

**McGRATH™**

DECEMBER 14, 2023

*Oppenheimer Midwest Industrial Summit*



## 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.

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# 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

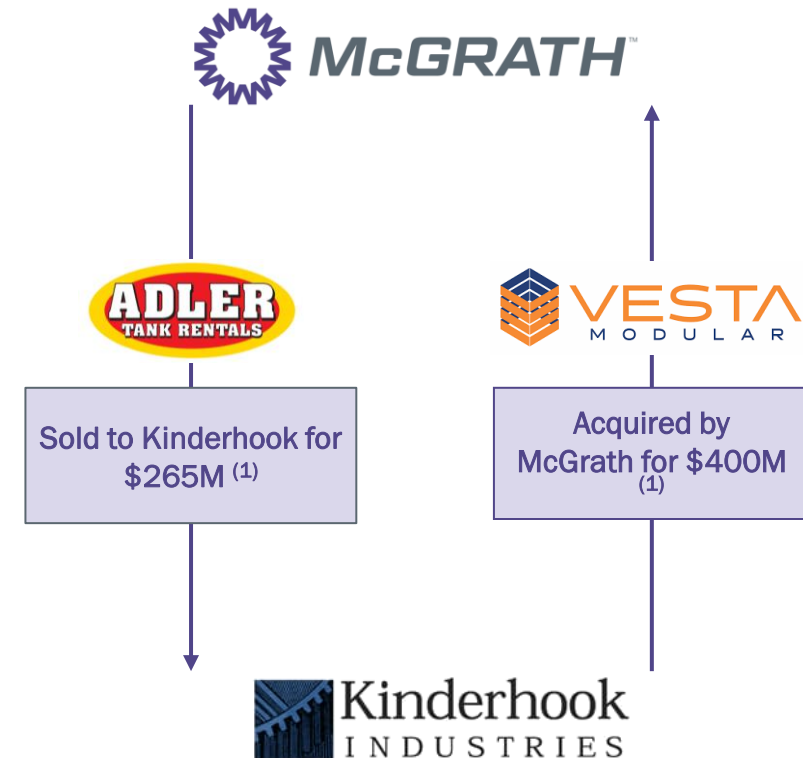
Creates a more competitive and larger scaled modular business with increased geographic coverage and density to serve customers

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

Increases proportion of longer-term rental revenue contracts

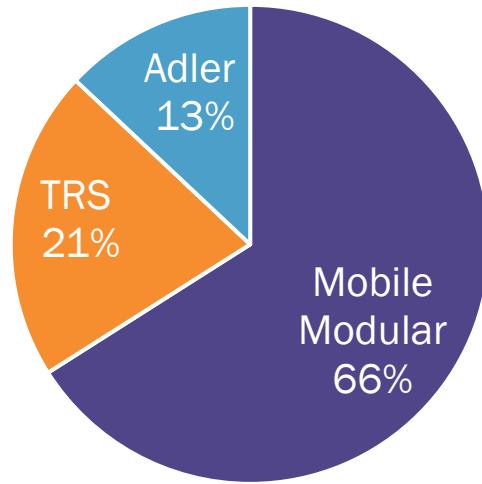
Provides opportunities for cost and revenue synergies

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

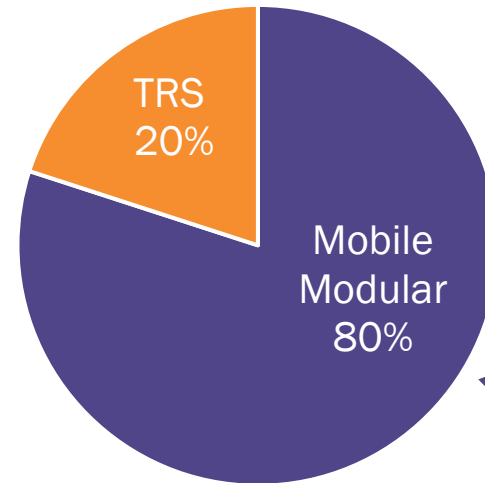


<sup>(1)</sup> Excludes reimbursable CapEx, working capital adjustments and fees  
- Slide from February 1, 2023 Vesta/Adler transaction announcement presentation

# 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

# Uniquely McGrath



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

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

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

# 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

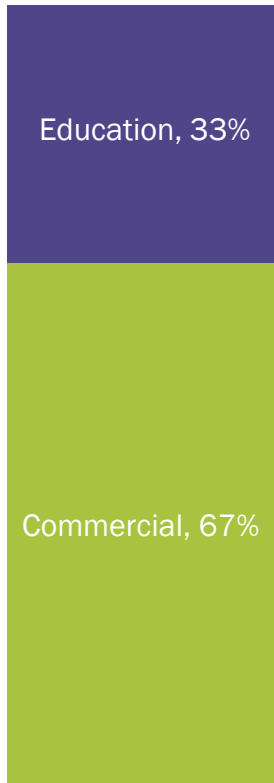
## RENTAL FLEET (units)

# ~83,000

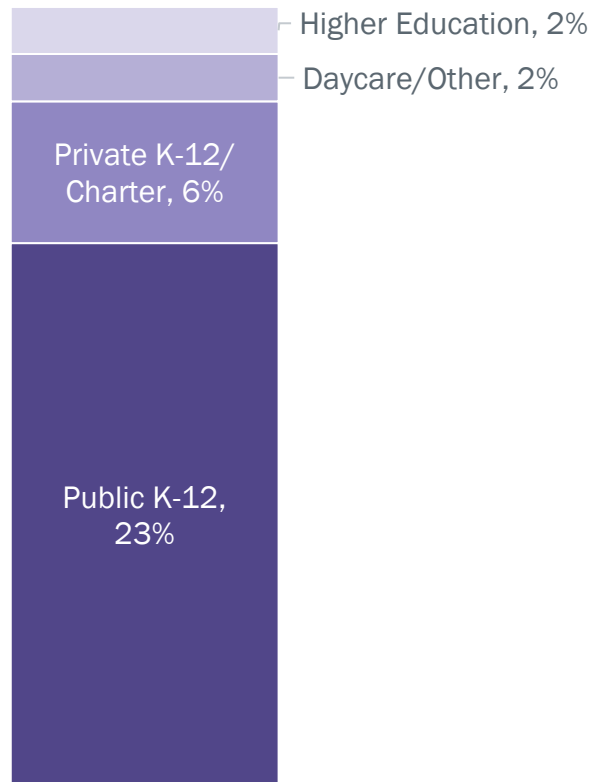
# Rental Operations Revenue Customer Mix <sup>(a)</sup>



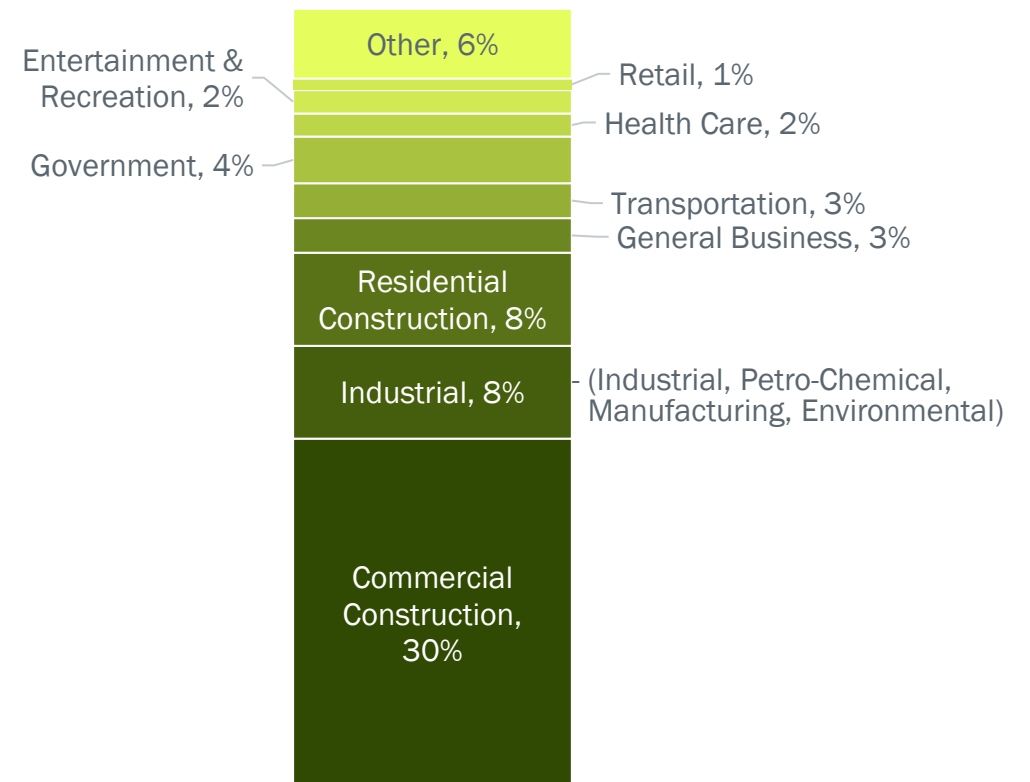
Q3-23 Customer Mix



Education Mix



Commercial Mix



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

# 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.



# 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**

# 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

# 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>

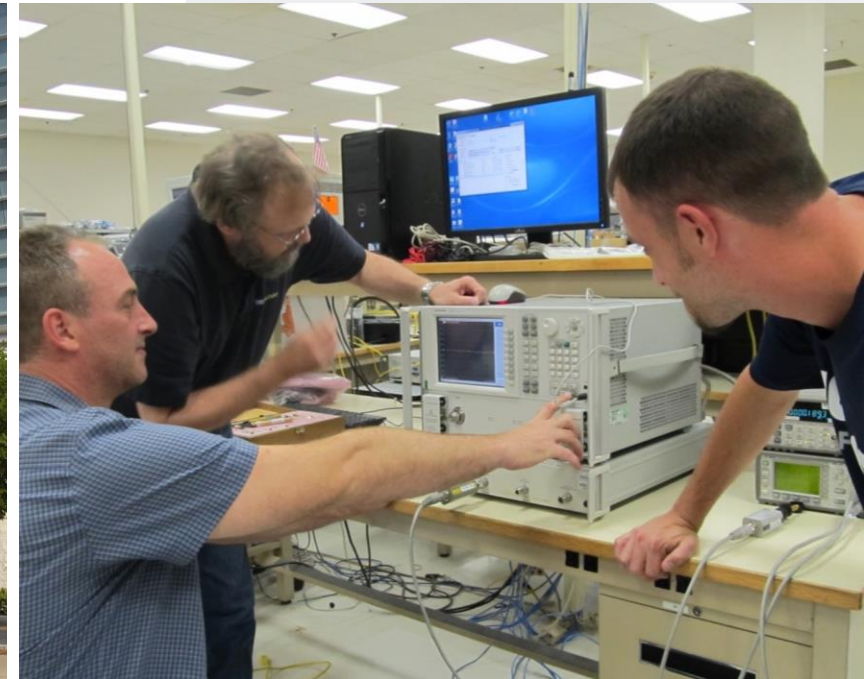
“Corporate Responsibility and Sustainability are long-standing hallmarks of our company’s culture and remain at the forefront in everything we do.”

– Joe Hanna, President and CEO.

# Financial Highlights

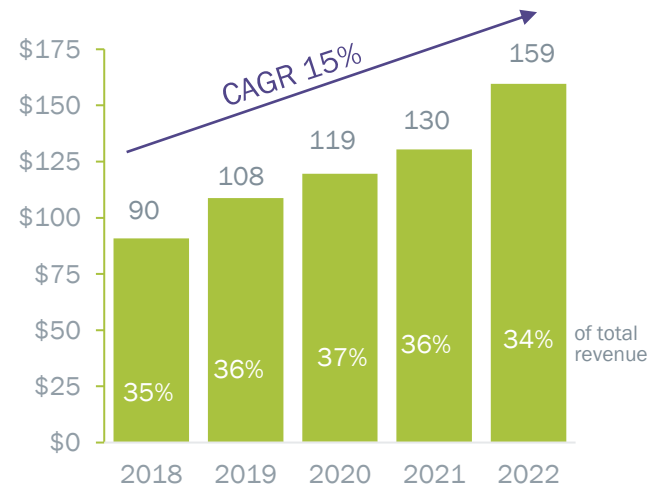


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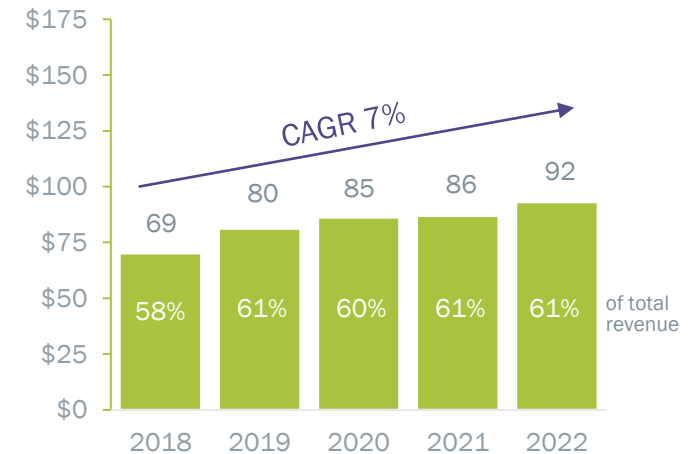


# Rental Segment Adjusted EBITDA<sup>(a)</sup>

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



TRS-RenTelco



(dollars in millions)

<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.

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

## 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)

## Operating Results (from continuing operations)

(dollars in millions except per share amounts)

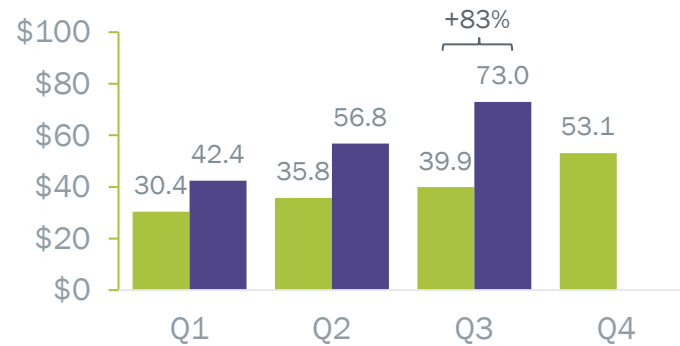
	Nine months ended September 30			Three months ended September 30		
	2023	2022	Change	2023	2022	Change
Rental Revenue	350.8	285.6	23%	122.7	100.9	22%
Rental Related Services	101.5	69.3	46%	40.5	28.2	44%
Sales	148.6	95.5	56%	77.1	44.4	74%
Total Revenue	610.3	452.8	35%	243.5	174.3	40%
Gross Profit	283.5	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 14

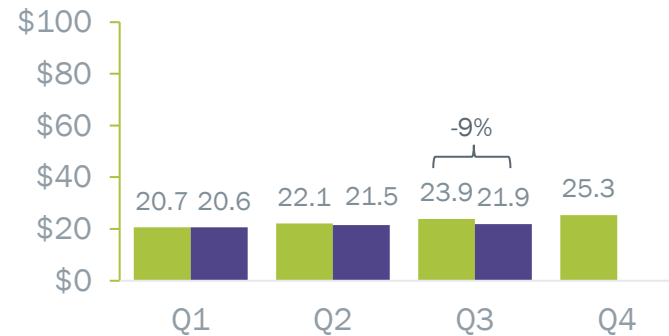
# Adjusted EBITDA<sup>(a)</sup> (from continuing operations)

## Quarterly Comparison (2022 - 2023)

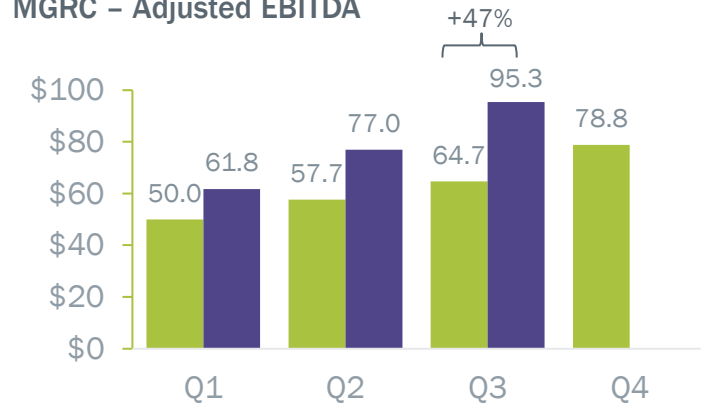
Mobile Modular – Adjusted EBITDA<sup>(b)</sup>



TRS-RenTelco – Adjusted EBITDA



MGRC – Adjusted EBITDA



■ 2022    ■ 2023  
 (dollars in millions)

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

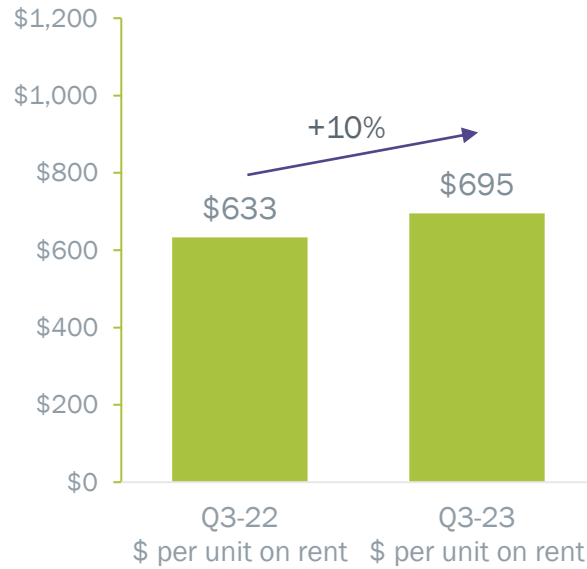
<sup>(b)</sup> Mobile Modular includes Mobile Modular Portable Storage, Kitchens To Go, and excludes Enviroplex. Enviroplex adjusted EBITDA decreased from \$0.9M in Q3-22 to \$0.5M in Q3-23.



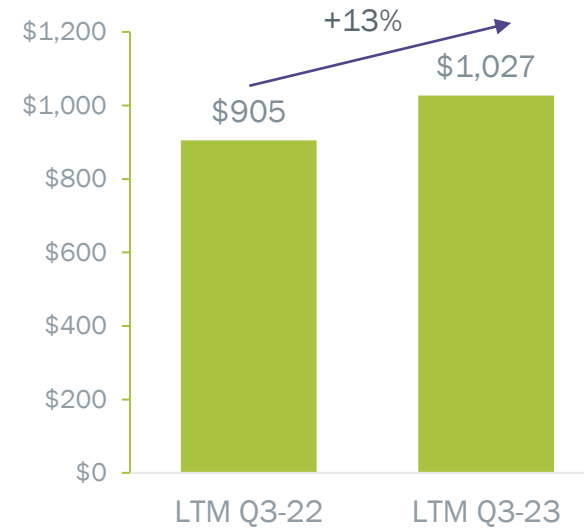
# Mobile Modular Pricing Highlights <sup>(1)</sup>



Total fleet units on rent  
Monthly revenue per unit



New Shipments  
Last Twelve Months  
Monthly revenue per unit

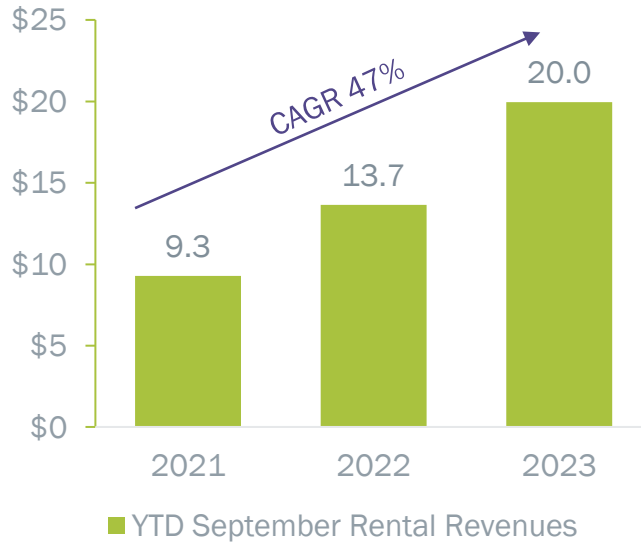


<sup>(1)</sup> Includes base building rent for modular buildings and classrooms, plus Mobile Modular Plus rental revenue (defined on page 19) and excludes Vesta and Mobile Modular Portable Storage. Pricing varies based on multiple factors, including product type, region, contract term and customization charges. Units on rent is the average for the quarter.

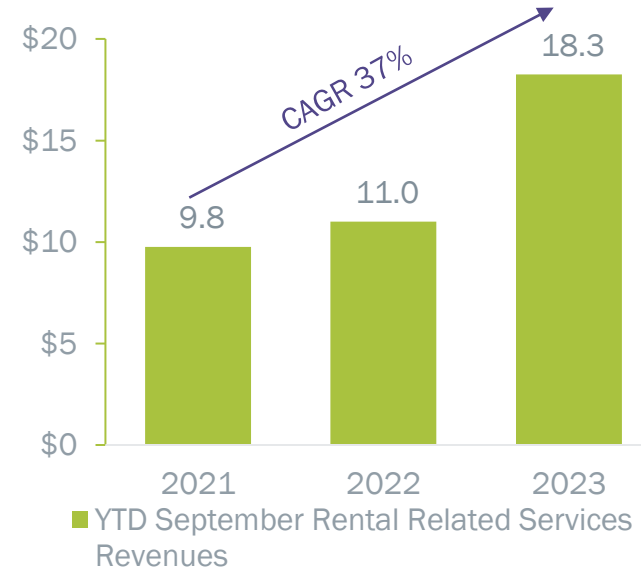
# Mobile Modular Initiatives



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

## 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 14

# 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

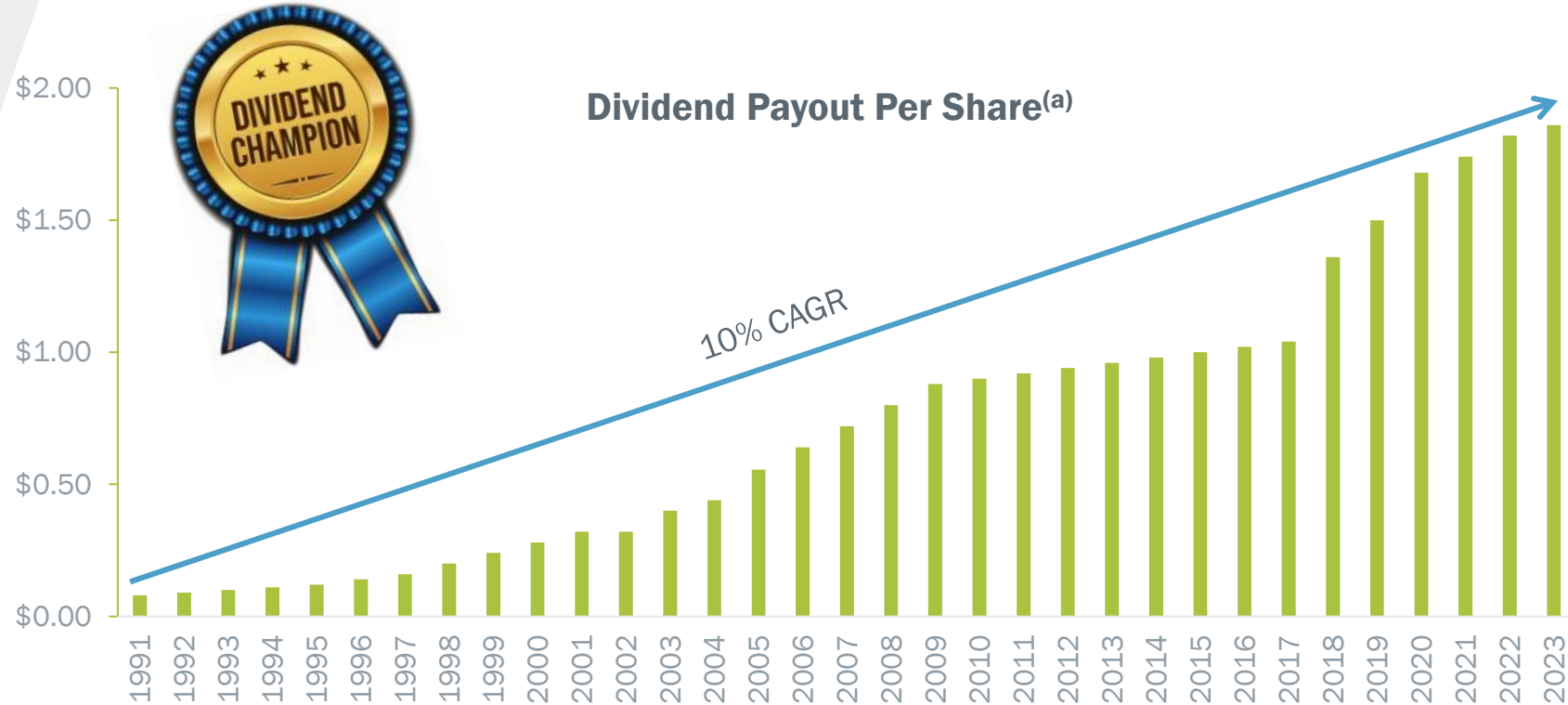
## **SHAREHOLDER VALUE FOCUS:**

- 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

# Our Dividend Distinction



- Dividend increases for 32 consecutive years
- \$1.86 per share annualized dividend
- 1.9% yield (2023 annualized dividend as of October 25, 2023)
- McGrath is 1 of approximately 130 Dividend Champions in the U.S. today, identified as having a 25-year record or more of consecutive dividend increases<sup>(b)</sup>

<sup>(a)</sup> In September 2023, dividends declared for Q3 2023 were \$0.465 per share, a 2% increase over Q3 2022, equating to an annualized dividend rate of \$1.86 per share. On an annualized basis, this dividend represents a 1.9% yield on the October 25, 2023 close price of \$97.06.

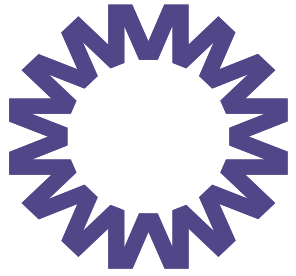
<sup>(b)</sup> Source: [2023 Dividend Champions List | See All 134 | Dividend power.org](#)

# 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**



**McGRATH**<sup>™</sup>

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**Q & A**