

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

OCTOBER 26, 2023

*Q3 2023 Quarterly Investor Presentation*



## Safe Harbor

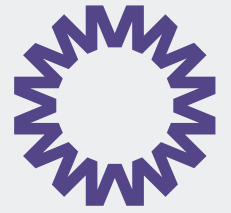
Statements contained in this presentation which are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, regarding McGrath's (the "Company's") expectations, strategies, prospects or targets are forward-looking statements. These forward-looking statements also can be identified by the 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 are subject to significant risks and uncertainties that could cause our actual results to differ materially from those projected. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under "Risk Factors" in the Company's Form 10-K and other SEC filings.

Forward-looking statements are made only as of the date of this presentation 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.



# *Focusing the Portfolio on Mobile Modular*



**McGRATH™**



# Announced on February 1, 2023 - Focusing the Portfolio on Modular Through Simultaneous Acquisition of Vesta and Divestiture of Adler

Accelerates McGrath's strategic growth priorities by increasing exposure to the modular business

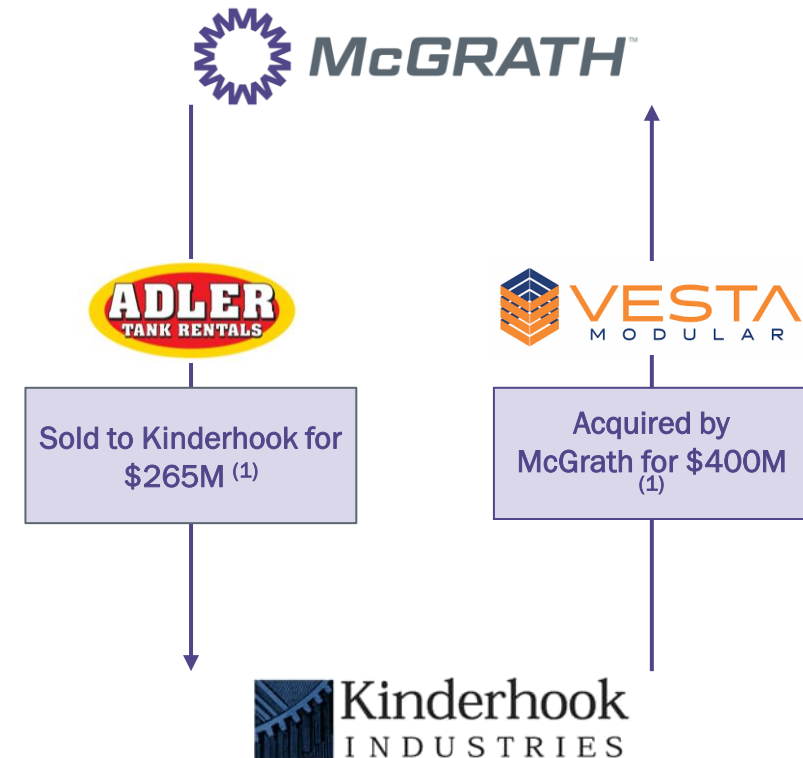
Creates a more competitive and larger scaled modular business with increased geographic coverage and density to serve customers

Improves longer-term financial profile, accelerating growth and profitability in the core modular business

Increases proportion of longer-term rental revenue contracts

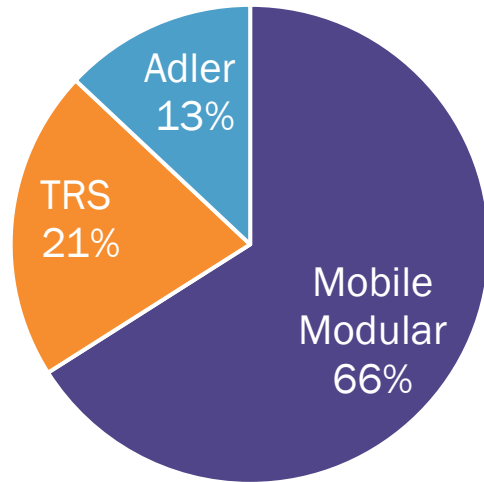
Provides opportunities for cost and revenue synergies

Retains conservative balance sheet with financial flexibility for return of capital and tuck-in acquisitions

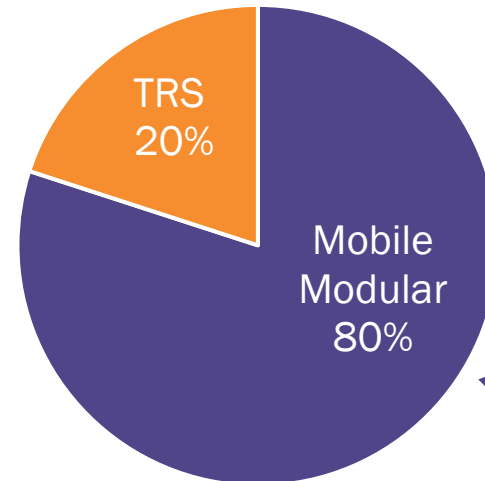


<sup>(1)</sup> Excludes reimbursable CapEx, working capital adjustments and fees  
- Slide from February 1, 2023 Vesta/Adler transaction announcement presentation

# Transaction Significantly Focuses the Portfolio and Scales the Mobile Modular Business. For additional information on the transaction refer to the February 1, 2023 transaction presentation



(Standalone Revenue by Segment)



(Pro forma Revenue by Segment)



- ✓ Mobile Modular segment's high EBITDA margins, recurring revenue, and favorable demand make it a highly attractive business
- ✓ Mobile Modular's diverse end markets provide stability through economic cycles
- ✓ Enhances Mobile Modular's growth initiatives – Custom Modular Solutions, Site Related Services and Mobile Modular Plus

Note: McGrath's standalone segment mix based on LTM 9/30/22 actuals  
- Slide from February 1, 2023 Vesta/Adler transaction announcement presentation

# Vesta Modular Overview



## BUSINESS OVERVIEW

- Vesta is a provider of temporary and permanent modular space solutions, and facilitates modular building processes including design, construction, and installation of projects
- Scope of business includes both modular space leasing and modular construction services
- Vesta has 120+ employees to support its diverse base of 900+ customers in a variety of end markets; core end markets include education, industrial, construction, government, municipalities and retail sectors
- Vesta operates strategically-placed branches in some of the nation's fastest growing markets – Atlanta, Dallas, Elkhart, Houston, Miami, Mobile, Nashville and Riverside
- Founded in 2014 and headquartered in Southfield, MI

**\$129M**

2022E Revenues

**~6,000**

Total Units

**\$40M**

2022E EBITDA

**~\$220M**

Original Cost

**31 %**

2022E EBITDA Margin

**~ 7 years**

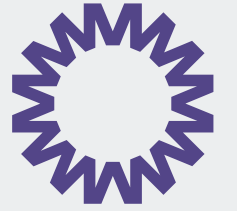
Average Fleet Age

- Slide from February 1, 2023 Vesta/Adler transaction announcement presentation





# McGrath Overview



McGRATH™





# Uniquely McGrath



<sup>(a)</sup> Full year 2022, includes Adler Tank Rentals

<sup>(b)</sup> Adjusted EBITDA defined on page 15

<sup>(c)</sup> Based on 1984 IPO through 12/31/22 assuming reinvestment of dividends

# McGrath Snapshot Q3 2023

TOTAL REVENUES

**\$244M**

DIVERSE CUSTOMER BASE

**~23,000**

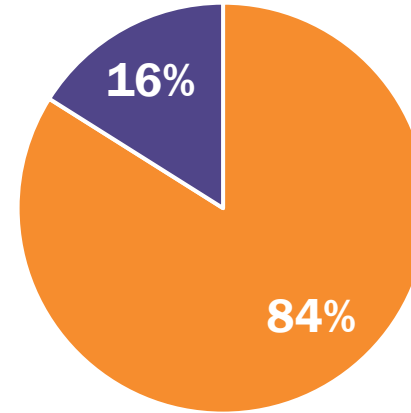
MARKET CAP <sup>(1)</sup>

**~\$2.4B**

EMPLOYEES

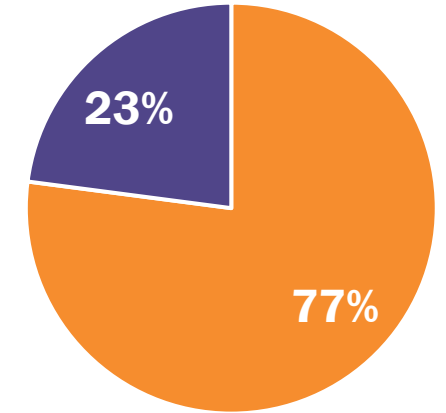
**~1,200**

Total Revenues \$244M



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

Total Adjusted EBITDA <sup>(3)</sup> \$95M



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

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

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

<sup>(3)</sup> Adjusted EBITDA defined on page 15

# Modular Buildings and Storage Containers



## POSITIONING:

A leading modular provider in North America  
Leader in California Texas, Florida, and Mid-Atlantic education markets

## PRODUCTS:

Office buildings and complexes, classrooms, portable storage containers

## COVERAGE:

Mobile Modular: servicing 35 states  
Portable Storage: servicing 28 states

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

## QUARTERLY REVENUES (Q3-23)

# \$195M

## RENTAL EQUIPMENT

(AT 09/30/23 OAC <sup>(1)</sup>)

# \$1,474M

## RENTAL FLEET (units)

# ~83,000

# Electronic Test Equipment



**POSITIONING:**

Leader in North Americas

**PRODUCTS:**

General purpose and communications test equipment

**COVERAGE:**

Serving customers in North America and selectively overseas

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

**QUARTERLY REVENUES (Q3-23)**

**\$39M**

**RENTAL EQUIPMENT**

(AT 09/30/23 OAC <sup>(1)</sup>)

**\$383M**

**RENTAL FLEET (units)**

**~24,000**



# Company Priorities

## **STRATEGIC GROWTH:**

- Centered on 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 32 years
- Share repurchases – Authorized for strategic capital return

## **CORPORATE RESPONSIBILITY:**

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

# Corporate Responsibility & Values

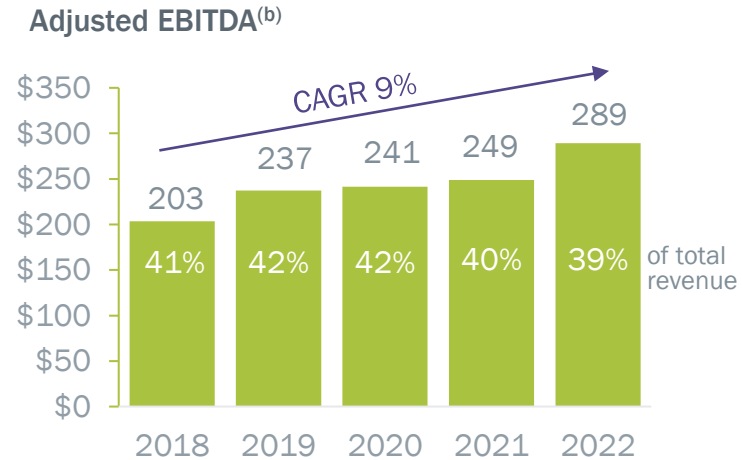
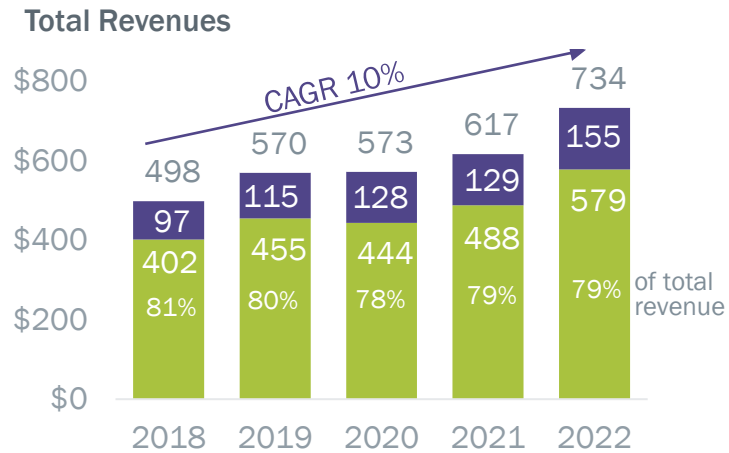


- We take corporate social responsibility and fundamental good corporate citizenship seriously at McGrath
- Visit our corporate responsibility site for additional environmental sustainability, social responsibility and governance (ESG) information: <https://investors.mgrc.com/corporate-responsibility>

“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.

# McGrath Historic Operating Results <sup>(a)</sup>



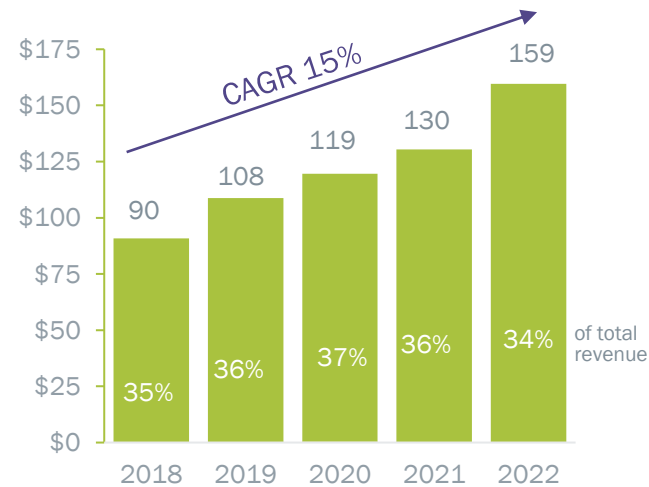
■ Rental Operations 
 ■ Sales and Other  
 (dollars in millions)

<sup>(a)</sup> Includes Adler Tank Rentals which was divested on February 1, 2023

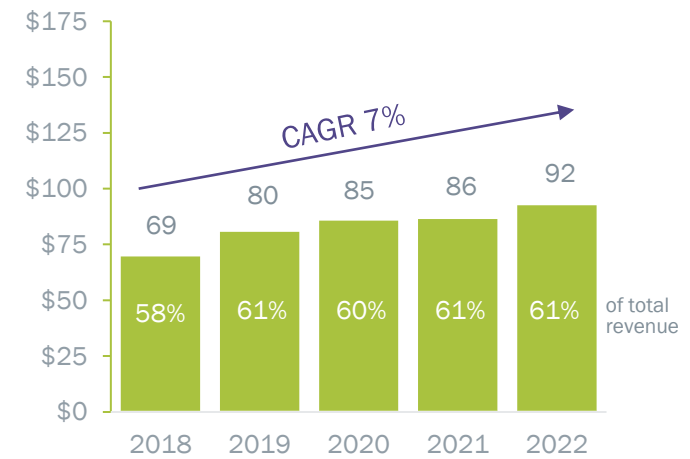
<sup>(b)</sup> The Company defines Adjusted EBITDA as net income before interest expense, provision for income taxes, depreciation, amortization, non-cash impairment costs, share-based compensation and transaction costs. A reconciliation of Adjusted EBITDA to the most directly comparable financial measures calculated and presented in accordance with GAAP is disclosed in the company's earnings press releases and SEC filings.

# Rental Segment Adjusted EBITDA<sup>(a)</sup>

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



TRS-RenTelco



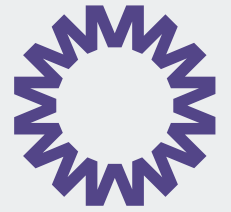
(dollars in millions)

<sup>(a)</sup> Adjusted EBITDA defined on page 15

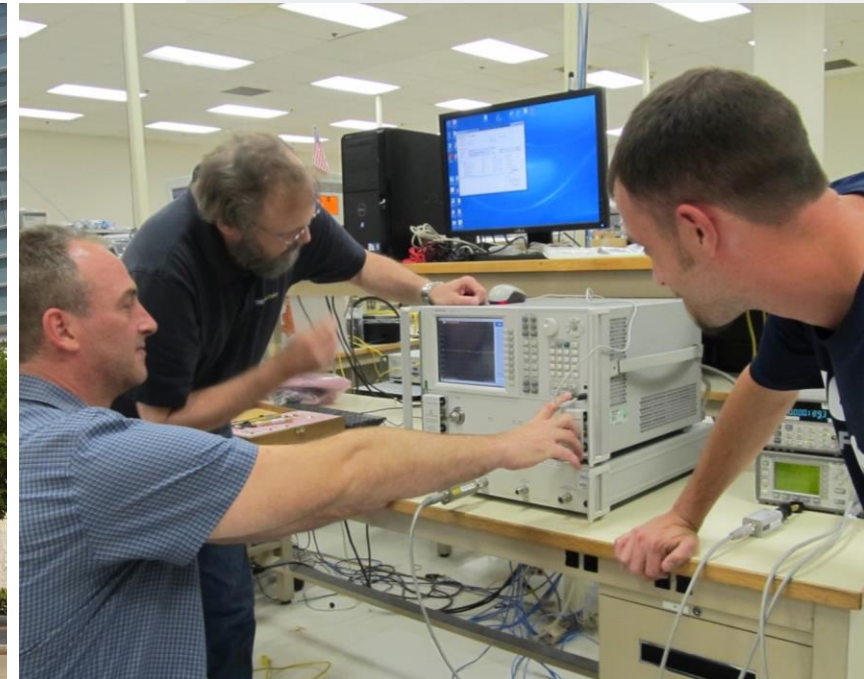
<sup>(b)</sup> Includes Mobile Modular Portable Storage, Kitchens To Go and excludes Enviroplex. Enviroplex FY22 EBITDA was (\$0.03M).



# Financial Highlights



McGRATH™



## Q3 2023 Quarterly Highlights (continuing operations)

- **Strong McGrath results reflecting impressive modular segment performance**
  - Total revenues \$243.5M (+40%)
  - Adjusted EBITDA \$95.3M (+47%)
- **Positive Mobile Modular market conditions (year over year)**
  - 36% rental revenue growth, broad based across geographic markets
  - Robust rental revenue growth across commercial and education customer bases
  - Portable Storage rental revenues up 18%
- **Good progress with Mobile Modular strategic growth initiatives**
  - Vesta integration on track. Organization work complete.
  - Positive modular pricing dynamics – revenue per unit on rent up 10% and revenue per new unit shipped up 13% (on LTM basis)\*
  - Growing contributions from Mobile Modular Plus, Site Related Services and Custom Modular Solutions
- **TRS-RenTelco rental revenues decreased 10% (year over year)**
  - Continued softness in semiconductor related demand
  - Reduced fleet size by selling rental equipment (sales up 58%), and reducing new equipment purchases
  - Period-end utilization at 60.3% (best since Q3 2022)

\* See page 32 for Mobile Modular pricing highlights

## Operating Results (from continuing operations)

(dollars in millions except per share amounts)

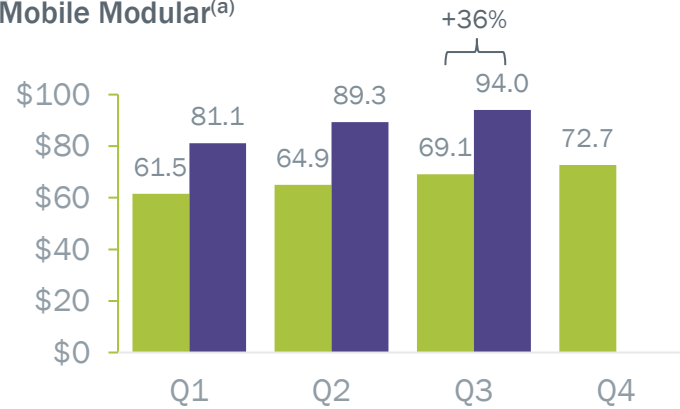
	Nine months ended September 30			Three months ended September 30		
	2023	2022	Change	2023	2022	Change
Rental Revenue	350.8	285.6	23%	122.7	100.9	22%
Rental Related Services	101.5	69.3	46%	40.5	28.2	44%
Sales	148.6	95.5	56%	77.1	44.4	74%
Total Revenue	610.3	452.8	35%	243.5	174.3	40%
Gross Profit	283.5	201.8	40%	111.5	76.8	45%
Adjusted EBITDA <sup>(a)</sup>	234.0	172.5	36%	95.3	64.8	47%

<sup>(a)</sup> Adjusted EBITDA defined on page 15

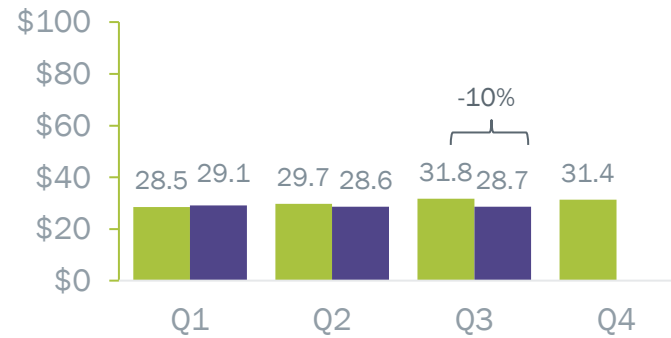
# Rental Revenue (from continuing operations)

## Quarterly Comparison (2022 - 2023)

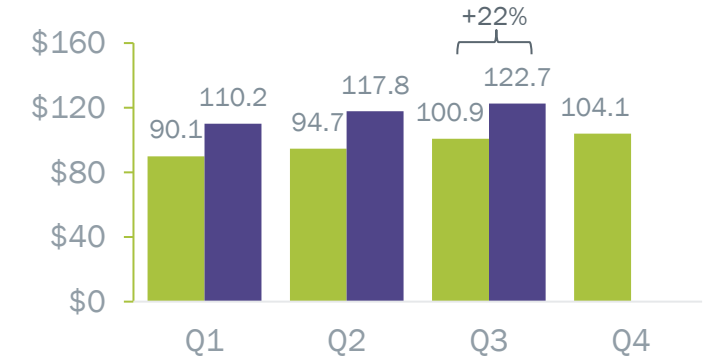
Mobile Modular<sup>(a)</sup>



TRS-RenTelco



MGRC



■ 2022    ■ 2023  
 (dollars in millions)

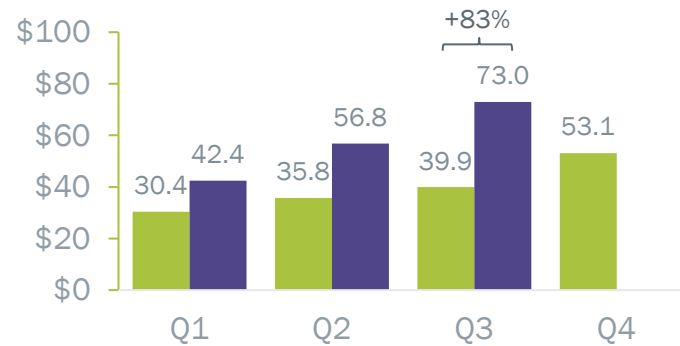
<sup>(a)</sup> Mobile Modular includes Mobile Modular Portable Storage, Kitchens To Go, and excludes Enviroplex.



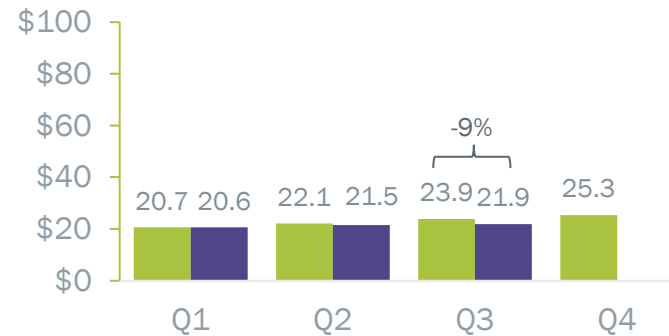
# Adjusted EBITDA<sup>(a)</sup> (from continuing operations)

## Quarterly Comparison (2022 - 2023)

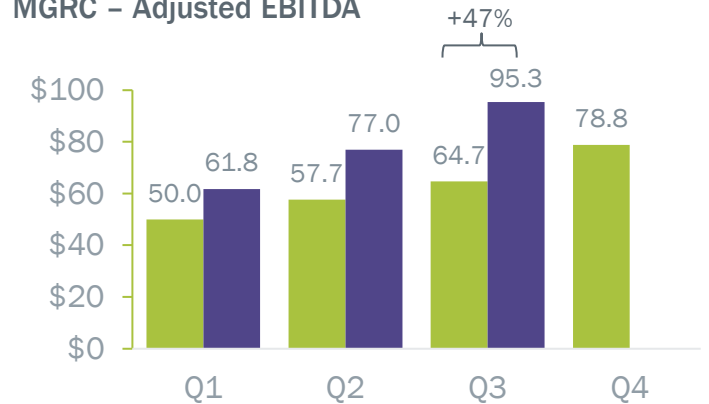
Mobile Modular – Adjusted EBITDA<sup>(b)</sup>



TRS-RenTelco – Adjusted EBITDA



MGRC – Adjusted EBITDA



■ 2022    ■ 2023  
 (dollars in millions)

<sup>(a)</sup> Adjusted EBITDA defined on page 15

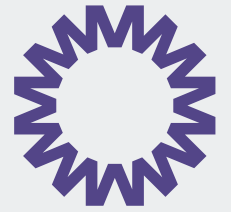
<sup>(b)</sup> Mobile Modular includes Mobile Modular Portable Storage, Kitchens To Go, and excludes Enviroplex. Enviroplex adjusted EBITDA decreased from \$0.9M in Q3-22 to \$0.5M in Q3-23.

## 2023 Financial Outlook (from continuing operations)

	Previous (7/20/23)	2023 Outlook (as of 10/26/23)
Total Revenues	<b>\$805M to \$830M</b>	<b>\$820M to \$830M</b>
Adjusted EBITDA <sup>(a)</sup>	<b>\$306M to \$320M</b>	<b>\$312M to \$320M</b>
Gross Rental Equipment Capital Expenditures	<b>\$190M to \$200M</b>	<b>\$190M to \$200M</b>

<sup>(a)</sup> Adjusted EBITDA defined on page 15

# *Rental Segment Highlights*

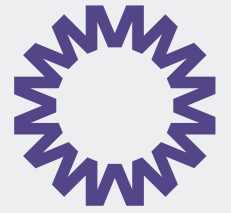


**McGRATH™**





# Mobile Modular

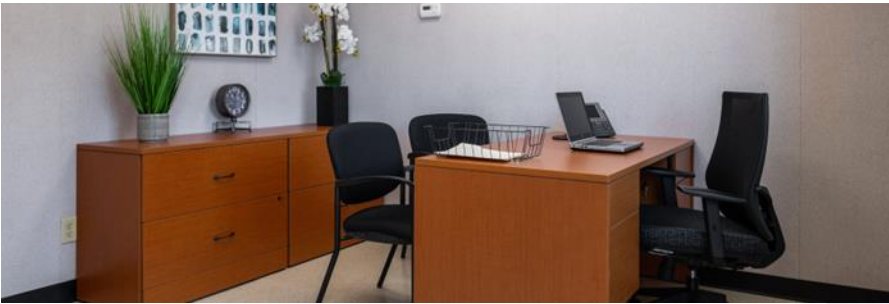


McGRATH™





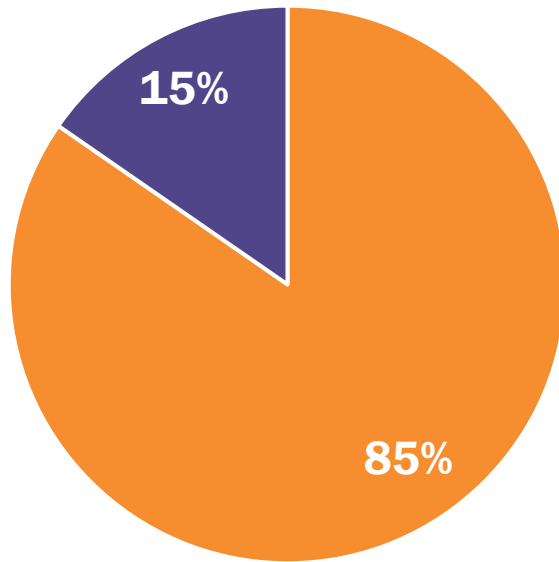
# Rental Assets



# Modular Segment Total Revenues Year-to-date September 2023



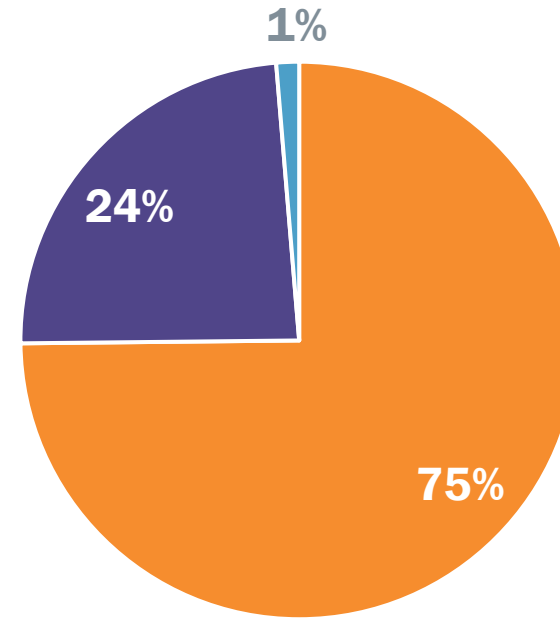
Total Revenues \$486M



■ Mobile Modular<sup>(1)</sup> ■ Portable Storage

<sup>(1)</sup> Mobile Modular includes Kitchens To Go and excludes Enviroplex

Total Revenues \$486M



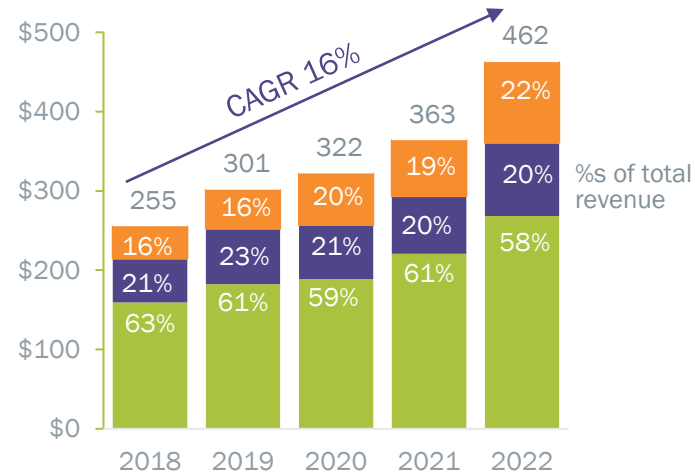
■ Rental Operations ■ Sales ■ Other<sup>(2)</sup>

<sup>(2)</sup> Other Revenue includes allocated revenues from Corporate for tenant income

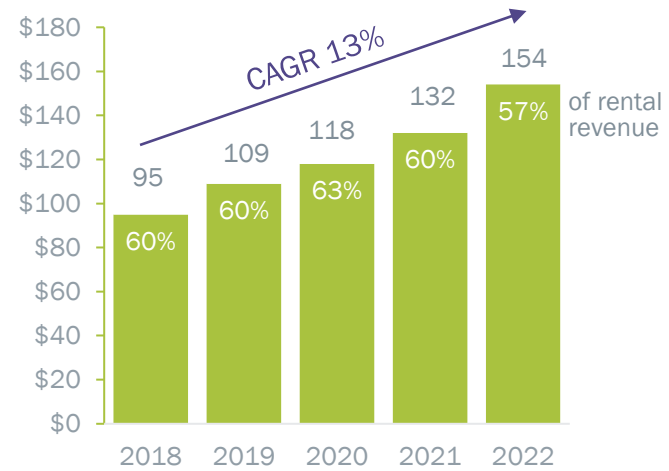
# Mobile Modular Operating Results<sup>(a)(b)</sup>



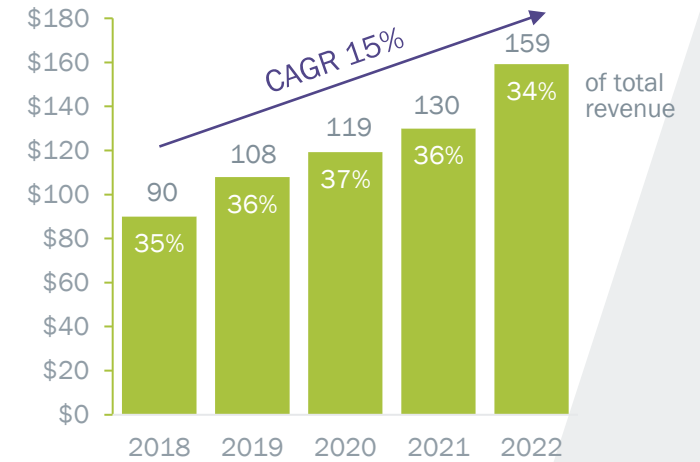
Total Revenues



Rental Gross Profit



Adjusted EBITDA



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

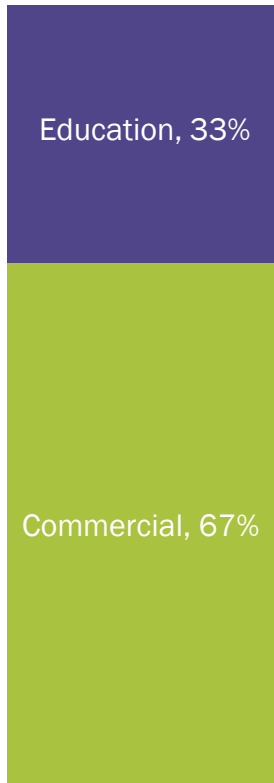
(a) Adjusted EBITDA defined on page 15

(b) Includes Mobile Modular Portable Storage, Kitchens To Go and excludes Enviroplex

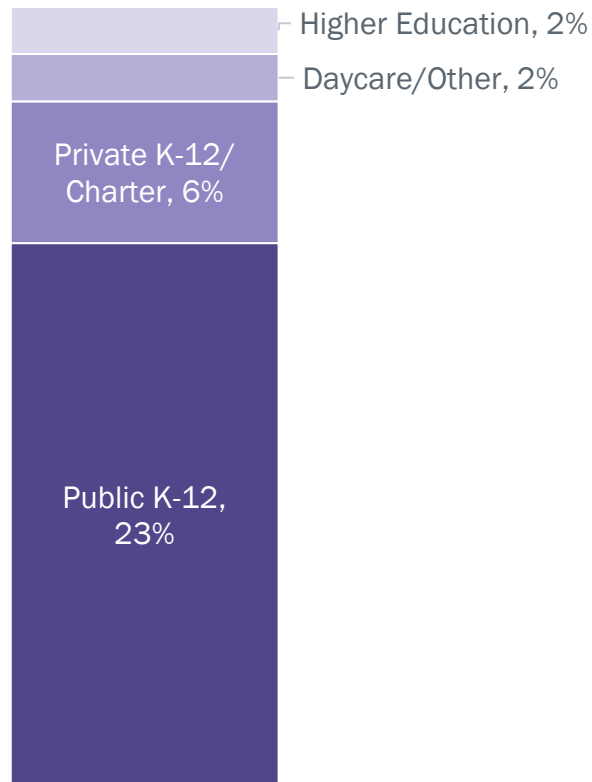
# Rental Operations Revenue Customer Mix <sup>(a)</sup>



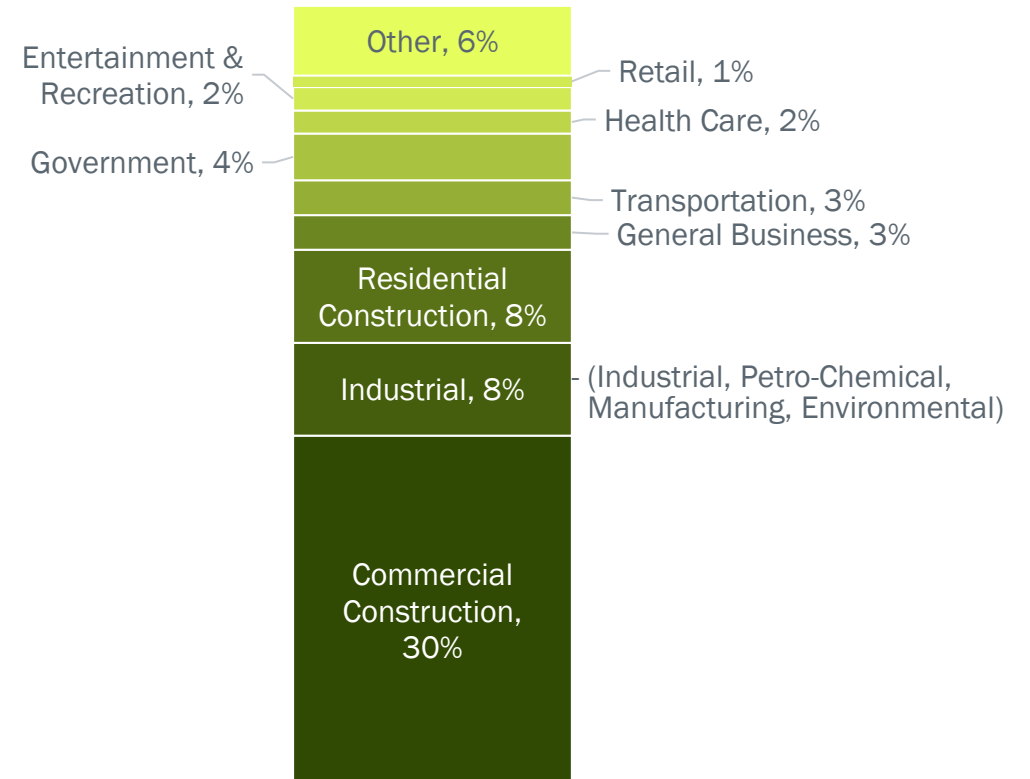
Q3-23 Customer Mix



Education Mix



Commercial Mix

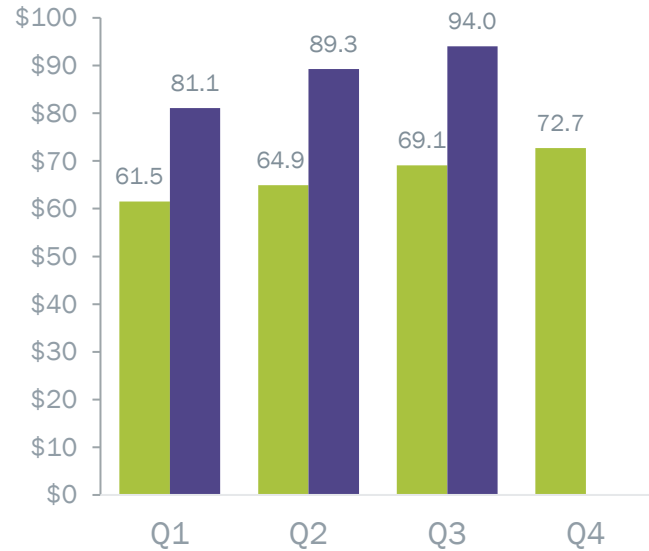


<sup>(a)</sup> Mobile Modular includes Vesta, Mobile Modular Portable Storage, Kitchens To Go and excludes Enviroplex

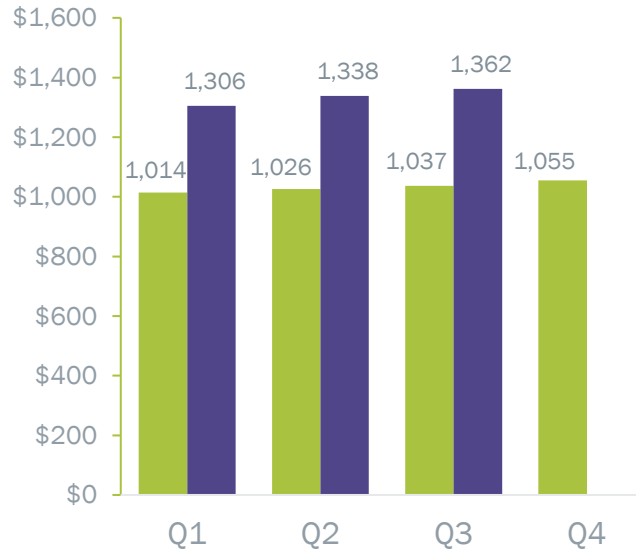
# Mobile Modular Highlights<sup>(a)(b)</sup>



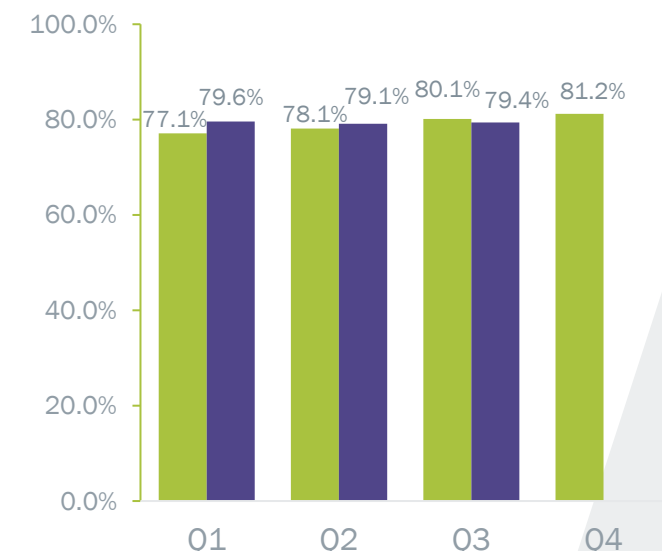
### Rental Revenue



### Period End Rental Equipment (Original Cost)



### Average Utilization



■ 2022    ■ 2023  
 (dollars in millions)

<sup>(a)</sup> Includes Mobile Modular Portable Storage, Kitchens To Go and Vesta Modular (Q1-23 onward) and excludes Enviroplex

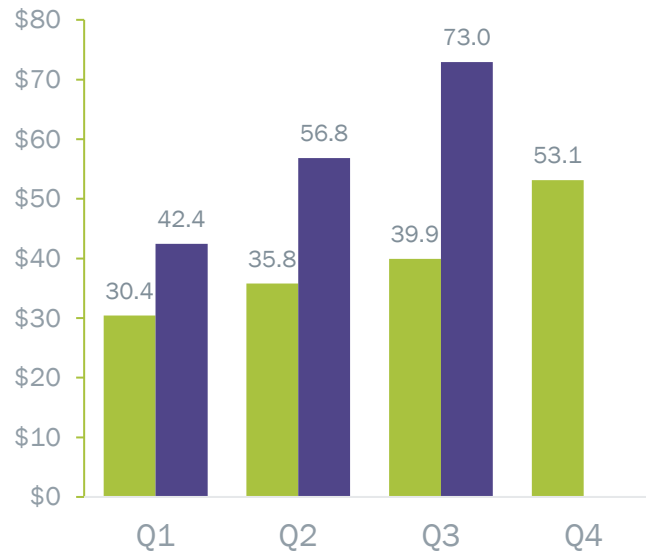
<sup>(b)</sup> See page 43 for definitions of rental equipment and utilization



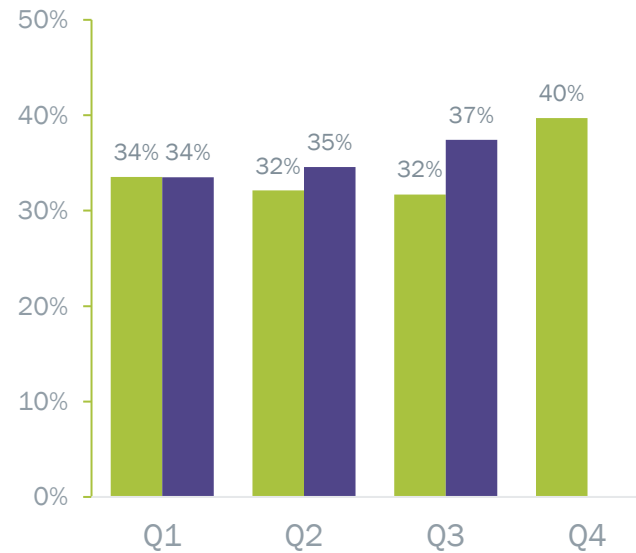
# Mobile Modular Highlights



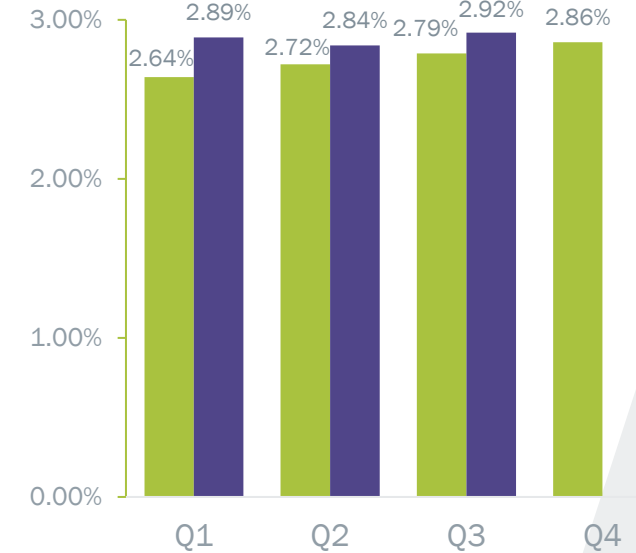
Adjusted EBITDA<sup>(a)</sup>



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



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



■ 2022    ■ 2023  
 (dollars in millions)

<sup>(a)</sup> Adjusted EBITDA defined on page 15

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

# Modular Buildings and Storage Containers Growth Opportunities

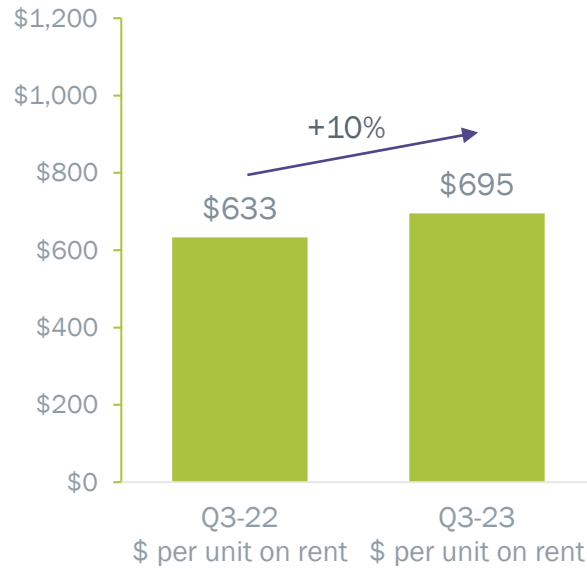


- Large and growing market
- Industry - Leading position in education rentals
- Geographic expansion opportunities for Modulares and Portable Storage, through organic investment and strategic acquisitions
- Positive fleet pricing dynamics as contracts churn and additional services are provided to customers
- 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.

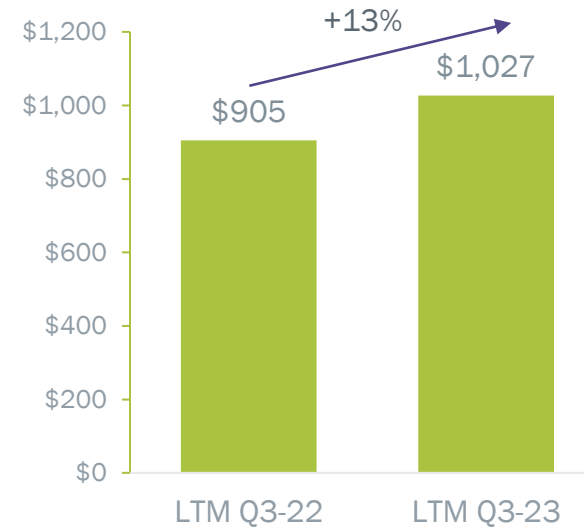
# Mobile Modular Pricing Highlights <sup>(1)</sup>



Total fleet units on rent  
Monthly revenue per unit



New Shipments  
Last Twelve Months  
Monthly revenue per unit

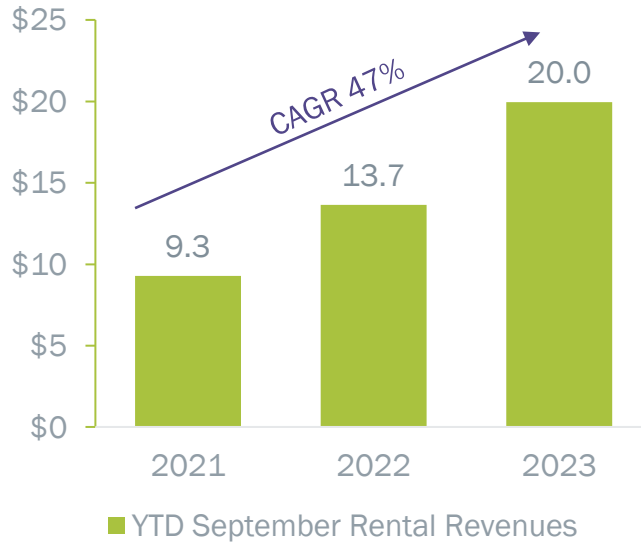


<sup>(1)</sup> Includes base building rent for modular buildings and classrooms, plus Mobile Modular Plus rental revenue (defined on page 33) and excludes Vesta and Mobile Modular Portable Storage. Pricing varies based on multiple factors, including product type, region, contract term and customization charges. Units on rent is the average for the quarter.

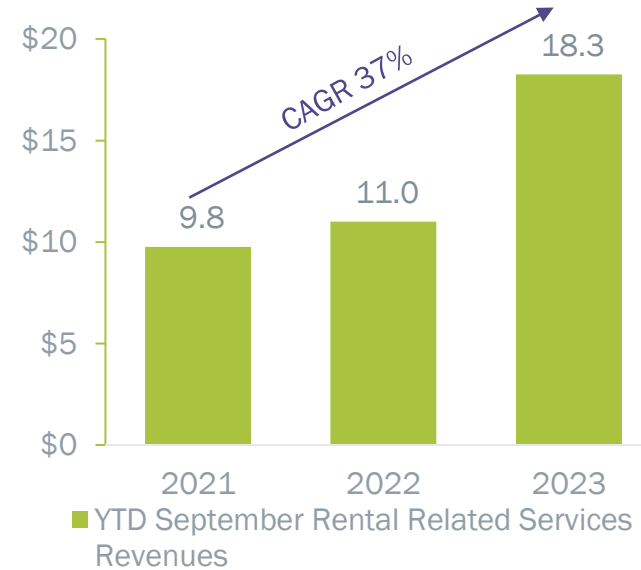
# Mobile Modular Initiatives



Mobile Modular Plus<sup>(1)(3)</sup>



Site Related Services<sup>(2)(3)</sup>



(dollars in millions)

<sup>(1)</sup> Mobile Modular Plus includes rental revenue for items such as steps, ramps, furniture, personal property expense, damage waiver, air care, sanitation

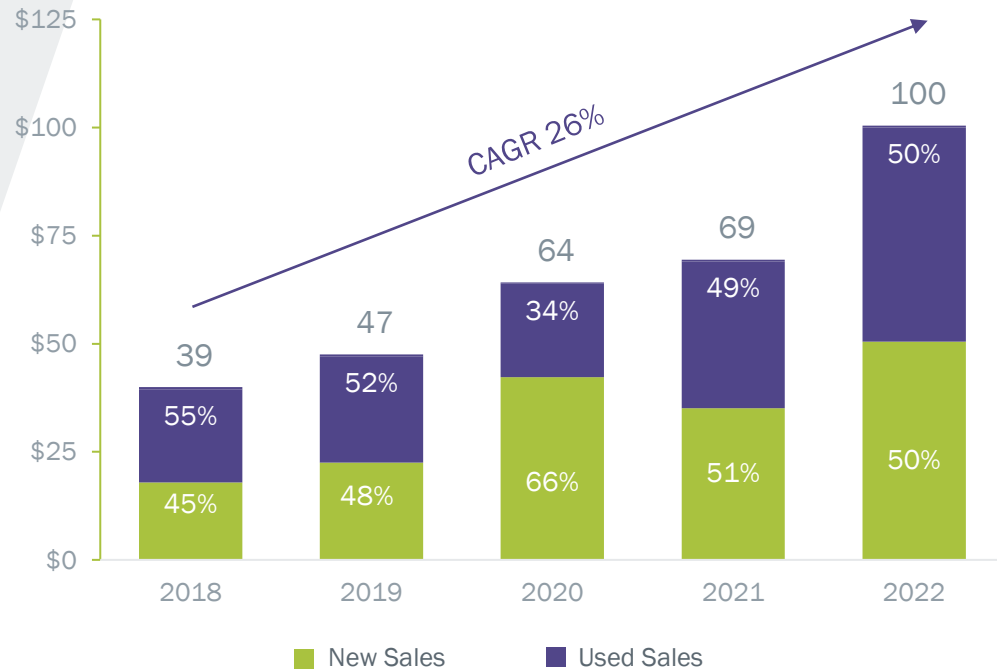
<sup>(2)</sup> Site Related Services includes rental related services revenue for site planning, permits, project scheduling, plumbing connections, clearing and grading, drainage, foundation design and installation, electrical, sidewalks and paving, landscaping

<sup>(3)</sup> Excludes Vesta and Mobile Modular Portable Storage

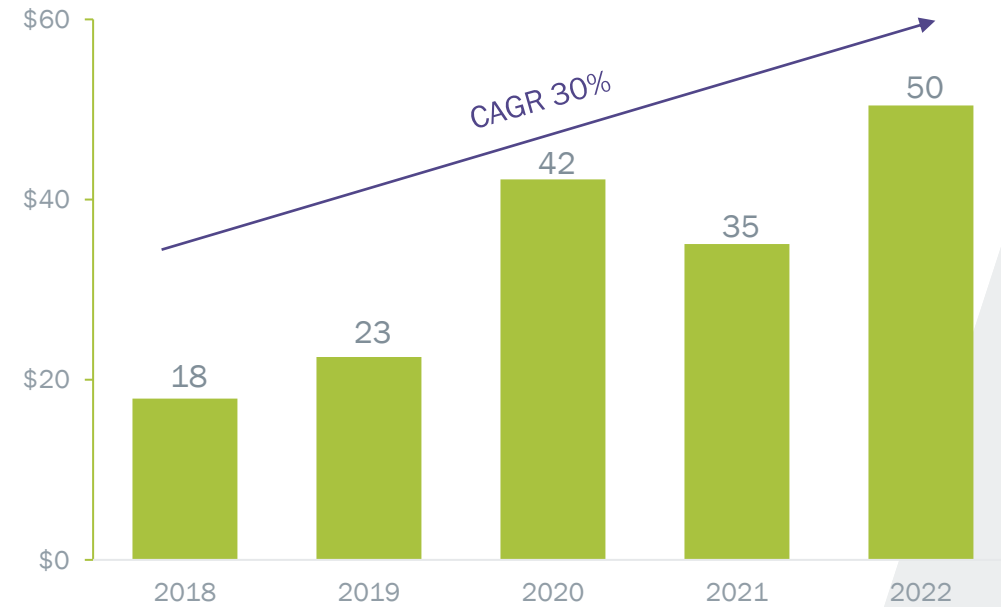
# Mobile Modular Sales <sup>(1)</sup>



Total Sales Revenues



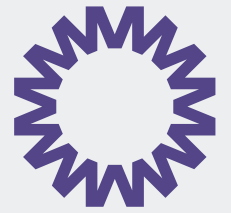
New Sales Revenue



<sup>(1)</sup> Sales revenues include Mobile Modular Portable Storage, Kitchens To Go and exclude Enviroplex



# TRS-RenTelco



McGRATH™



# 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

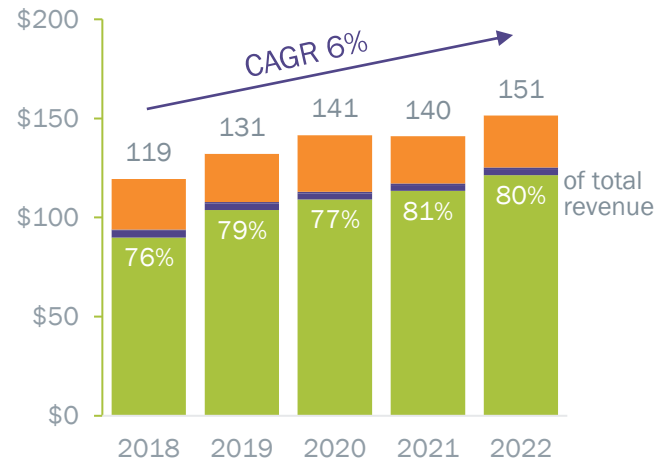


LAN Cable Tester

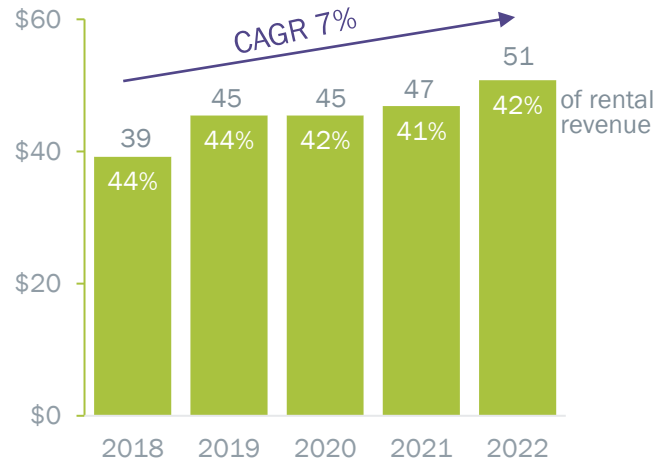
# TRS-RenTelco Operating Results<sup>(a)</sup>



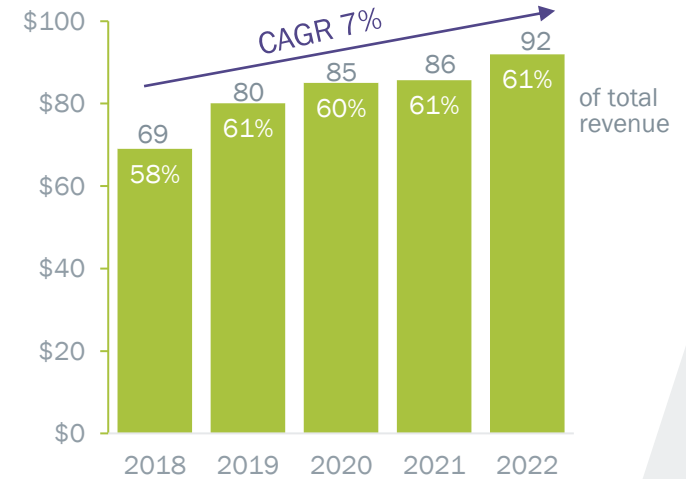
Total Revenues



Rental Gross Profit



Adjusted EBITDA



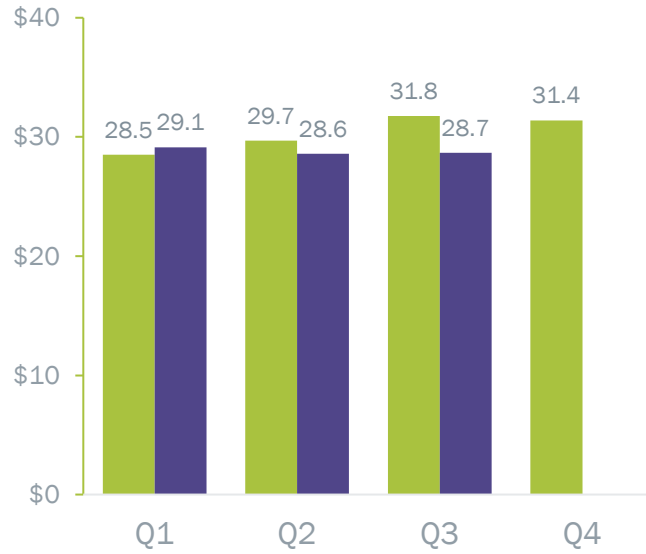
■ Rents 
 ■ RRS 
 ■ Sales & Other  
 (dollars in millions)

<sup>(a)</sup> Adjusted EBITDA defined on page 15

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



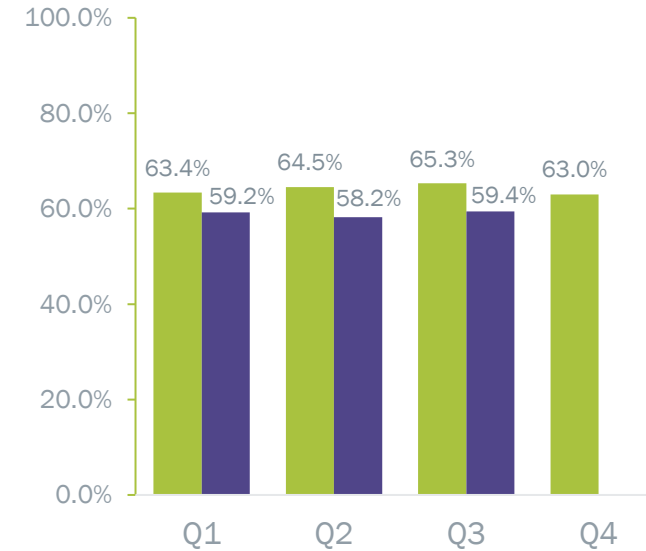
Rental Revenue



Period End Rental Equipment (Original Cost)



Average Utilization



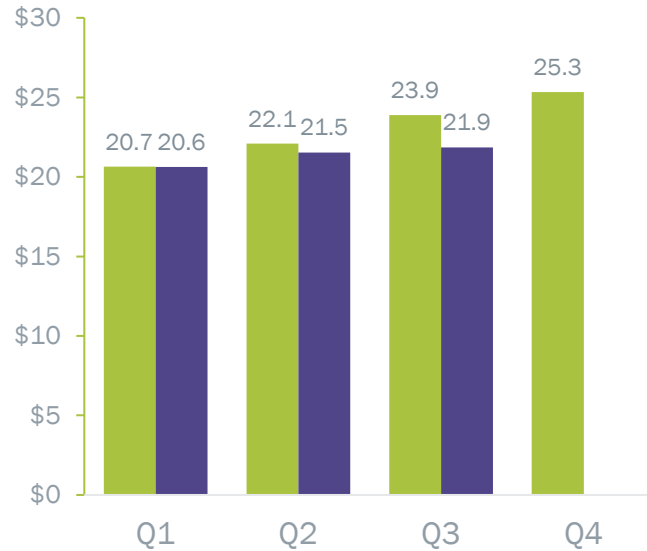
■ 2022    ■ 2023  
 (dollars in millions)

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

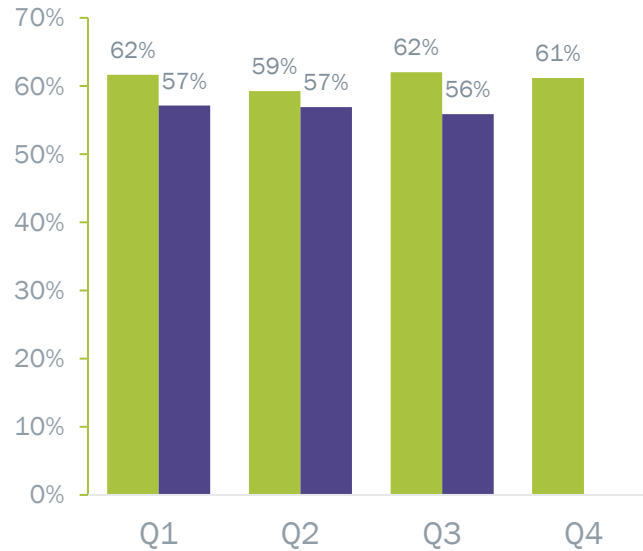
# TRS-RenTelco Highlights



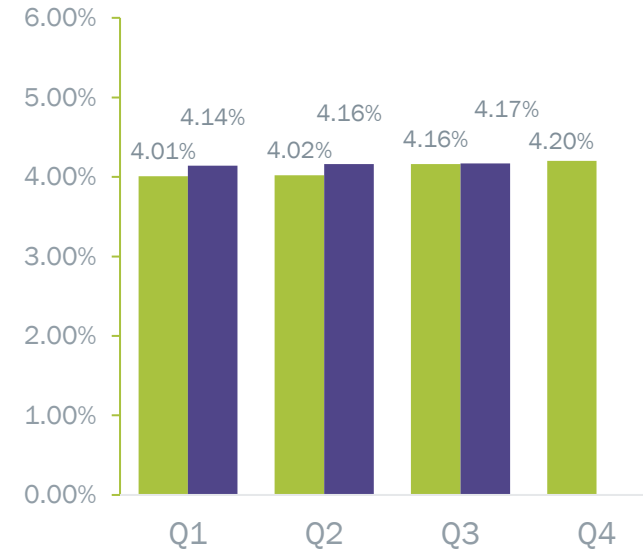
Adjusted EBITDA<sup>(a)</sup>



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



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



■ 2022    ■ 2023  
 (dollars in millions)

<sup>(a)</sup> Adjusted EBITDA defined on page 15

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



# TRS-RenTelco Growth Opportunities



- North American market leader 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

## Investment Summary

*McGrath (Nasdaq: MGRC)*

- Established rental businesses with solid market positions
- Strategic growth focus on Modular segment
- Disciplined capital spending on new rental equipment and acquisitions
- Strong cash flow and resilient business model
- Dividend increases for 32 consecutive years
- Sound financial foundation to support current business operations and future growth

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

# Appendix



**McGRATH™**



# Rental Fleet Metrics

## Period End Utilization <sup>(1)</sup>

	FY											Q									Q3-23 vs.		Q3 Y/Y	
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	Q321	Q421	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q2-23	% chg	Q3 Y/Y	% chg
Mobile Modular <sup>(4)</sup>	66.7%	70.7%	75.0%	76.9%	77.3%	77.8%	79.3%	79.1%	76.0%	76.4%	80.7%	76.7%	76.4%	77.6%	78.6%	81.2%	80.7%	78.9%	78.8%	79.7%	0.9%	1.1%	-1.5%	-1.8%
TRS-RenTelco	64.1%	58.2%	59.8%	58.7%	61.0%	61.7%	62.1%	64.5%	67.4%	62.9%	59.4%	66.9%	62.9%	64.7%	65.3%	65.2%	59.4%	59.0%	58.3%	60.3%	2.0%	3.4%	-4.9%	-7.5%

## Average Utilization <sup>(1)</sup>

	FY											Q									Q3-23 vs.		Q3 Y/Y	
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	Q321	Q421	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q2-23	% chg	Q3 Y/Y	% chg
Mobile Modular <sup>(4)</sup>	66.4%	68.3%	72.3%	75.8%	76.6%	76.8%	78.2%	79.2%	77.2%	76.2%	79.1%	76.5%	76.9%	77.1%	78.1%	80.1%	81.2%	79.6%	79.1%	79.4%	0.3%	0.4%	-0.7%	-0.9%
TRS-RenTelco	65.8%	62.7%	60.4%	60.5%	60.6%	62.9%	62.7%	66.2%	66.2%	67.0%	64.2%	66.9%	65.9%	64.6%	64.5%	65.3%	63.0%	59.2%	58.2%	59.4%	1.2%	2.1%	-5.9%	-9.0%

## Average Monthly Rental Rate <sup>(2)</sup>

	FY											Q									Q3-23 vs.		Q3 Y/Y	
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	Q321	Q421	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q2-23	% chg	Q3 Y/Y	% chg
Mobile Modular <sup>(4)</sup>	1.90%	1.84%	1.86%	1.91%	1.96%	2.07%	2.24%	2.41%	2.47%	2.61%	2.75%	2.65%	2.70%	2.64%	2.72%	2.79%	2.86%	2.89%	2.84%	2.92%	0.1%	2.8%	0.1%	4.7%
TRS-RenTelco	4.83%	5.09%	5.20%	4.62%	4.45%	4.35%	4.33%	4.26%	4.08%	4.01%	4.11%	4.02%	4.05%	4.01%	4.02%	4.16%	4.20%	4.14%	4.16%	4.17%	0.0%	0.2%	0.0%	0.2%

## Period End Rental Equipment <sup>(3)</sup> - (dollars in millions)

	FY											Q									Q3-23 vs.		Q3 Y/Y	
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	Q321	Q421	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q2-23	% chg	Q3 Y/Y	% chg
Mobile Modular <sup>(4)</sup>	534	565	635	706	744	747	775	814	837	1,001	1,055	981	1,001	1,014	1,026	1,037	1,055	1,306	1,338	1,362	23.5	1.8%	324.7	31.3%
TRS-RenTelco	267	267	261	262	246	262	284	334	332	361	395	364	361	374	387	393	395	398	387	384	(2.9)	-0.7%	(9.0)	-2.3%

<sup>(1)</sup> 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

<sup>(2)</sup> 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

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

<sup>(4)</sup> Mobile Modular includes Mobile Modular Portable Storage and Kitchens To Go and excludes Enviroplex