.89		2.32		2.00		1.70		1.47		1.24		0.92	
Available Debt Capacity	\$	101	\$	159	\$	228	\$	240	\$	228	\$	209	\$	246	\$	249	\$	233	\$	239	\$	309	

^(a) Adjusted EBITDA defined on page 17

Financial Data

Capital Expenditures



(dollars in millions)

		Year Ended December 31,																					
		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020	
Mobile Modular	\$	23	\$	34	\$	21	\$	53	\$	83	\$	80	\$	43	\$	35	\$	63	\$	75	\$	39	
TRS-RenTelco		42		55		52		53		45		44		31		59		65		90		43	
Adler Tank Rentals		52		69		56		31		21		9		1		5		5		5		3	
Total Rental Equipment ^(a)		118		158		129		137		149		133		75		98		134		170		84	
Proceeds from used equipment sales		(29)		(28)		(31)		(33)		(33)		(26)		(29)		(38)		(42)		(44)		(47)	
Net Rental Equipment Capital		89		129		98		103		116		107		45		60		92		126		37	
PP&E		12		17		14		12		13		9		11		15		16		12		14	
Total Capital Expenditures	\$	101	\$	147	\$	112	\$	115	\$	129	\$	116	\$	56	\$	74	\$	108	\$	138	\$	51	

^(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,										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues											
Rental	\$ 201	\$ 235	\$ 248	\$ 256	\$ 270	\$ 274	\$ 271	\$ 289	\$ 319	\$ 354	\$ 352
Rental Related Services	35	39	47	53	64	73	76	78	83	101	92
Rental Operations	235	274	295	309	334	347	347	367	402	455	444
Sales	54	66	66	68	72	55	74	92	93	110	125
Other	2	2	2	2	2	2	2	3	4	5	4
Total Revenues	291	343	364	380	408	405	424	462	498	570	573
Costs and Expenses											
Direct Costs of Rental Operations											
Depreciation of Rental Equipment	56	60	64	68	73	75	72	70	73	80	86
Rental Related Services	27	31	37	40	49	57	59	60	64	76	68
Other	40	40	46	55	57	59	60	65	69	79	74
Total Direct Costs of Rental Operations	123	131	147	163	178	191	191	195	206	236	228
Costs of Sales	38	45	49	47	47	37	49	60	59	68	81
Total Costs	161	176	196	210	226	228	240	256	265	304	309
Gross Margin	131	167	168	169	182	177	184	206	233	266	264
Selling and Administrative	66	78	86	89	97	100	105	112	116	125	123
Income from Operations	65	89	82	80	85	77	79	95	117	141	141
Interest	(6)	(8)	(9)	(9)	(9)	(10)	(12)	(12)	(12)	(12)	(9)
Gain on sale of property, plant and equipment	-	-	-	-	1	-	-	-	-	-	-
Foreign currency exchange gain (loss)	-	-	0	(0)	(0)	(0)	(0)	0	(0)	0	0
Income before Provision for Income Taxes	59	81	73	71	77	66	67	83	105	129	132
Provision for Income Taxes	23	31	28	28	31	26	29	(70)	25	32	30
Net Income ⁽¹⁾	36	50	45	43	46	40	38	154	79	97	102
Earnings per share: ⁽¹⁾											
Diluted	\$ 1.50	\$ 2.00	\$ 1.78	\$ 1.67	\$ 1.75	\$ 1.59	\$ 1.60	\$ 6.34	\$ 3.24	\$ 3.93	\$ 4.16
Shares used in Per Share Calculation:											
Diluted	24.3	24.8	25.2	25.9	26.2	25.5	24.0	24.3	24.5	24.6	24.5
EBITDA	\$ 132	\$ 161	\$ 158	\$ 161	\$ 171	\$ 164	\$ 163	\$ 178	\$ 203	\$ 237	\$ 241

⁽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

Financial Data

Consolidated Balance Sheet Highlights



(dollars in millions)

As of December 31,		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020
Rental Equipment, at cost																						
Relocatable modular buildings	\$	515	\$	539	\$	551	\$	592	\$	664	\$	737	\$	769	\$	775	\$	817	\$	869	\$	882
Electronic test equipment		250		259		267		268		262		263		246		262		285		335		333
Liquid and solid containment tanks and boxes		133		201		255		284		303		310		309		310		314		316		316
Total Rental Equipment at cost		898		999		1,073		1,144		1,230		1,310		1,324		1,348		1,416		1,520		1,531
Rental Equipment, net book value																						
Relocatable modular buildings		369		384		385		415		475		529		544		544		572		610		612
Electronic test equipment		98		106		108		110		105		102		90		109		131		172		157
Liquid and solid containment tanks and boxes		124		184		226		242		246		238		222		209		198		185		170
Total NBV Rental Equipment		592		673		719		767		826		870		856		862		901		968		938
Total Assets		814		919		972		1,028		1,116		1,153		1,128		1,148		1,217		1,310		1,276
Notes Payable		266		297		302		290		322		381		326		303		299		293		223
Total Liabilities		519		586		608		627		692		773		734		624		646		676		593
Shareholder Equity		295		333		365		401		425		380		394		524		572		634		683
Debt (Total Liabilities) to Equity		1.76		1.76		1.67		1.56		1.63		2.04		1.86		1.19		1.13		1.07		0.87
Debt (Notes Payable) to Equity		0.90		0.89		0.83		0.72		0.76		1.00		0.83		0.58		0.52		0.46		0.33
Funded Debt to EBITDA		2.01		1.84		1.91		1.81		1.89		2.32		2.00		1.70		1.47		1.24		0.92
EBITDA		132		161		158		161		171		164		163		178		203		237		241

- On April 1, 2020, we announced the renewal of our \$420 million credit facility with a syndicate of banks. This five-year facility matures on March 31, 2025.
- On April 3, 2020, we announced that we entered into an amended and restated \$250 million note purchase and private shelf agreement, with Prudential Private Capital. The new agreement allows for the issuance of up to an additional \$150 million of senior notes, on terms to be determined at such time that any additional notes are issued.
- \$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.
- On October 1, 2020 we entered into a rate lock agreement with Prudential Private Capital, pursuant to which, we agreed to a fixed interest rate of 2.57% for future issuance, if any, of senior unsecured notes in the aggregate amount of \$40.0 million with a 7-year maturity.

Financial Data

Consolidated Cash Flow



(dollars in millions)

	Year Ended December 31,										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sources of Cash:											
Cash Flow from Operating Activities	\$ 101	\$ 129	\$ 126	\$ 134	\$ 123	\$ 144	\$ 141	\$ 122	\$ 143	\$ 188	\$ 181
Proceeds from Sales of Used Equipment	29	28	31	33	33	26	29	38	42	44	47
Proceeds from Exercise of Stock Options	9	6	7	16	4	2	0	-	-	-	-
Total Cash Available	\$ 138	\$ 164	\$ 164	\$ 183	\$ 159	\$ 173	\$ 170	\$ 161	\$ 184	\$ 232	\$ 228
Uses of Cash:											
Purchases of Rental Equipment	(123)	(155)	(132)	(133)	(152)	(131)	(79)	(95)	(123)	(168)	(86)
Acquisitions	(0)	(0)	(0)	(0)	-	-	-	-	(8)	(8)	-
Other Capital Investments	(12)	(17)	(14)	(12)	(13)	(9)	(11)	(15)	(16)	(12)	(14)
Repurchase of Common Stock	-	-	-	-	-	(64)	-	-	-	-	(14)
Taxes Paid on Stock Awards	-	-	(0)	(2)	(4)	(2)	(1)	(2)	(3)	(3)	(4)
Payment of Dividends	(21)	(22)	(23)	(24)	(26)	(26)	(24)	(25)	(31)	(36)	(40)
Total Uses of Cash	(156)	(194)	(169)	(171)	(194)	(232)	(115)	(136)	(180)	(226)	(158)
Net Payments (Borrowings) under Bank Lines	(18)	(31)	(5)	12	(35)	(59)	55	25	4	6	70
Net increase (decrease)	(0)	0	0	0	(0)	(0)	(0)	2	(1)	1	(1)
Cash, beginning of period	1	1	1	2	2	1	1	1	3	2	2
Cash, end of period	1	1	2	2	1	1	1	3	2	2	1
Calculation of Free Cash Flow											
Cash Flow from Operating Activities	101	129	126	134	123	144	141	122	143	188	181
Purchases of Rental Equipment	(123)	(155)	(132)	(133)	(152)	(131)	(79)	(95)	(123)	(168)	(86)
Acquisitions	(0)	(0)	(0)	(0)	-	-	-	-	(8)	(8)	-
Other Capital Investments	(12)	(17)	(14)	(12)	(13)	(9)	(11)	(15)	(16)	(12)	(14)
Proceeds from Sales of Used Equipment	29	28	31	33	33	26	29	38	42	44	47
Free Cash Flow	(6)	(14)	11	22	(9)	30	81	52	38	45	128




Notes Payable	266	297	302	290	322	381	326	303	299	293	223
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Funded Debt to EBITDA	2.01	1.84	1.91	1.81	1.89	2.32	2.00	1.70	1.47	1.24	0.92
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- 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.
- During the twelve months ended December 31, 2020, the Company repurchased 282,221 shares of common stock for an aggregate purchase price of \$13.6 million, or an average price of \$48.25 per repurchased share.
- As of December 31, 2020, 1,309,805 shares remain authorized for repurchase.

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

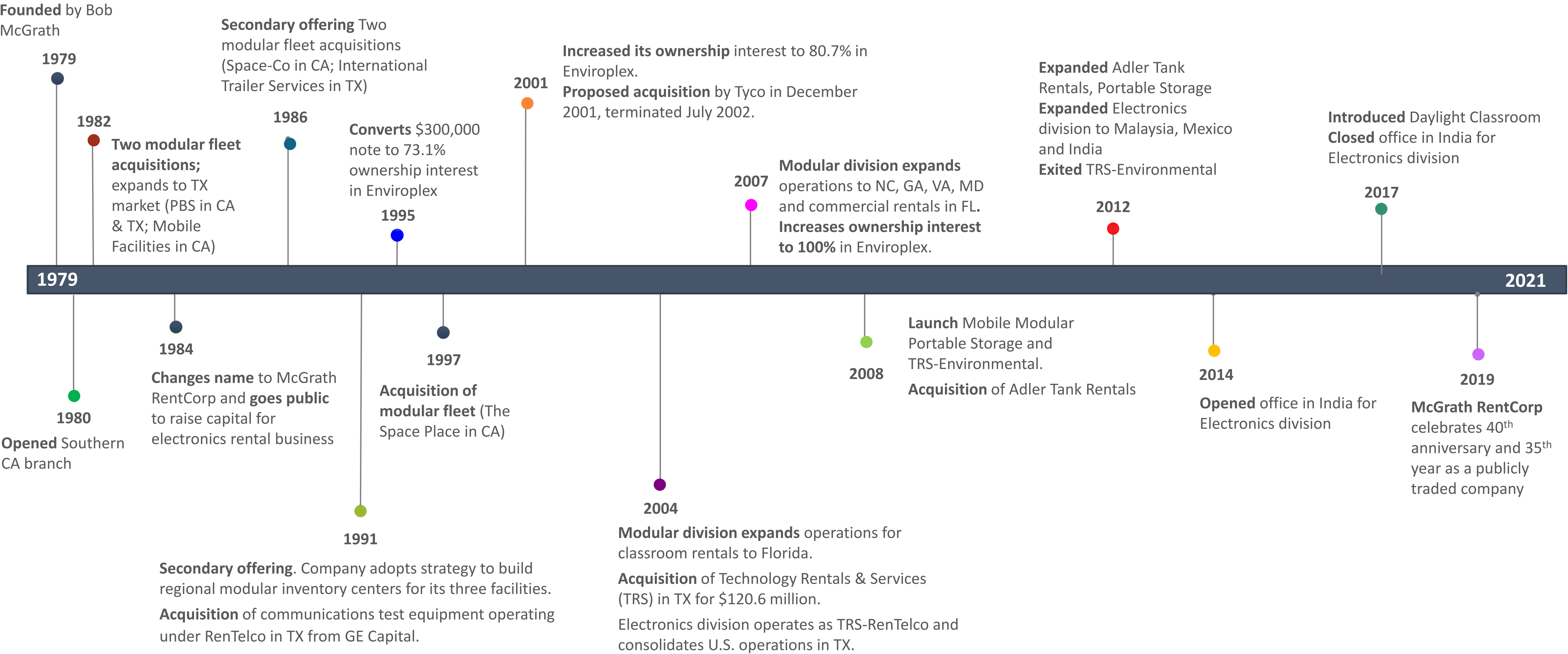
Rental: (8 mths. x \$400)	\$ 3,200
Rental Related Services	\$ 100
Total Revenues	\$ 3,300

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



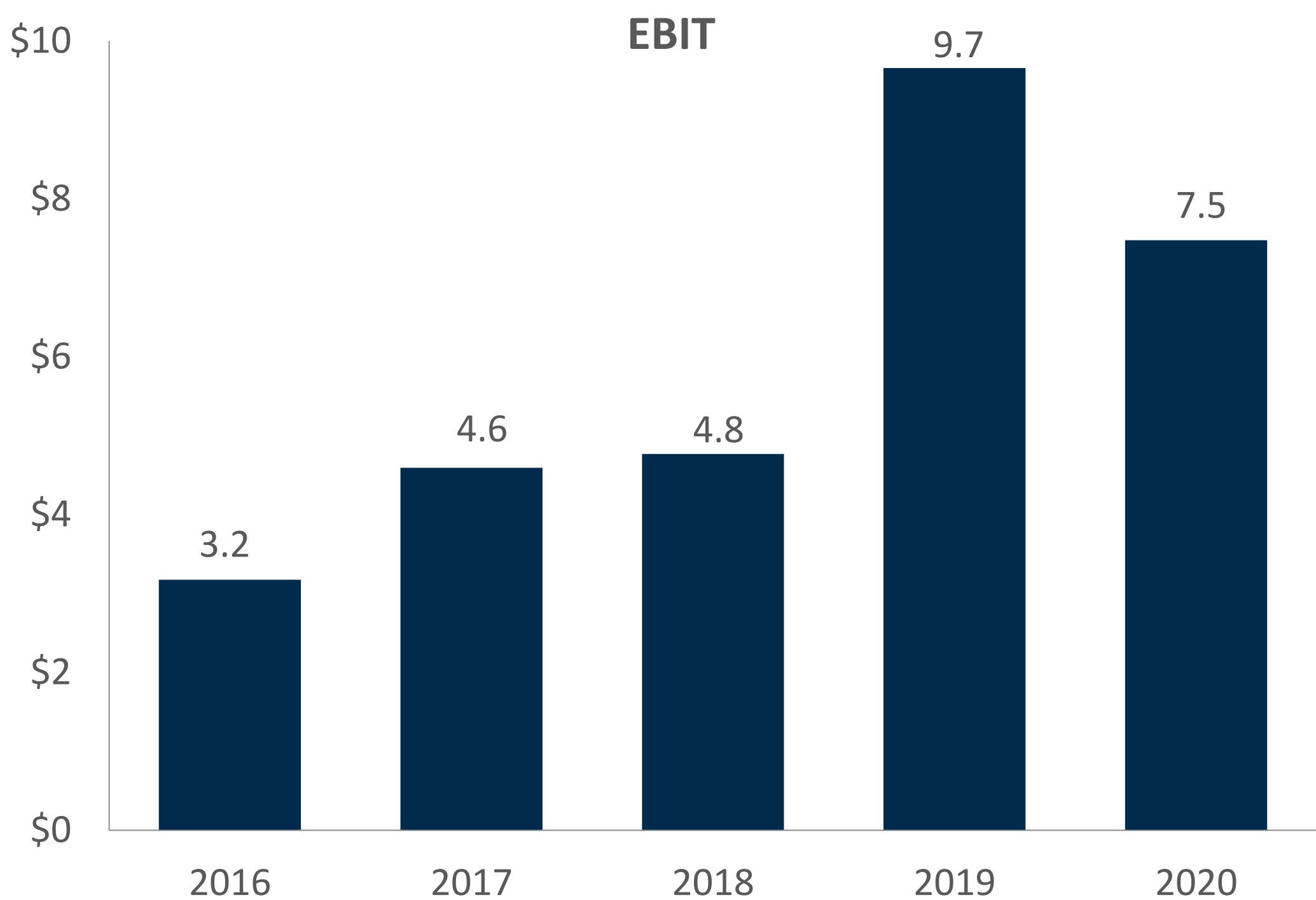
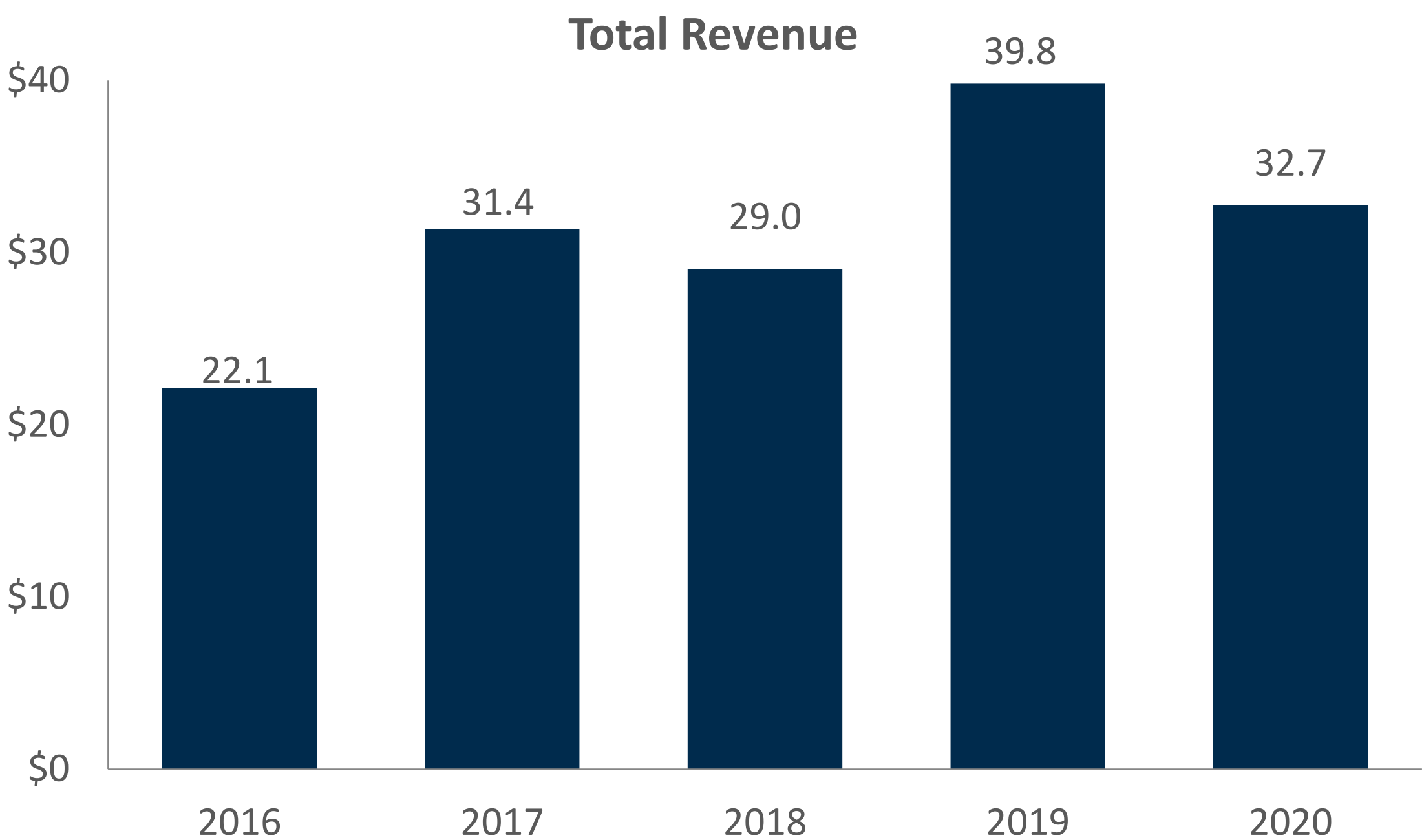
McGrath RentCorp

ADDITIONAL DETAIL – ENVIROPLEX

Manufacturer of High Performance Classrooms



(dollars in millions)



Manufacturer of High Performance Classrooms

Northern California - Stockton



Classroom Interior – 2,880 sq. ft.



Administrative Building – 2,000 sq. ft.



Childcare Center – 9,360 sq. ft.



2 Story School Building – 21,500 sq. ft.



Childcare Center – 6,720 sq. ft.

