

**McGRATH**<sup>TM</sup>

OCTOBER 24, 2024

*Q3 2024 Quarterly Investor Presentation*



## Safe Harbor

Statements contained in this presentation are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, regarding McGrath's (the "Company's") expectations, strategies, prospects or targets are forward-looking statements. These forward-looking statements also can be identified by use of forward-looking terminology such as "anticipates," "believes," "continues," "could," "estimates," "expects," "intends," "may," "plan," "predict," "project," or "will," or the negative of these terms or other comparable terminology.

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 including: health of the education and commercial markets in our modular building division; unforeseen liabilities and integration challenges associated with the Vesta, Brekke Storage, Dixie Storage and Inland Storage acquisitions; any adverse impact of the termination of the merger with WillScot Mobile Mini; competition within the modular business; the activity levels in the semiconductor and general purpose and communications test equipment markets at TRS-RenTelco; the activity levels in commercial construction projects and impact on Portable Storage segment; continued execution of our strategic performance improvement initiatives; our ability to successfully increase prices to offset cost increases; and our ability to effectively manage our rental assets, as well as the other factors 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 and are based on management's reasonable assumptions; however, these assumptions can be wrong or affected by known or unknown risks and uncertainties. No forward-looking statement can be guaranteed, and subsequent facts or circumstances may contradict, obviate, undermine or otherwise fail to support or substantiate such statements. Readers should not place undue reliance on these forward-looking statements and are cautioned that any such forward-looking statements are not guarantees of future performance. Except as otherwise required by law, we are under no duty to update any of the forward-looking statements after the date of this presentation to conform such statements to actual results or to changes in our expectations.

*September 18, 2024*

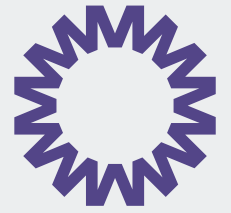
# McGrath Confirms Agreement to Terminate Pending Merger with WillScot McGrath to receive \$180 million termination fee from WillScot

<sup>1</sup>. January 29, 2024 WillScot Mobile Mini to Acquire McGrath for \$3.8 Billion

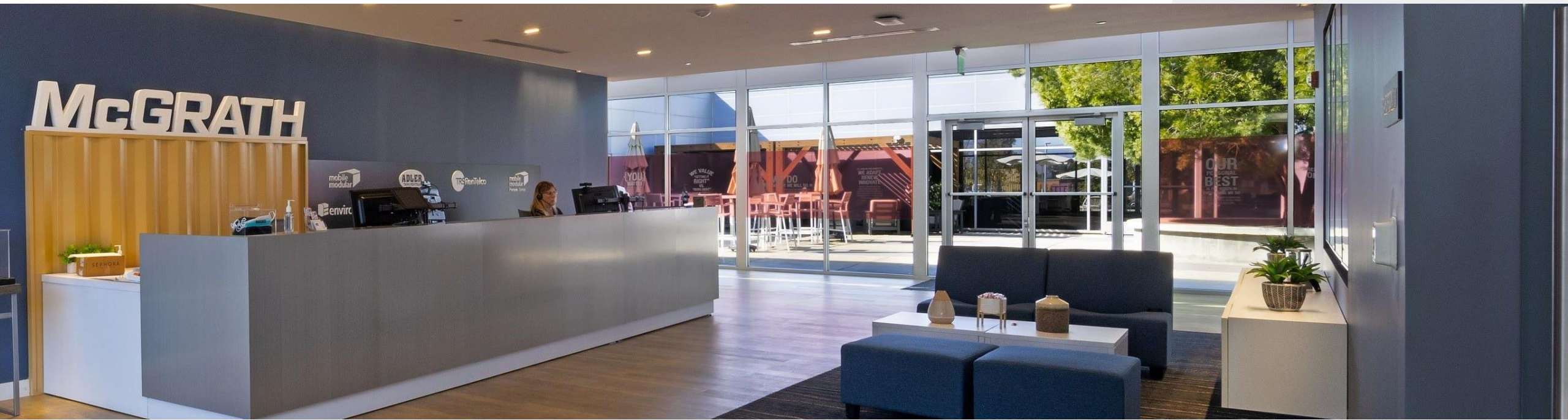
<sup>2</sup>. Please refer to January 29, 2024 8-K filings, February 21, 2024 10-K, April 8, 2024 preliminary S-4 registration statement and special proxy, June 10, 2024 definitive proxy, and the September 18, 2024 8-K filings for additional information regarding the transaction and termination



# McGrath Overview



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# Uniquely McGrath



<sup>(a)</sup> Full year 2023

<sup>(b)</sup> Adjusted EBITDA defined on page 14

<sup>(c)</sup> Based on 1984 IPO through 12/31/23 assuming reinvestment of dividends

# McGrath Snapshot Q3 2024

TOTAL REVENUES

**\$267M**

DIVERSE CUSTOMER BASE

**~22,000**

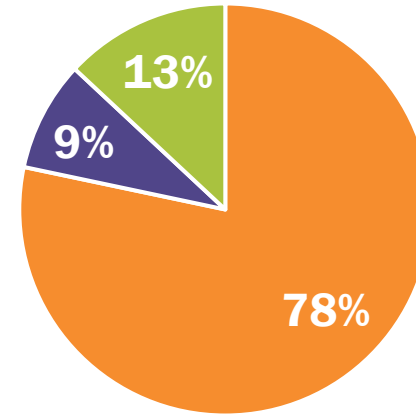
MARKET CAP <sup>(1)</sup>

**~\$2.6B**

EMPLOYEES

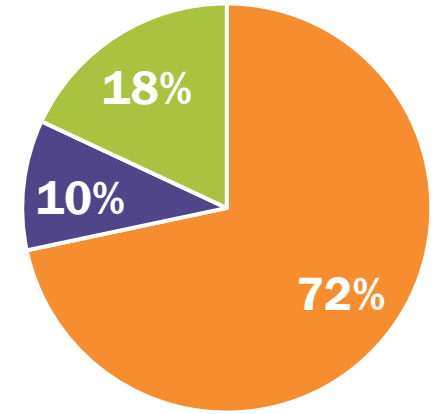
**~1,200**

Total Revenues \$267M



■ Mobile Modular <sup>(2)</sup> ■ Portable Storage  
■ TRS-RenTelco

Total Adjusted EBITDA <sup>(3)</sup> \$104M



■ Mobile Modular <sup>(2)</sup> ■ Portable Storage  
■ TRS-RenTelco

<sup>(1)</sup> As of 10/23/24

<sup>(2)</sup> Mobile Modular includes Kitchens To Go and Enviroplex

<sup>(3)</sup> Adjusted EBITDA defined on page 14

# Mobile Modular



## POSITIONING:

A leading modular provider in North America

## PRODUCTS:

Office buildings and complexes, classrooms

## COVERAGE:

Mobile Modular: servicing 35 states

QUARTERLY REVENUES (Q3-24)

**\$191M**

RENTAL EQUIPMENT

(AT 9/30/24 OAC <sup>(1)</sup>)

**\$1,398M**

RENTAL FLEET (units)

**~43,000**

<sup>(1)</sup> Original Acquisition Cost



# Portable Storage



## POSITIONING:

A leading portable storage provider in North America

## PRODUCTS:

Portable storage containers, portable office, office and storage combos

## COVERAGE:

Portable Storage: servicing 28 states

<sup>(1)</sup> Original Acquisition Cost

## QUARTERLY REVENUES (Q3-24)

**\$23M**

## RENTAL EQUIPMENT

(AT 9/30/24 OAC <sup>(1)</sup>)

**\$242M**

## RENTAL FLEET (units)

**~42,000**





**POSITIONING:**

A leading provider in North America

**PRODUCTS:**

General purpose and communications test equipment

**COVERAGE:**

Serving customers in North America and selectively overseas

<sup>(1)</sup> Original Acquisition Cost

**QUARTERLY REVENUES (Q3-24)**

**\$35M**

**RENTAL EQUIPMENT**  
(AT 9/30/24 OAC <sup>(1)</sup>)

**\$357M**

**RENTAL FLEET (units)**

**~23,000**

# Company Priorities

## **STRATEGIC GROWTH:**

- Centered on our largest and highest-growth business segment – Modulars
- Increasing geographic coverage
- Wider services solutions to customers – Mobile Modular Plus, Site Related Services, Custom Modular Solutions

## **DISCIPLINED CAPITAL ALLOCATION:**

- Strong balance sheet and cash flow generation
- Organic investments and acquisitions to deploy growth capital

## **SHAREHOLDER VALUE FOCUS:**

- Dividend Champion – Dividend increases for 33 years
- Share repurchases – 2 million shares authorized for repurchase (9/18/24)

# Corporate Responsibility & Values



- We take corporate social responsibility and fundamental good corporate citizenship seriously at McGrath
- Visit our corporate responsibility site for additional environmental sustainability, social responsibility and governance (ESG) information: <https://investors.mgrc.com/corporate-responsibility>

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

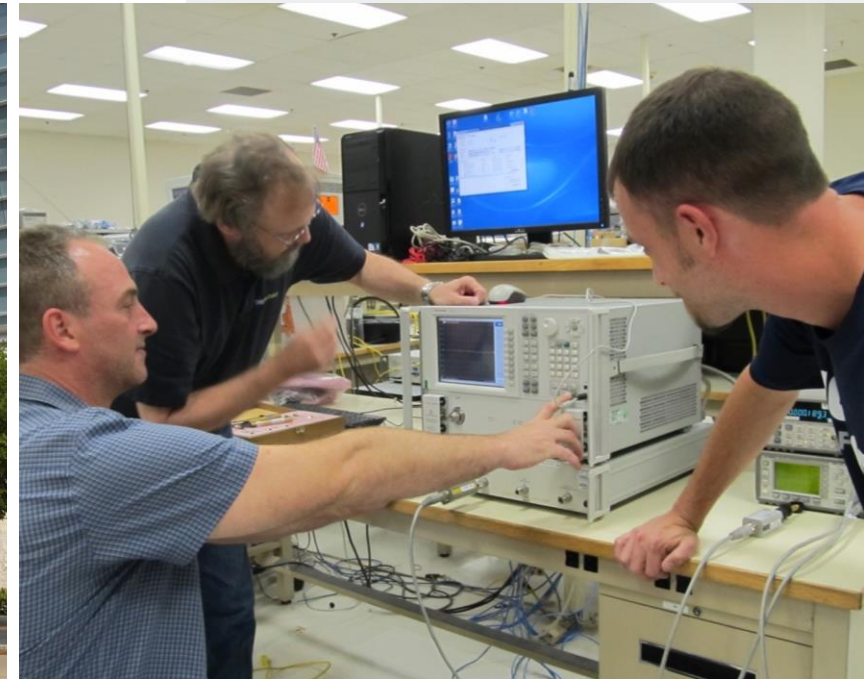
– Joe Hanna, President and CEO.



# Financial Highlights



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## Q3 2024 Quarterly Highlights – (Year Over Year)

### ■ Strong McGrath results

- Total revenues \$266.8M (+10%)
- Adjusted EBITDA \$104.0M (+13%)

### ■ Impressive Mobile Modular performance

- Total revenues \$191.4M (+13%)
- Adjusted EBITDA \$71.4M (+23%)
- Growth across commercial and education customer bases

### ■ Good progress with Mobile Modular strategic growth initiatives

- Revenue per unit on rent up 18% and revenue per new unit shipped up 16% (on LTM basis)\*
- Growing contributions from Mobile Modular Plus, Site Related Services and Custom Modular Solutions

### ■ Portable Storage rental revenues decreased 11%

- Weaker demand conditions primarily a result of lower commercial construction project activity
- Reduced new rental equipment purchases and focused on disciplined cost management

### ■ TRS-RenTelco rental revenues decreased 10%

- Continued end market demand weakness
- Reduced fleet size by selling rental equipment and reducing new rental equipment purchases

\* See page 27 for Mobile Modular pricing highlights

# Operating Results

(dollars in millions)

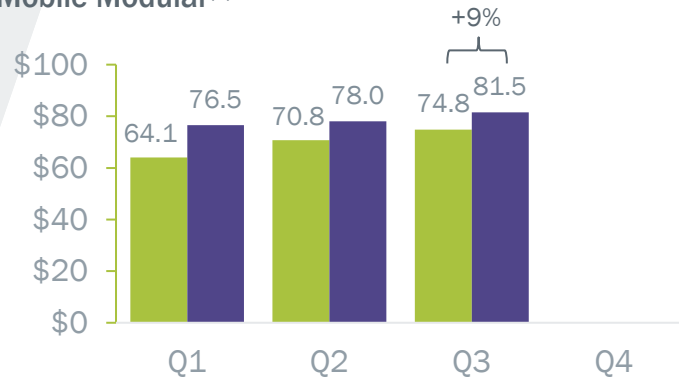
	Nine months ended September 30			Three months ended September 30		
	2024	2023	Change	2024	2023	Change
Rental Revenue	365.7	350.8	4%	124.2	122.7	1%
Rental Related Services	111.6	101.5	10%	47.7	40.5	18%
Sales	182.0	148.6	22%	92.5	77.1	20%
Other	7.9	9.4	-17%	2.3	3.2	-27%
Total Revenue	667.2	610.3	9%	266.8	243.5	10%
Gross Profit	320.7	283.5	13%	124.0	111.5	11%
Adjusted EBITDA <sup>(a)</sup>	259.7	230.5	13%	104.0	91.8	13%

<sup>(a)</sup> The Company defines Adjusted EBITDA as net income before interest expense, provision for income taxes, depreciation, amortization, non-cash impairment costs, share-based compensation and transaction costs. 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 SEC filings.

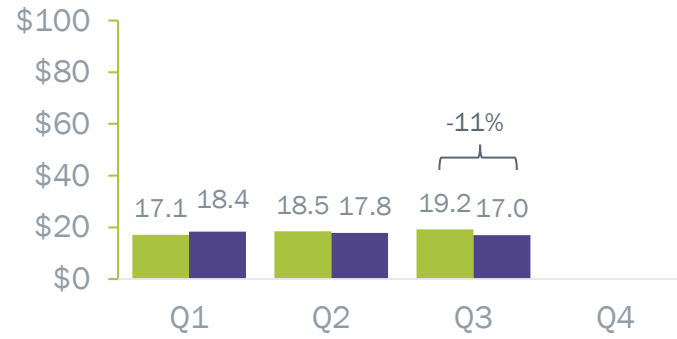
# Rental Revenue

## Quarterly Comparison (2023 - 2024)

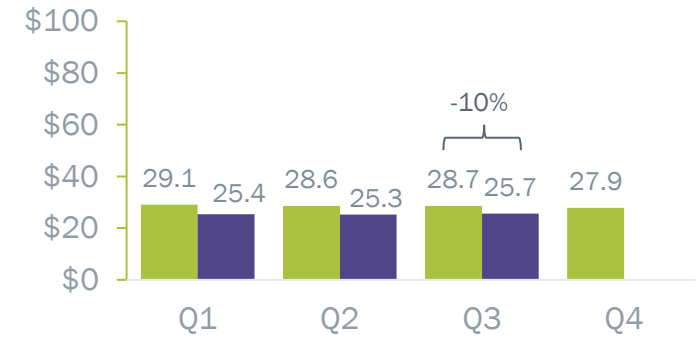
Mobile Modular<sup>(a)</sup>



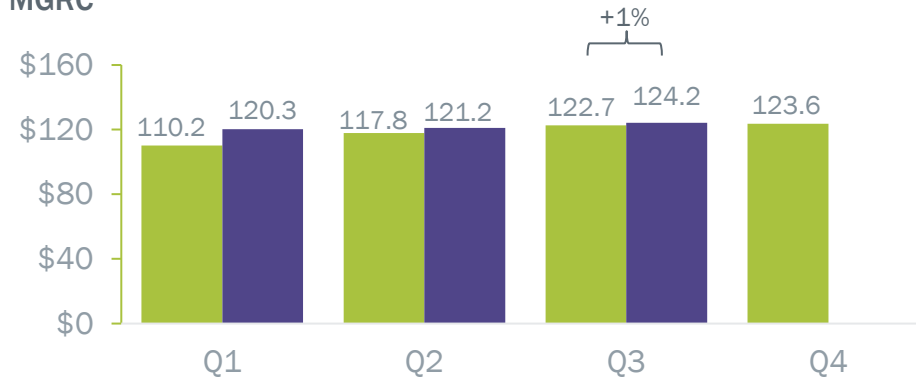
Portable Storage



TRS-RenTelco



MGRC

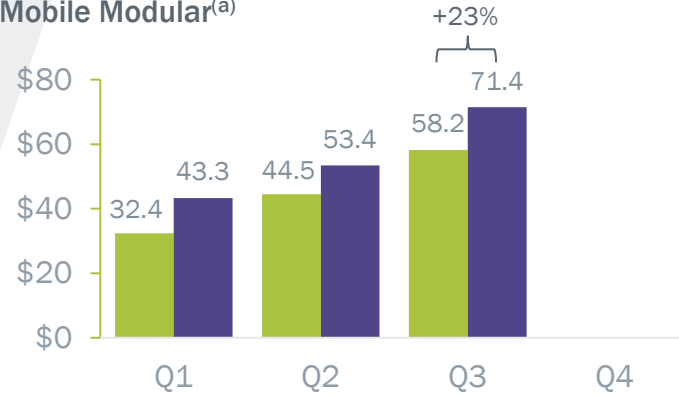


■ 2023 ■ 2024  
(dollars in millions)

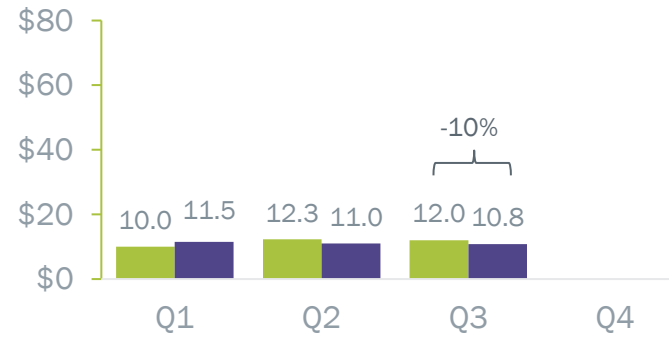
<sup>(a)</sup> Mobile Modular includes Kitchens To Go and excludes Enviroplex.

# Adjusted EBITDA <sup>(a)</sup> Quarterly Comparison (2023 - 2024)

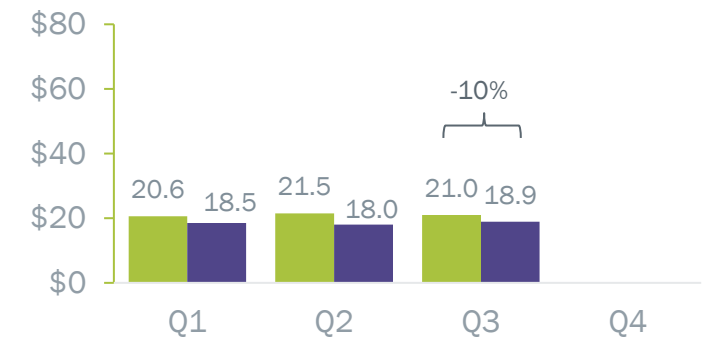
Mobile Modular<sup>(a)</sup>



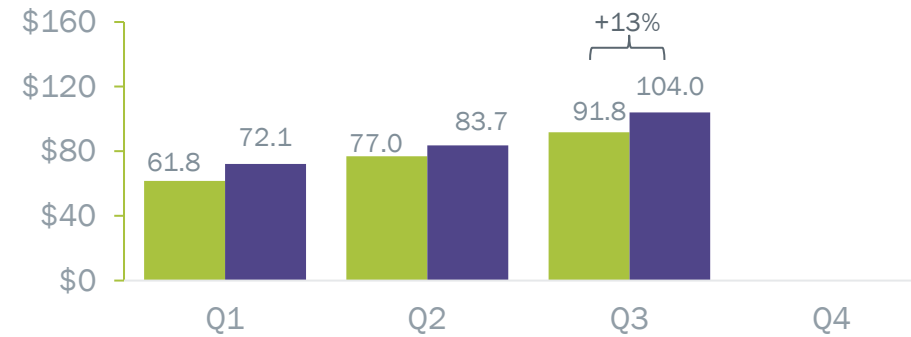
Portable Storage



TRS-RenTelco



MGRC



■ 2023 ■ 2024  
(dollars in millions)

<sup>(a)</sup> Adjusted EBITDA defined on page 14

<sup>(b)</sup> Mobile Modular includes Kitchens To Go and excludes Enviroplex. Enviroplex adjusted EBITDA increased from \$0.5M in Q3-23 to \$2.8M in Q3-24.



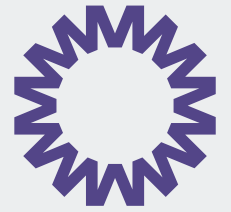
## 2024 Financial Outlook

	2023	2024 Outlook <small>(as of 10/24/24)</small>
Total Revenues	<b>\$832M</b>	<b>\$910M to \$920M</b>
Adjusted EBITDA <sup>(a)</sup>	<b>\$322M</b>	<b>\$345M to \$351M</b>
Gross Rental Equipment Capital Expenditures	<b>\$230M</b>	<b>\$180M to \$190M</b>

(a) Adjusted EBITDA defined on page 14

<sup>1</sup> Lower capex at TRS and Portable Storage to align with softer market demand conditions

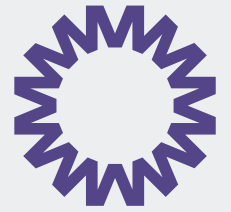
# *Rental Segment Highlights*



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# Mobile Modular

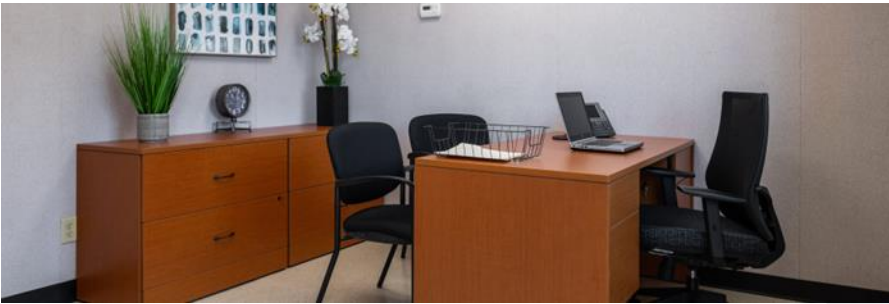


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# Rental Assets

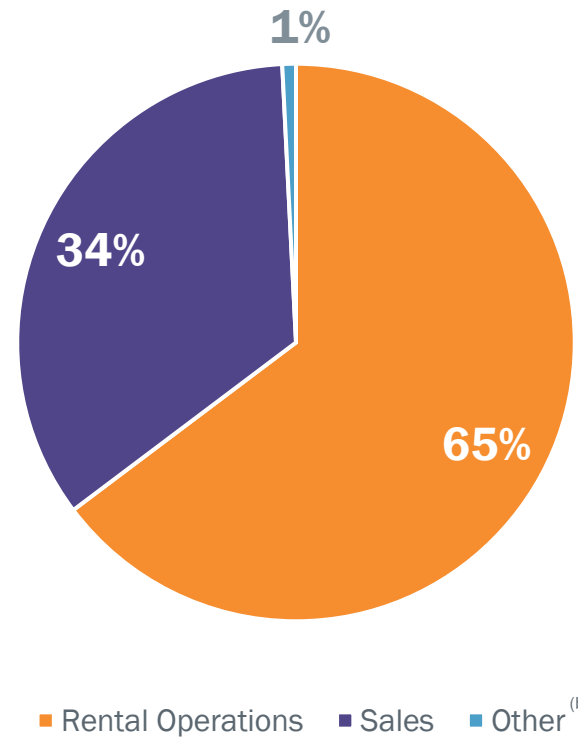




# Modular Segment Total Revenues Q3 2024



Mobile Modulars <sup>(a)</sup> Total Revenues \$191M



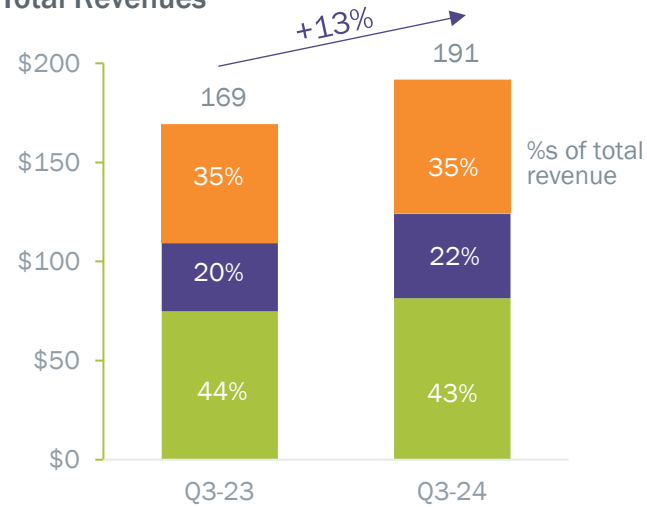
<sup>(a)</sup> Mobile Modular includes Kitchens To Go and excludes Enviroplex

<sup>(b)</sup> Other Revenue includes allocated revenues from Corporate for tenant income

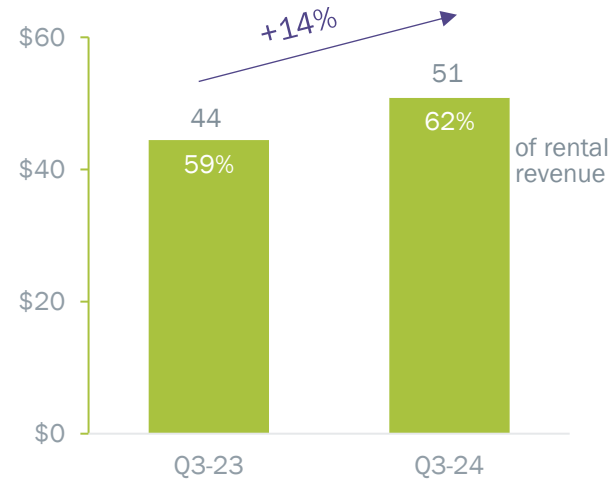
# Mobile Modular Operating Results <sup>(a)(b)</sup>



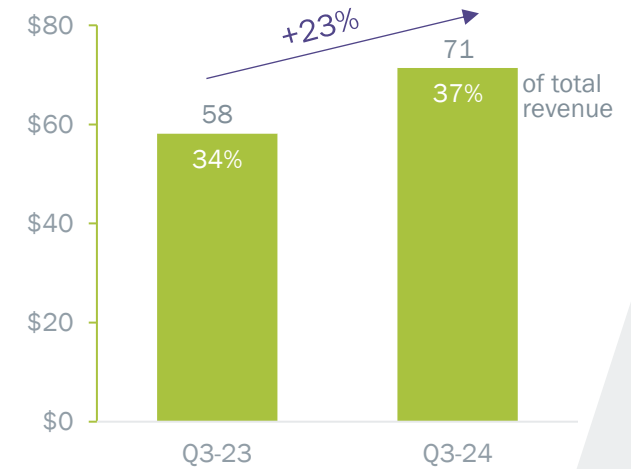
Total Revenues



Rental Gross Profit



Adjusted EBITDA



■ Rents 
 ■ RRS 
 ■ Sales & Other  
 (dollars in millions)

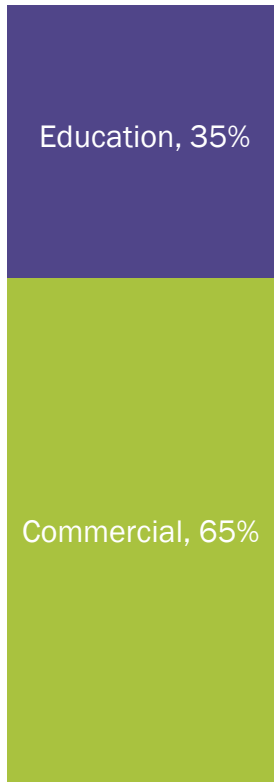
(a) Adjusted EBITDA defined on page 14

(b) Includes Vesta from the acquisition date February 1, 2023 and excludes Enviroplex

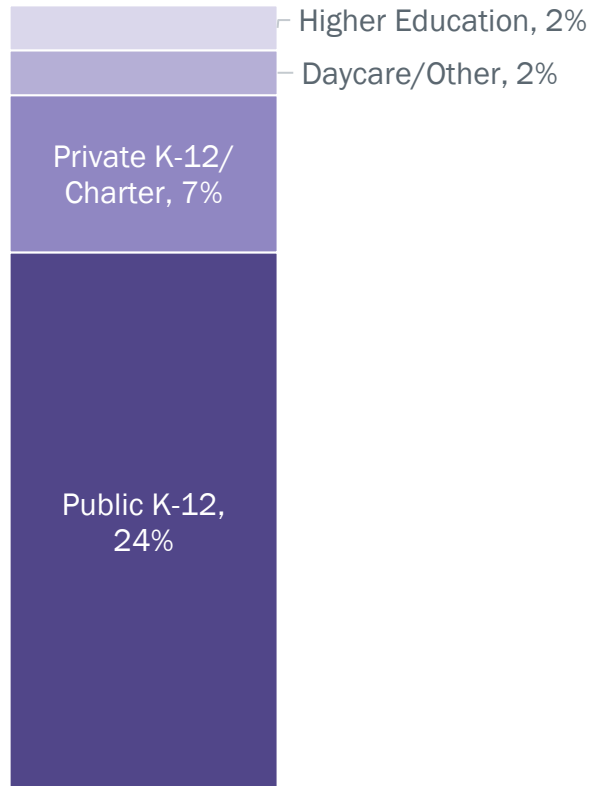
# Rental Operations Revenue Customer Mix <sup>(a)</sup>



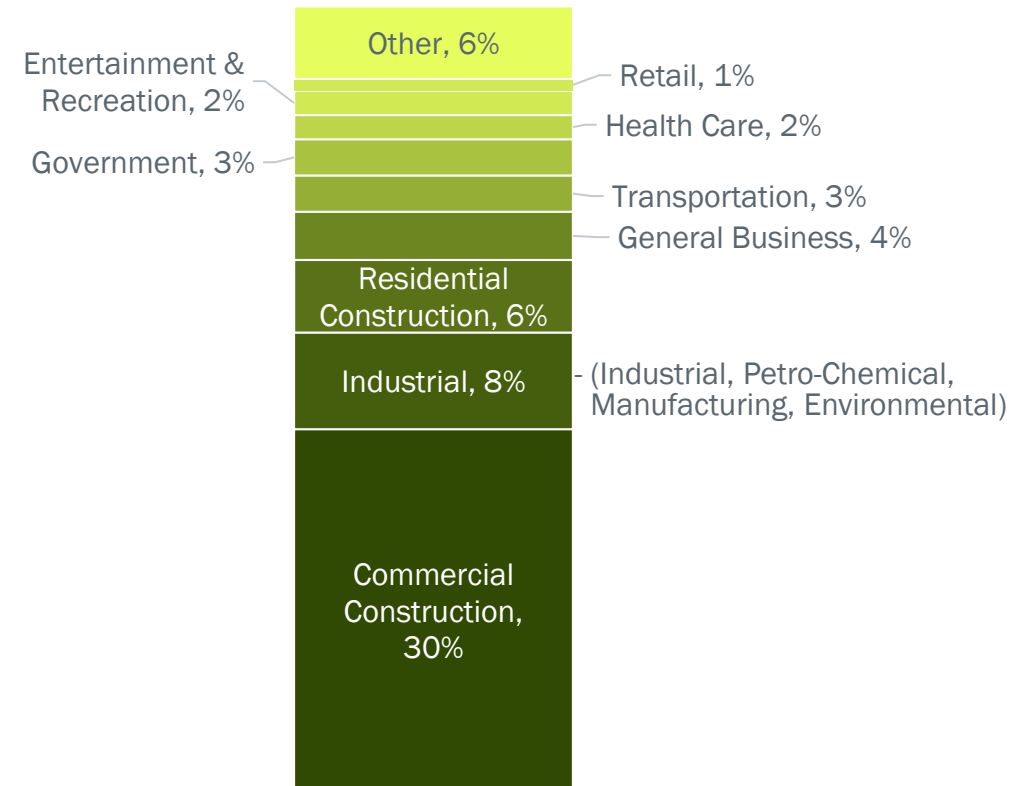
Q3-24 Customer Mix



Education Mix



Commercial Mix



<sup>(a)</sup> Includes Mobile Modular and Portable Storage, and excludes Enviroplex

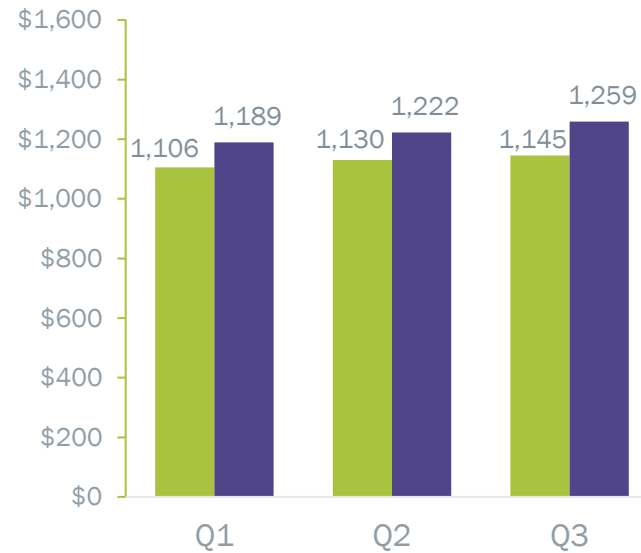
# Mobile Modular Highlights <sup>(a)(b)</sup>



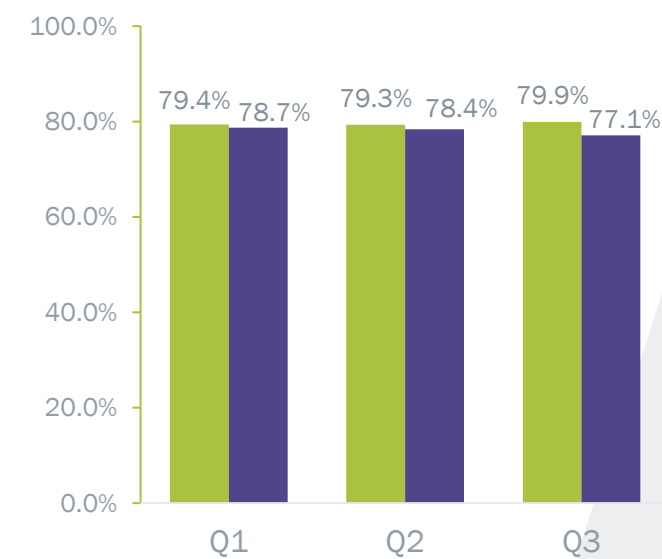
Rental Revenue



Period End Rental Equipment (Original Cost)



Average Utilization



■ 2023    ■ 2024  
 (dollars in millions)

(a) 2023 includes Vesta from the acquisition date February 1, 2023 and excludes Enviroplex

(b) See page 43 for definitions of rental equipment and utilization



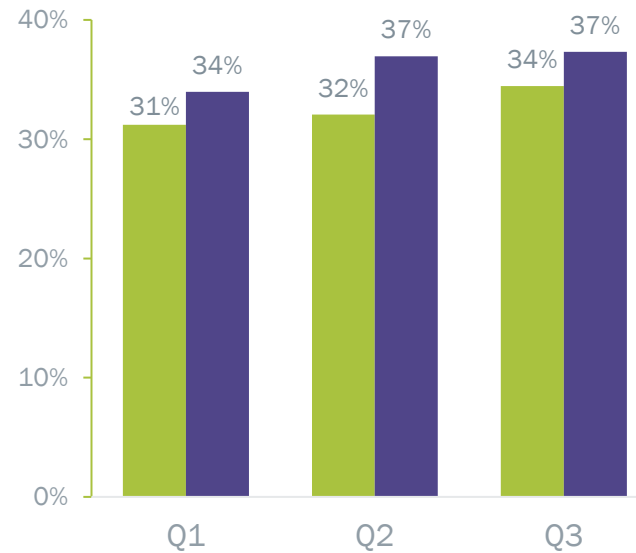
# Mobile Modular Highlights <sup>(a)</sup>



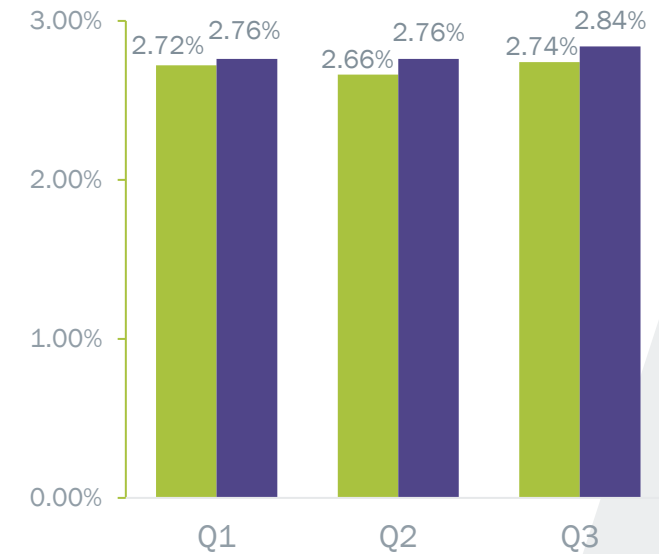
Adjusted EBITDA<sup>(b)</sup>



Adjusted EBITDA<sup>(b)</sup> % of Total Revenue



Average Rental Rate<sup>(c)</sup>



■ 2023    ■ 2024  
 (dollars in millions)

(a) 2023 includes Vesta from the acquisition date February 1, 2023 and excludes Enviroplex

(b) Adjusted EBITDA defined on page 14

(c) See page 43 for definition of rate

# Modular Buildings and Storage Containers Growth Opportunities

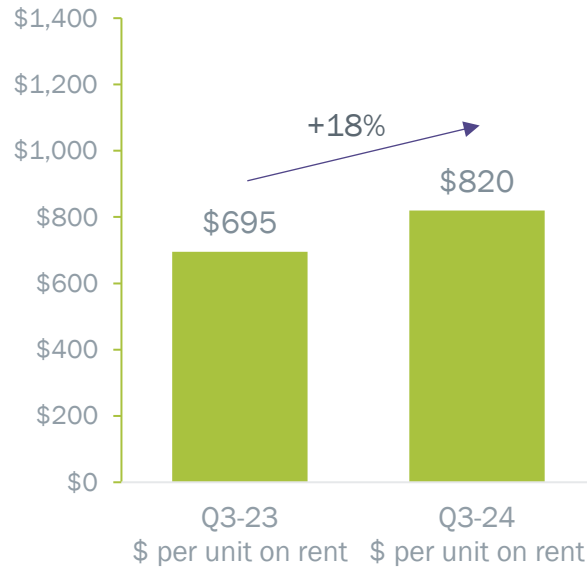


- Large and growing market
- Industry - Leading position in education rentals
- Geographic expansion opportunities for Modulares and Portable Storage, through organic investment and strategic acquisitions
- Positive fleet pricing dynamics as contracts churn and additional services are provided to customers
- Mobile Modular Plus – Products and services to support rental customers’ use of the building (e.g., furniture rental packages)
- Site Related Services – Products and services outside the building (e.g., electrical and plumbing connections, walkways)
- Custom Modular Solutions – Large turnkey projects, including permanent modular construction, across the U.S.

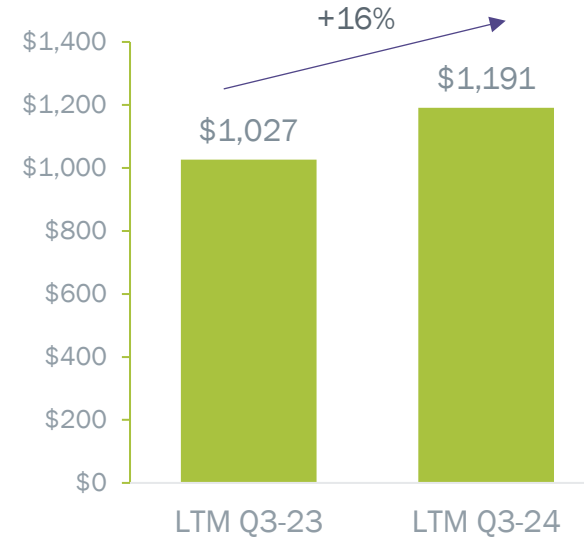
# Mobile Modular Pricing Highlights <sup>(a)(b)</sup>



Total fleet units on rent  
Monthly revenue per unit



New Shipments  
Last Twelve Months  
Monthly revenue per unit



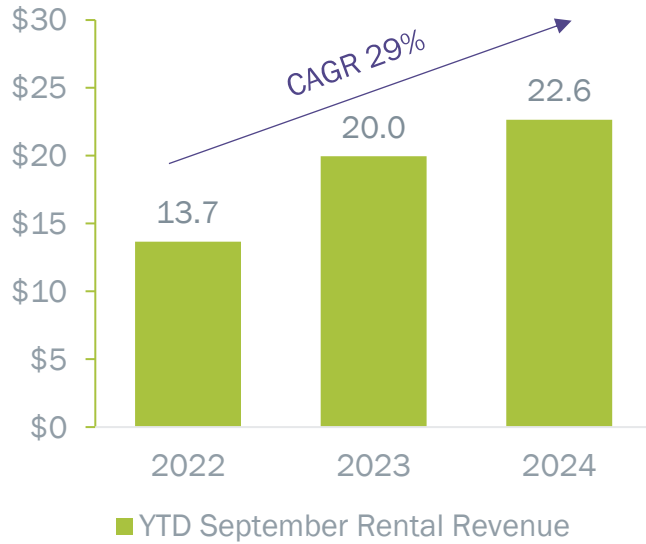
<sup>(a)</sup> Includes base building rent for modular buildings and classrooms, plus Mobile Modular Plus rental revenue (defined on page 28). Rental revenue per unit varies based on multiple factors, including product type, region, contract term, customization charges and inclusion of Mobile Modular Plus services. Units on rent is the average for the quarter.

<sup>(b)</sup> Vesta is included beginning November 1, 2023 after completing systems integration

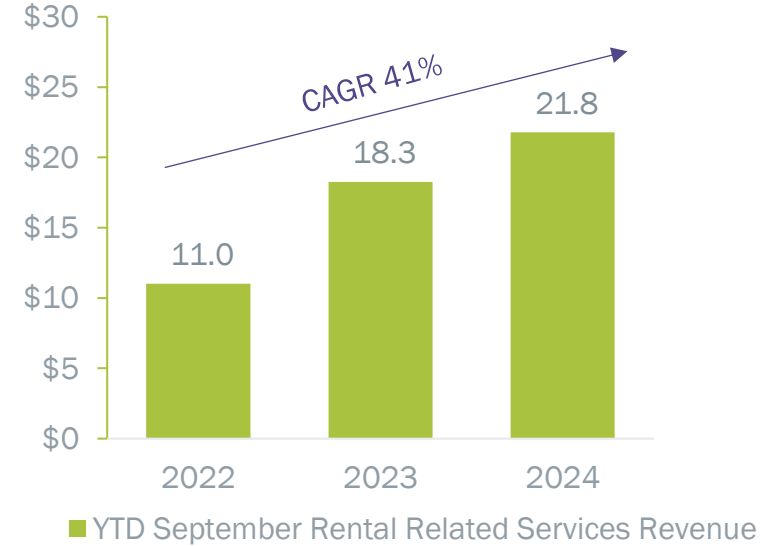
# Mobile Modular Initiatives



Mobile Modular Plus<sup>(a)(c)</sup>



Site Related Services<sup>(b)(c)</sup>



(dollars in millions)

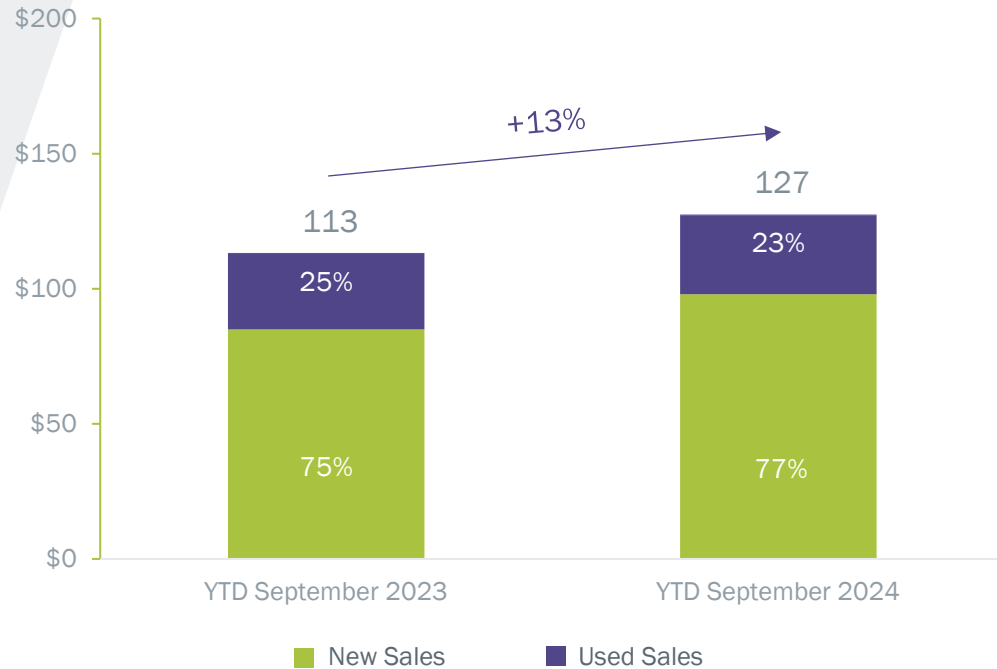
<sup>(a)</sup> Mobile Modular Plus includes rental revenue for items such as steps, ramps, furniture, personal property expense, damage waiver, air care, sanitation  
<sup>(b)</sup> Site Related Services includes rental related services revenue for site planning, permits, project scheduling, plumbing connections, clearing and grading, drainage, foundation design and installation, electrical, sidewalks and paving, landscaping  
<sup>(c)</sup> 2023 includes Vesta from the acquisition date February 1, 2023



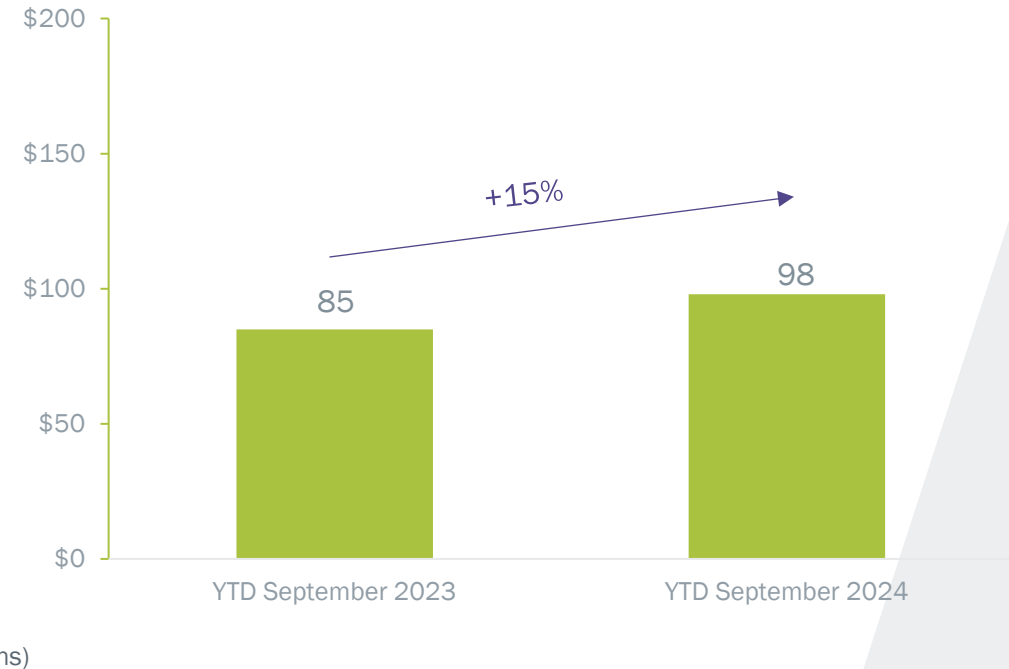
# Mobile Modular Sales <sup>(a)(b)</sup>



Total Sales Revenues



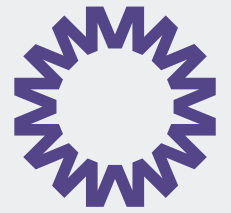
New Sales Revenue



<sup>(a)</sup> Sales revenues exclude Enviroplex

<sup>(b)</sup> 2023 includes Vesta from the acquisition date February 1, 2023

# Portable Storage



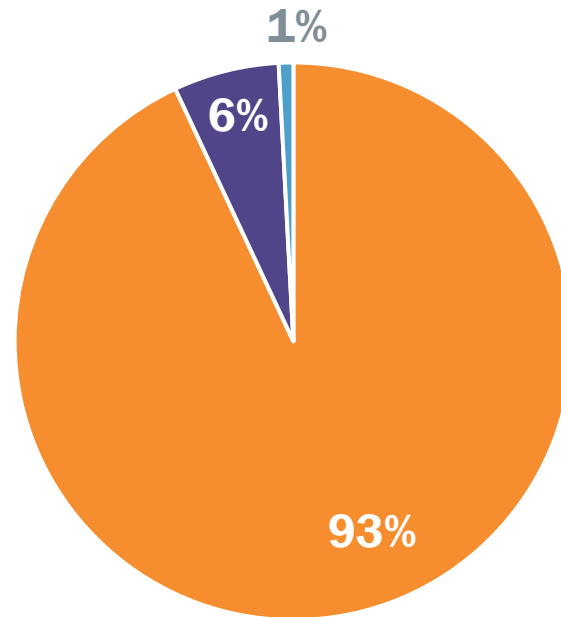
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# Portable Storage Total Revenues Q3 2024



Portable Storage Total Revenues \$23M



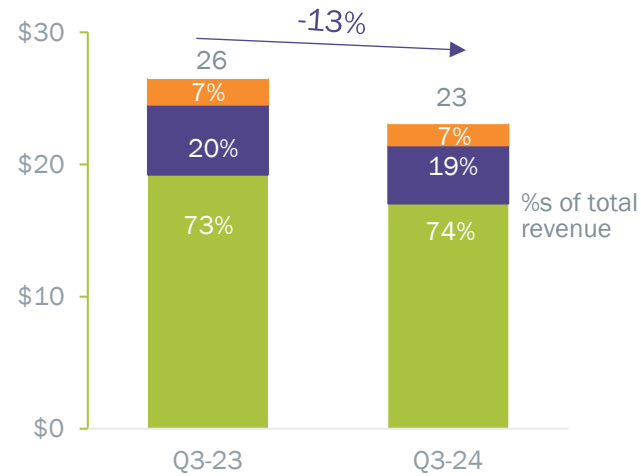
■ Rental Operations ■ Sales ■ Other<sup>(1)</sup>

<sup>(1)</sup> Other Revenue includes allocated revenues from Corporate for tenant income

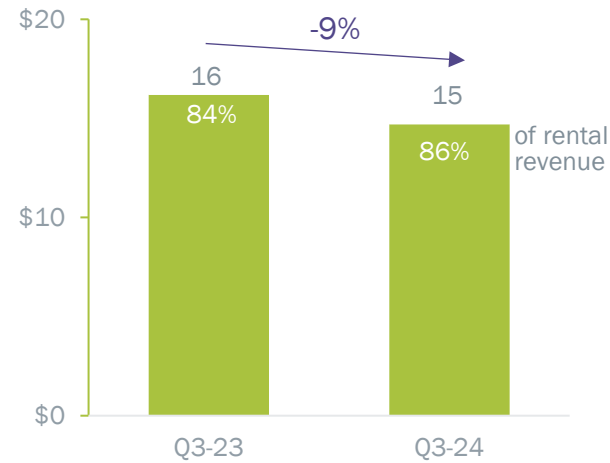
# Portable Storage Operating Results



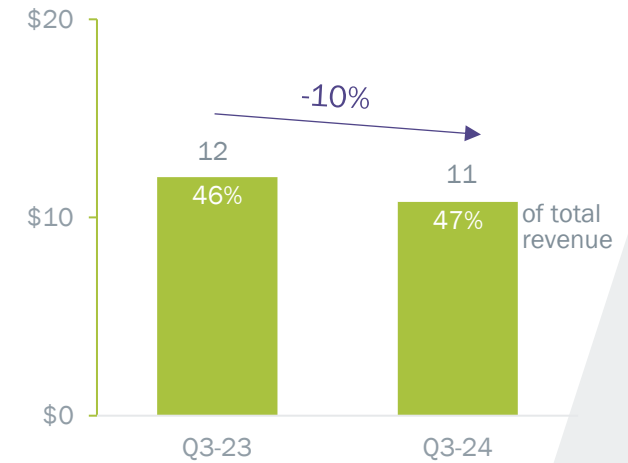
Total Revenues



Rental Gross Profit



Adjusted EBITDA<sup>(a)</sup>



■ Rents 
 ■ RRS 
 ■ Sales & Other  
 (dollars in millions)

<sup>(a)</sup> Adjusted EBITDA defined on page 14



# Portable Storage Highlights <sup>(a)</sup>



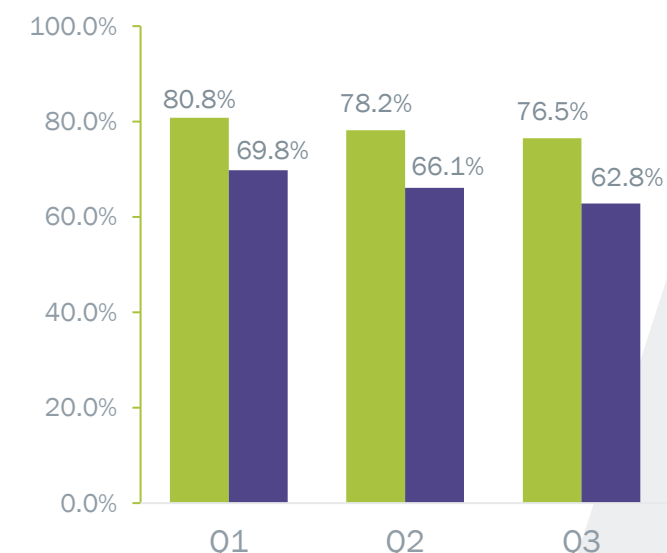
Rental Revenue



Period End Rental Equipment (Original Cost)



Average Utilization



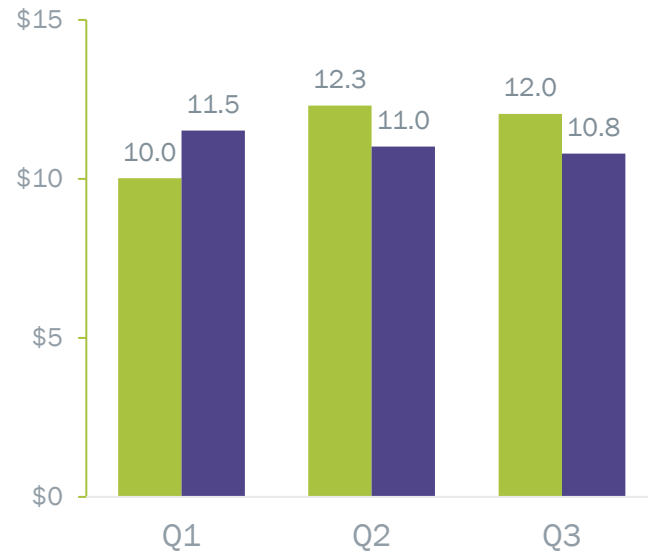
■ 2023    ■ 2024  
 (dollars in millions)

<sup>(a)</sup> See page 43 for definitions of rental equipment and utilization

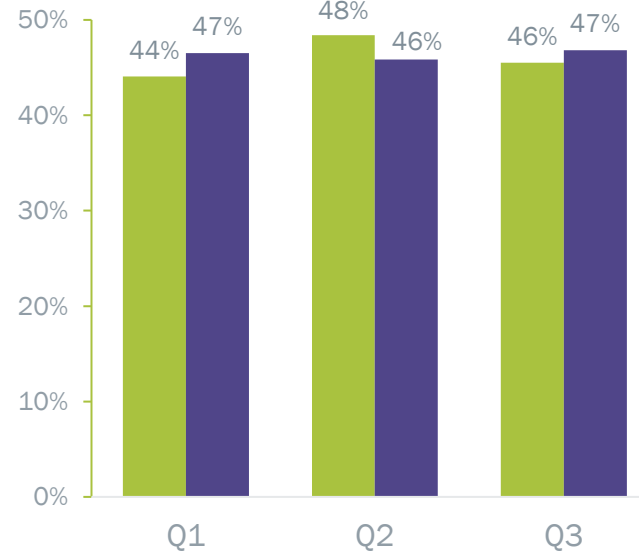
# Portable Storage Highlights



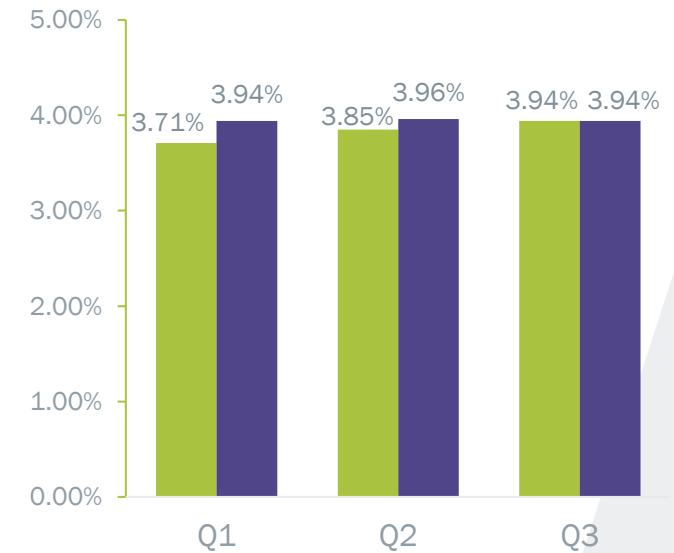
Adjusted EBITDA<sup>(a)</sup>



Adjusted EBITDA<sup>(a)</sup> % of Total Revenue



Average Rental Rate<sup>(b)</sup>

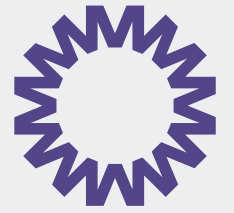


■ 2023    ■ 2024  
 (dollars in millions)

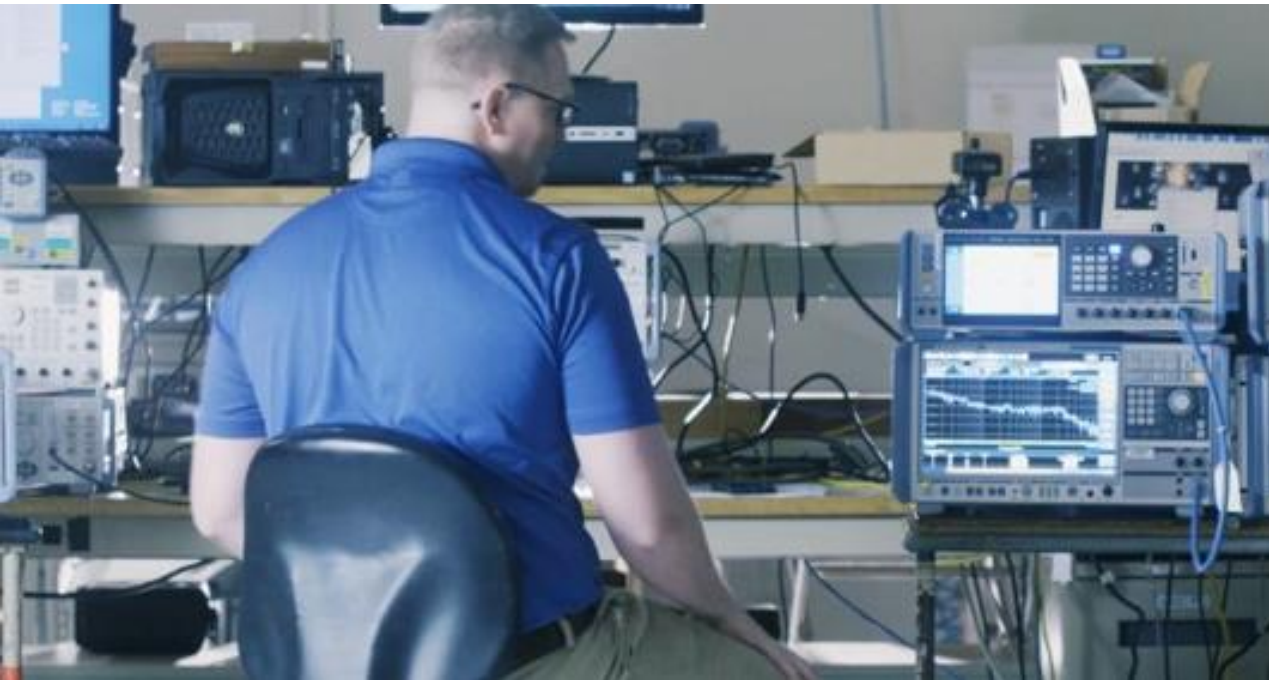
<sup>(a)</sup> Adjusted EBITDA defined on page 14

<sup>(b)</sup> See page 43 for definition of rate

# TRS-RenTelco



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# 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



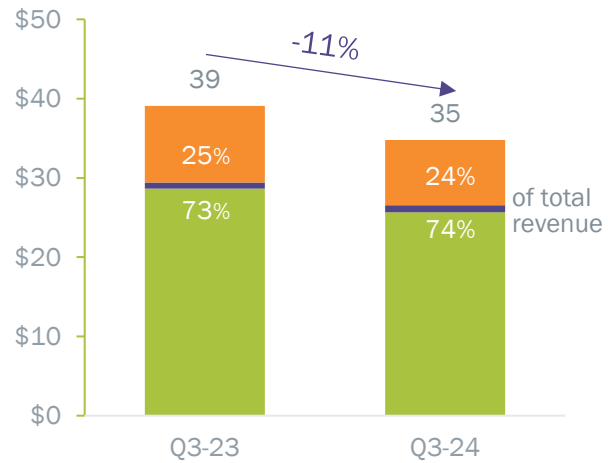
LAN Cable Tester



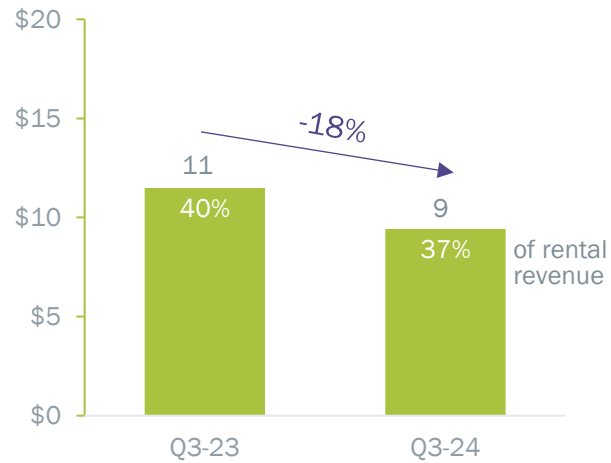
# TRS-RenTelco Operating Results



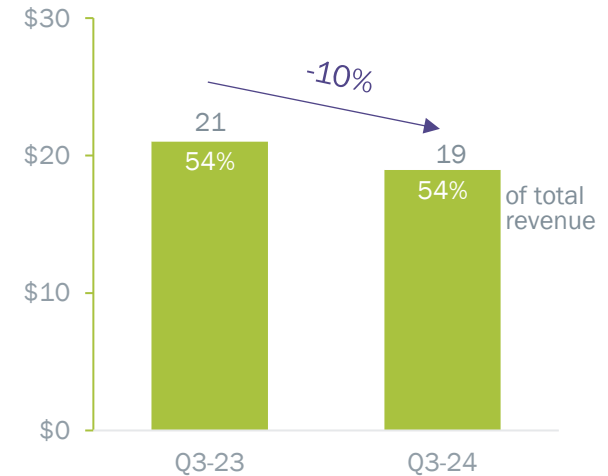
Total Revenues



Rental Gross Profit



Adjusted EBITDA<sup>(a)</sup>



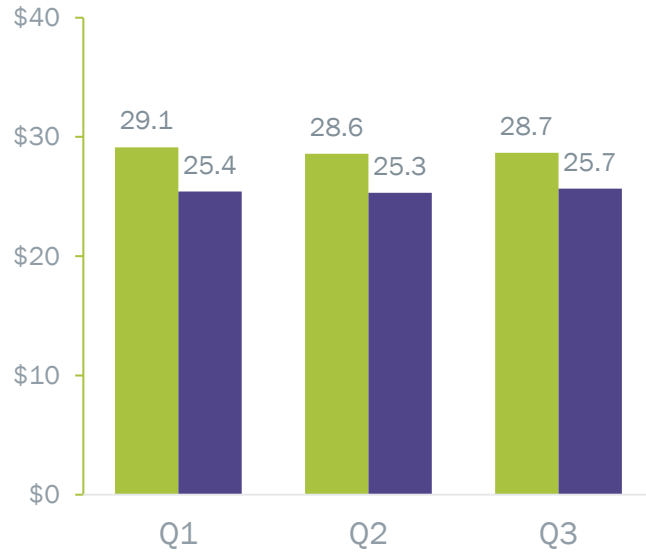
■ Rents 
 ■ RRS 
 ■ Sales & Other  
 (dollars in millions)

<sup>(a)</sup> Adjusted EBITDA defined on page 14

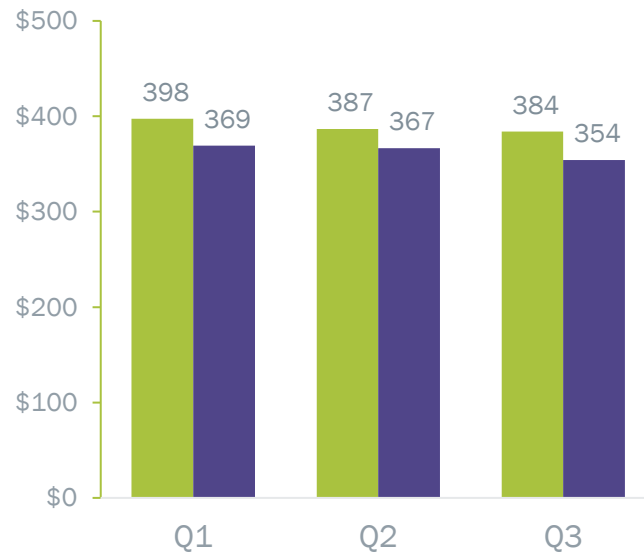
# TRS-RenTelco Highlights <sup>(a)</sup>



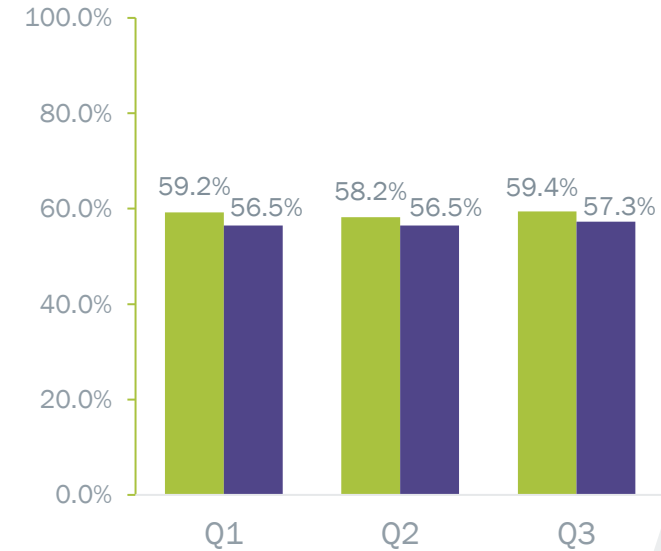
Rental Revenue



Period End Rental Equipment (Original Cost)



Average Utilization



■ 2023    ■ 2024  
 (dollars in millions)

<sup>(a)</sup> See page 43 for definitions of rental equipment and utilization

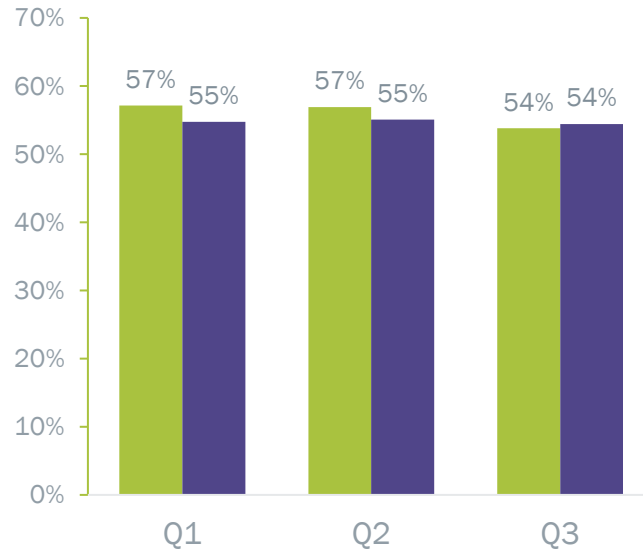
# TRS-RenTelco Highlights



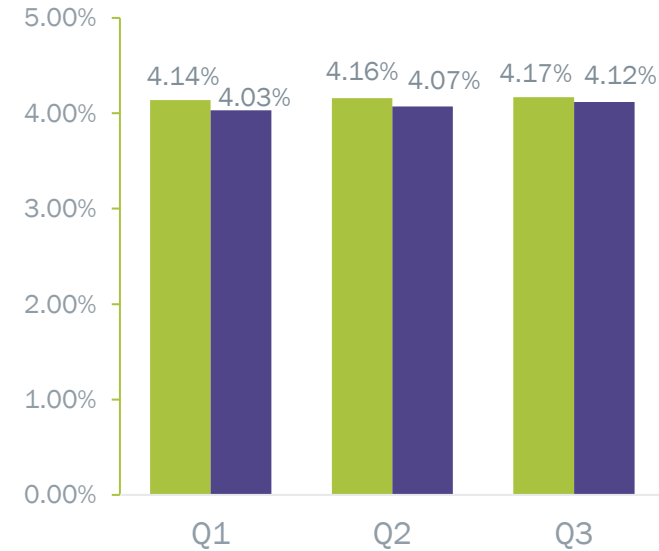
Adjusted EBITDA<sup>(a)</sup>



Adjusted EBITDA<sup>(a)</sup> % of Total Revenue



Average Rental Rate<sup>(b)</sup>



■ 2023    ■ 2024  
 (dollars in millions)

<sup>(a)</sup> Adjusted EBITDA defined on page 14

<sup>(b)</sup> See page 43 for definition of rate

# TRS-RenTelco Growth Opportunities



- A market leader in North America in general purpose and communications equipment rentals
- Highly diversified end markets and customer base with positive long term demand trends
- Positive long term demand outlook for technology-related end markets driven by new technologies in almost all our markets (for example 5G communications network investments)
- High-quality customer base
- High-quality rental fleet to serve the most demanding customers

## **Company Summary**

*McGrath (Nasdaq: MGRC)*

- Established rental businesses with solid positions

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- Strategic growth focus on Mobile Modular and Portable Storage

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- Disciplined capital spending on new rental equipment and acquisitions

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- Strong cash flow and resilient business model

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- Dividend increases for 33 consecutive years

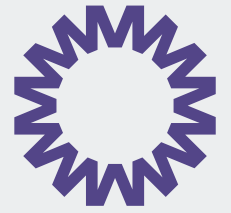
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- Sound financial foundation to support current business operations and future growth

**Thank you for your interest and investment in MGRC**



# Appendix



**McGRATH™**



## Definitions - Rental Fleet Metrics

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