

McGrath RentCorp

Investor Meetings - Presentation and Additional Information Appendix



October 2019 – 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 2019 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-K 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 – Celebrating 40 Years

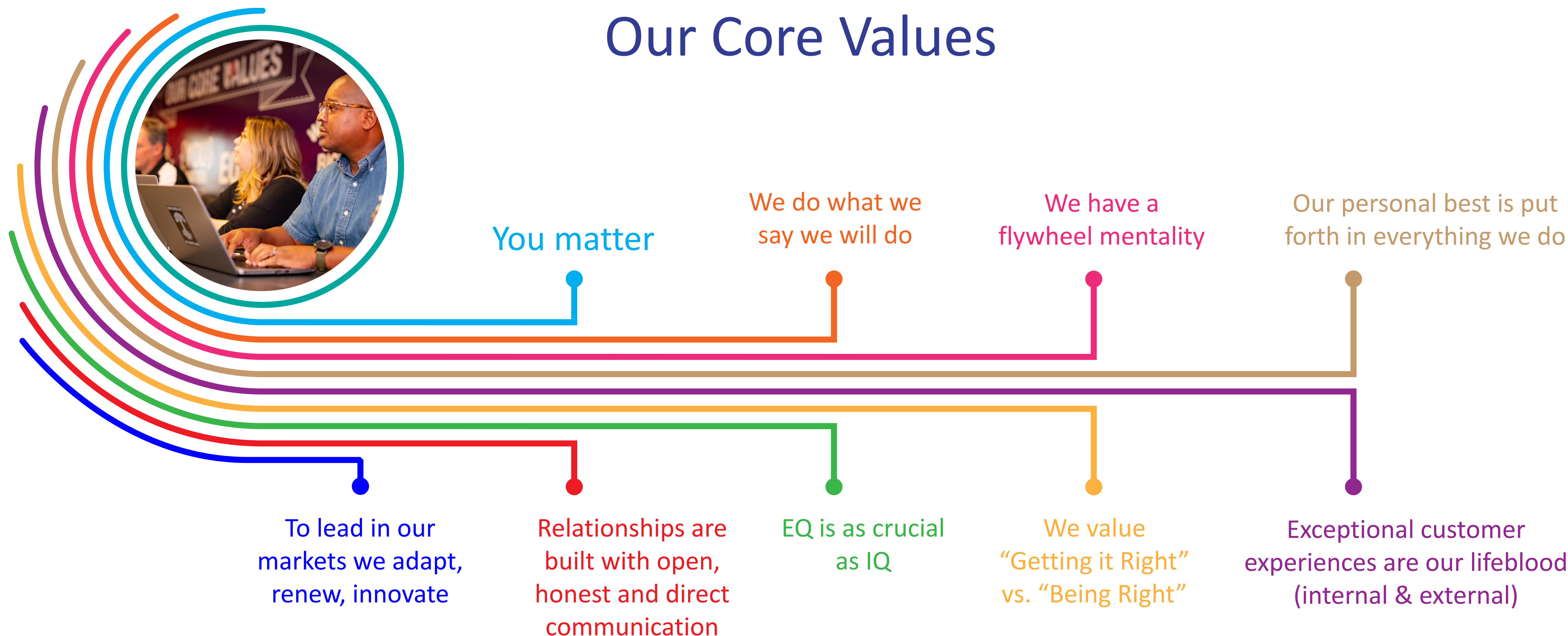


(a) Based on IPO through 12/31/18 assuming reinvestment of dividends

(b) Full year 2018

The Strength of Our Company Culture Sets Us Apart

Our Core Values

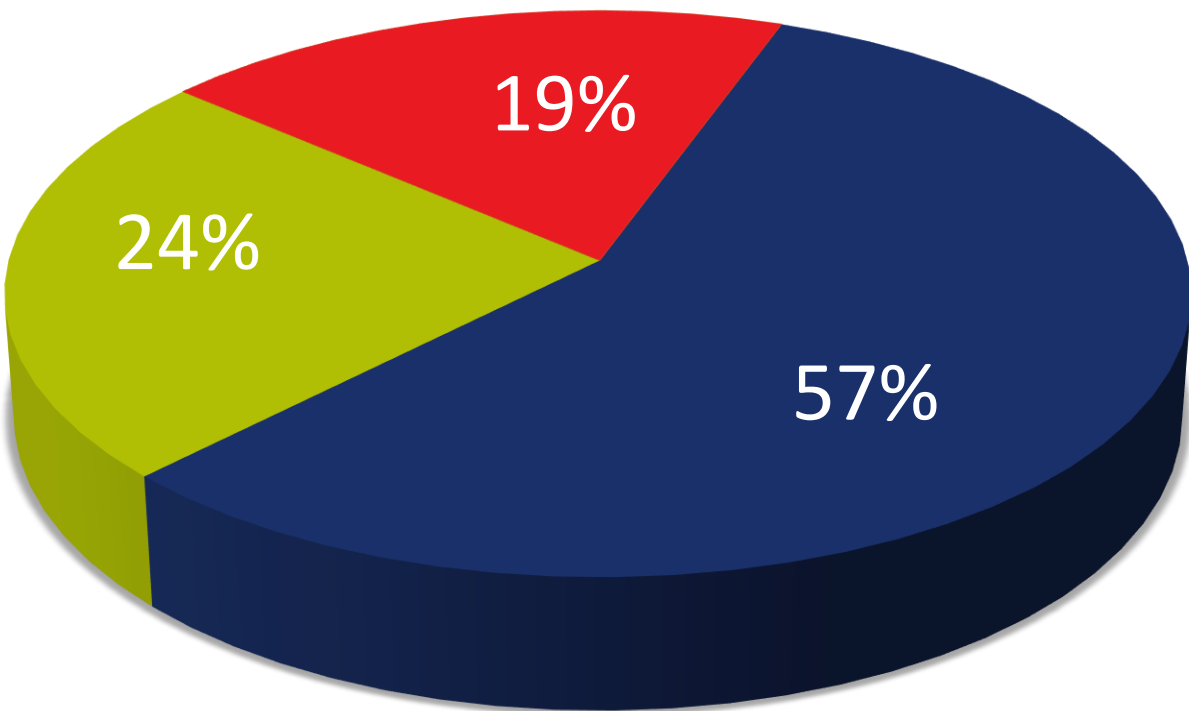


McGrath RentCorp is a Business to Business Rentals Company



2018	
Total Revenues	\$ 498 million
Rental Equipment, at cost	\$1.4 billion
Pieces of Rental Equipment	~ 92,000
Employees	1,066

Total Revenues – \$498M



- 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 14 states
 - Portable Storage: servicing 11 states

Revenues:	\$255	million (FY 2018)
Rental Equipment:	\$817	million (YE 2018 OAC ⁽¹⁾)
Rental Fleet:	~53,000	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:	\$96	million (FY 2018)
Rental Equipment:	\$314	million (YE 2018 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:	\$119	million (FY 2018)
Rental Equipment:	\$285	million (YE 2018 OAC ⁽¹⁾)
Rental Fleet:	~25,000	units

⁽¹⁾ Original Acquisition Cost

✓ **Performance Improvement**

- ☐ Analyzing rental transactions
- ☐ Segmenting markets and setting priorities
- ☐ Enhancing pricing processes

✓ **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



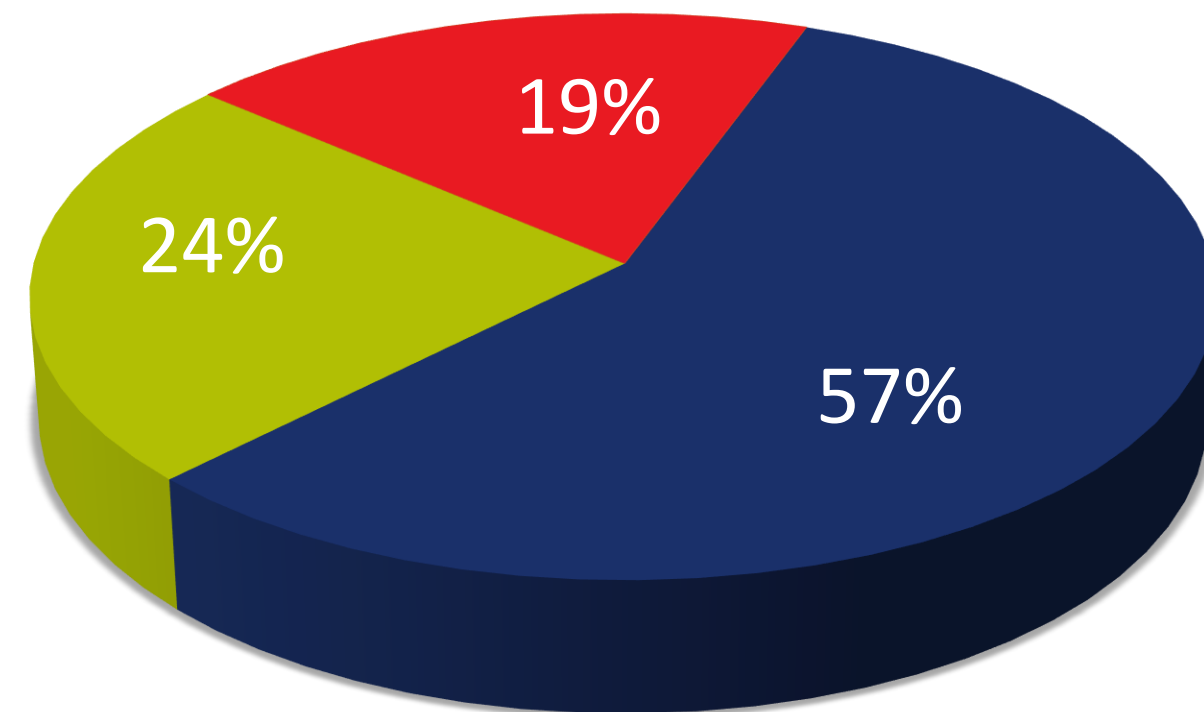


McGrath RentCorp FINANCIAL OVERVIEW

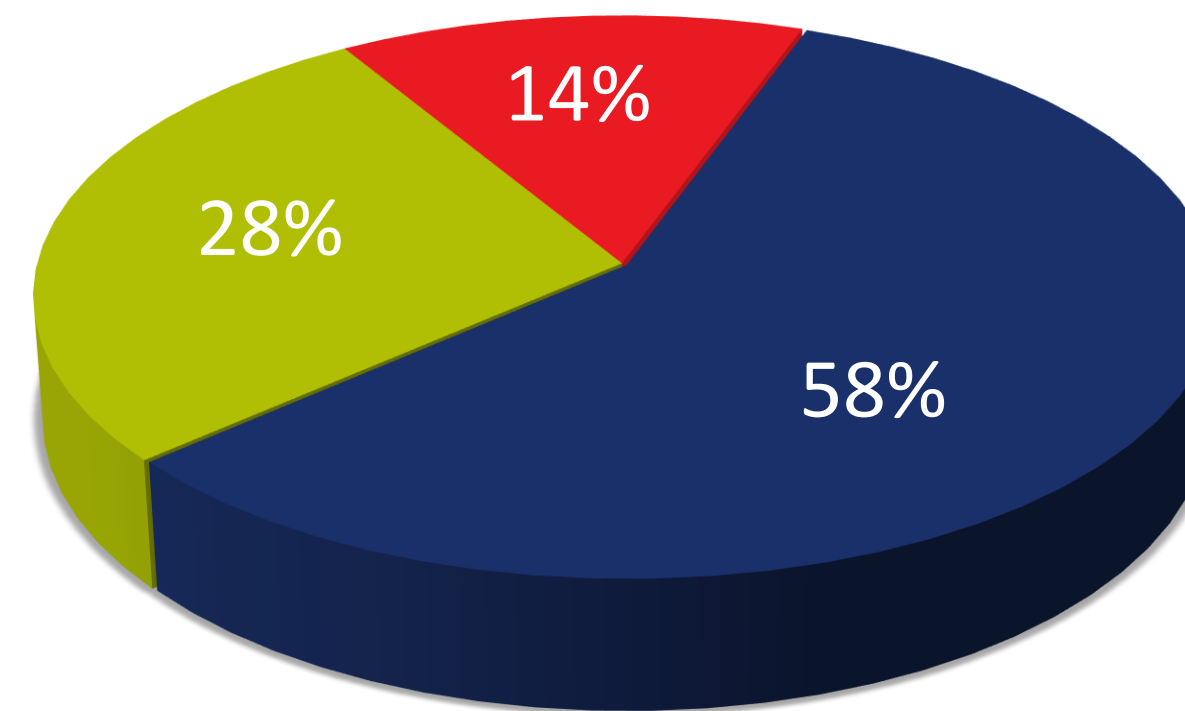


2018 Contribution by Division

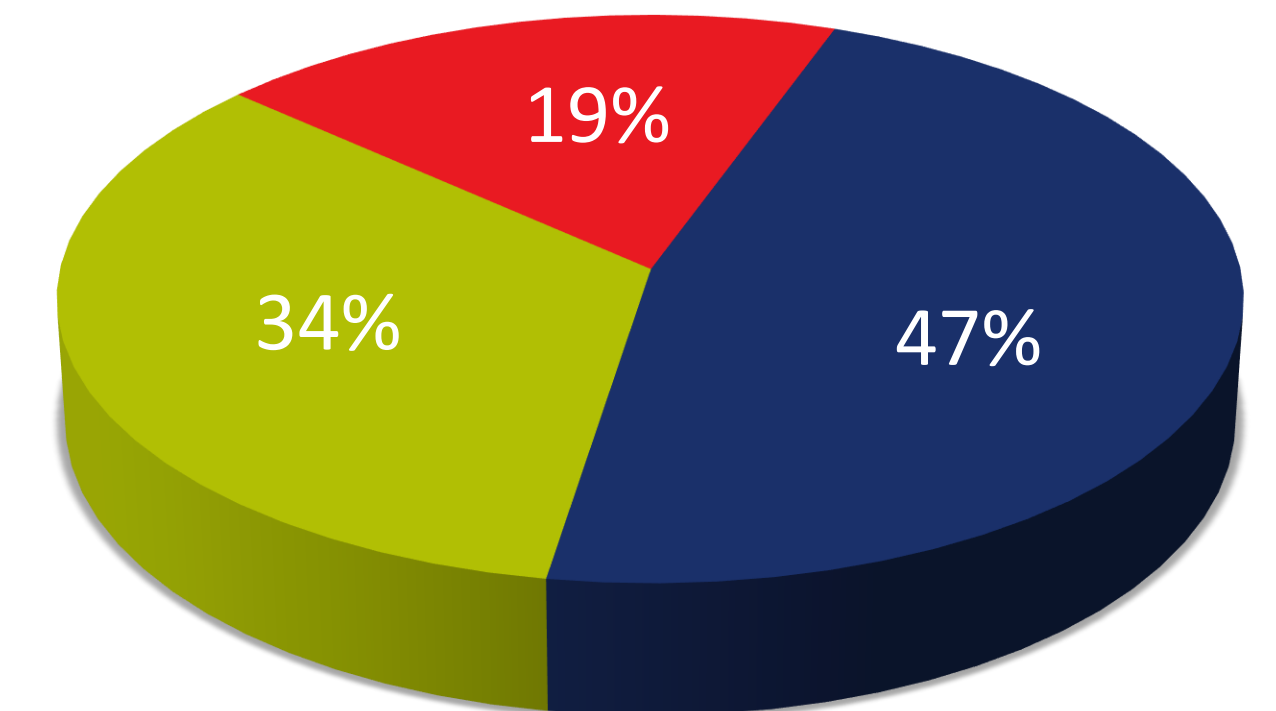
Total Revenues – \$498M



Net Income – \$79M



Adjusted EBITDA – \$203M

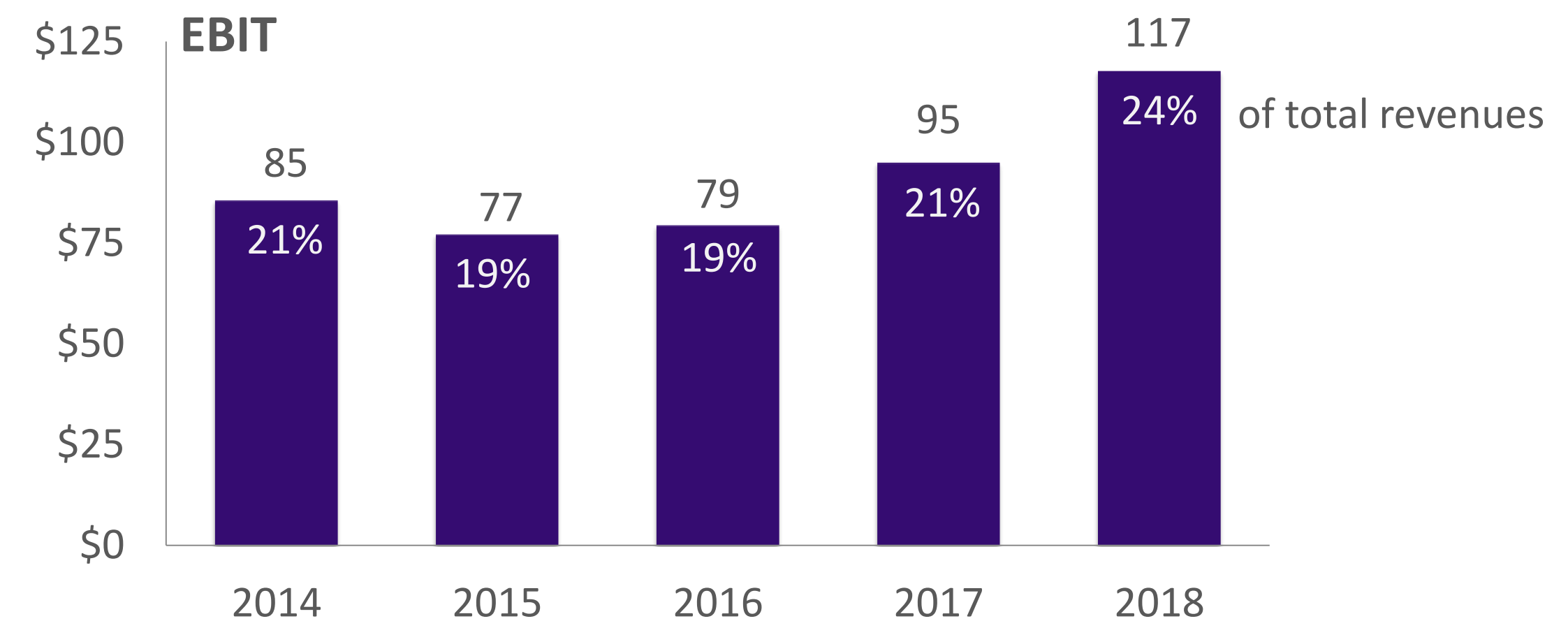
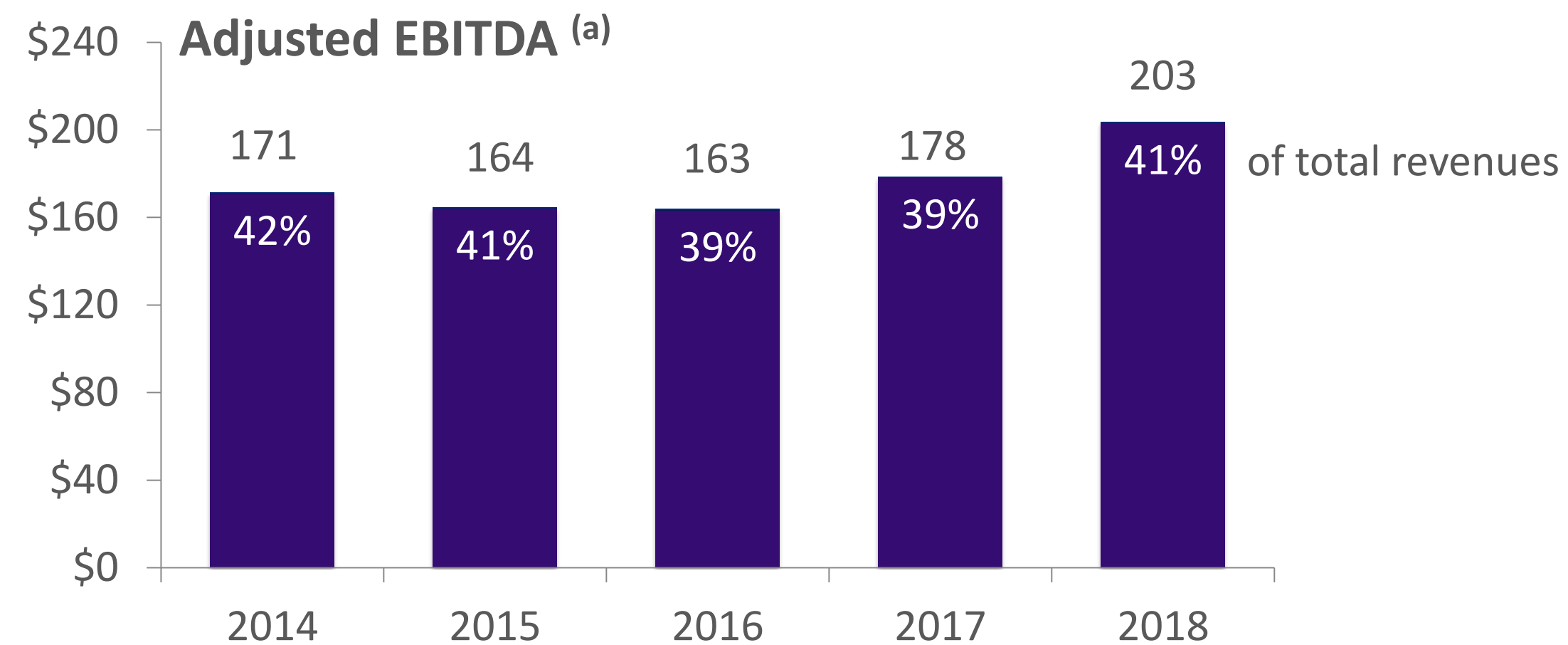
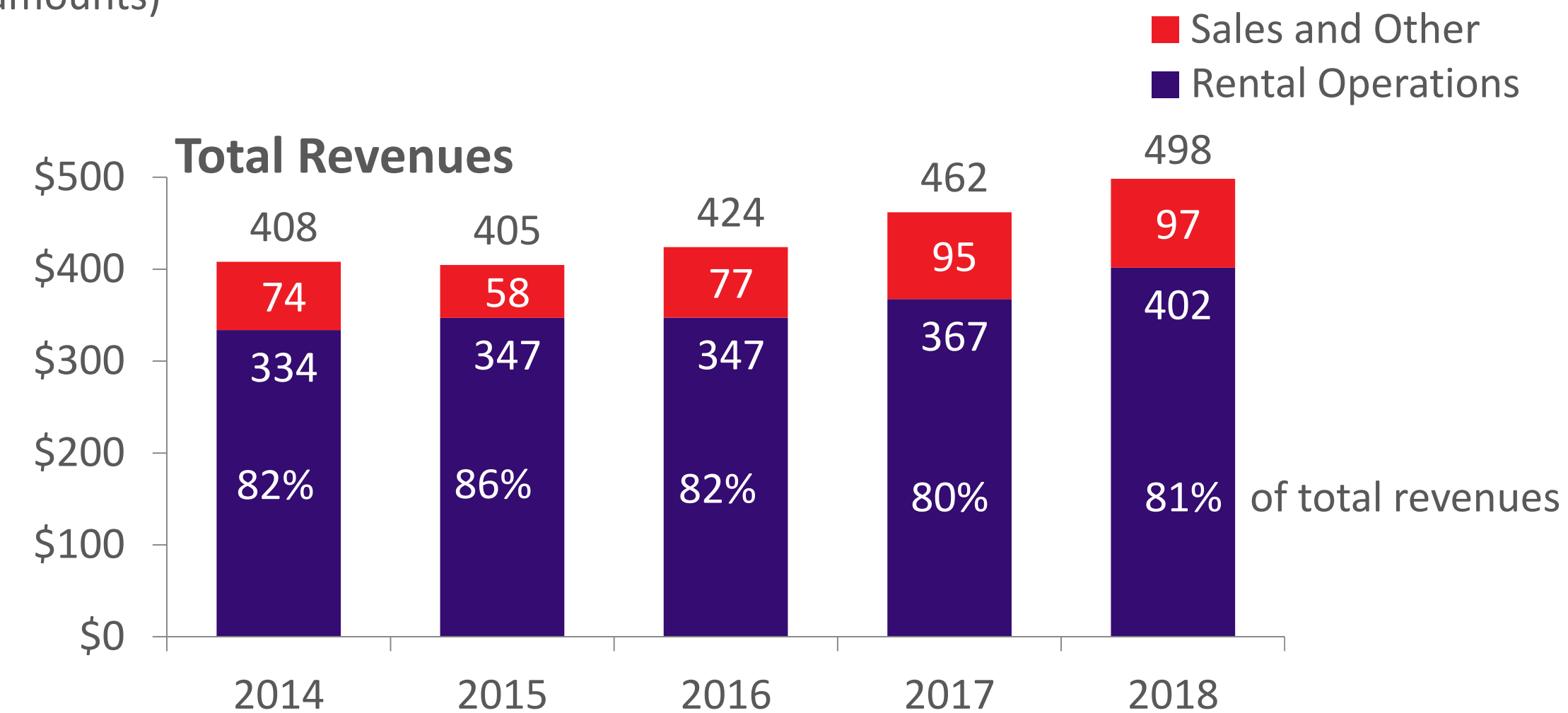


- Mobile Modular
- TRS-RenTelco
- Adler Tank Rentals

- 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)

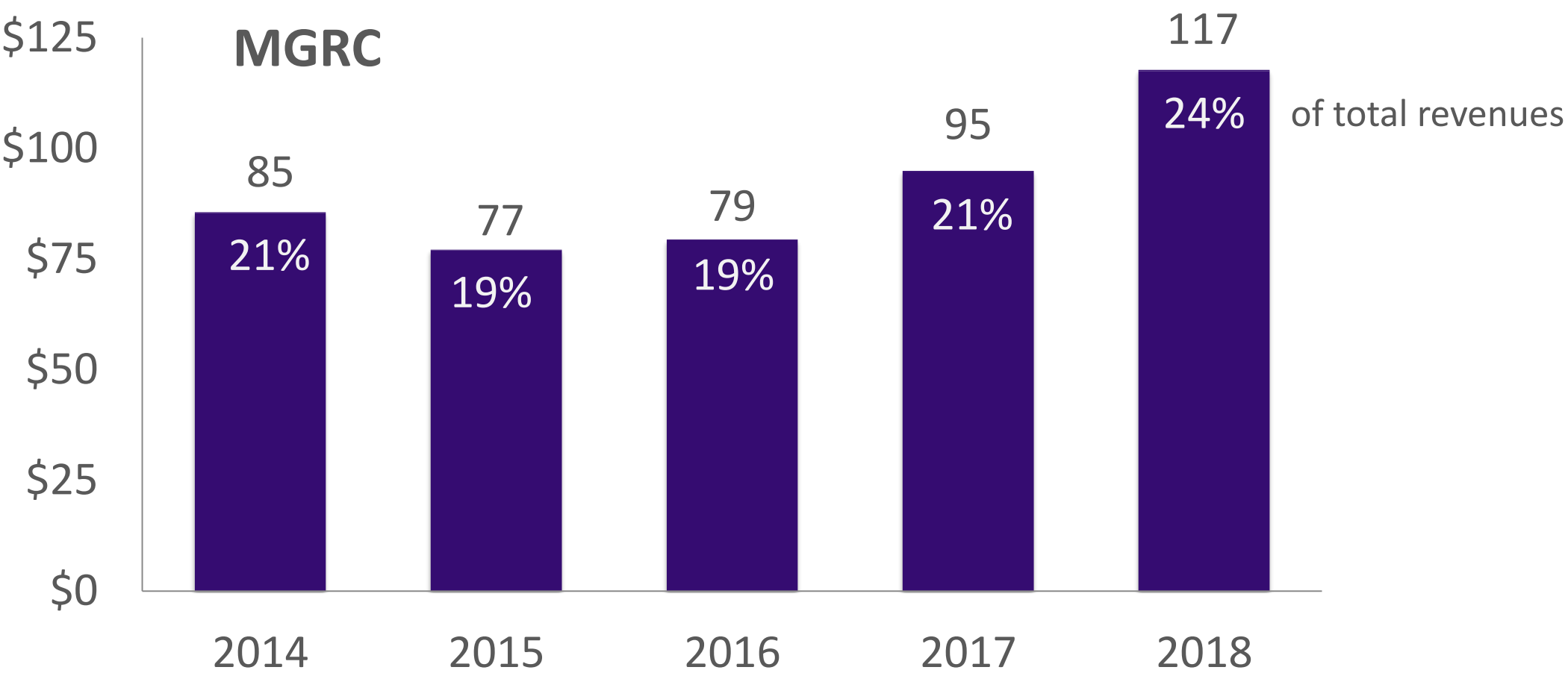
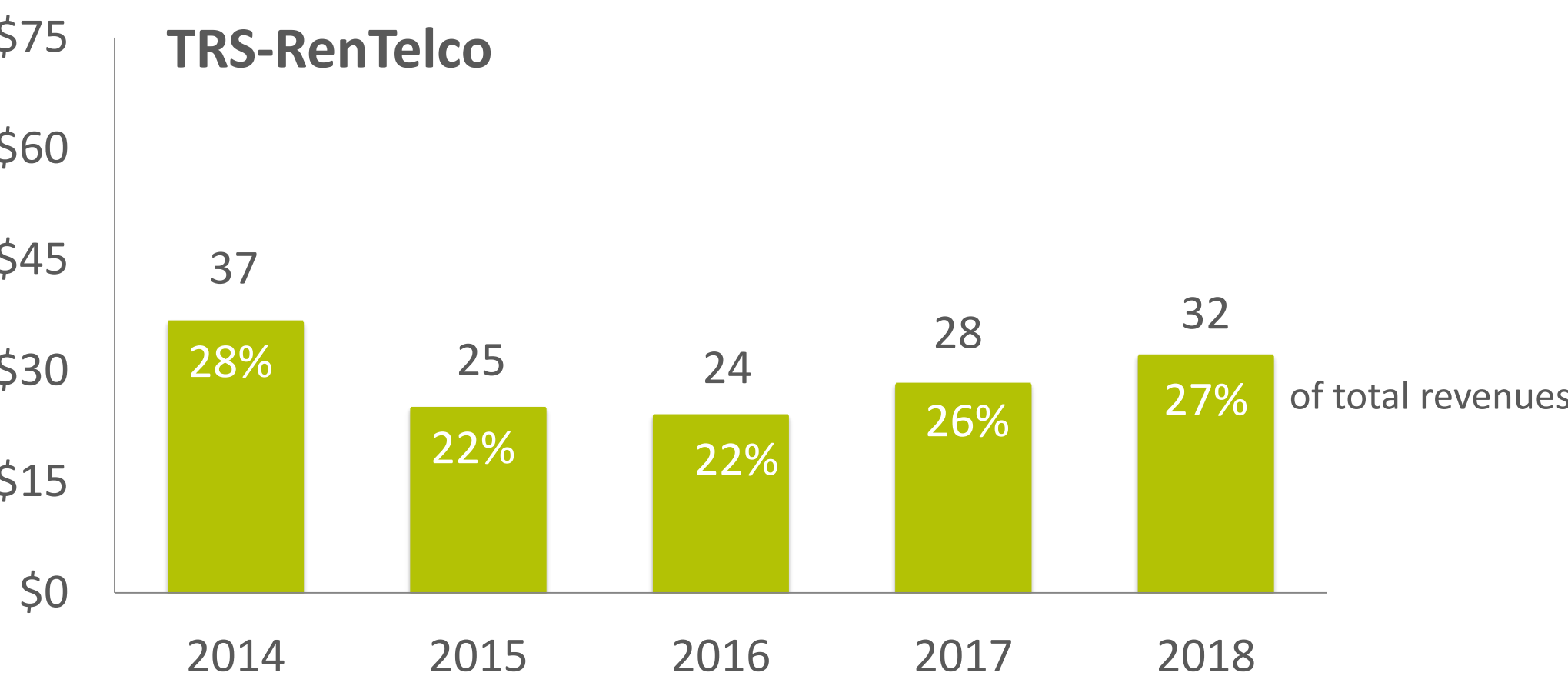
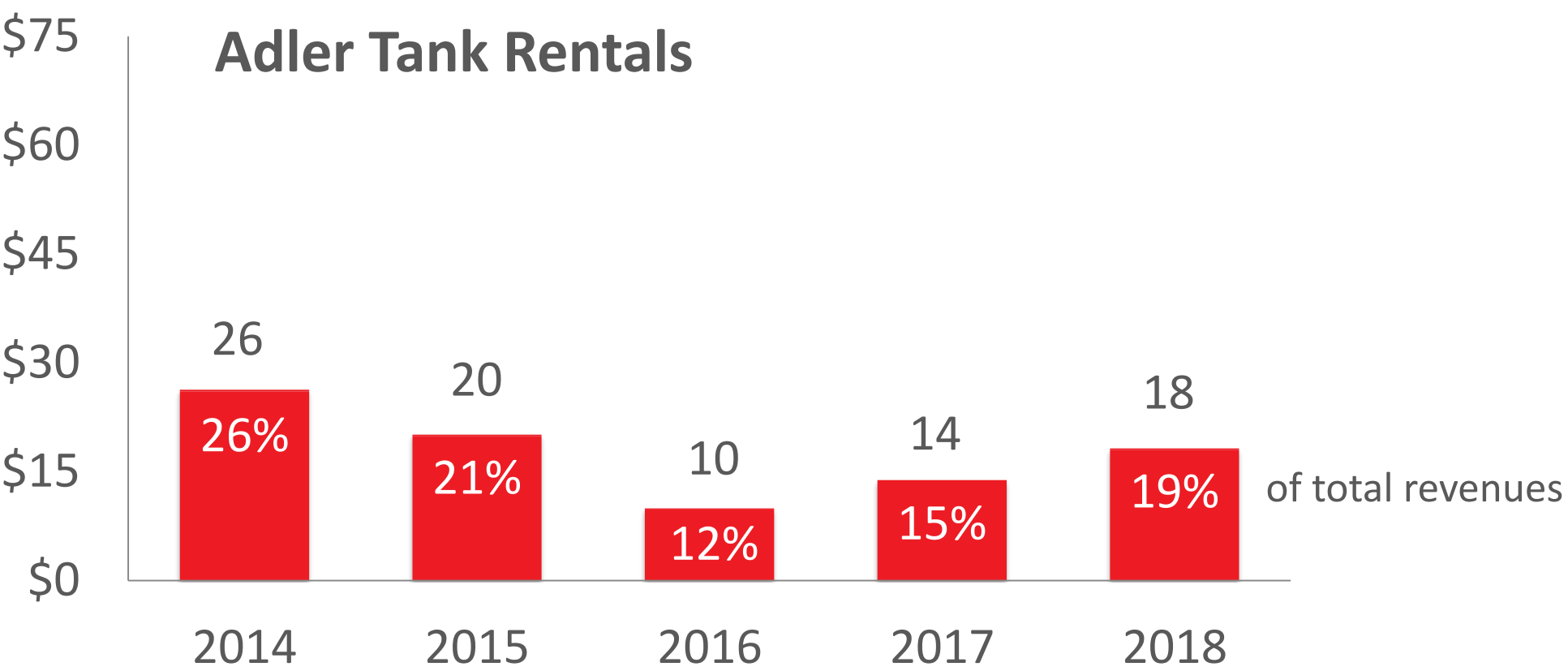
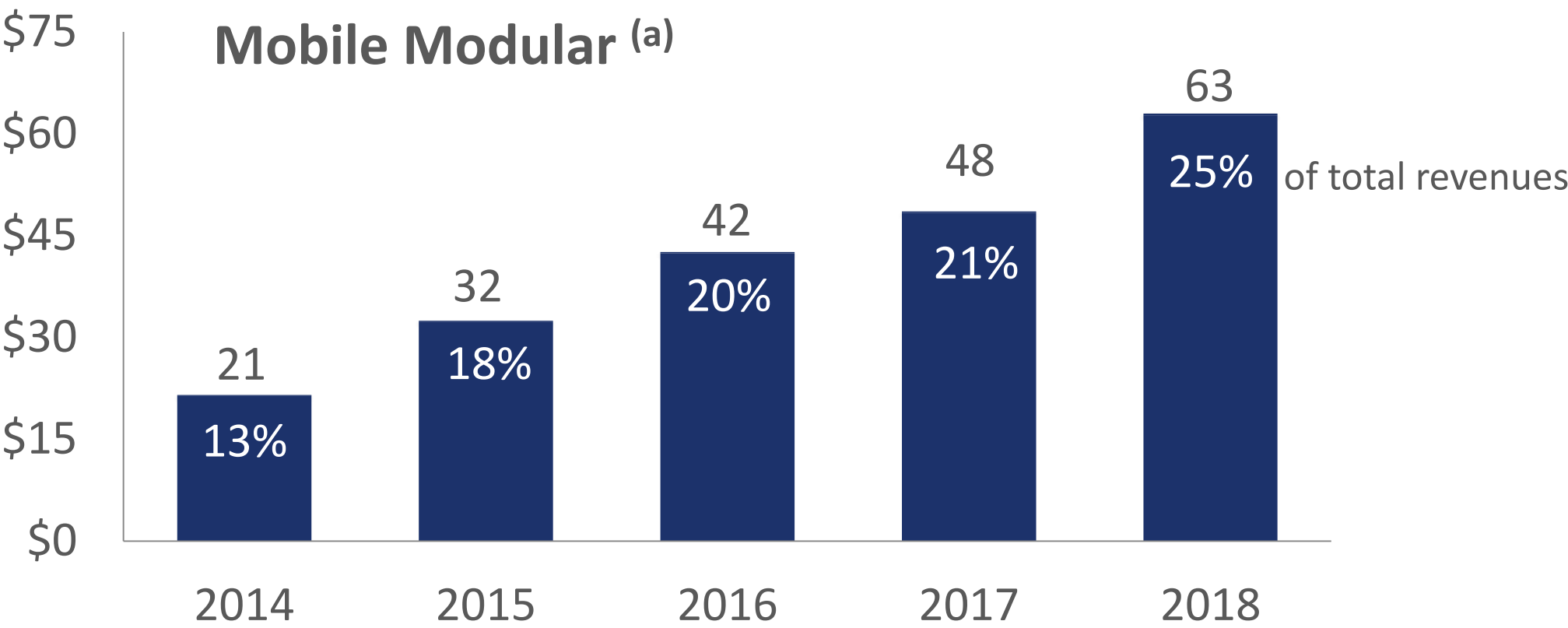


(a) Adjusted EBITDA defined on page 12

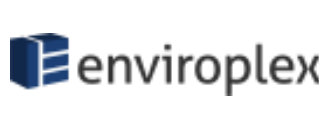
Earnings Before Interest & Taxes (EBIT)



(dollars in millions)

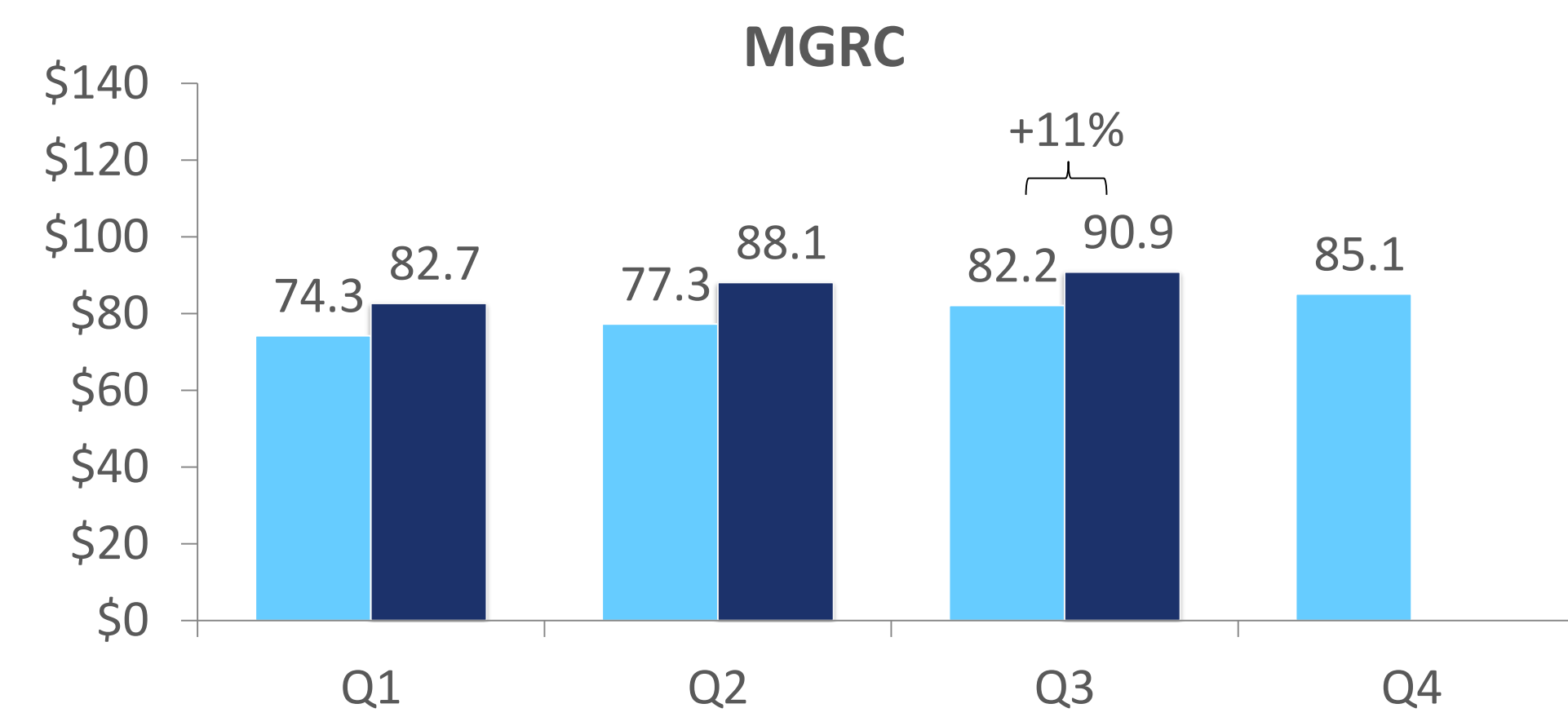
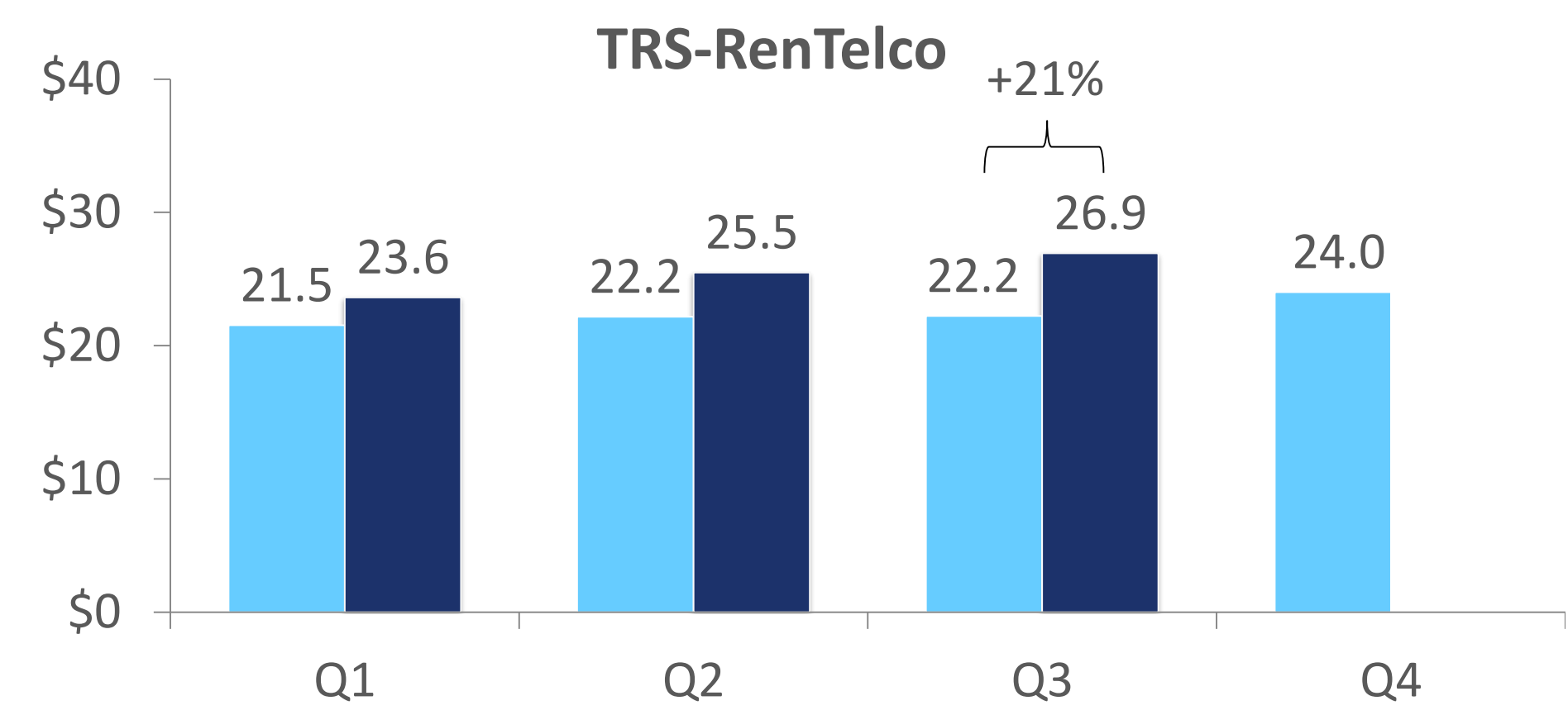
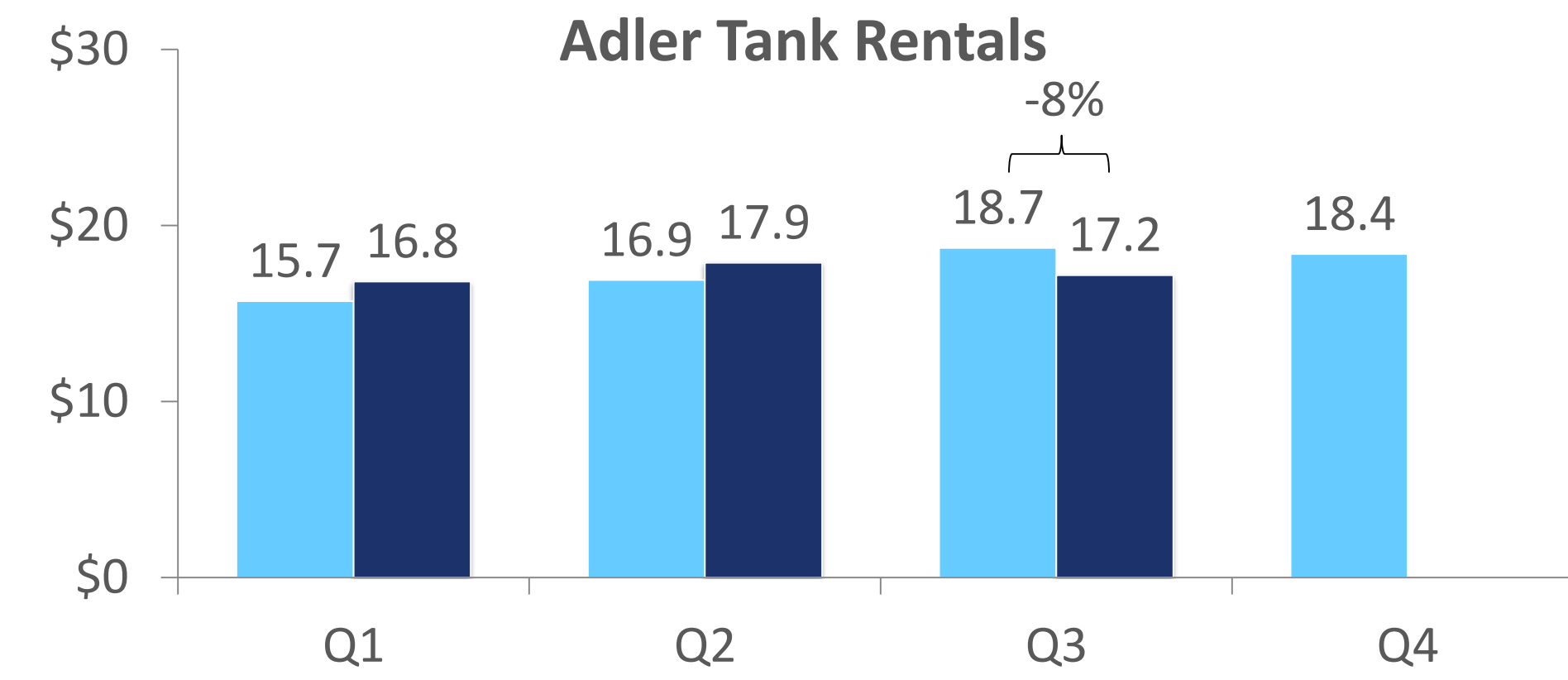
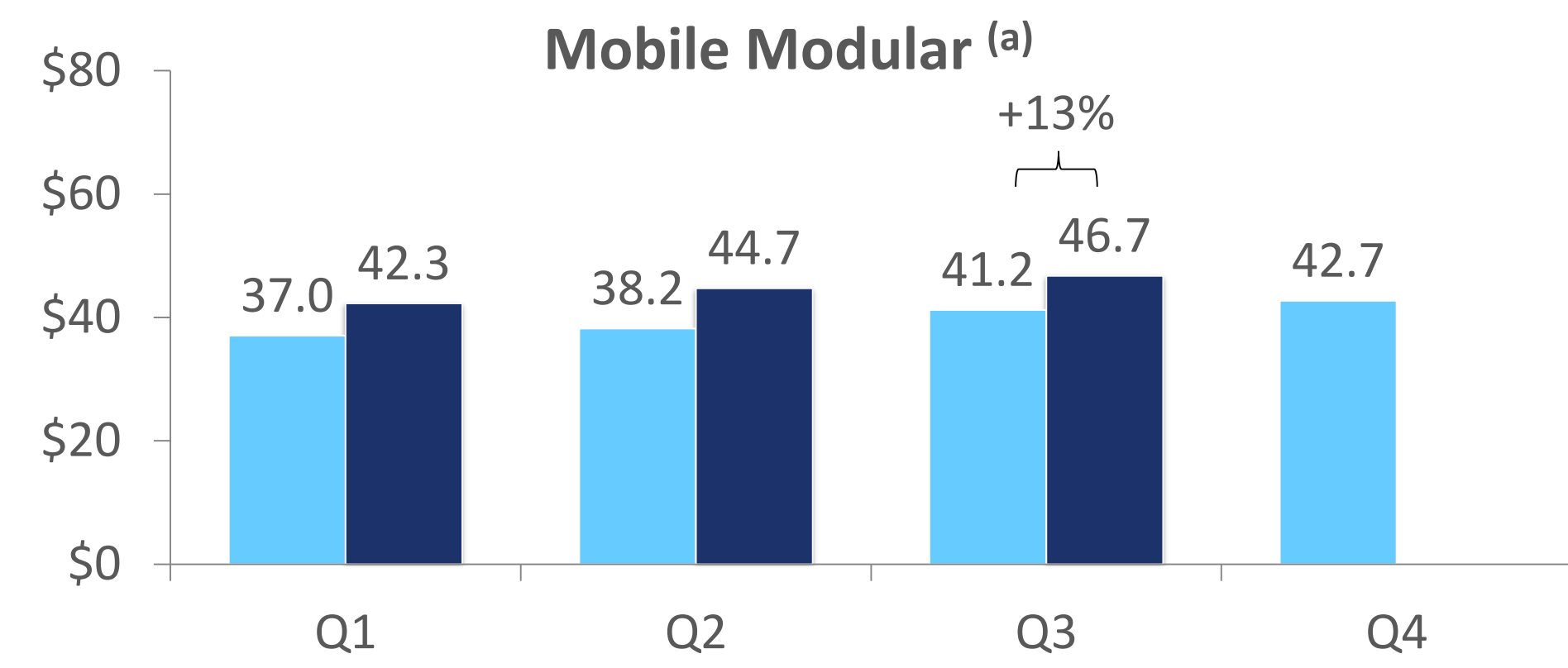


(a) Includes Mobile Modular Portable Storage and excludes Enviroplex. Enviroplex 2018 EBIT was \$4.8M.



Rental Revenue – Quarterly Comparison (2018-19)

(dollars in millions)



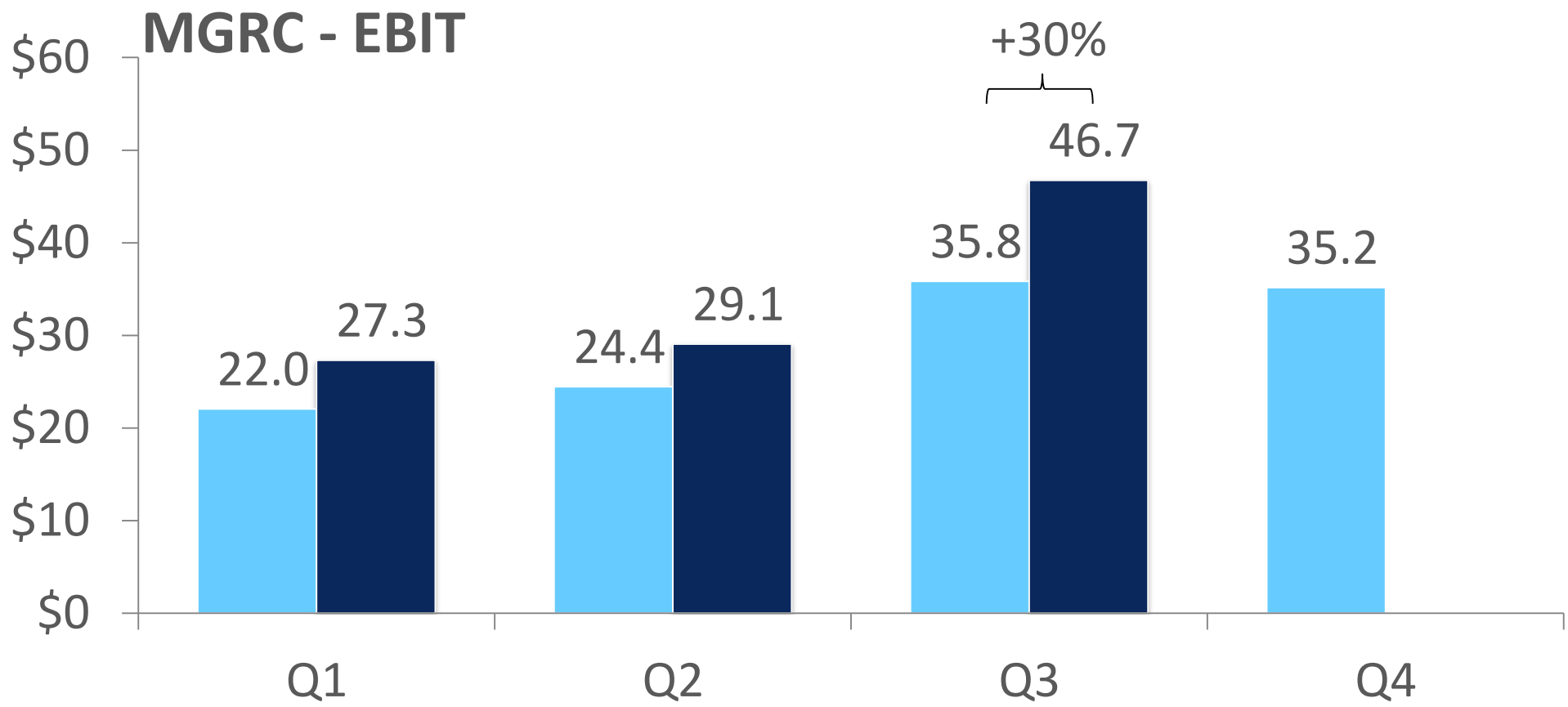
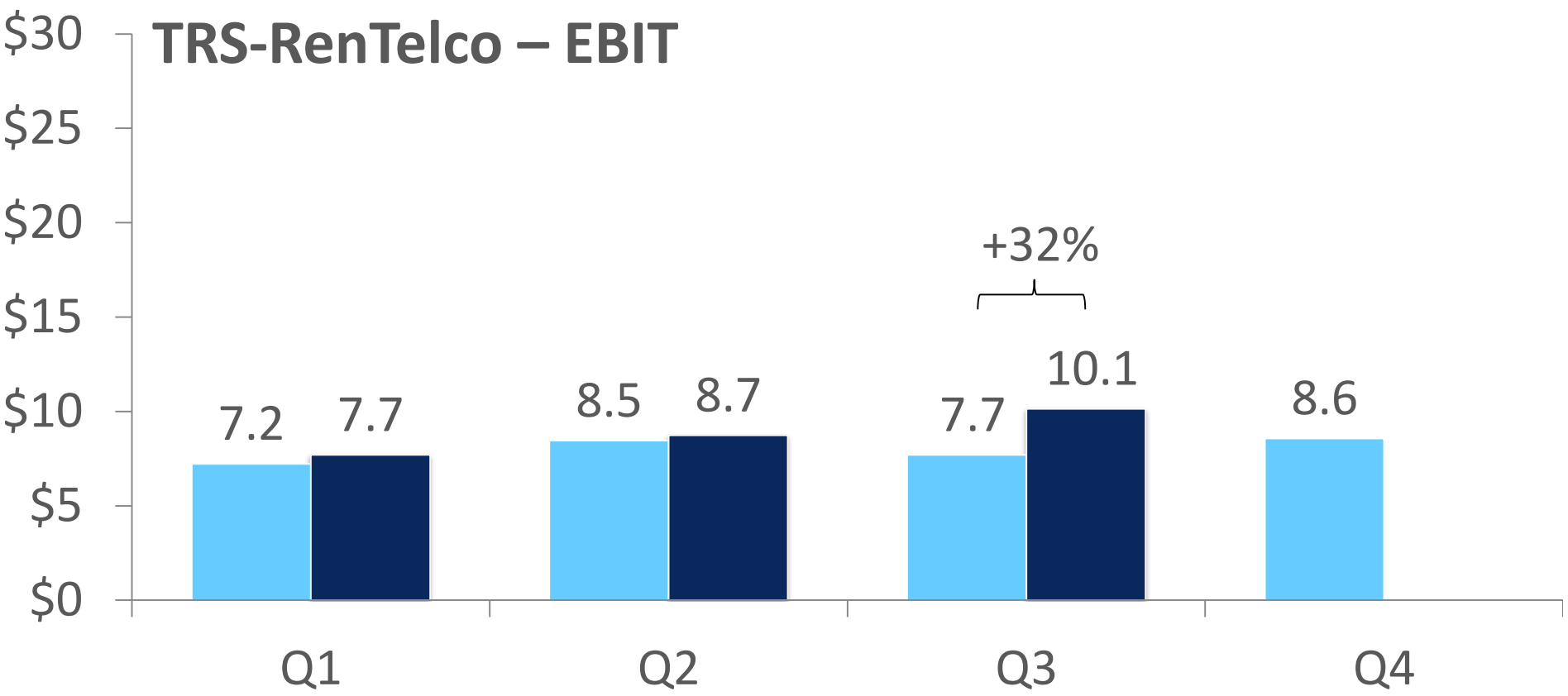
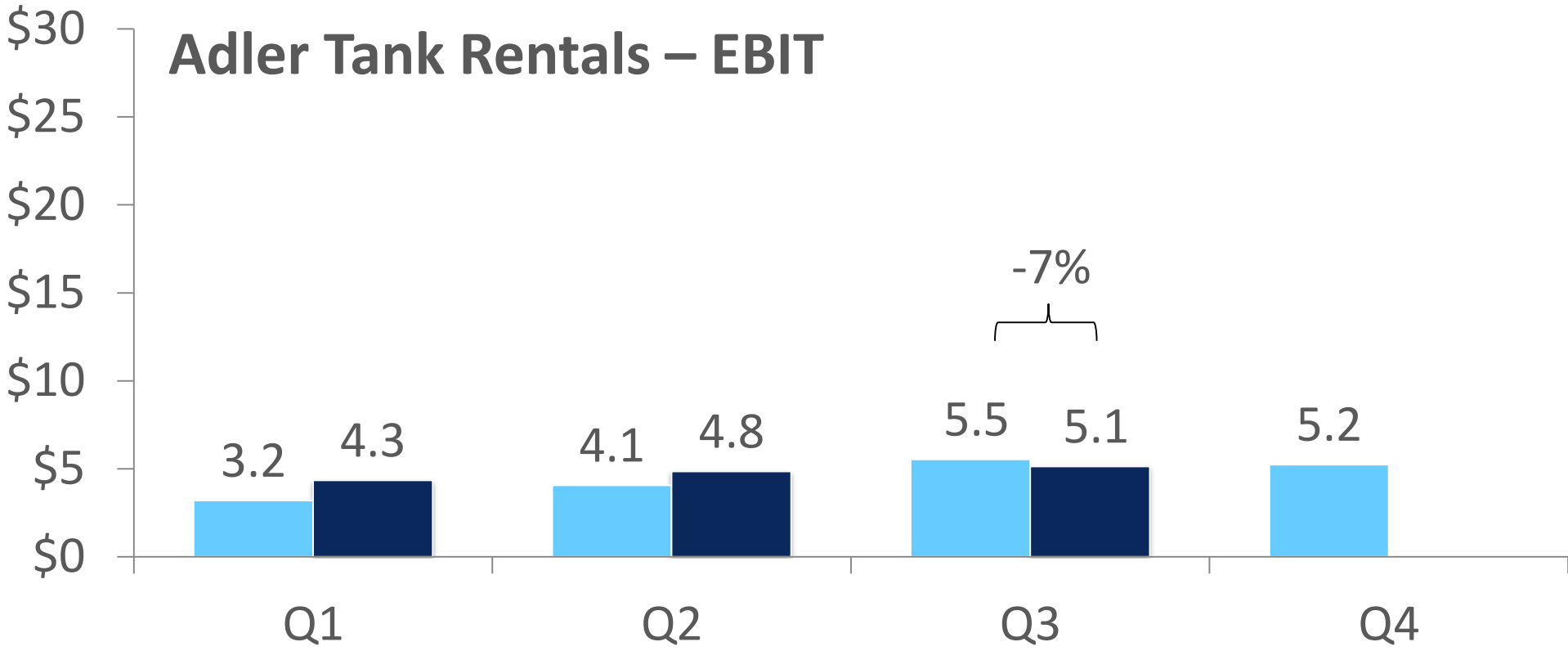
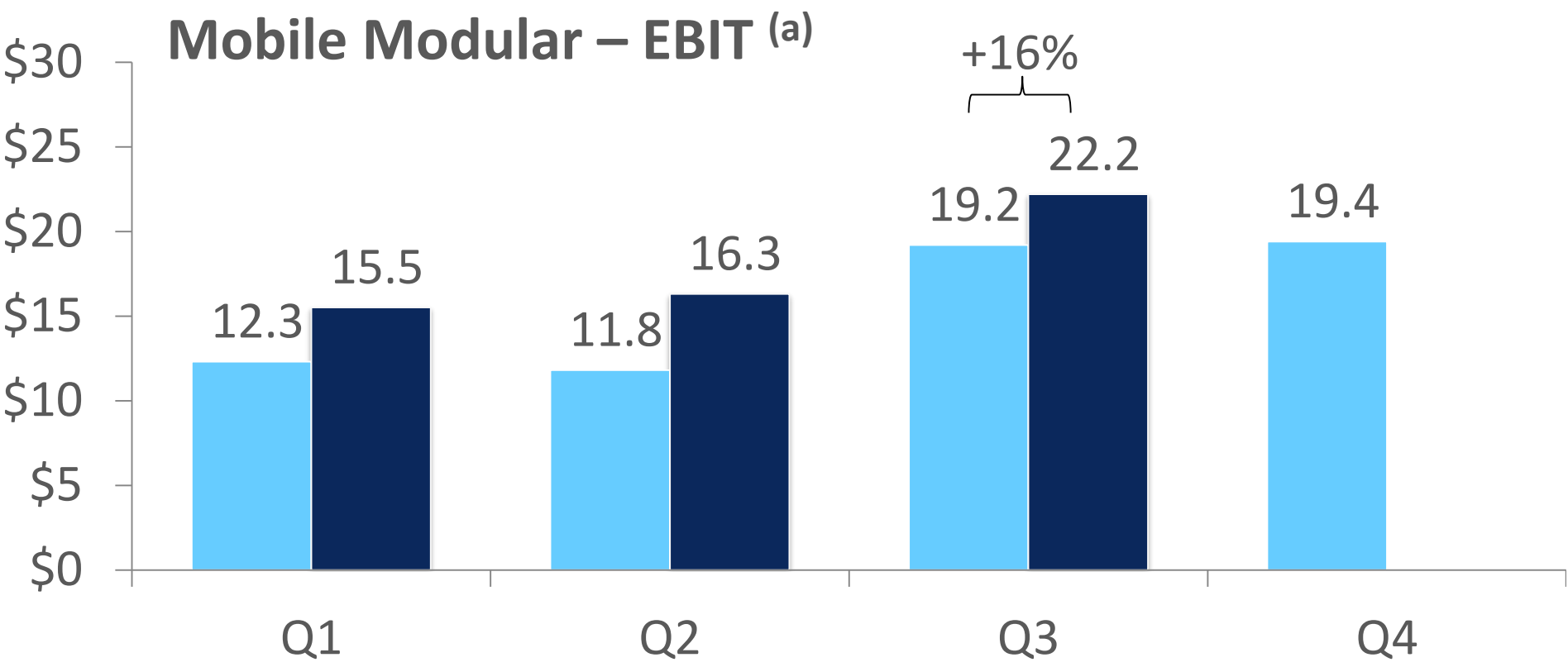
(a) Mobile Modular includes Mobile Modular Portable Storage

2018 2019

EBIT – Quarterly Comparison (2018-19)



(dollars in millions)



(a) Mobile Modular includes Mobile Modular Portable Storage and excludes Enviroplex. Enviroplex EBIT increased from \$3.4M in Q3-18 to \$9.3M in Q3-19.

2018 2019



Operating Results



(dollars in millions except per share amounts)

	Nine months ended September 30			Three months ended Septmeber 30		
	2019	2018	Change	2019	2018	Change
Rental Revenue	261.7	233.7	12%	90.9	82.2	11%
Rental Related Services	76.7	60.8	26%	30.8	23.9	29%
Sales	81.4	67.7	20%	50.9	36.1	41%
Total Revenue	423.0	365.2	16%	173.6	143.1	21%
Gross Profit	195.2	168.1	16%	78.3	64.1	22%
SG&A	92.0	85.8	7%	31.5	28.2	12%
EBIT	103.1	82.3	25%	46.7	35.8	30%
Net Income	70.4	55.2	28%	32.5	24.8	31%
Earnings Per Share	2.86	2.25	27%	1.32	1.01	31%
Adjusted EBITDA ^(a)	173.1	145.6	19%	70.8	57.3	24%

^(a) Adjusted EBITDA defined on page 12



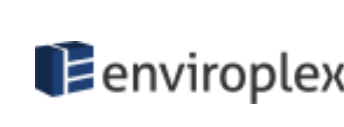
Balance Sheet – Summary Information



(dollars in millions)

	September 30, <u>2019</u>	December 31, <u>2018</u>	December 31, <u>2017</u>
Rental Equipment, at cost			
Relocatable modular buildings	865	817	775
Electronic test equipment	322	285	262
Liquid and solid containment tanks and boxes	316	314	310
	<u>1,503</u>	<u>1,416</u>	<u>1,348</u>
Rental Equipment, net book value			
Relocatable modular buildings	608	572	544
Electronic test equipment	162	131	109
Liquid and solid containment tanks and boxes	188	198	209
Total NBV Rental Equipment	<u>959</u>	<u>901</u>	<u>862</u>
Total Assets	1,306	1,217	1,148
Notes Payable	<u>301</u>	<u>299</u>	<u>303</u>
Total Liabilities	690	646	624
Shareholders Equity	617	572	524
Shares Issued and Outstanding	24.3	24.2	24.1
Debt (Total Liabilities) to Equity	1.12	1.13	1.19
Debt (Notes Payable) to Equity	0.49	0.52	0.58
Funded Debt to LTM EBITDA	<u>1.31</u>	<u>1.47</u>	<u>1.70</u>
Return on Average Equity for LTM ⁽¹⁾	16.2%	14.6%	12.6%
Capacity Under Existing Lines of Credit	231	233	249

⁽¹⁾ The December 31, 2017 Return on Average Equity excludes a net income benefit of \$102.5 million associated with the enactment of the Tax Cut and Jobs Act.

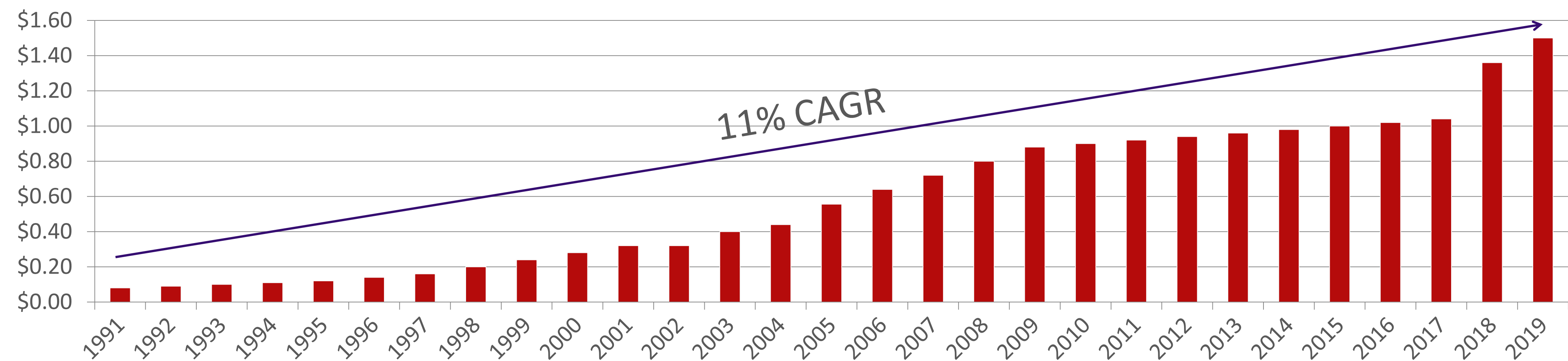


Our Dividend Distinction



- Dividend increases for 28 consecutive years
- \$1.50 per share annualized dividend
- 2.1% yield (2019 annualized dividend as of October 28, 2019)
- McGrath RentCorp is 1 of 129 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 September 2019, dividends declared for Q3 2019 were \$0.375 per share, a 10% increase over Q3 2018, equating to an annualized dividend rate of \$1.50 per share. On an annualized basis, this dividend represents a 2.1% yield on the October 28, 2019 close price of \$69.99.

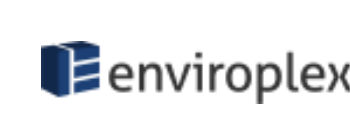
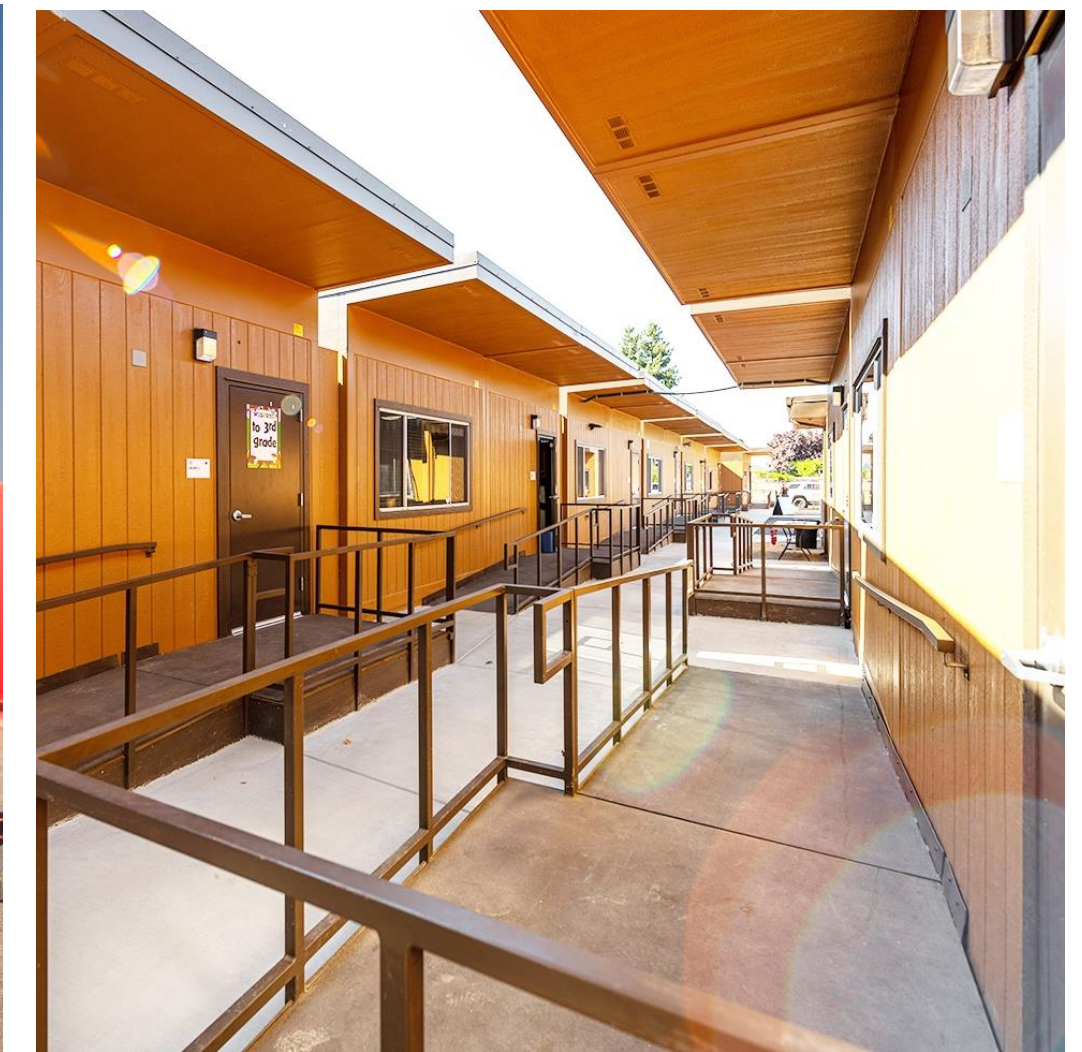
^(b) Source: www.dividendgrowthinvestor.com

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
- ✓ Improved free cash flow
- ✓ Dividend increases for 28 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

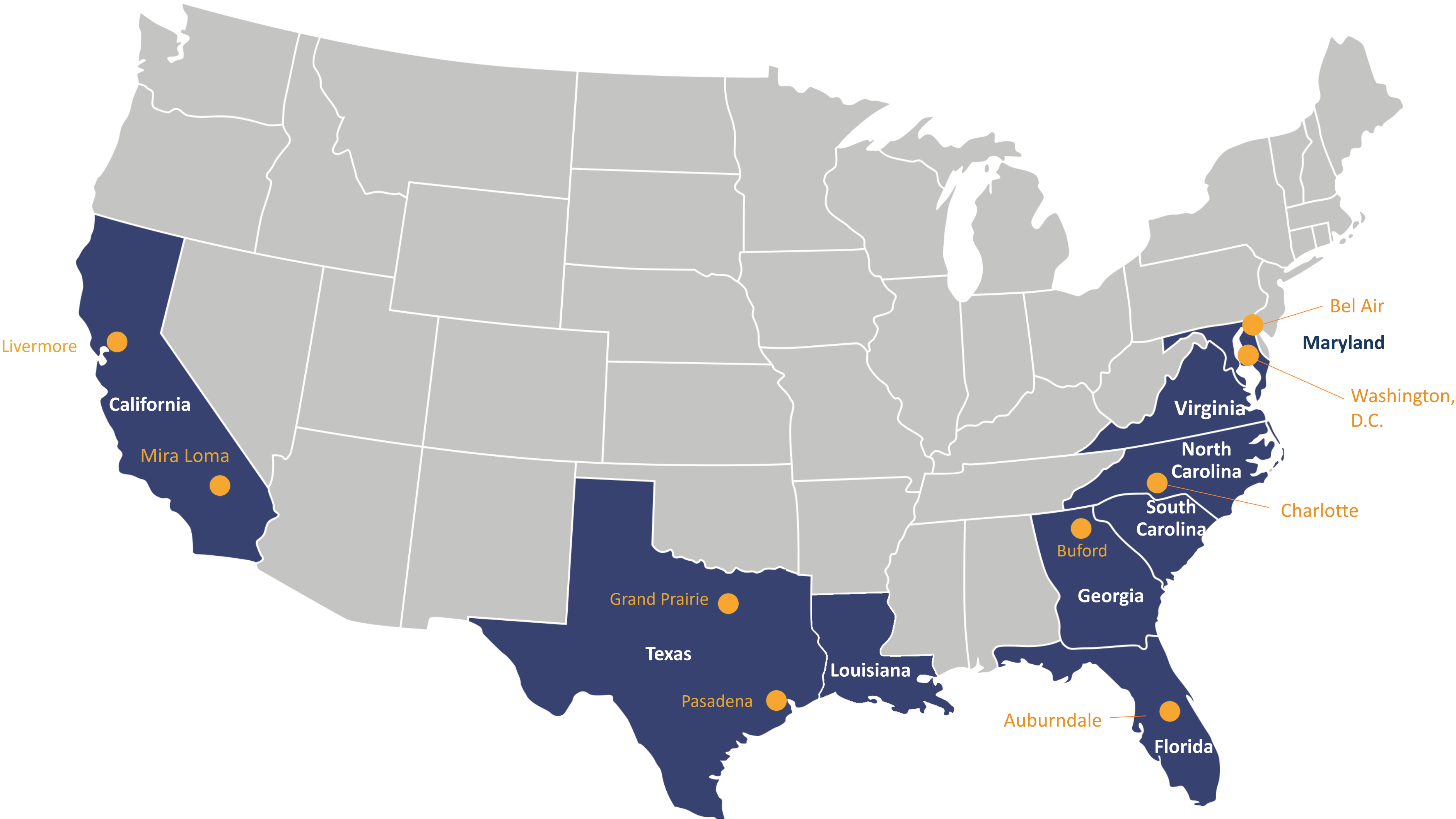
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• Additional Detail - Enviroplex	68

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

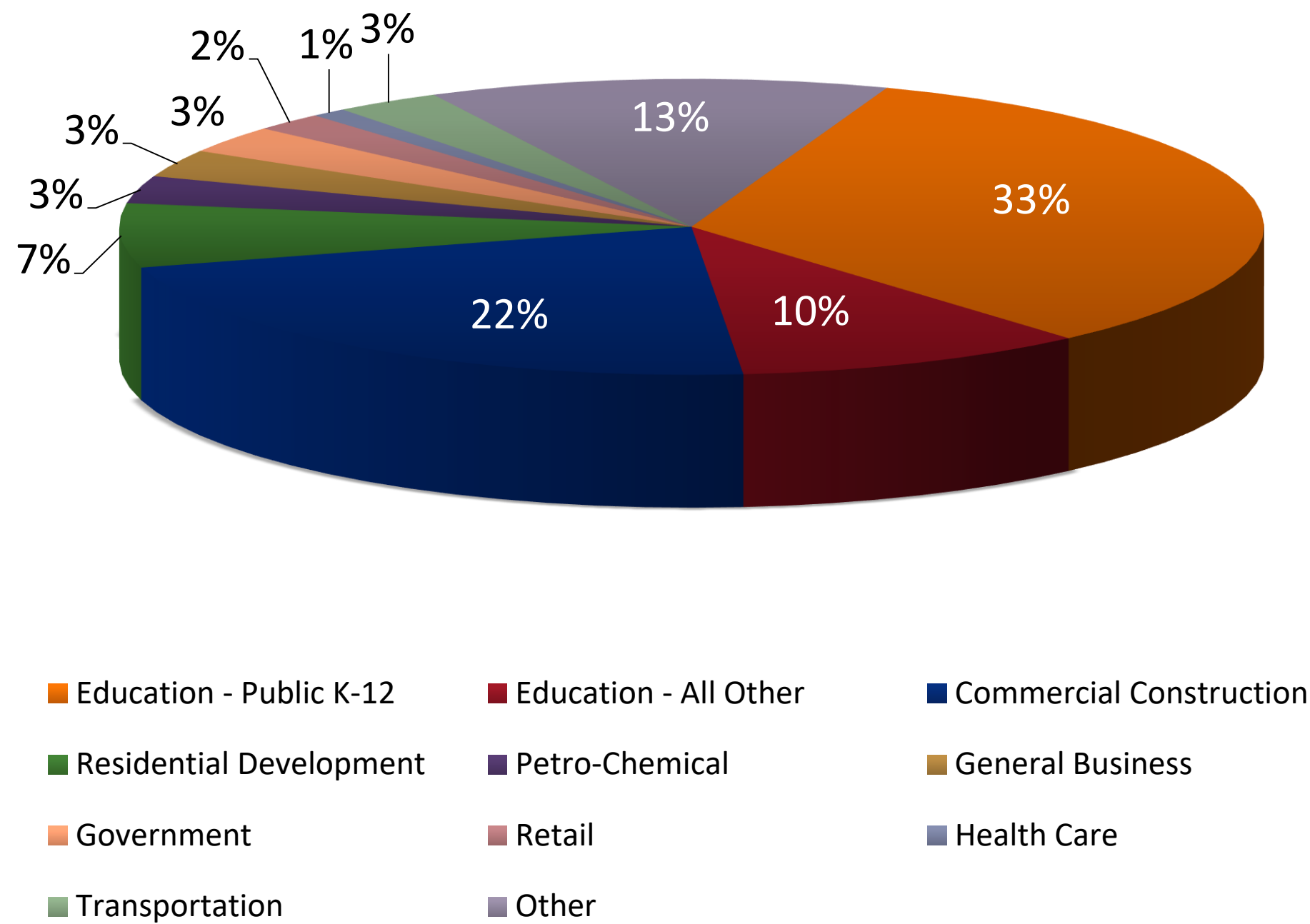


Office Building Complex

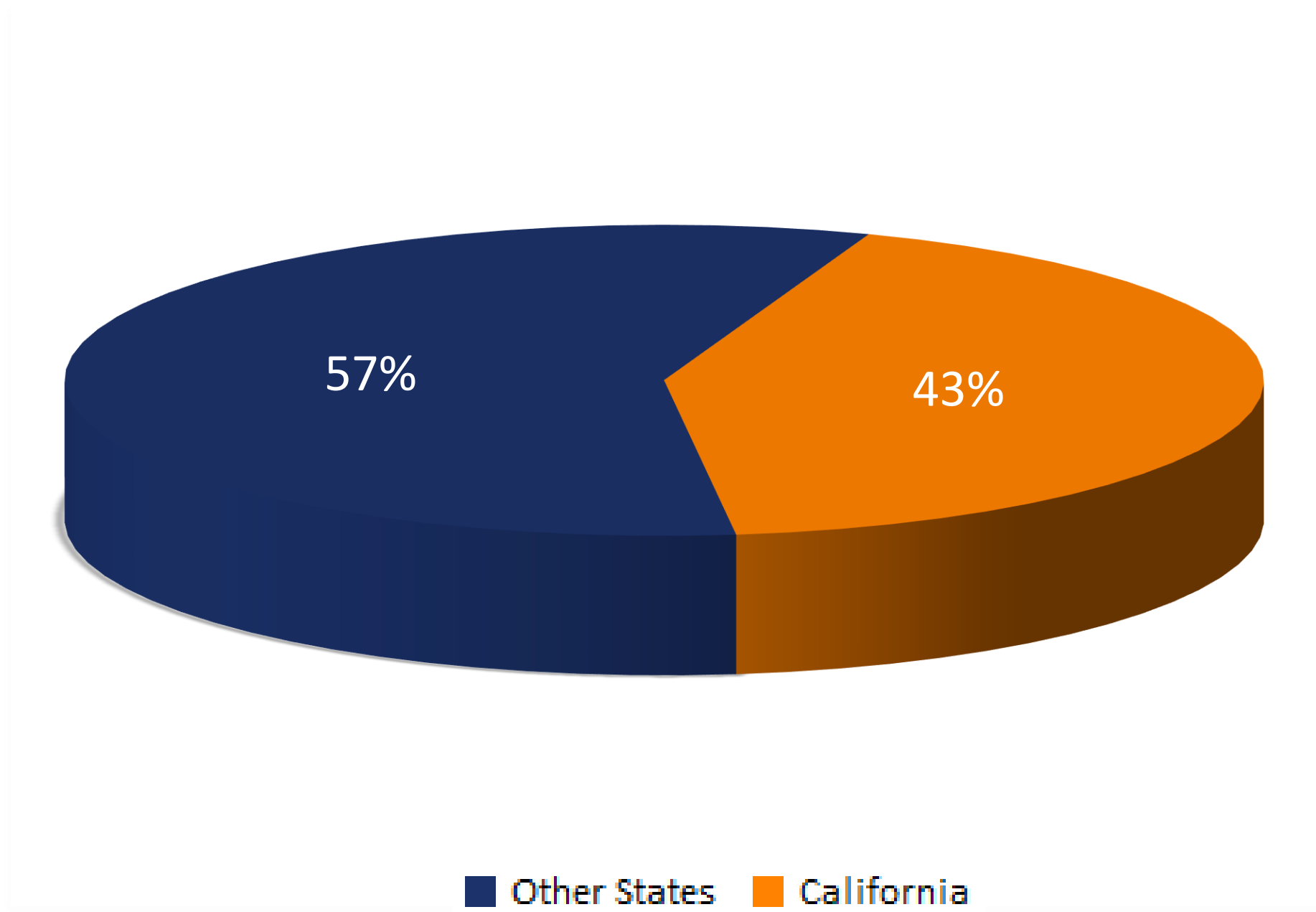


Rental Customer Mix ^(a)

2018 Rental Business Mix Breakdown by Industry Group



2018 Rental Business Mix Geographic Breakdown



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

Mobile Modular Rental Applications



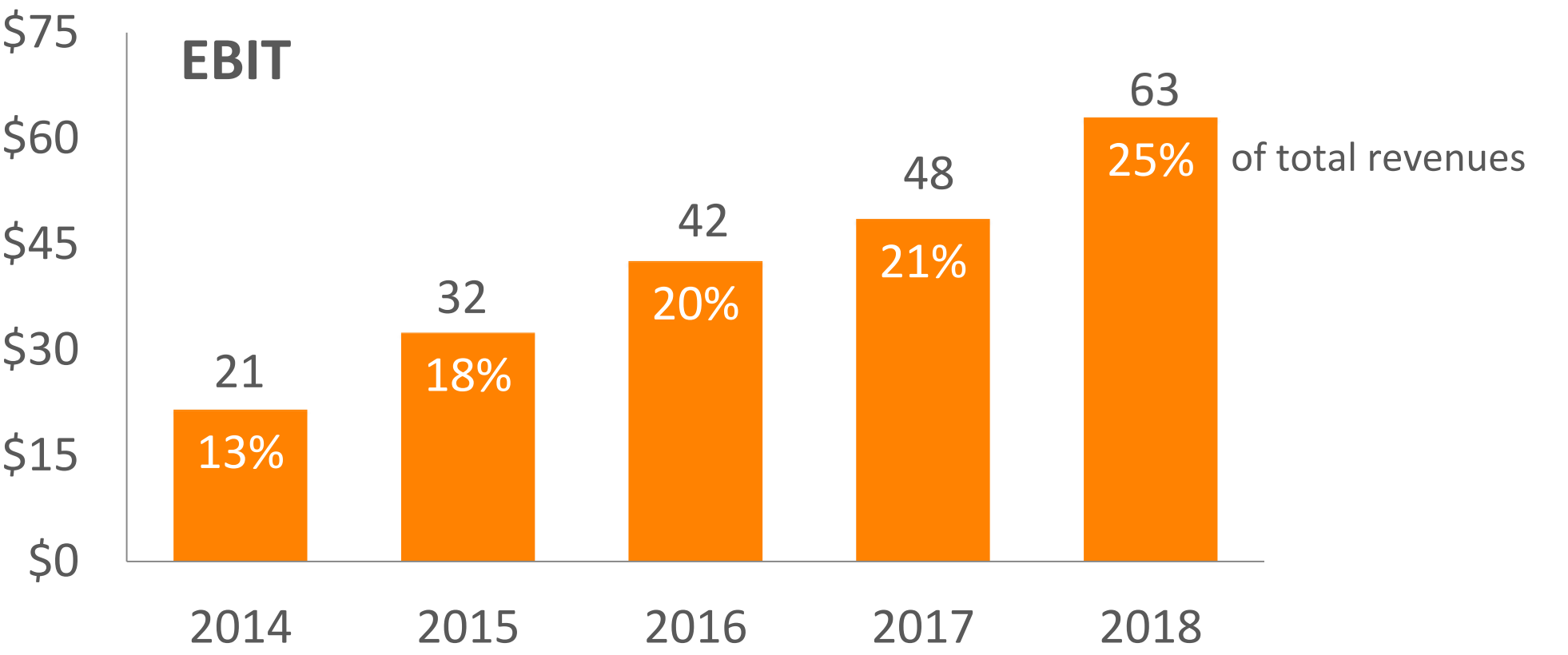
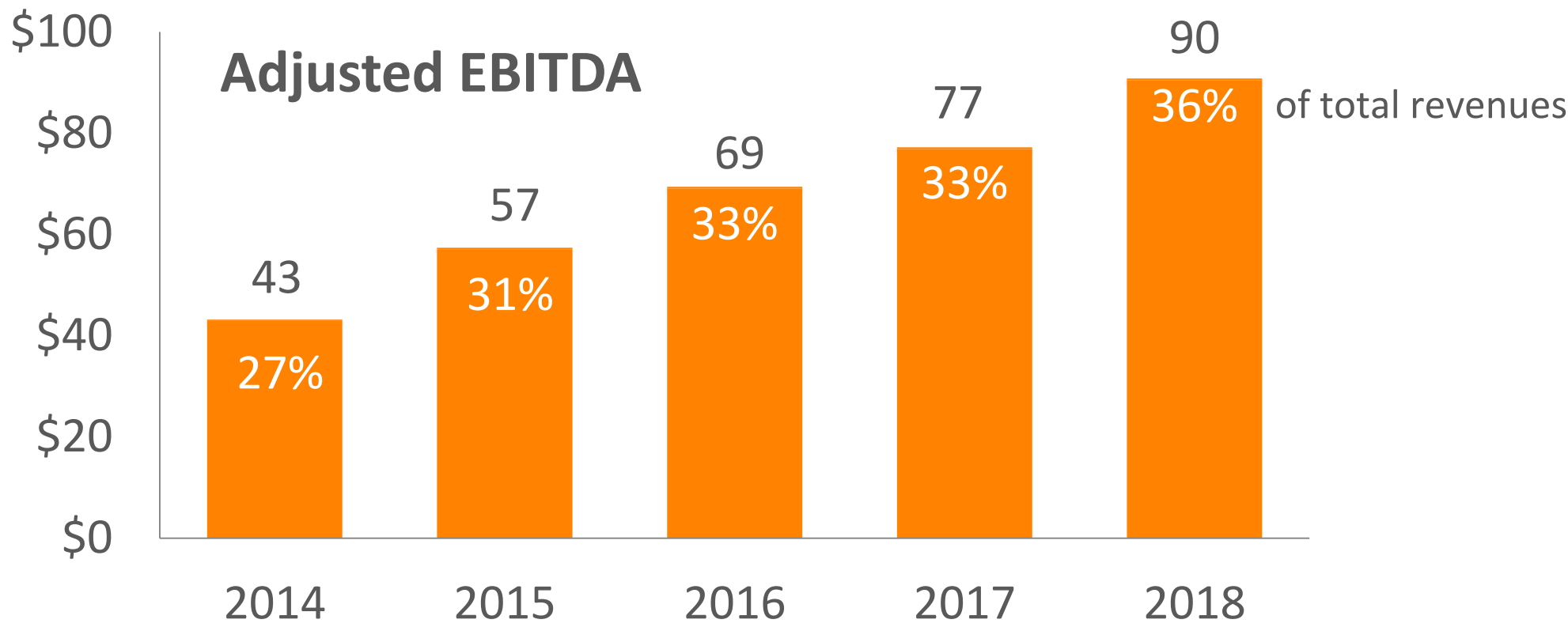
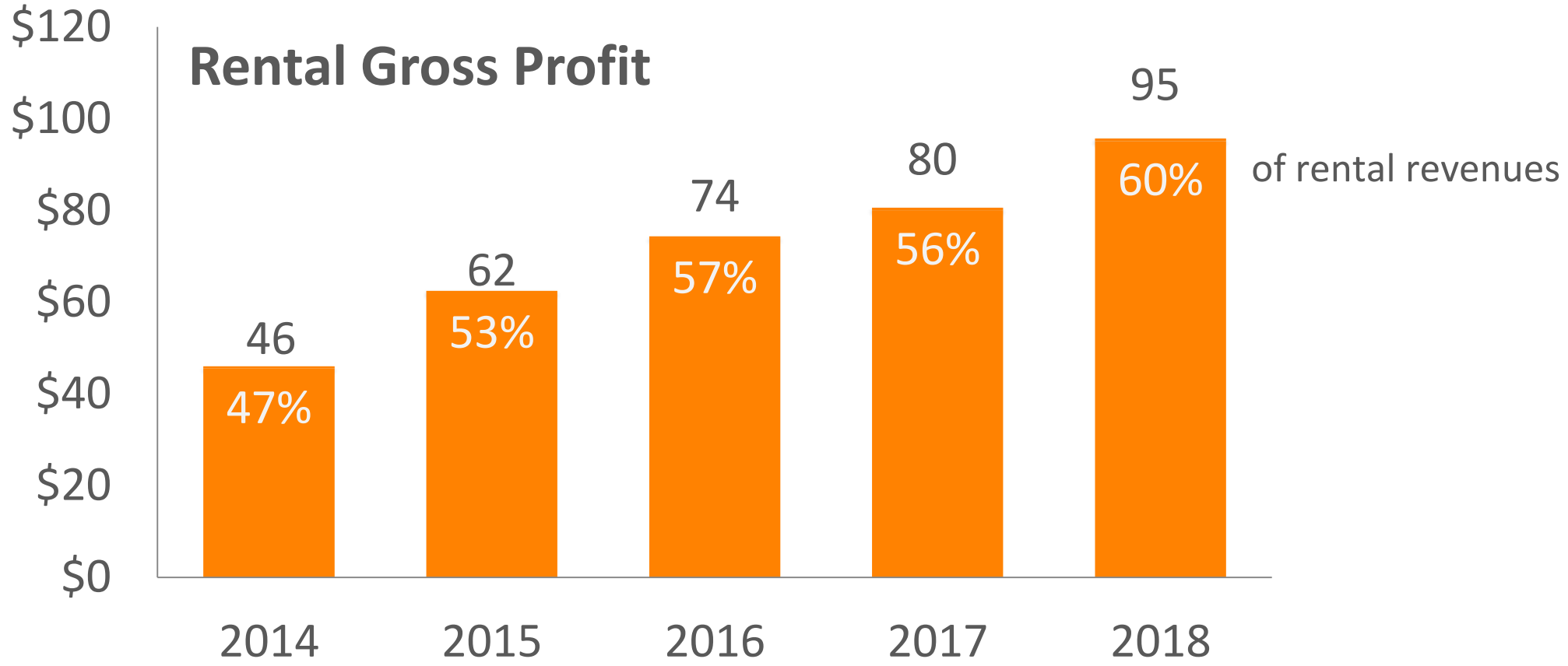
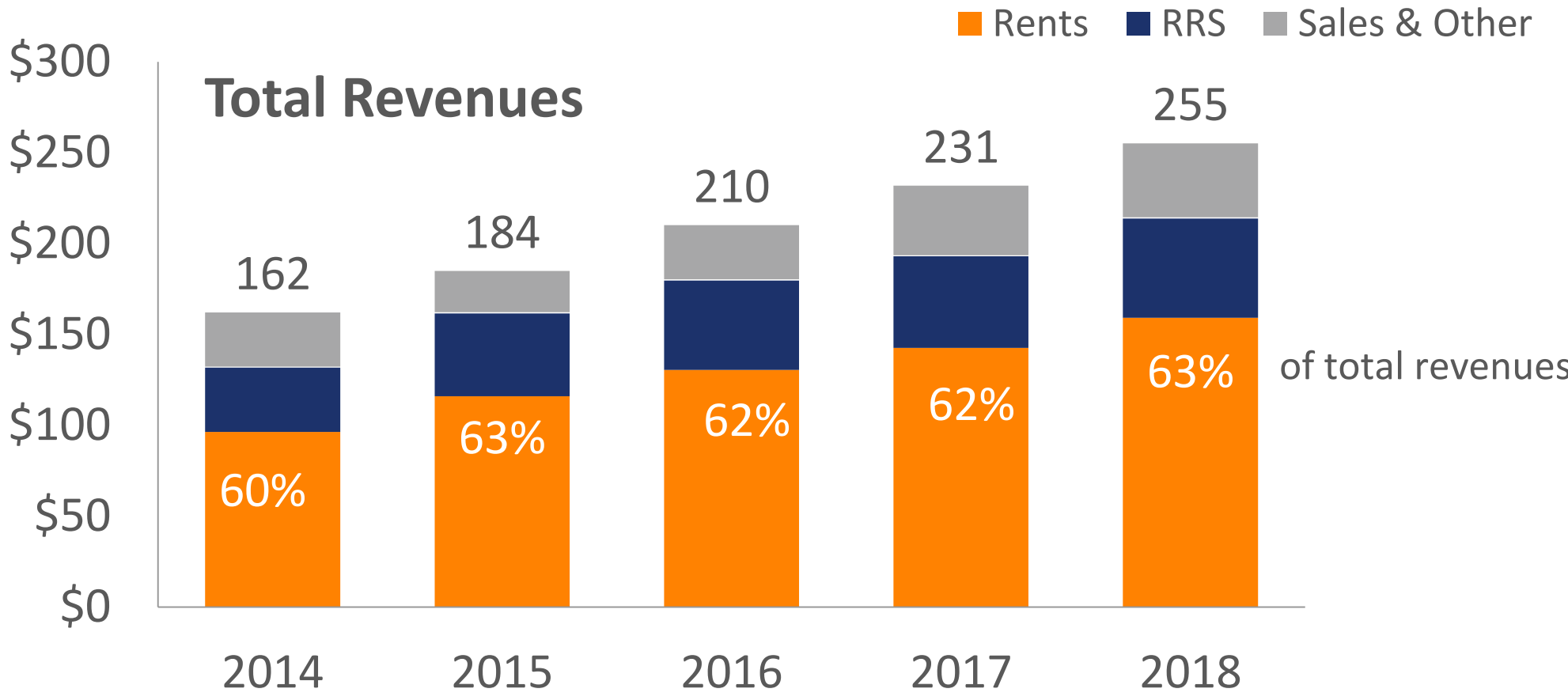
Education	Commercial	
Public School K-12	Construction/Developers Construction Site Offices Sales Offices Architect Engineering Firms	Petrochemical Refinery Plants Plant Operations Facilities Pipeline Construction
Private School K-12		
Charter School		
Public Community Colleges	Government City Services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

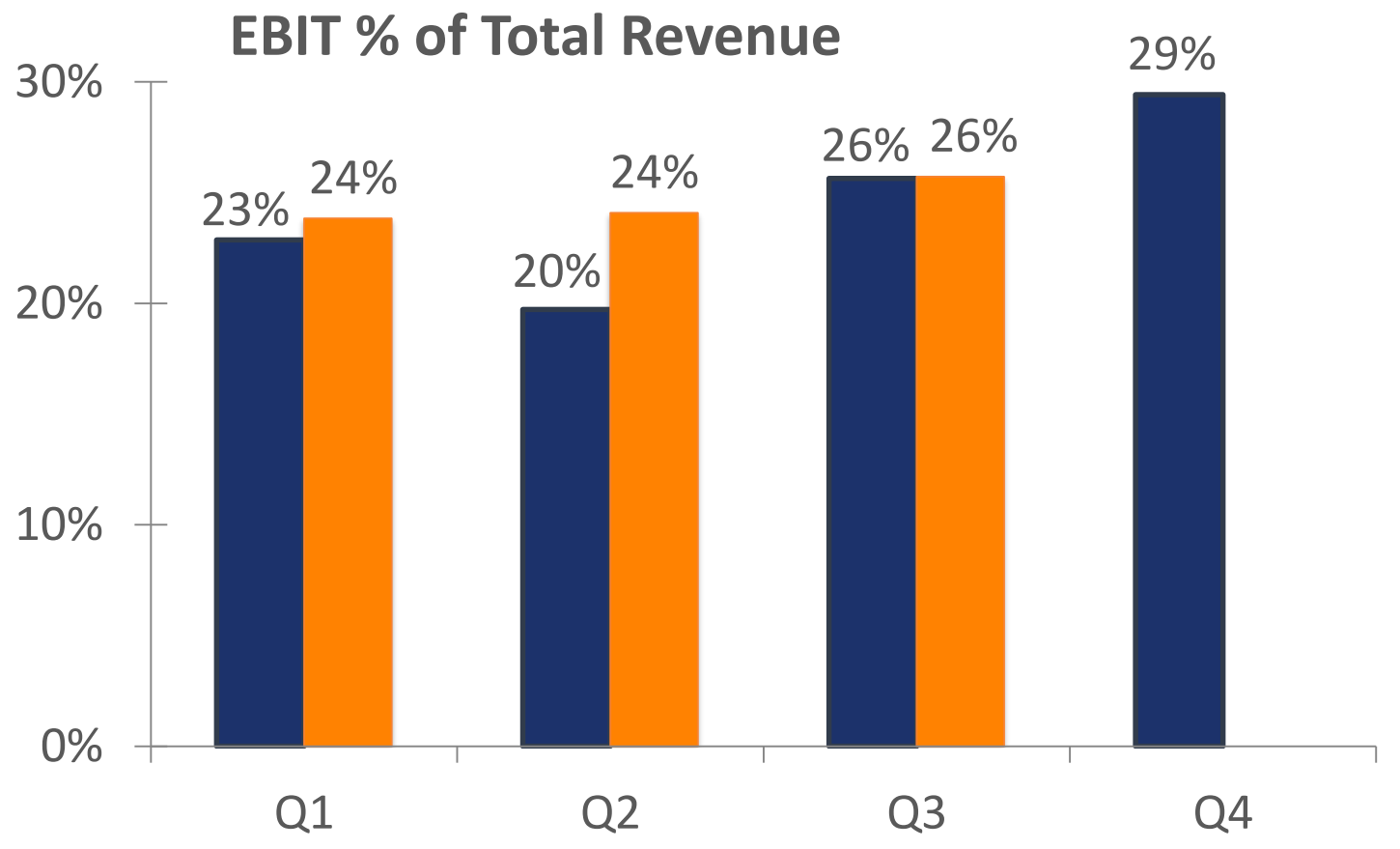
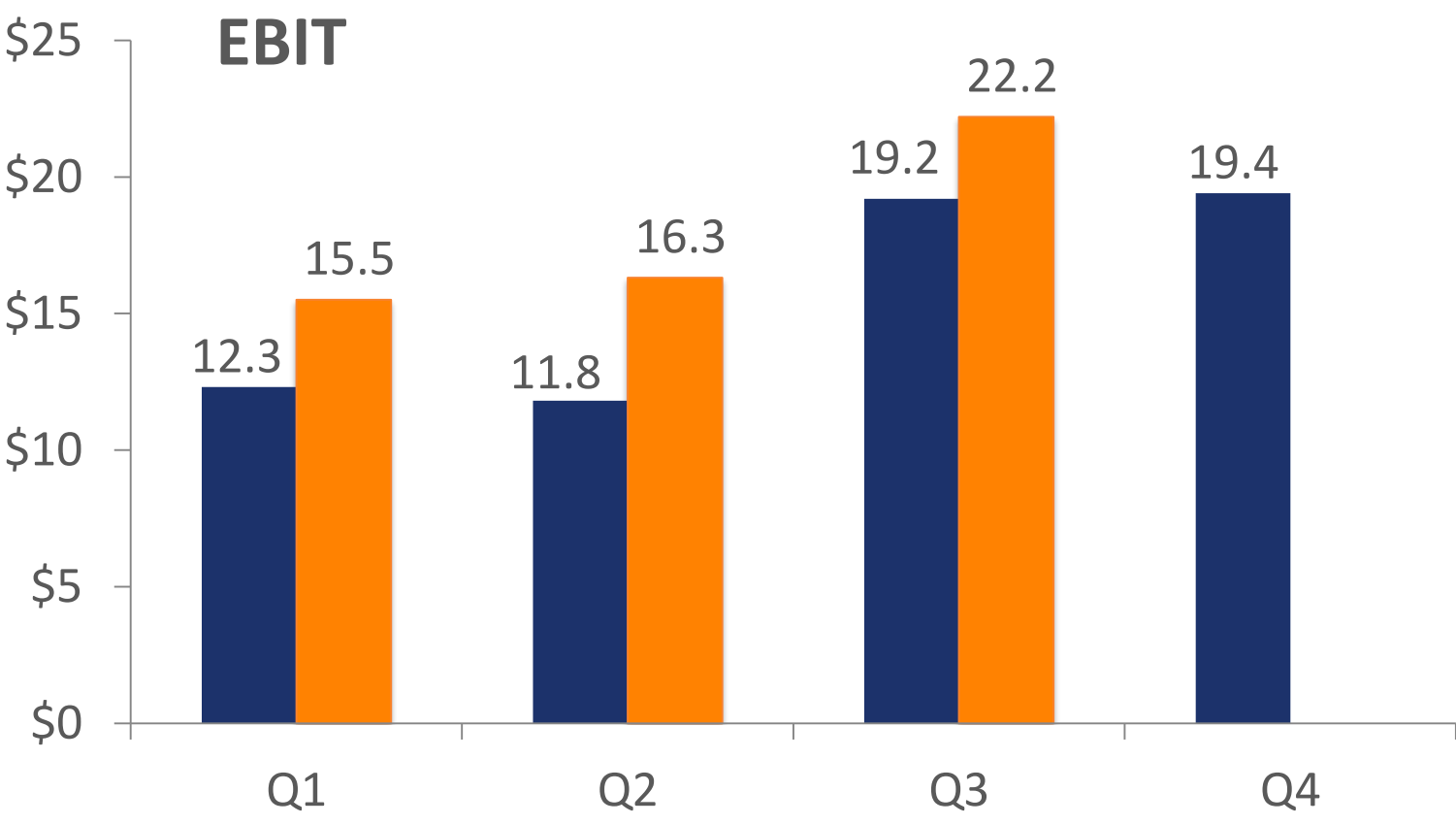
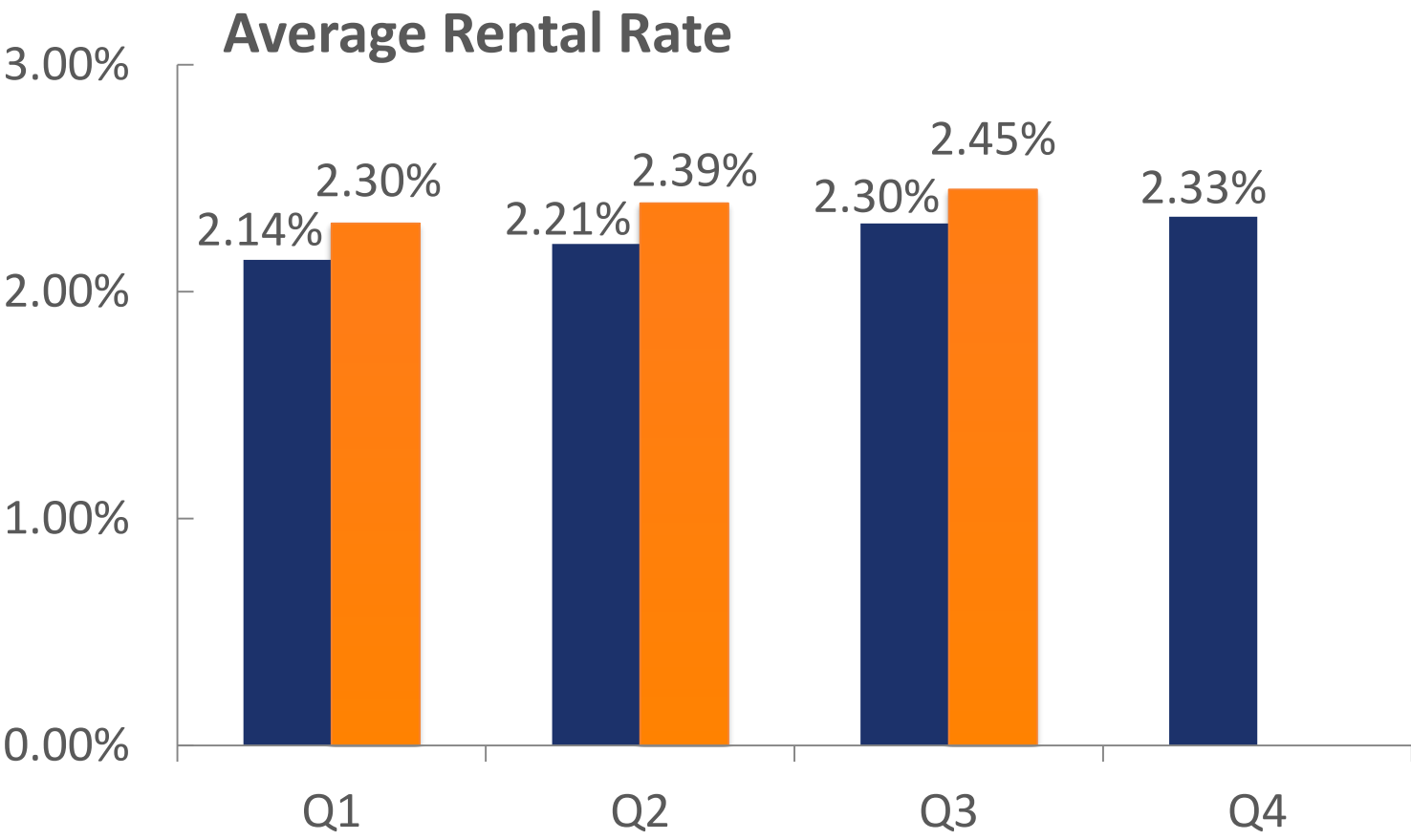
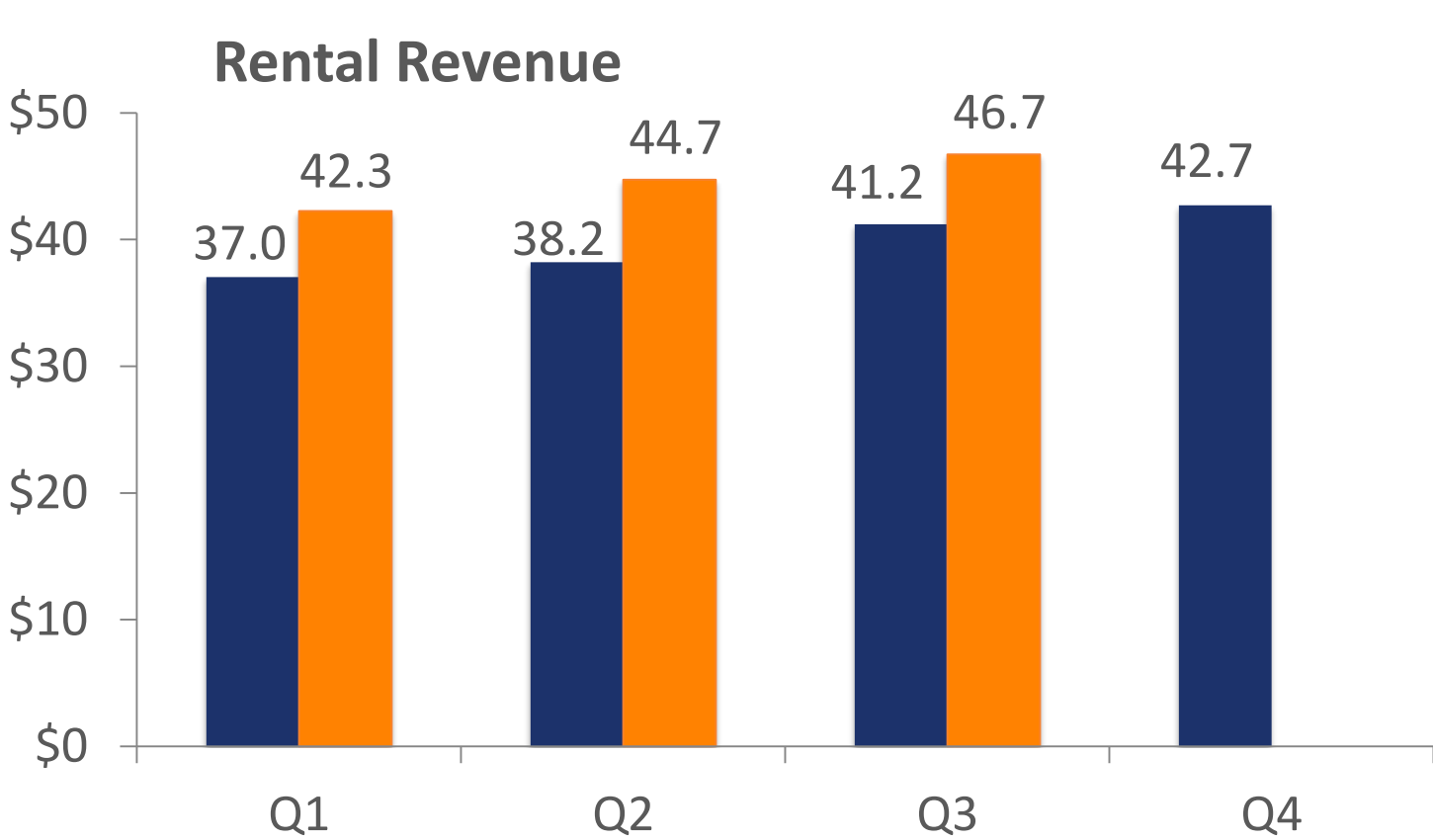
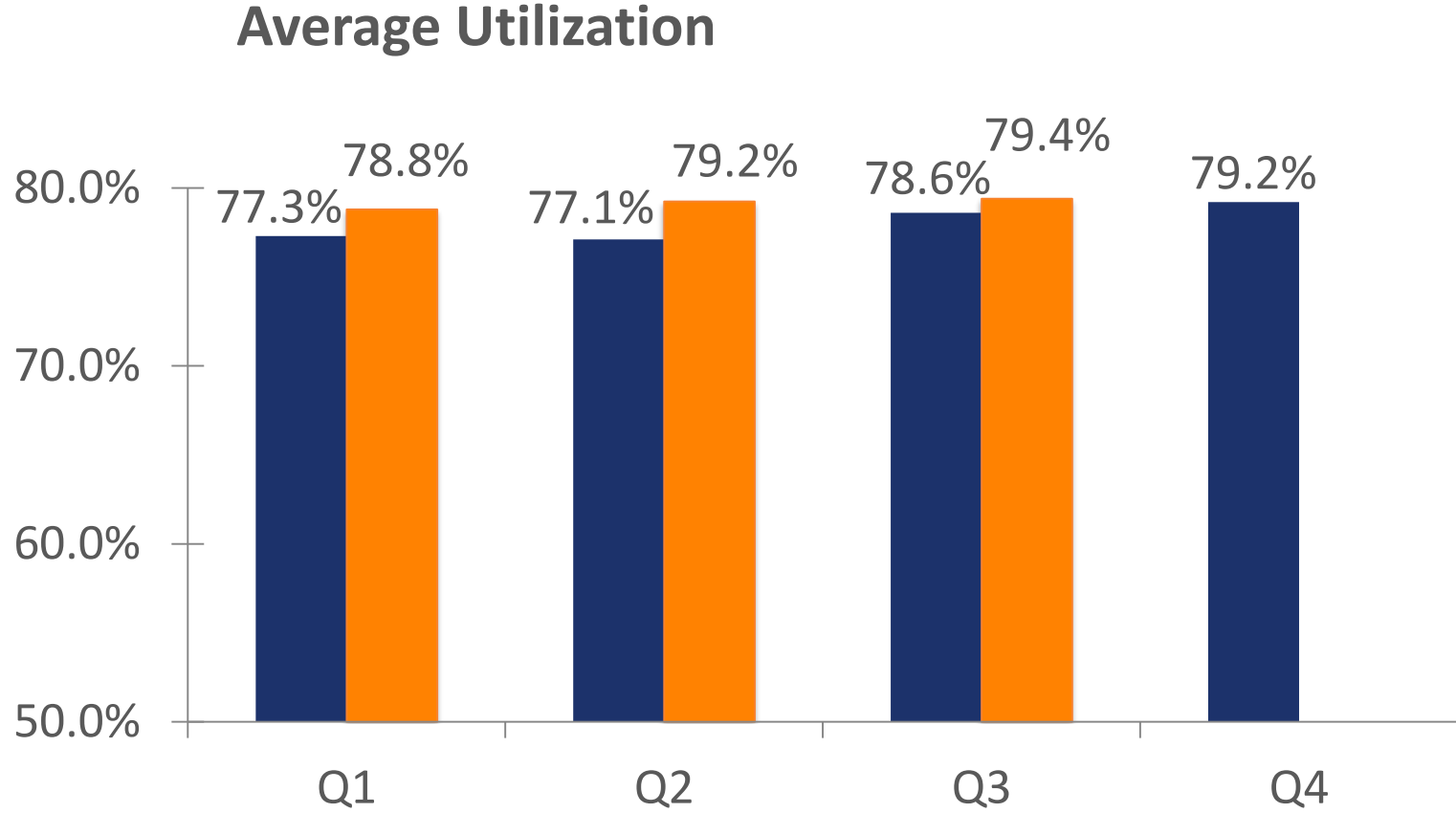
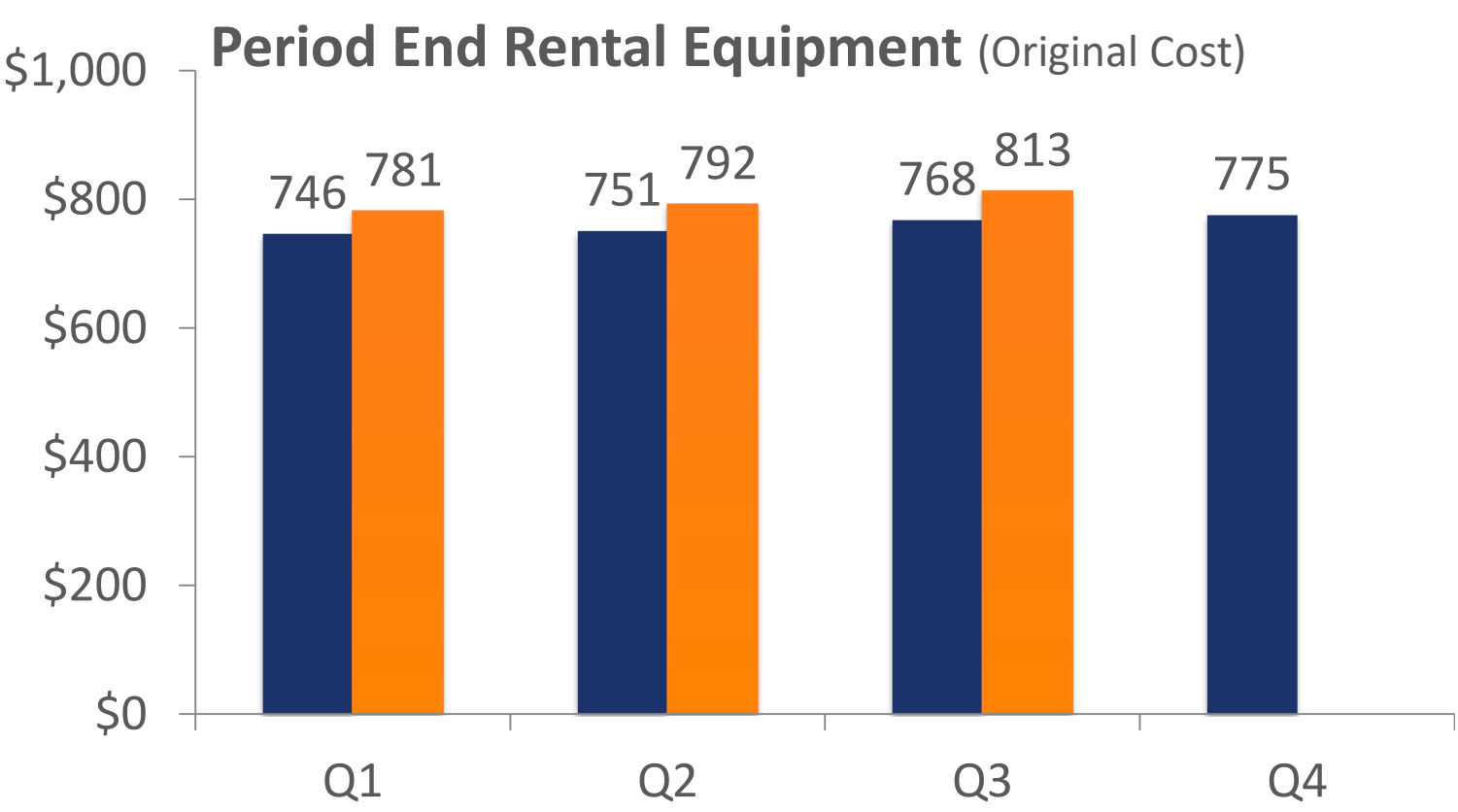


(a) Adjusted EBITDA defined on page 12 (b) Includes Mobile Modular Portable Storage and excludes Enviroplex

Mobile Modular Highlights (a) (b)



(dollars in millions)



(a) Includes Mobile Modular Portable Storage and excludes Enviroplex (b) See page 53 for definitions of rental equipment, utilization, and rate

2018 2019



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

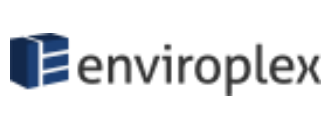
Rentals and Sales of Portable Storage Solutions



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 facilities bonds and 2016 state bond
- 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

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



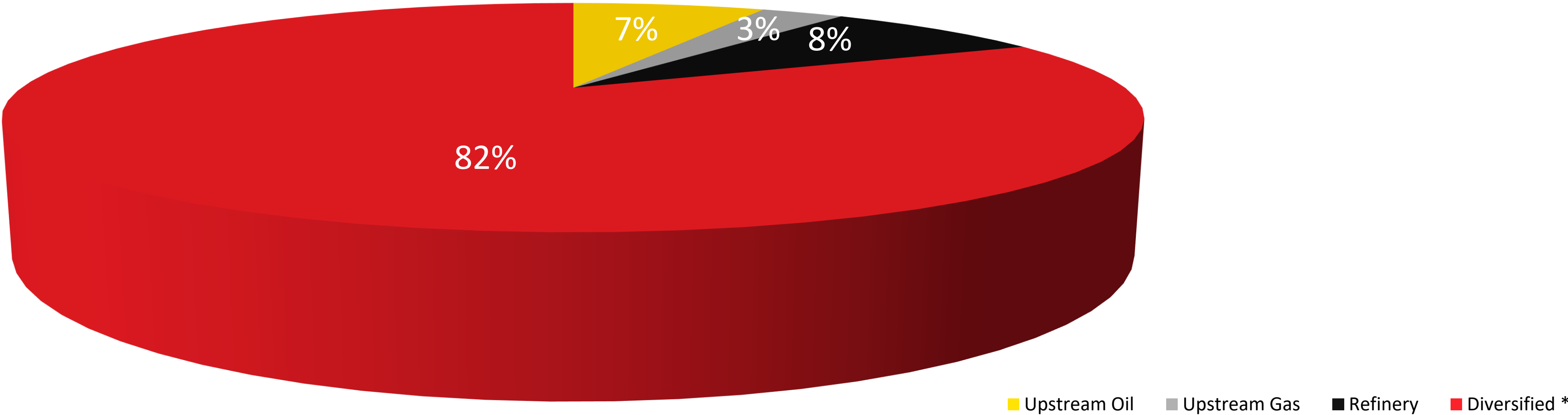
21,000 Gallon (Open Top) Tank



Berms



2018 Adler Tank Rentals Rental Revenues Mix Breakdown by Market



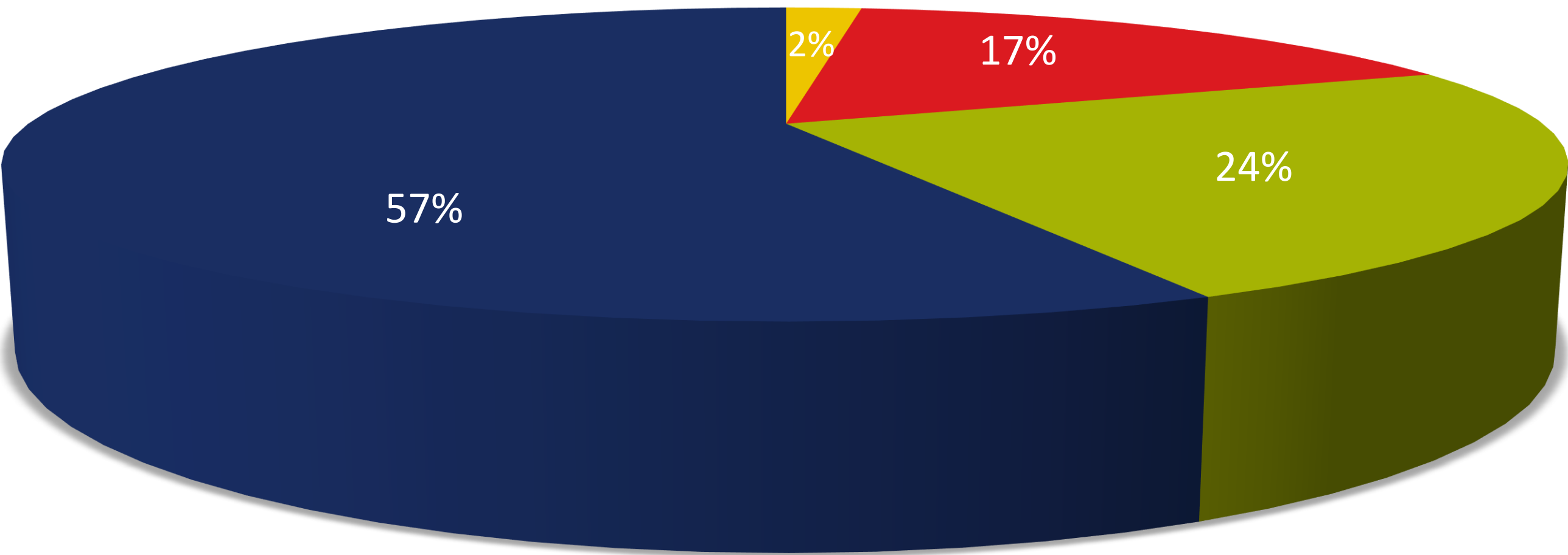
* Diversified includes Industrial and Environmental Services, Environmental Remediation, Construction and other.

- Upstream oil and gas revenues include both conventional and hydraulic fracturing projects. Upstream oil and gas projects accounted for 10% of 2018 total Adler Tank Rentals rental revenues
- See page 37 for market and application descriptions

2018 Total Revenues Mix by Division



MGRC Total Revenue \$498M



■ Adler Tank Rentals - Upstream Oil & Gas ■ Adler Tank Rentals - All Other ■ TRS-RenTelco ■ Mobile Modular

Mobile Modular includes Mobile Modular Portable Storage and Enviroplex



Tank and Box Applications



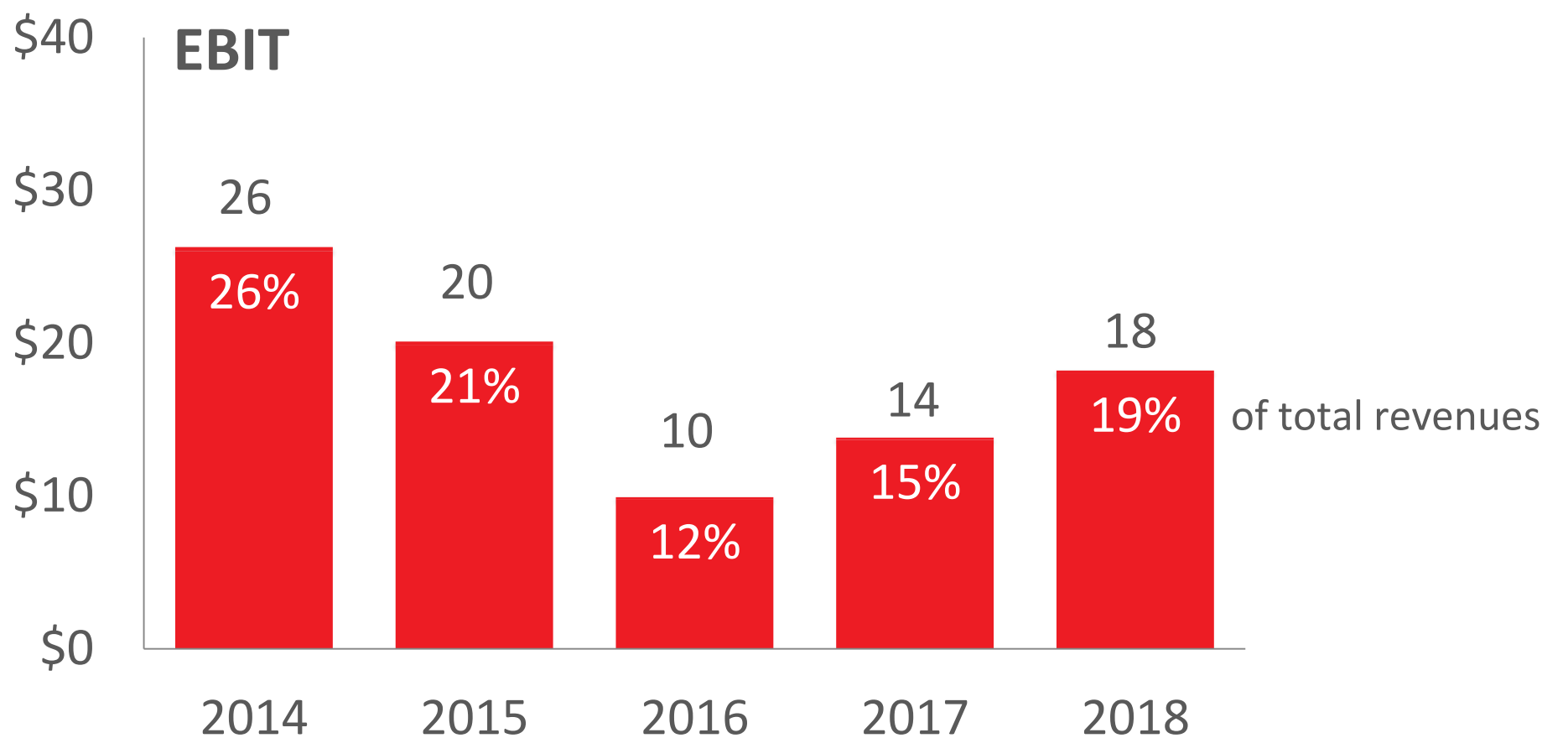
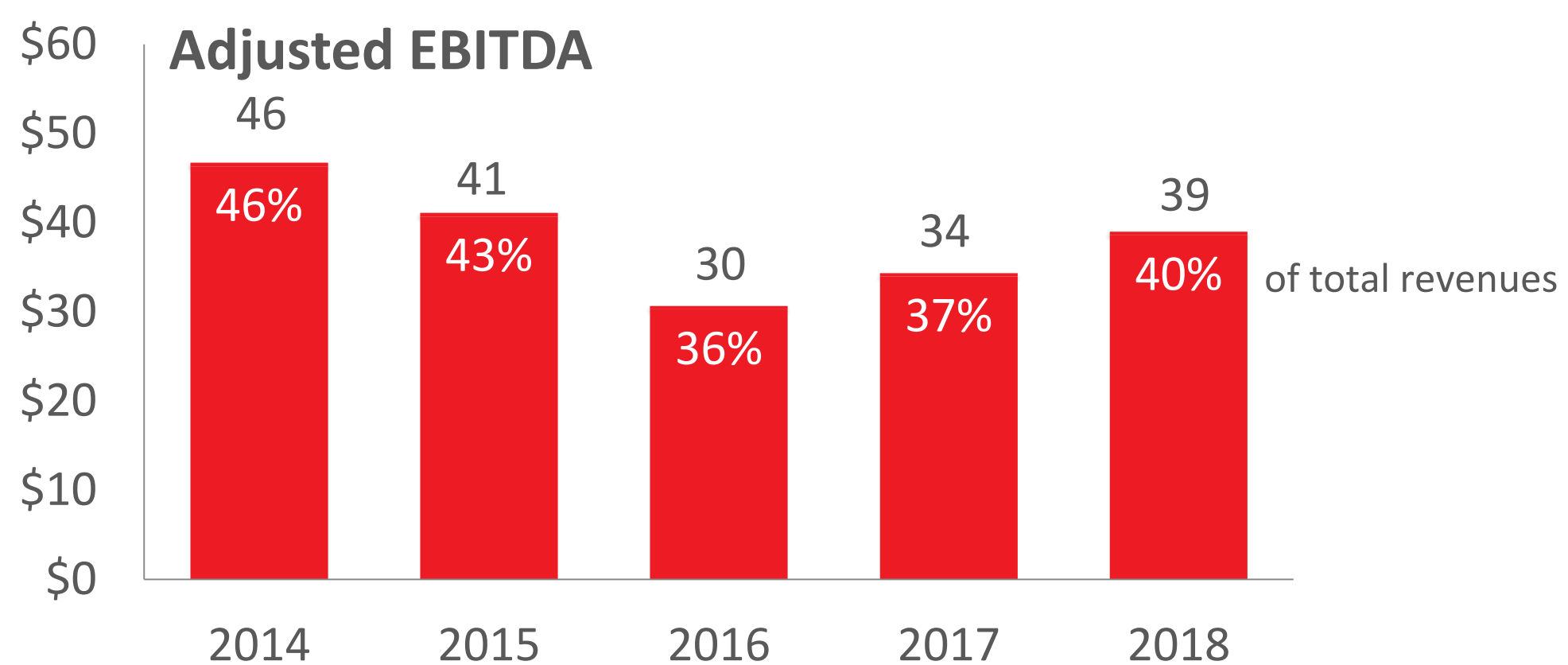
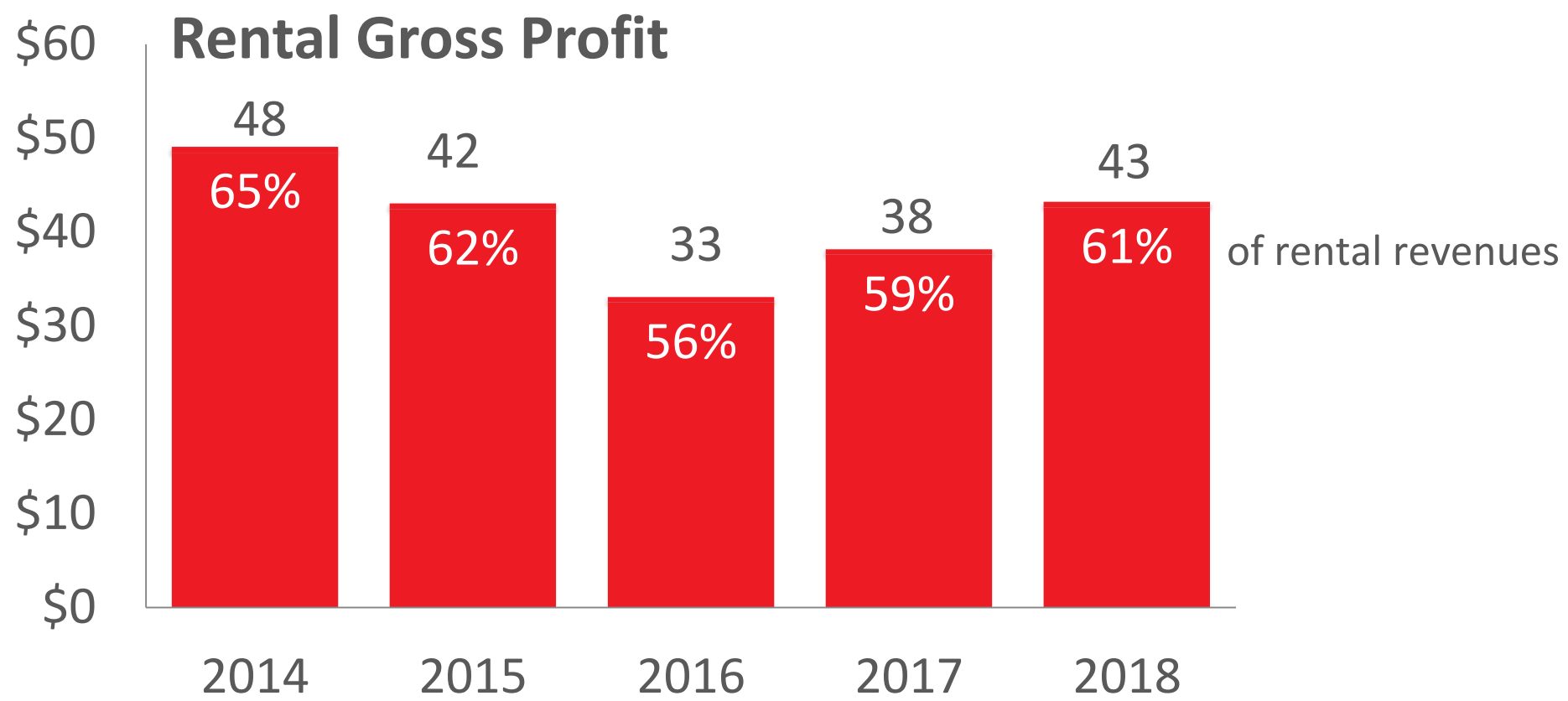
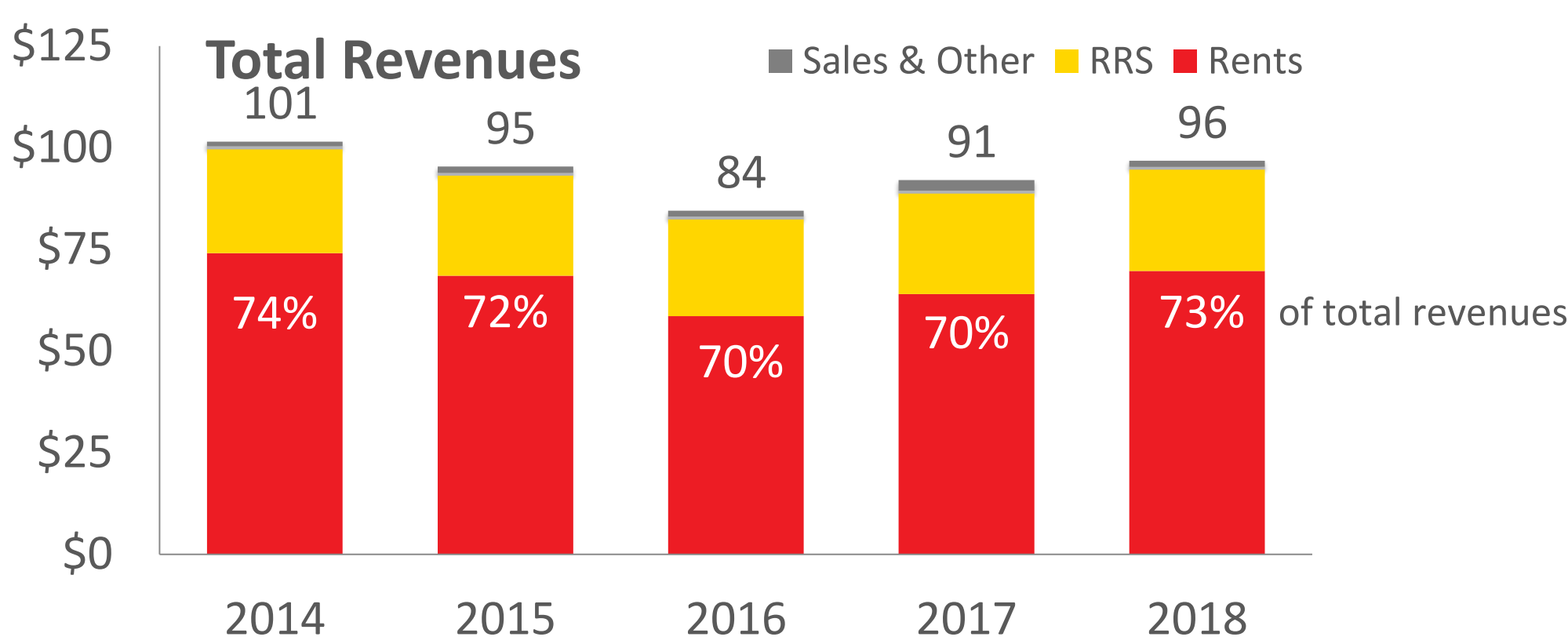
Market	Application		Products Utilized	Typical End User
Industrial and Environmental Services	<ul style="list-style-type: none"> Raw material and cleaning agent storage Containment of waste for disposal or treatment Plant maintenance and repair "turnaround" cycles 		<ul style="list-style-type: none">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

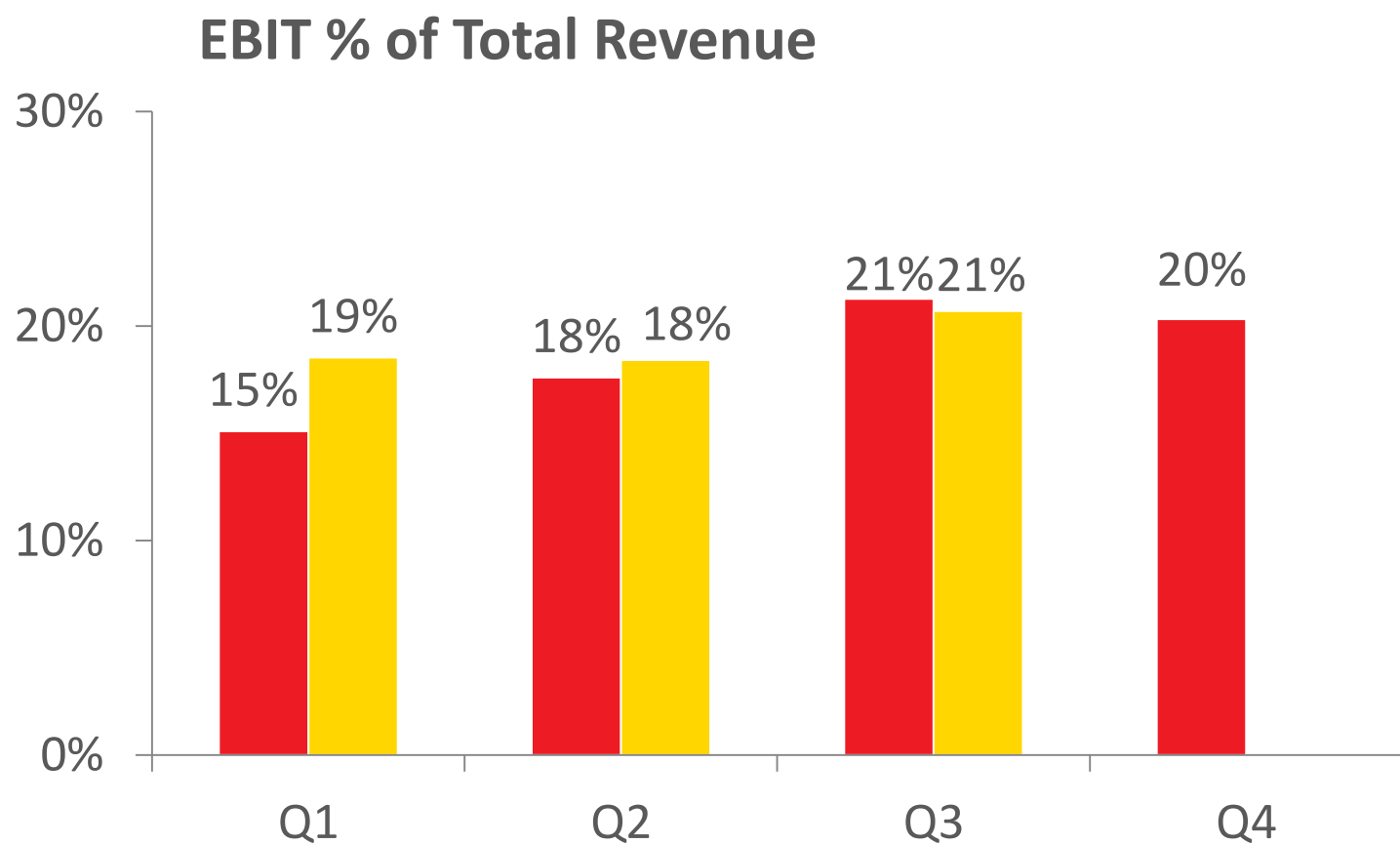
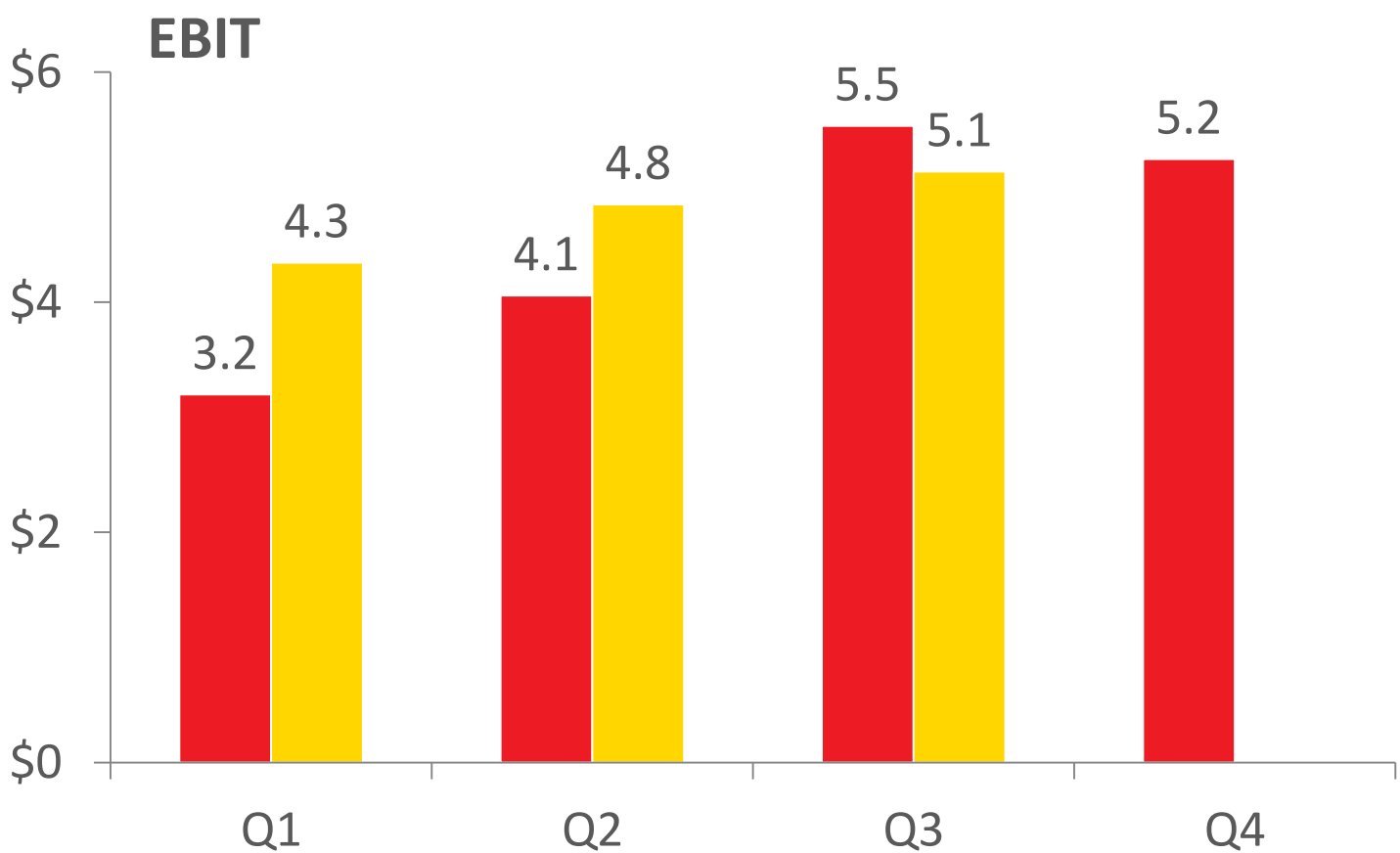
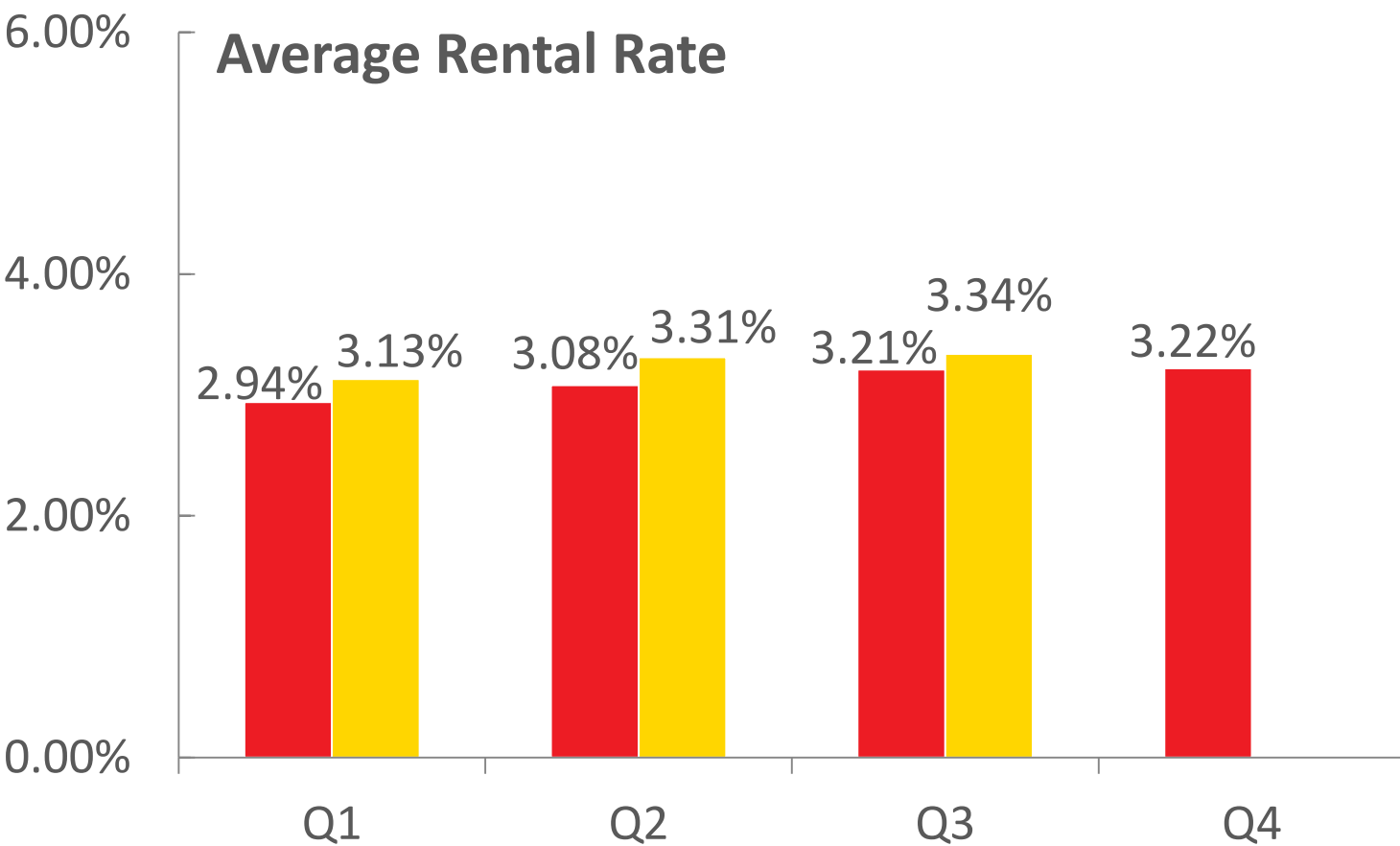
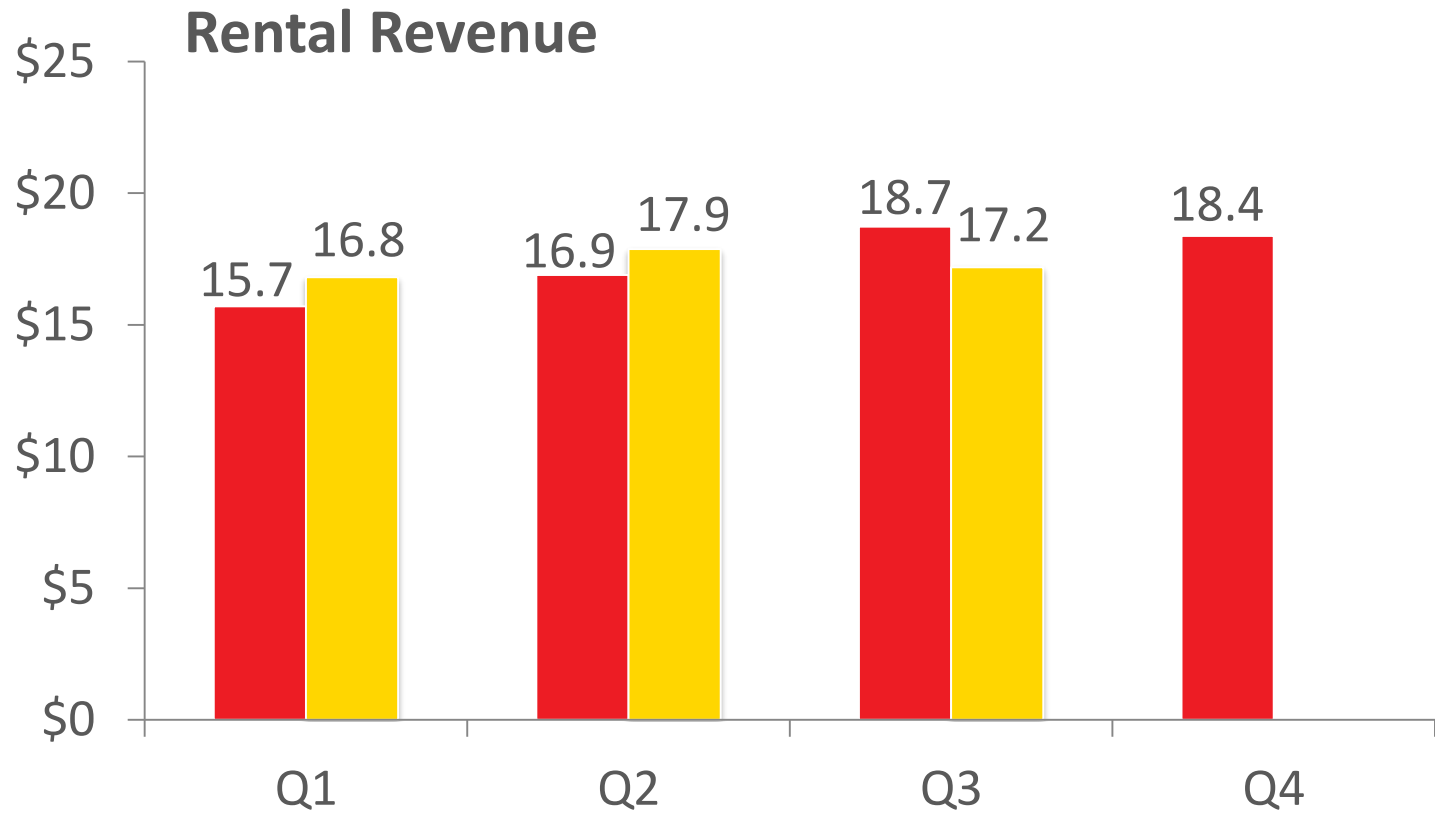
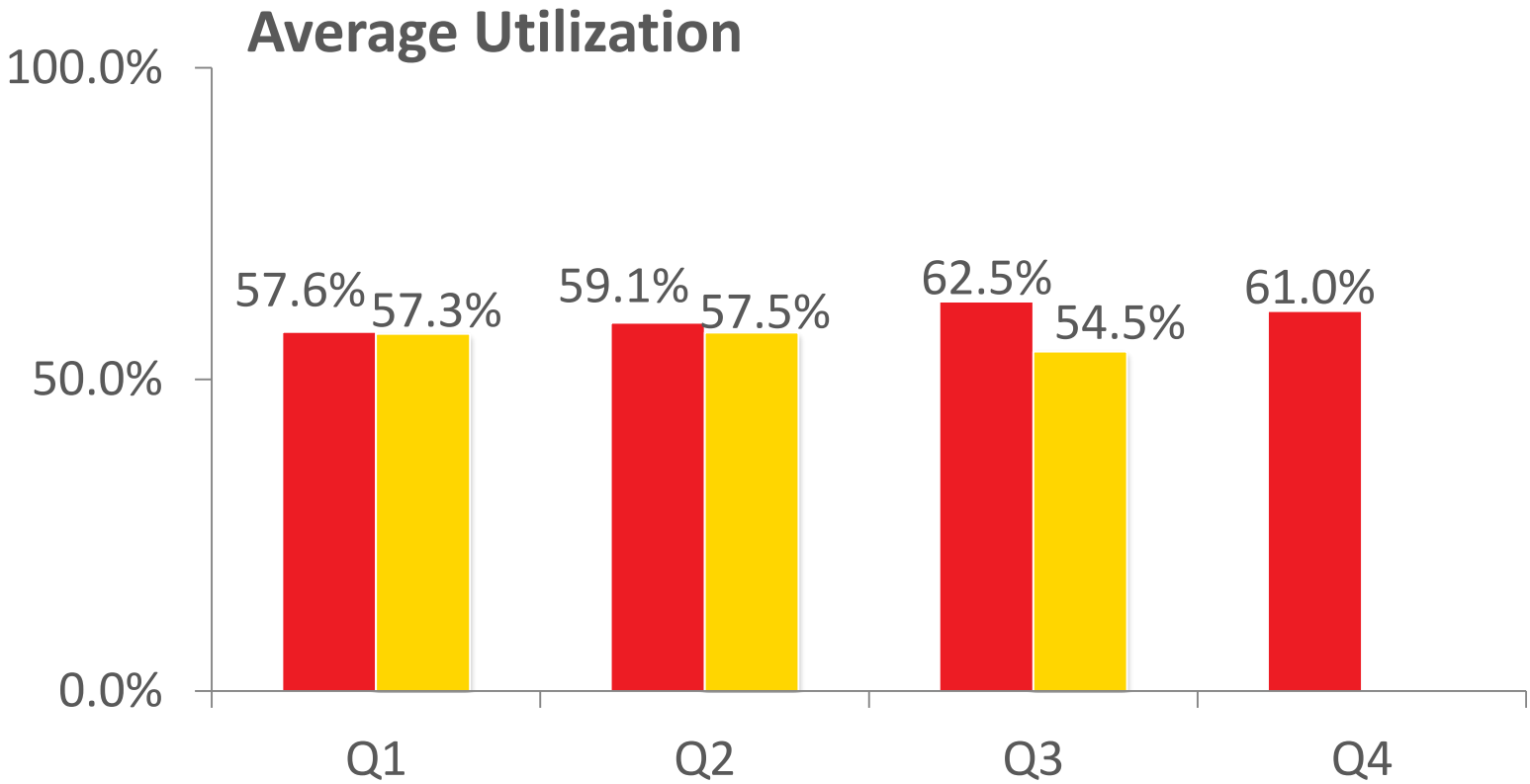
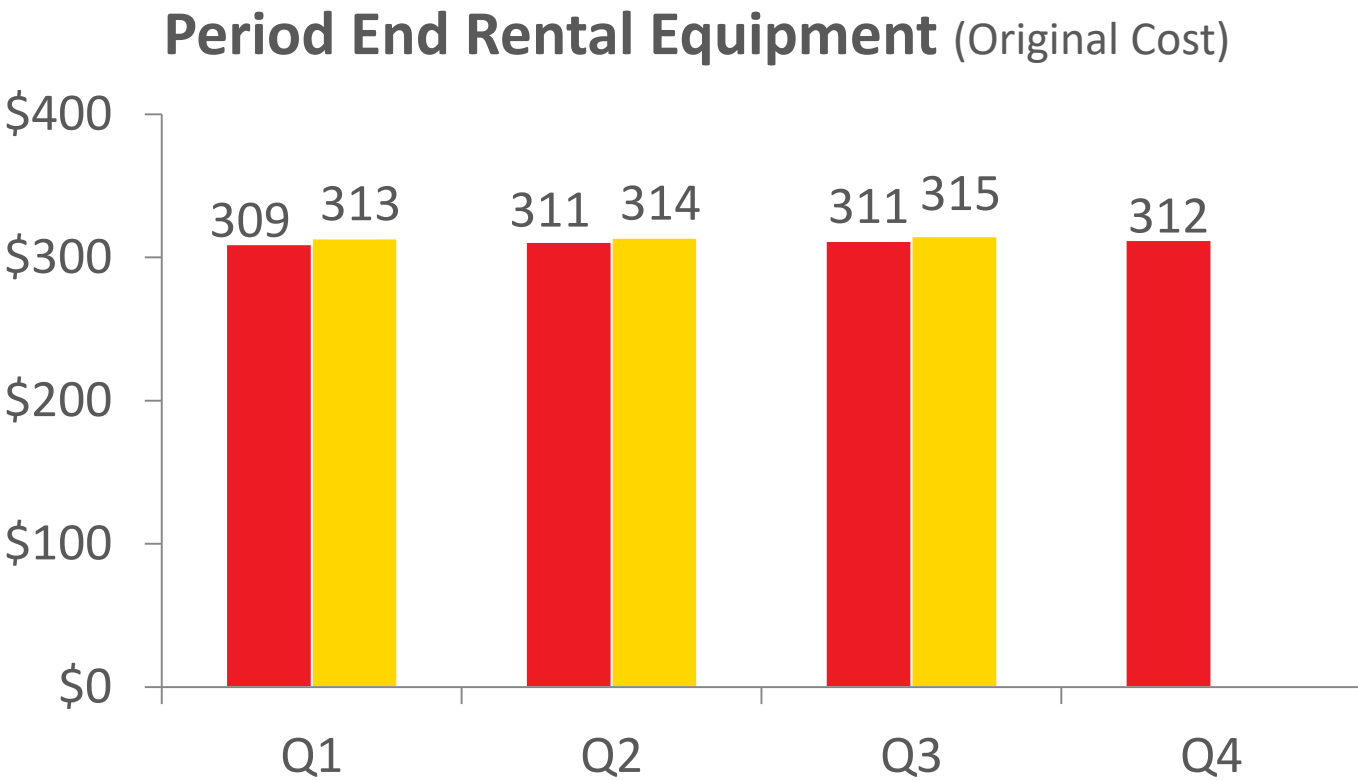


(a) Adjusted EBITDA defined on page 12

Adler Tank Rentals Highlights (a)



(dollars in millions)



(a) See page 53 for definitions of rental equipment, utilization, and rate

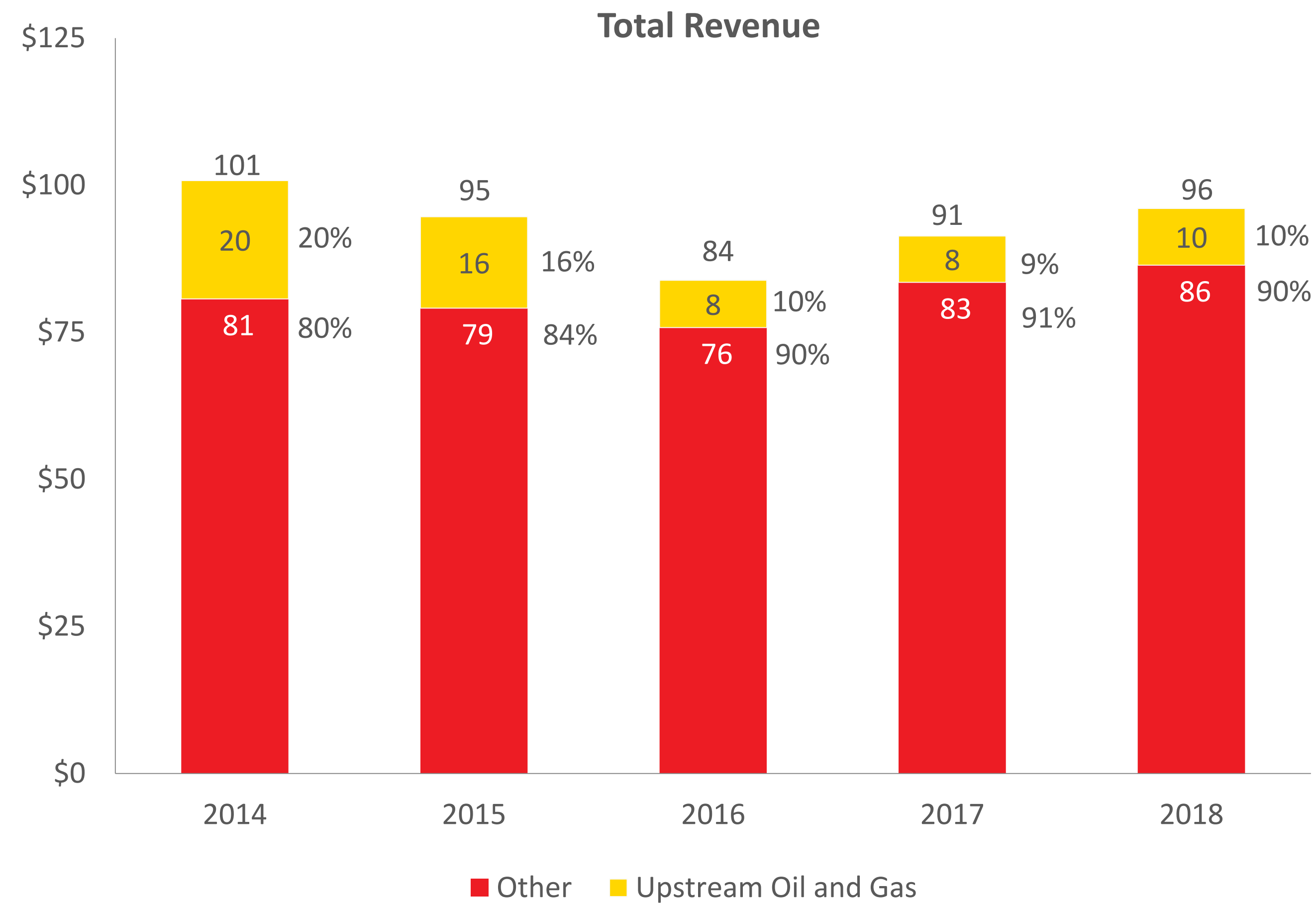
■ 2018 ■ 2019



Adler Tank Rentals Highlights (a)



(dollars in millions)



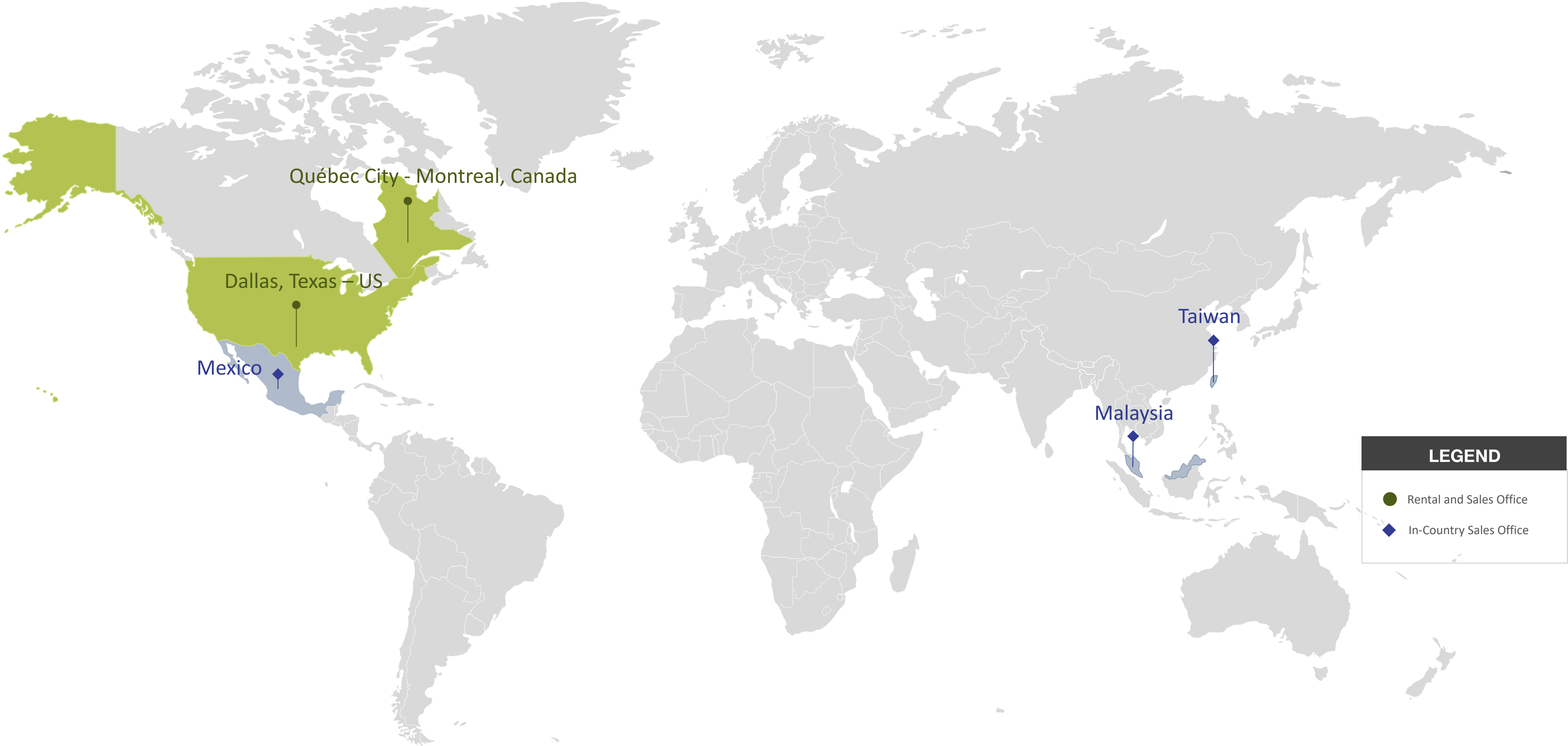
Growth Opportunities

- Broaden non-energy end market applications
- Gain share in established Adler markets
- National accounts sales organization
- Modern and safety-enhanced fleet



McGrath RentCorp

TRS-RENTELCO



LEGEND

Rental and Sales Office

In-Country Sales Office

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 Customer Mix

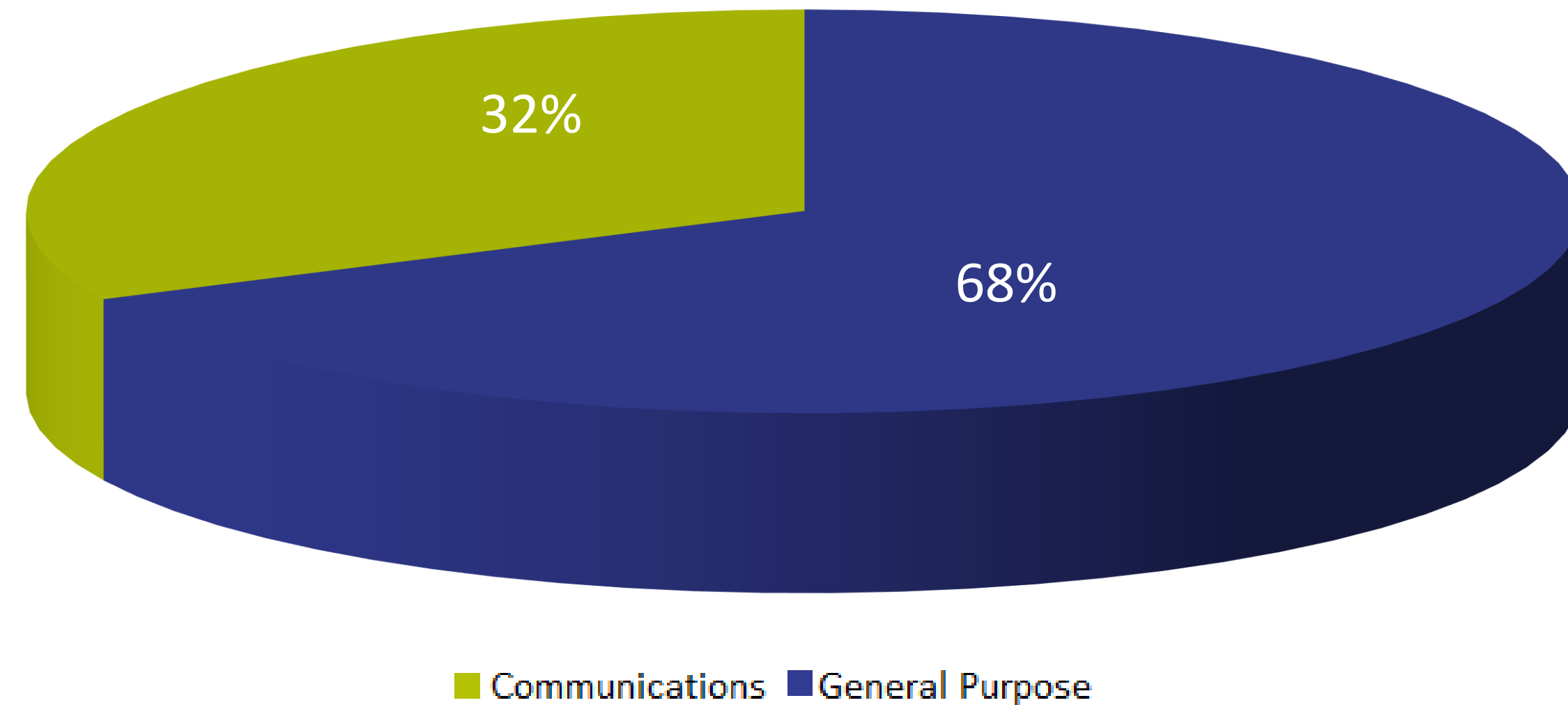
2018 Rental Business Mix Breakdown By Product Group

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



TRS-RenTelco Rental Applications

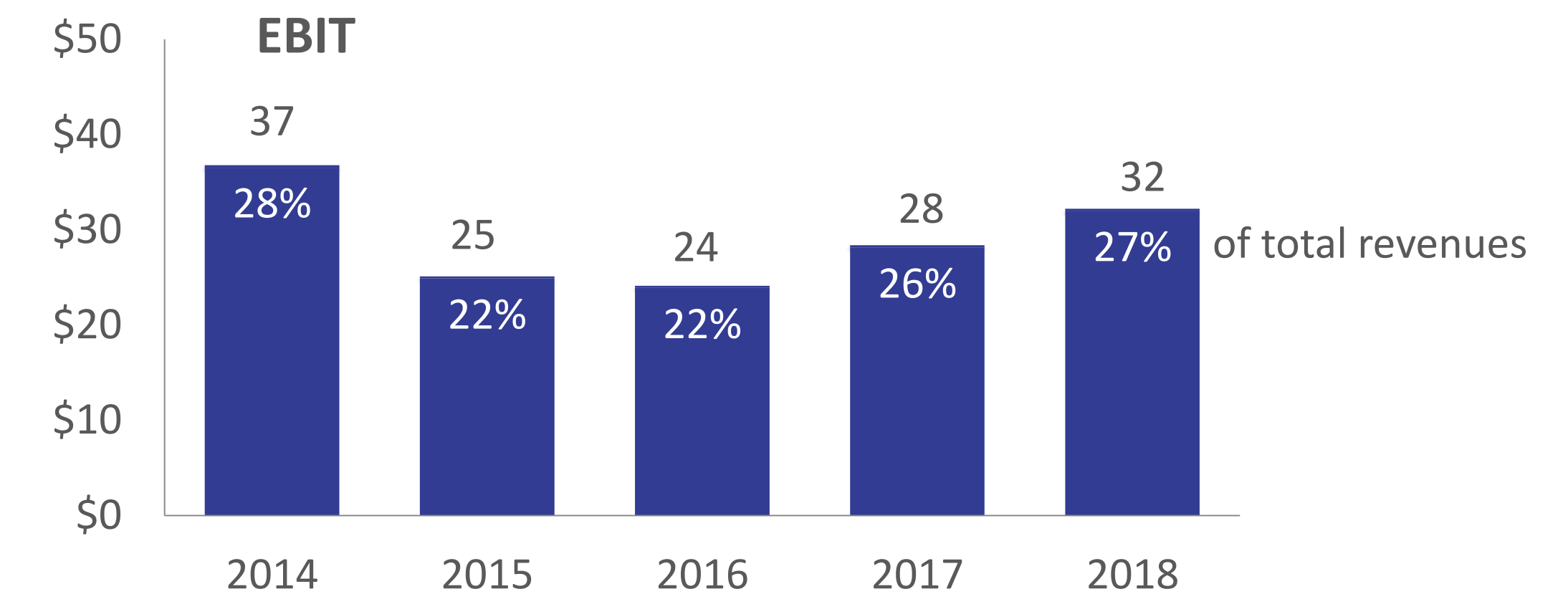
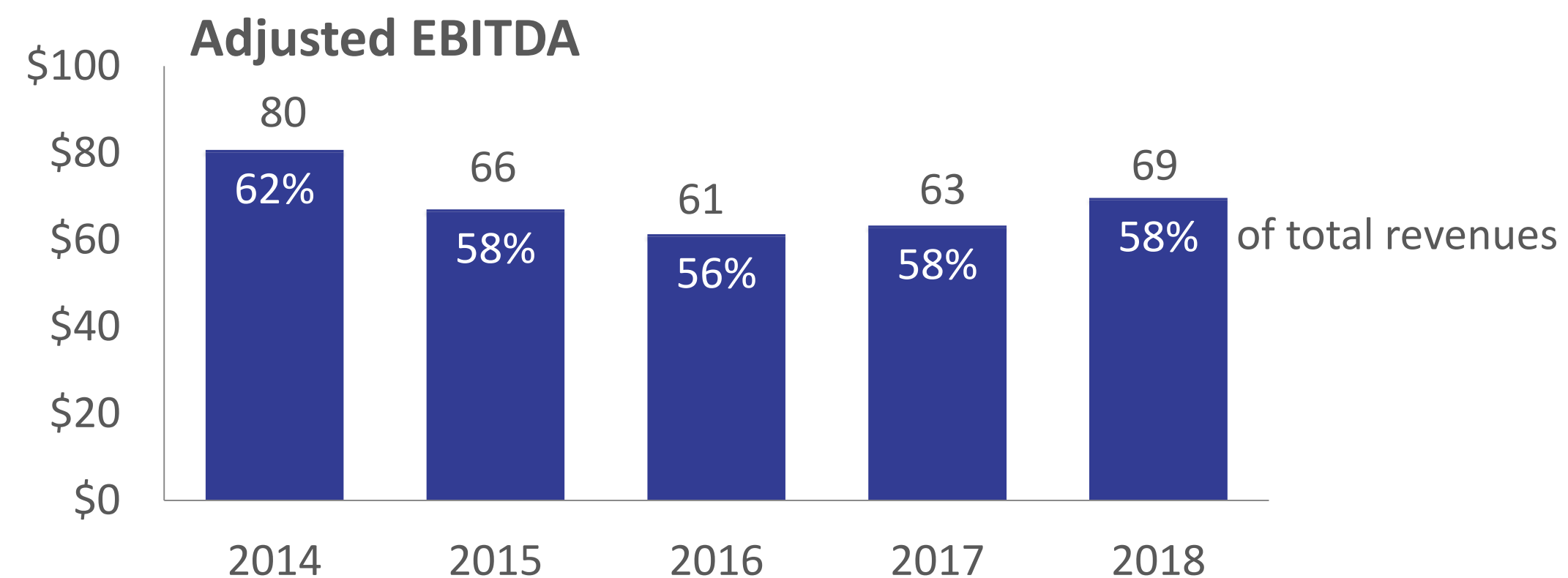
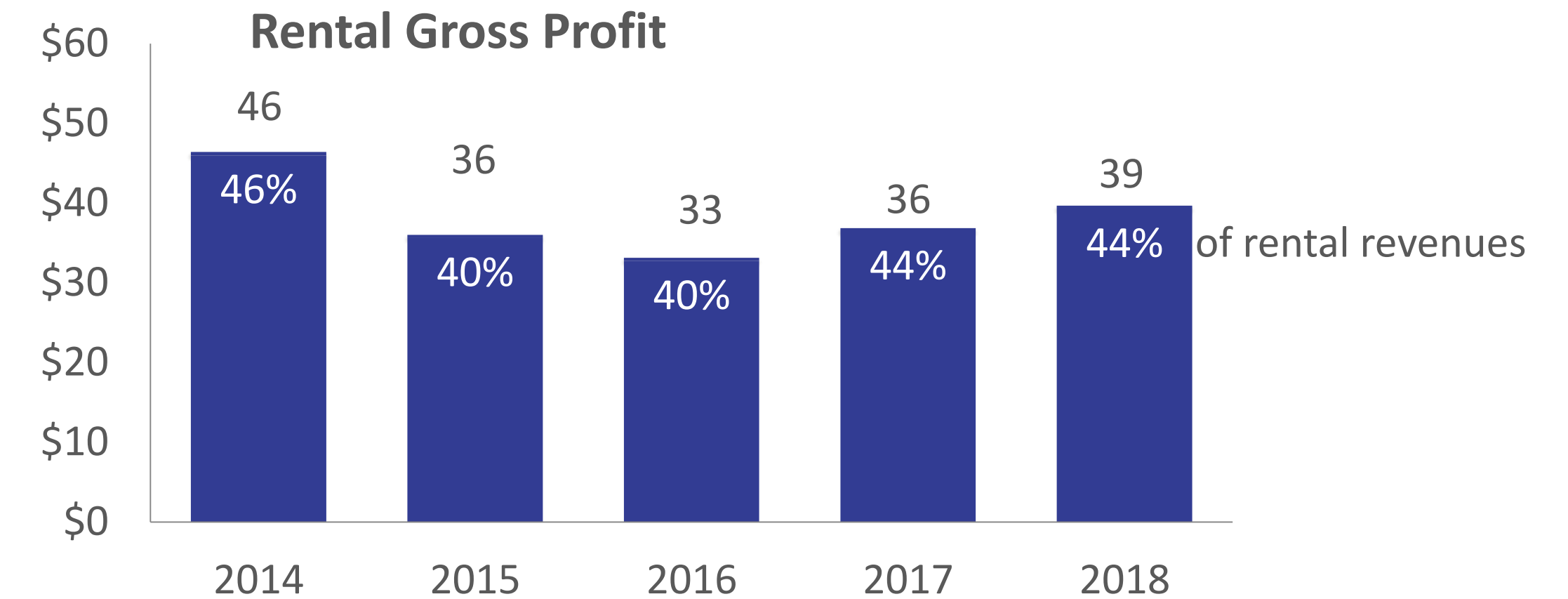
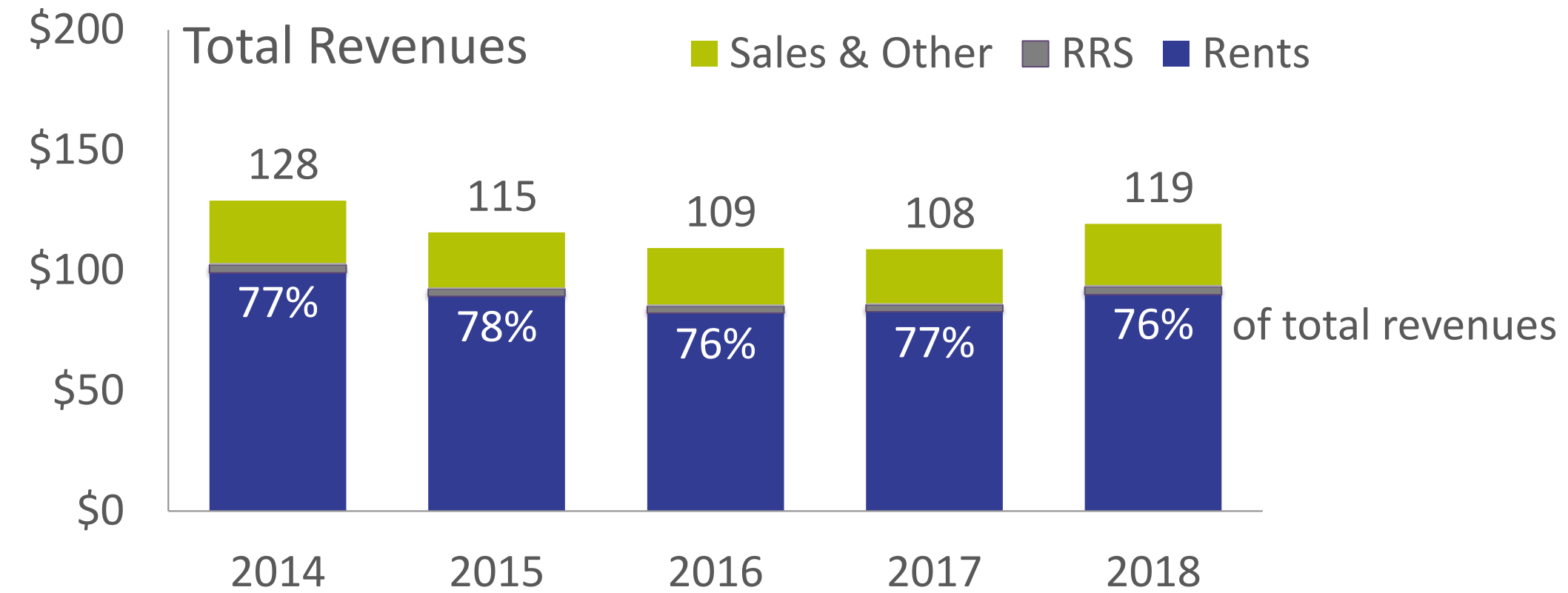
Test Equipment Rental Applications



Product Utilized	User Group	Test Application
Wireless Communication Test Set	Mobile Phone 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)

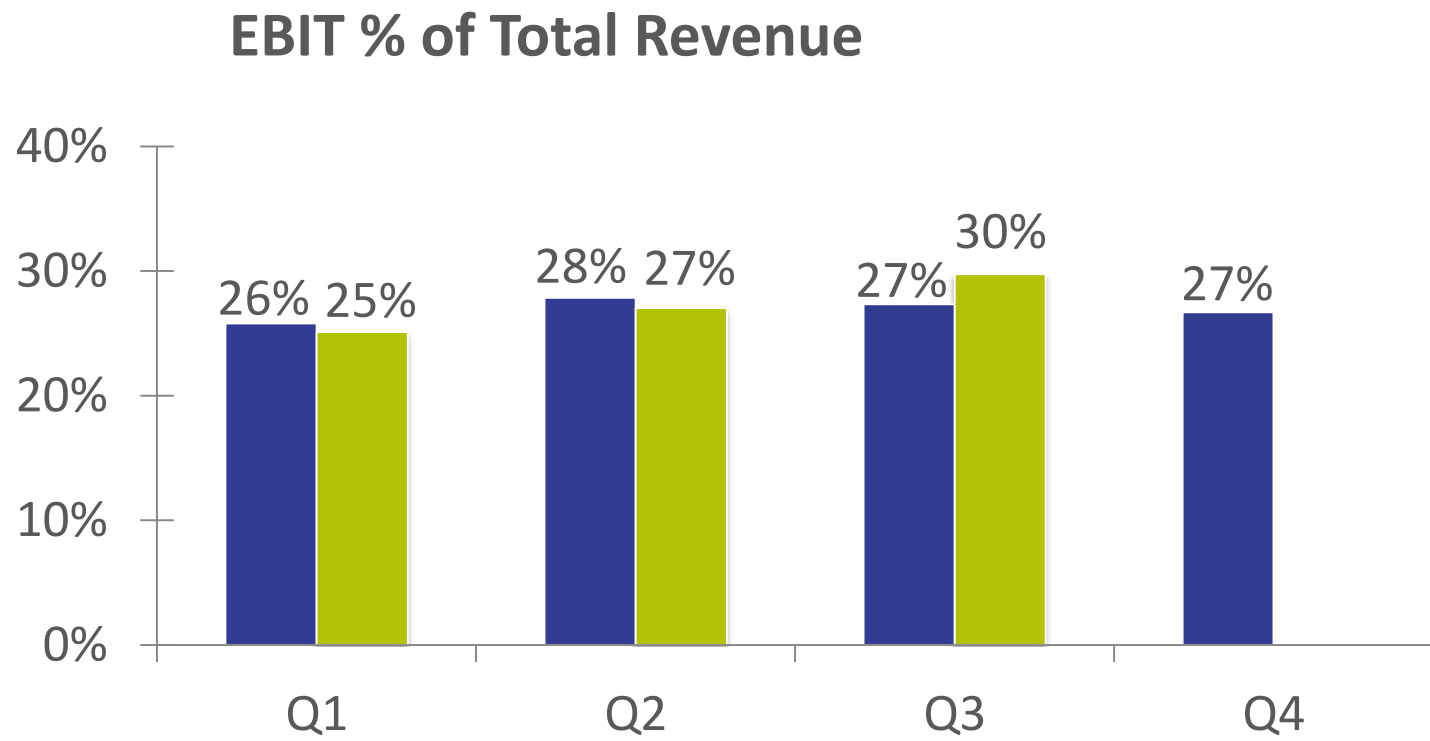
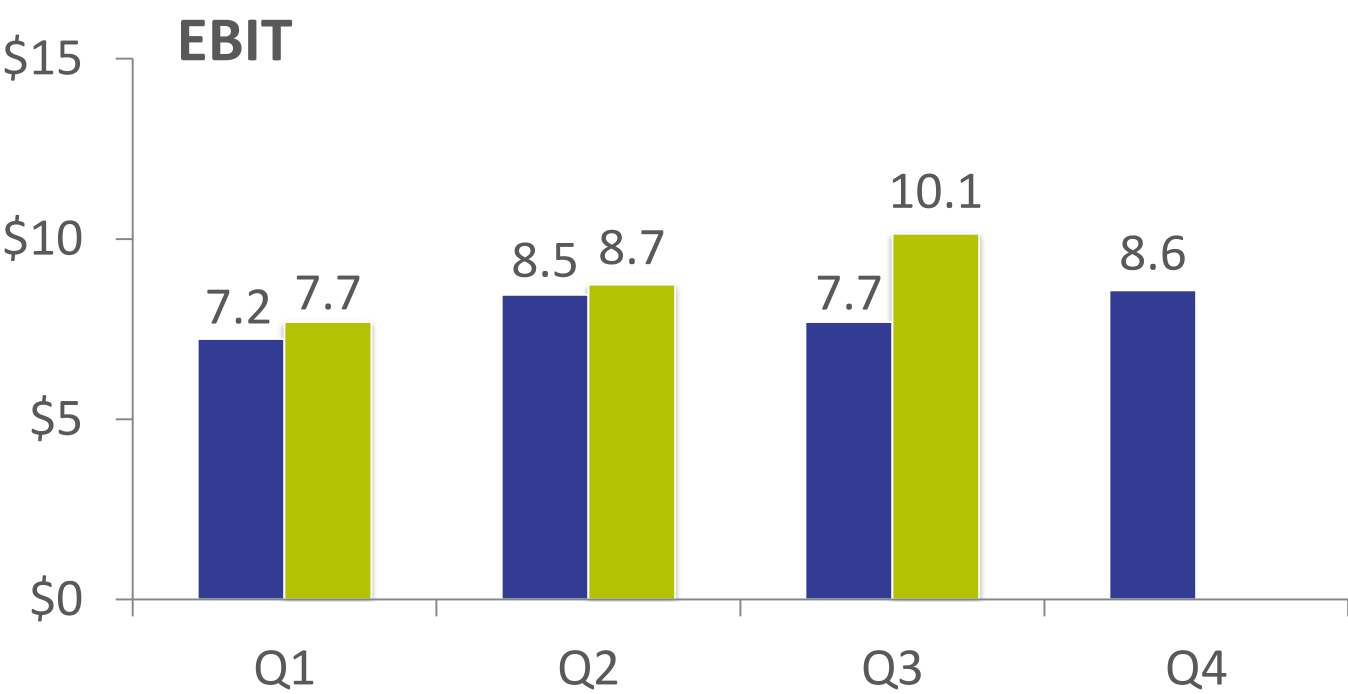
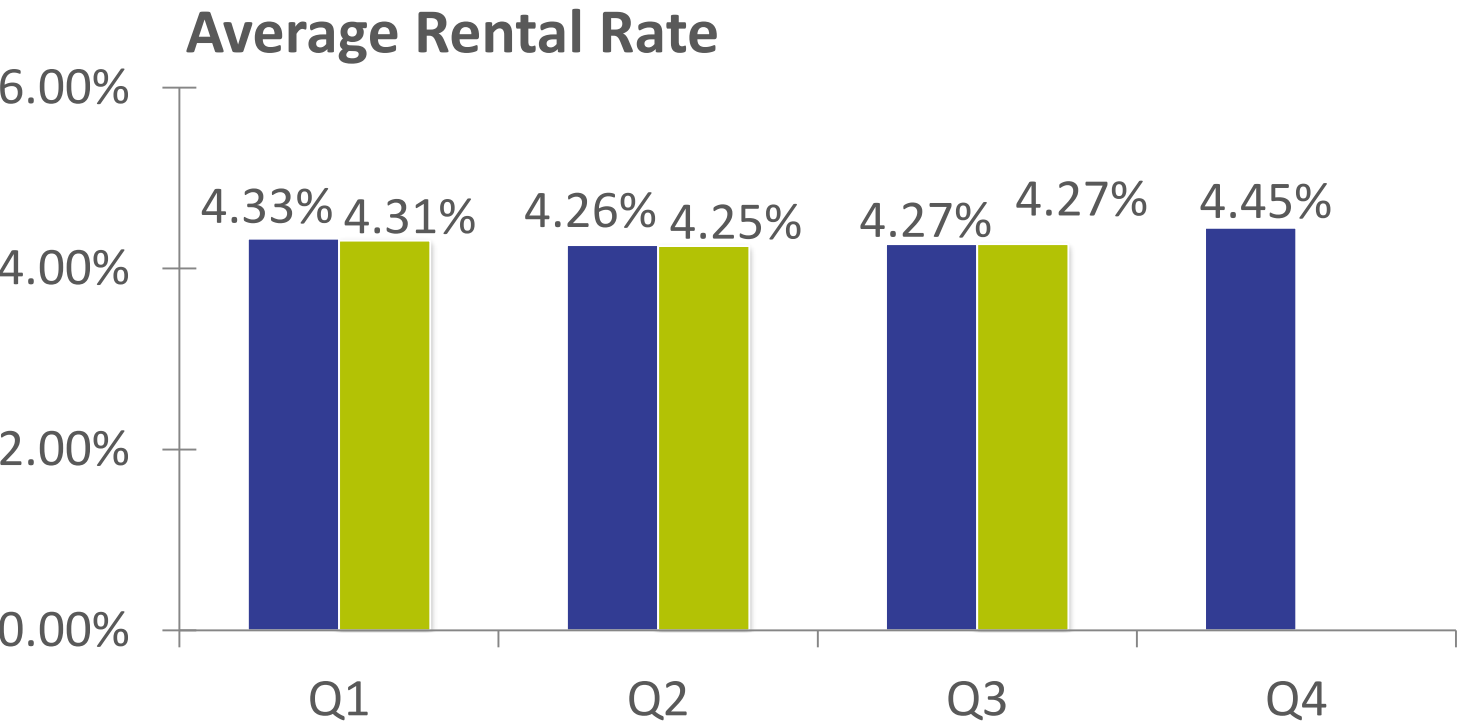
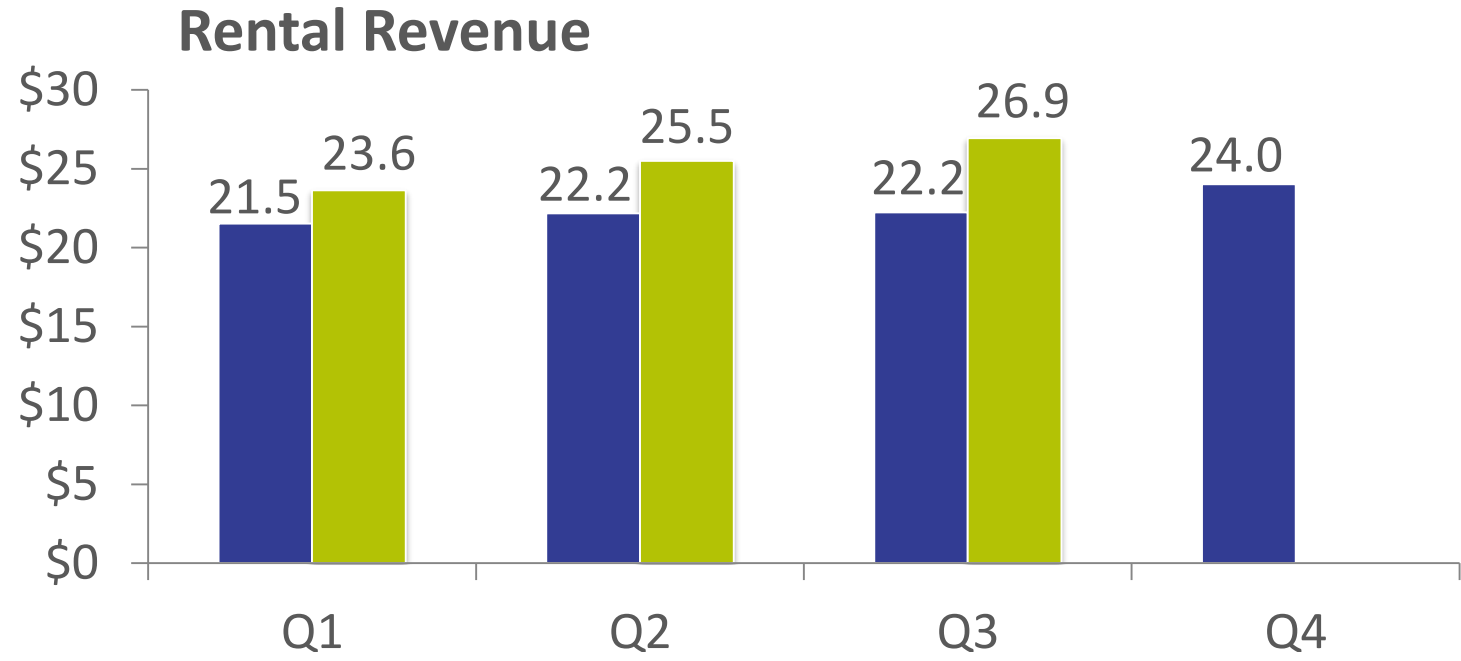
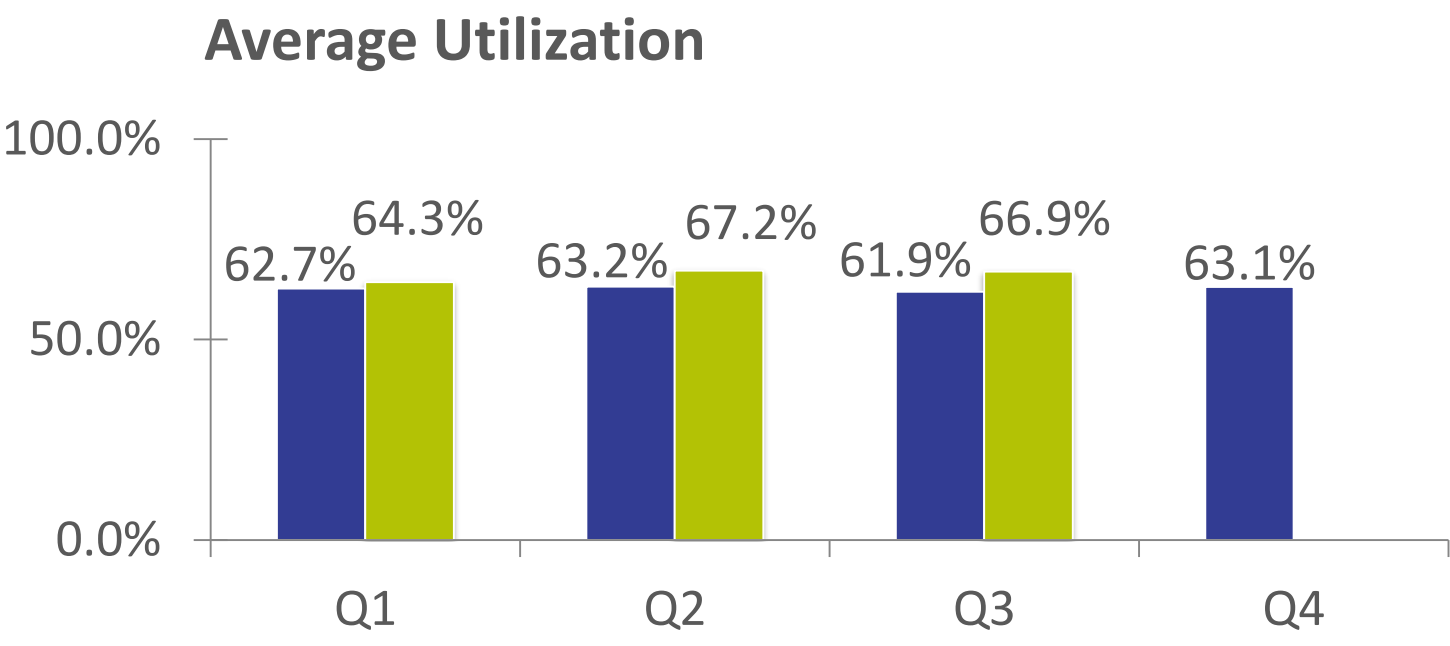
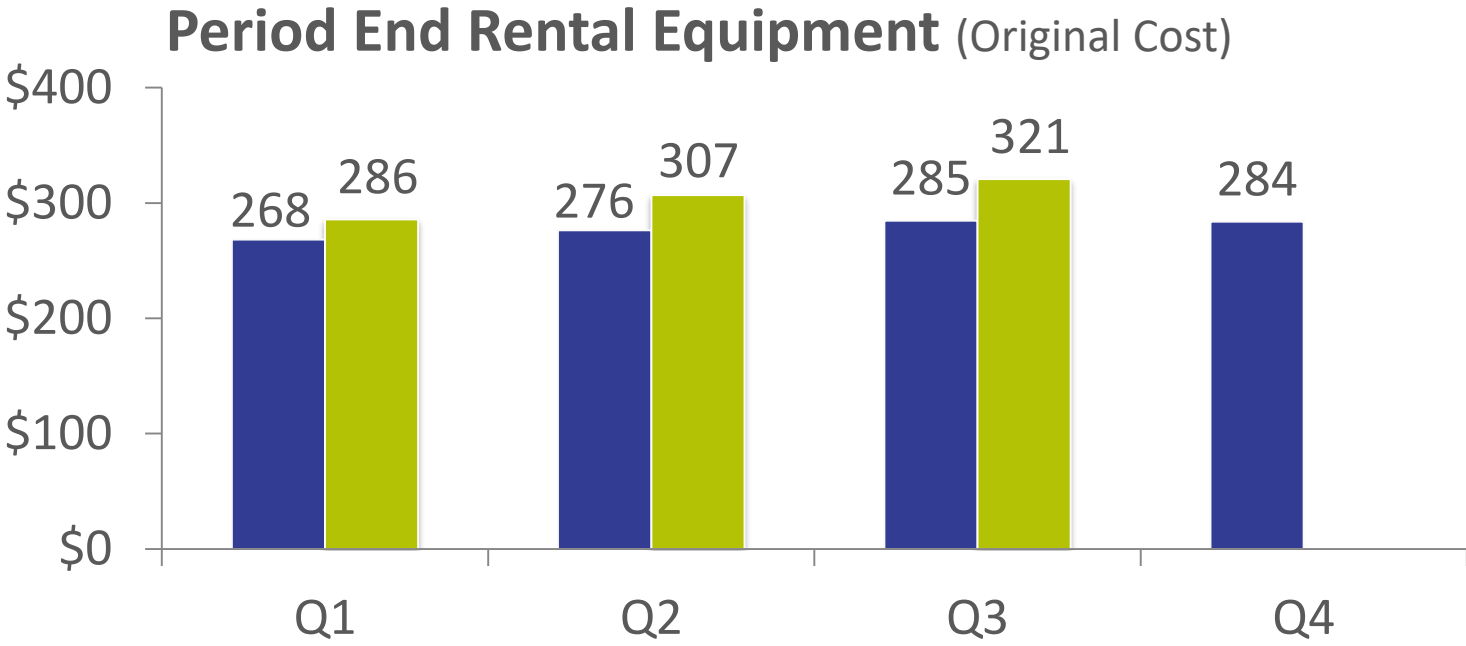


(a) Adjusted EBITDA defined on page 12

TRS-RenTelco Highlights (a)



(dollars in millions)



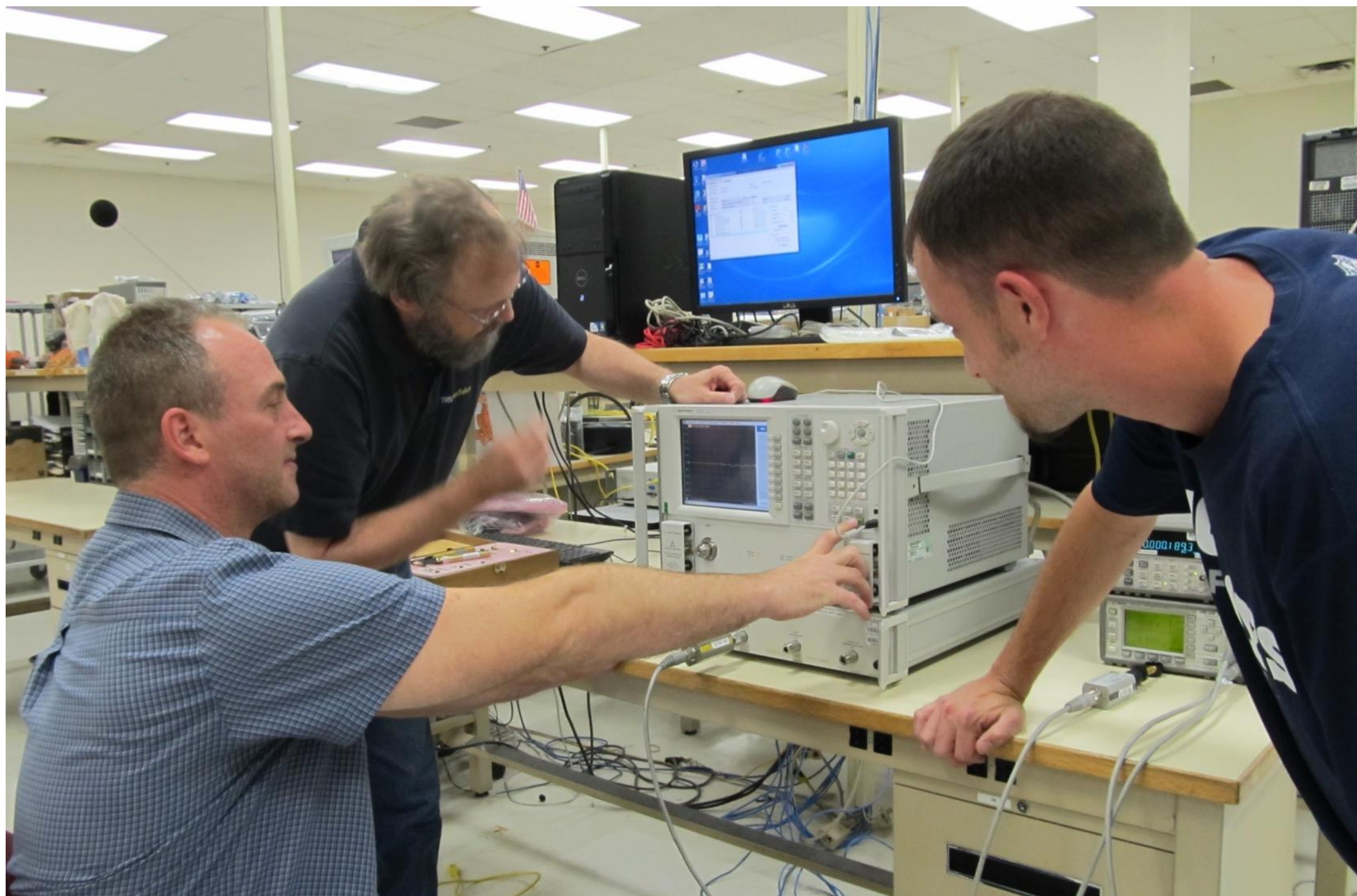
(a) See page 53 for definitions of rental equipment, utilization, and rate

■ 2018 ■ 2019



Growth Opportunities

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

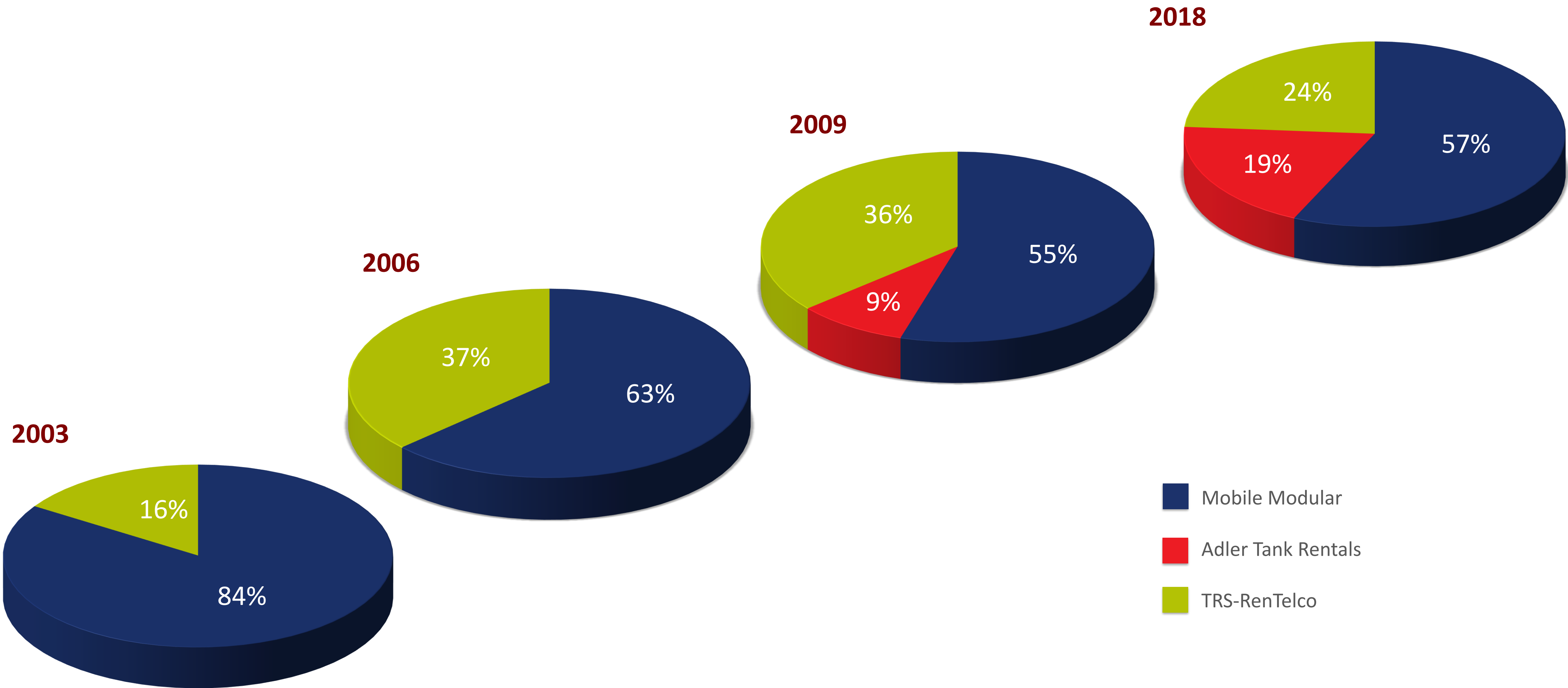


McGrath RentCorp

ADDITIONAL FINANCIAL DETAIL

McGrath RentCorp Business Mix

Total Revenues

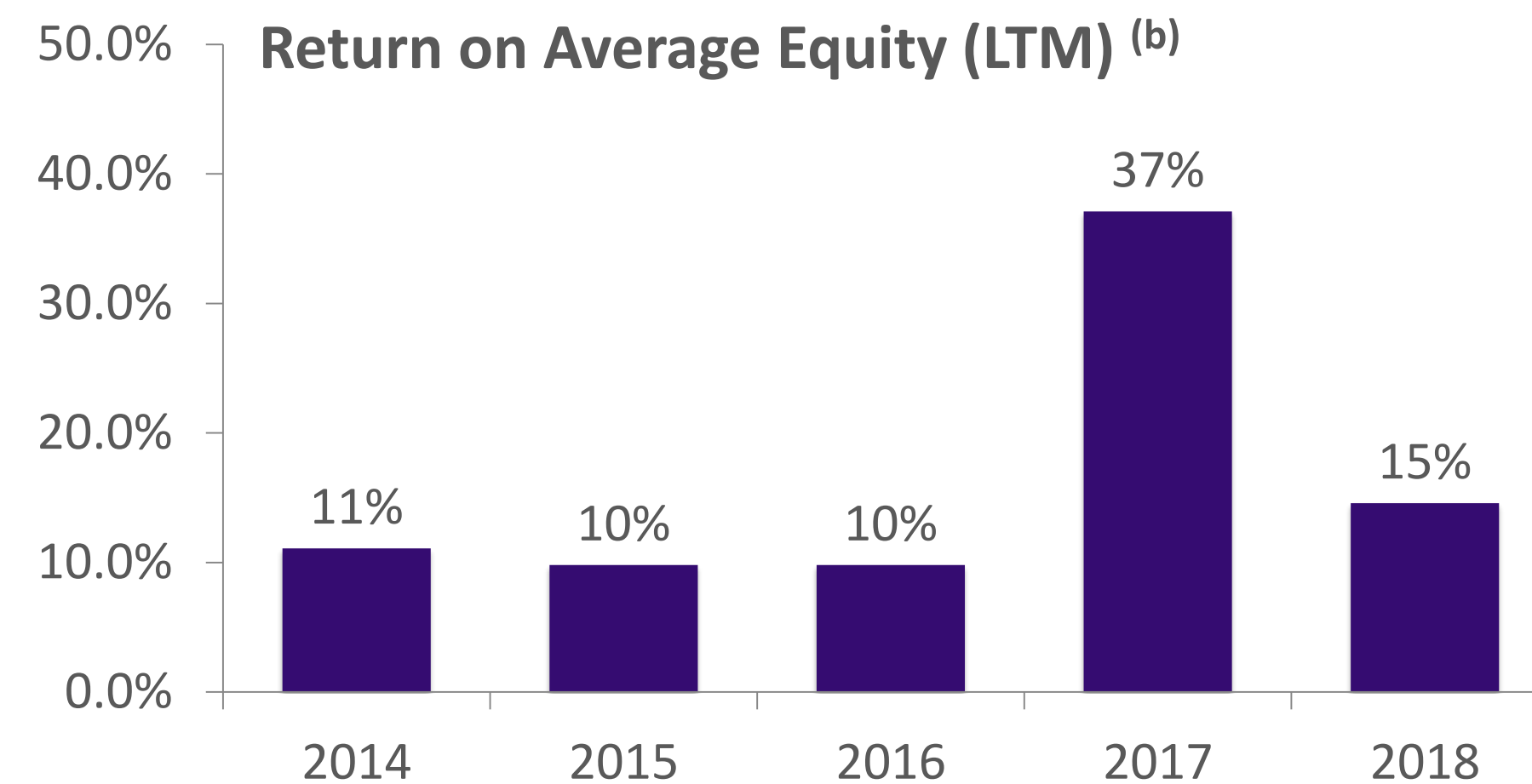
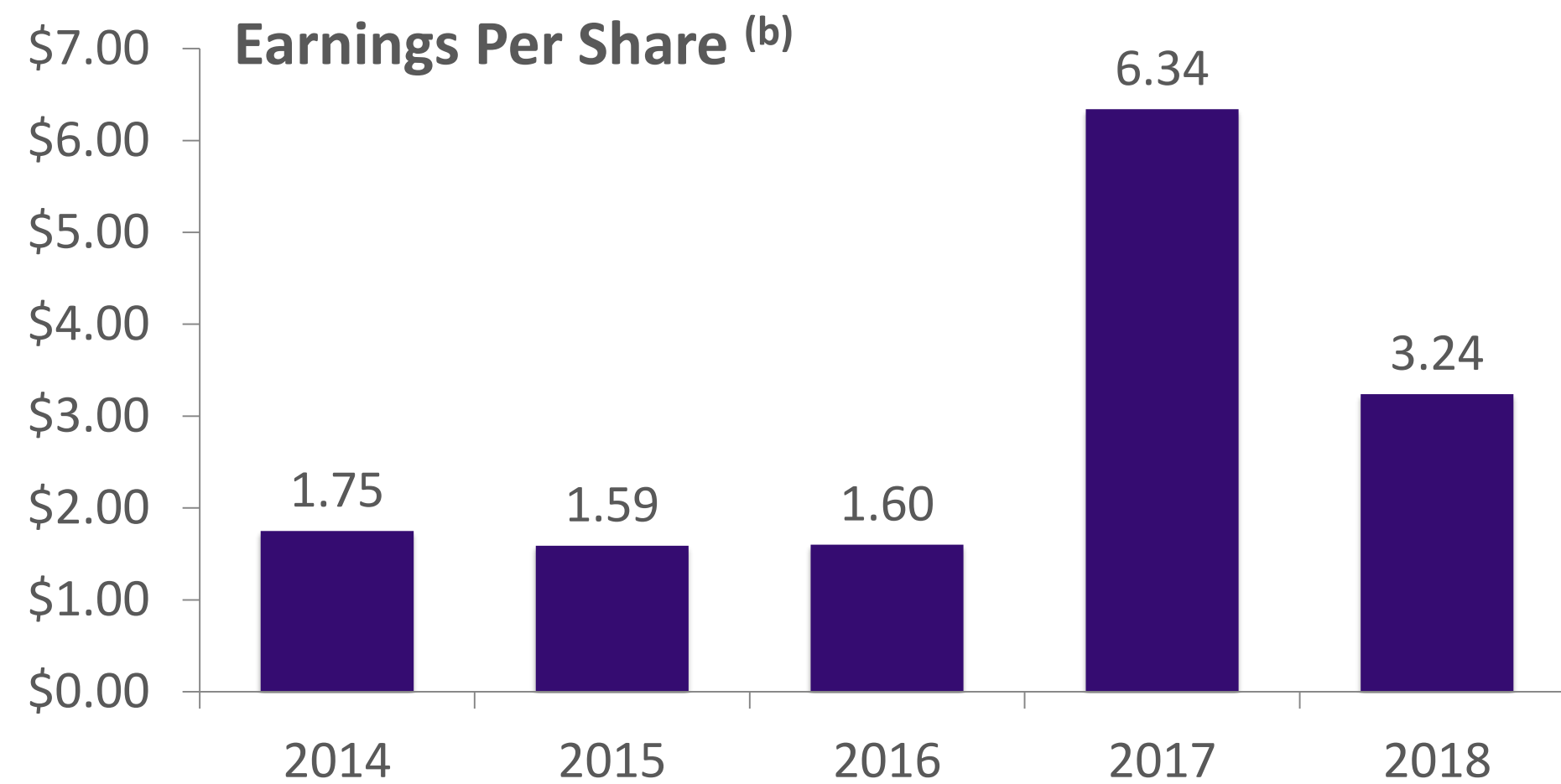
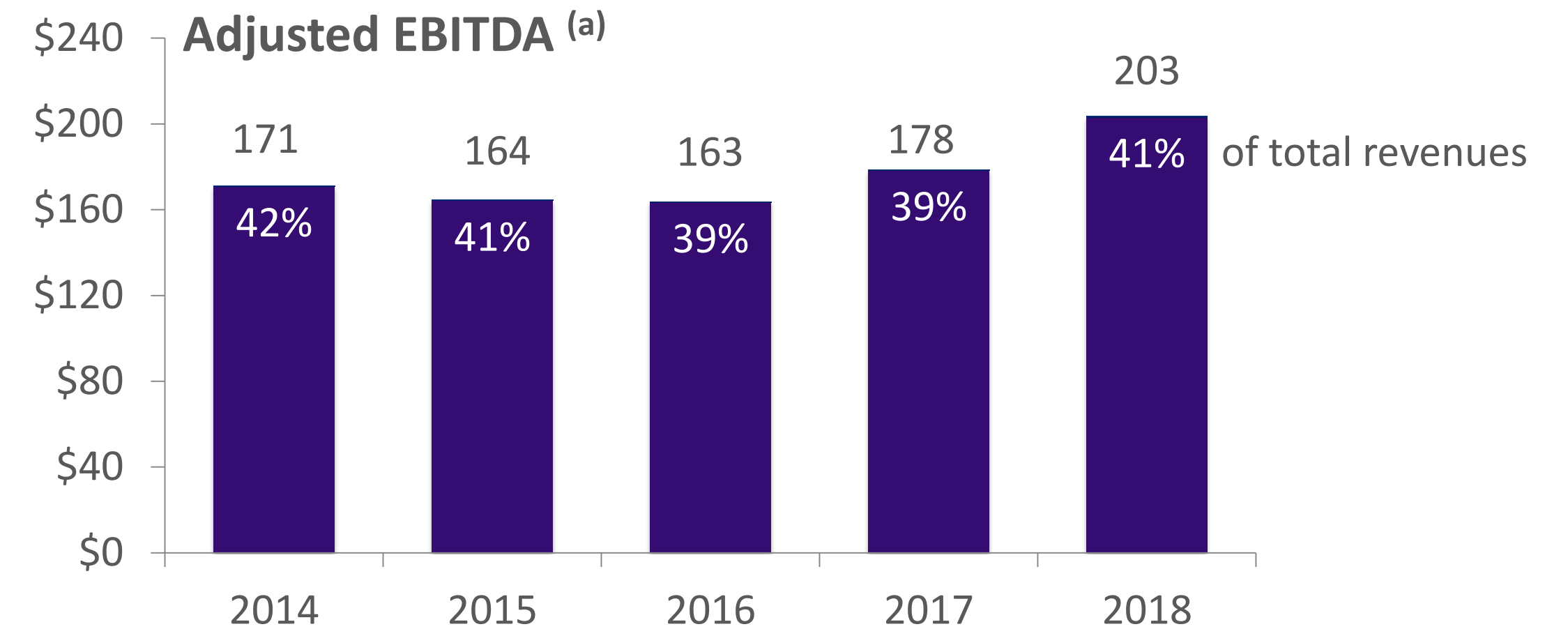
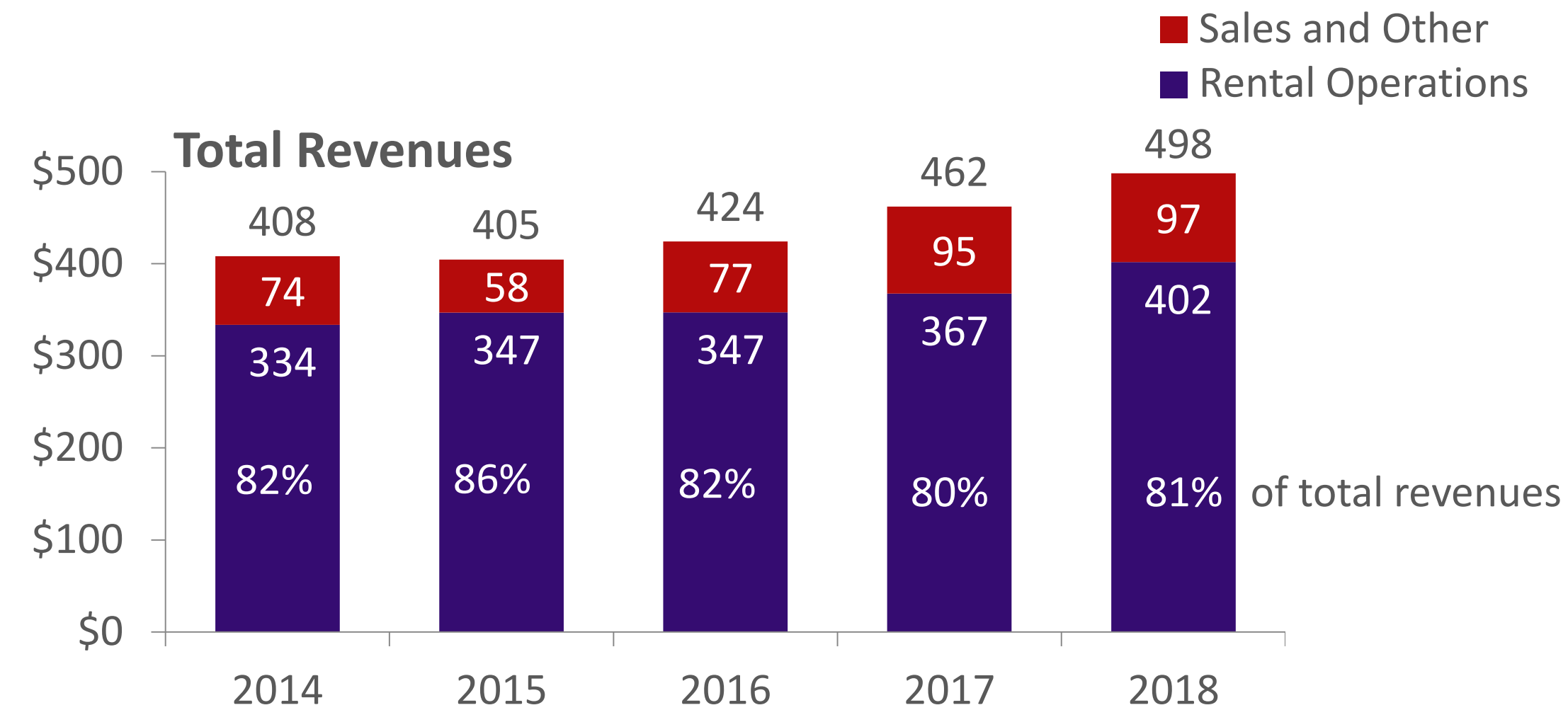


• Mobile Modular includes Mobile Modular Portable Storage and Enviroplex

Operating Results



(dollars and shares in millions except per share amounts)



(a) Adjusted EBITDA defined on page 12

(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. See page 55 for additional information. 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⁾

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Mobile Modular ⁽⁴⁾	81.0%	69.0%	67.2%	67.3%	66.7%	70.7%	75.0%	76.9%	77.3%	77.8%	79.3%
TRS-RenTelco	64.0%	63.1%	64.3%	67.1%	64.1%	58.2%	59.8%	58.7%	61.0%	61.7%	62.1%
Adler Tank Rentals	70.3%	71.2%	84.9%	79.8%	67.5%	57.7%	63.9%	49.7%	50.7%	57.5%	56.4%

Q317	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q3-19 vs. Q2-19	% chg	Q3 Y/Y	% chg
76.8%	77.8%	76.9%	77.2%	79.2%	79.3%	78.9%	79.6%	79.5%	-0.1%	-0.1%	0.3%	0.4%
64.3%	61.7%	63.5%	62.8%	61.5%	62.1%	66.5%	67.3%	67.1%	-0.2%	-0.3%	5.6%	9.1%
59.7%	57.5%	57.5%	61.3%	64.0%	56.4%	59.2%	55.3%	51.0%	-4.3%	-7.8%	-13.0%	-20.3%

Average Utilization ⁽¹⁾

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Mobile Modular ⁽⁴⁾	81.6%	73.4%	67.7%	67.1%	66.4%	68.3%	72.3%	75.8%	76.6%	76.8%	78.2%
TRS-RenTelco	68.1%	61.4%	66.0%	66.0%	65.8%	62.7%	60.4%	60.5%	60.6%	62.9%	62.7%
Adler Tank Rentals		66.4%	76.0%	86.2%	71.5%	64.2%	62.9%	58.3%	50.1%	56.0%	59.9%

Q317	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q3-19 vs. Q2-19	% chg	Q3 Y/Y	% chg
76.3%	77.3%	77.3%	77.1%	78.6%	79.2%	78.8%	79.2%	79.4%	0.2%	0.2%	0.8%	1.0%
63.4%	63.6%	62.7%	63.2%	61.9%	63.1%	64.3%	67.2%	66.9%	-0.3%	-0.4%	5.0%	8.1%
57.1%	60.2%	57.6%	59.1%	62.5%	61.0%	57.3%	57.5%	54.5%	-3.0%	-5.2%	-8.0%	-12.8%

Average Monthly Rental Rate ⁽²⁾

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Mobile Modular ⁽⁴⁾	2.28%	2.19%	2.07%	1.97%	1.90%	1.84%	1.86%	1.91%	1.96%	2.07%	2.24%
TRS-RenTelco	4.55%	4.13%	4.26%	4.66%	4.83%	5.09%	5.20%	4.62%	4.45%	4.35%	4.33%
Adler Tank Rentals		3.94%	3.84%	3.63%	3.50%	3.50%	3.39%	3.22%	3.17%	3.10%	3.13%

Q317	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q3-19 vs. Q2-19	% chg	Q3 Y/Y	% chg
2.11%	2.16%	2.14%	2.21%	2.30%	2.33%	2.30%	2.39%	2.45%	0.1%	2.5%	0.2%	6.5%
4.35%	4.48%	4.33%	4.26%	4.27%	4.45%	4.31%	4.25%	4.27%	0.0%	0.5%	0.0%	0.0%
3.14%	3.20%	2.94%	3.08%	3.21%	3.22%	3.13%	3.31%	3.34%	0.0%	0.9%	0.1%	4.0%

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

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Mobile Modular ⁽⁴⁾	476.4	485.9	496.7	516.3	534.2	564.9	635.4	706.2	744.1	746.9	775.5
TRS-RenTelco	255.4	238.9	249.8	258.4	266.5	267.2	260.7	262.0	245.7	261.6	283.9
Adler Tank Rentals	46.3	74.9	129.1	193.9	248.9	278.6	299.5	307.6	306.7	308.9	312.2

Q317	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q3-19 vs. Q2-19	% chg	Q3 Y/Y	% chg
750.8	746.9	746.2	750.7	767.5	775.5	781.4	792.2	812.5	20.4	2.6%	45.0	5.9%
258.4	261.6	268.4	276.3	284.7	283.9	285.8	306.7	320.7	14.0	4.6%	36.0	12.7%
308.1	308.9	309.2	310.8	311.5	312.2	313.3	313.7	314.8	1.1	0.4%	3.4	1.1%

⁽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

2019 Financial Outlook



	<u>Actual 2018</u>	<u>February 26, 2019 Outlook Comments</u>	
Rental Revenues	\$ 319M	~ 6% - 9% growth	
Sales Revenues	\$ 93M	~ flat	
Rental Equipment Depreciation	\$ 73M	\$75M - \$78M	
Other Direct Cost of Rental Operations	\$ 69M	\$72M - \$75M	Primarily for rental equipment maintenance and repair
SG&A Expenses	\$ 116M	\$123M - \$126M	
Operating Profit	\$ 117M	~ 5% - 10% growth	
Interest Expense	\$ 12M	\$12.1M - \$12.5M	
Effective Tax Rate ¹	24.2%	27.0%	Excluding any impact from ASU 2016-09
Diluted Share Count	24.5	~ 24.6 - 24.7	shares in millions

Outlook updated on October 29, 2019:

Based upon the Company's year-to-date results and current outlook for the remainder of the year, the Company is raising its financial outlook and expects its 2019 total operating profit to increase 15% to 19% above 2018 results, as compared to our prior expectation of a 9% to 14% increase.

- On December 22, 2017, the U.S. government enacted the Tax Cut and Jobs act (“the Tax Act”)
- The Tax Act reduced the federal income tax rate from 35% to 21% effective January 1, 2018
- Net deferred tax liabilities were re-measured and a net benefit of \$102.8 million was recognized in 2017
- One-time transition income tax estimated at \$0.3 million related to repatriation of foreign earnings was recorded in 2017

Financial Data

Financing Summary



(dollars in millions)

		Year Ended December 31,																					
		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017		2018	
Total Debt	\$	306	\$	247	\$	266	\$	297	\$	302	\$	290	\$	322	\$	381	\$	326	\$	303	\$	299	
Adjusted EBITDA ^(a)	\$	142	\$	128	\$	132	\$	161	\$	158	\$	161	\$	171	\$	164	\$	163	\$	178	\$	203	
Funded Debt to EBITDA		2.15		1.94		2.01		1.84		1.91		1.81		1.89		2.32		2.00		1.70		1.47	
Available Debt Capacity	\$	86	\$	132	\$	101	\$	159	\$	228	\$	240	\$	228	\$	209	\$	246	\$	249	\$	233	

^(a) Adjusted EBITDA defined on page 12

Financial Data

Capital Expenditures



(dollars in millions)

Year Ended December 31,												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Mobile Modular	\$ 38	\$ 13	\$ 23	\$ 34	\$ 21	\$ 53	\$ 83	\$ 80	\$ 43	\$ 35	\$ 63	
TRS-RenTelco	57	23	42	55	52	53	45	44	31	59	65	
Adler Tank Rentals	88	38	52	69	56	31	21	9	1	5	5	
Total Rental Equipment ^(a)	183	74	118	158	129	137	149	133	75	98	134	
Proceeds from used equipment sales	(29)	(29)	(29)	(28)	(31)	(33)	(33)	(26)	(29)	(38)	(42)	
Net Rental Equipment Capital	154	45	89	129	98	103	116	107	45	60	92	
PP&E	14	2	12	17	14	12	13	9	11	15	16	
Total Capital Expenditures	\$ 167	\$ 47	\$ 101	\$ 147	\$ 112	\$ 115	\$ 129	\$ 116	\$ 56	\$ 74	\$ 108	

^(a) Represents total rental equipment acquisitions including equipment received, not yet paid for

- Mobile Modular includes Mobile Modular Portable Storage
- McGrath RentCorp acquired Adler Tank Rentals in 2008 for \$90M
- 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,										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues											
Rental	\$ 197	\$ 186	\$ 201	\$ 235	\$ 248	\$ 256	\$ 270	\$ 274	\$ 271	\$ 289	\$ 319
Rental Related Services	34	33	35	39	47	53	64	73	76	78	83
Rental Operations	231	220	235	274	295	309	334	347	347	367	402
Sales	70	53	54	66	66	68	72	55	74	92	93
Other	2	2	2	2	2	2	2	2	2	3	4
Total Revenues	304	276	291	343	364	380	408	405	424	462	498
Costs and Expenses											
Direct Costs of Rental Operations											
Depreciation of Rental Equipment	57	57	56	60	64	68	73	75	72	70	73
Rental Related Services	25	25	27	31	37	40	49	57	59	60	64
Other	37	33	40	40	46	55	57	59	60	65	69
Total Direct Costs of Rental Operations	119	116	123	131	147	163	178	191	191	195	206
Costs of Sales	50	39	38	45	49	47	47	37	49	60	59
Total Costs	168	154	161	176	196	210	226	228	240	256	265
Gross Margin	136	121	131	167	168	169	182	177	184	206	233
Selling and Administrative	58	60	66	78	86	89	97	100	105	112	116
Income from Operations	78	61	65	89	82	80	85	77	79	95	117
Interest	(10)	(7)	(6)	(8)	(9)	(9)	(9)	(10)	(12)	(12)	(12)
Gain on sale of property, plant and equipment	-	-	-	-	-	-	1	-	-	-	-
Foreign currency exchange gain (loss)	-	-	-	-	0	(0)	(0)	(0)	(0)	0	(0)
Income before Provision for Income Taxes	68	54	59	81	73	71	77	66	67	83	105
Provision for Income Taxes	26	21	23	31	28	28	31	26	29	(70)	25
Net Income ⁽¹⁾	41	33	36	50	45	43	46	40	38	154	79
Earnings per share: ⁽¹⁾											
Diluted	\$ 1.72	\$ 1.40	\$ 1.50	\$ 2.00	\$ 1.78	\$ 1.67	\$ 1.75	\$ 1.59	\$ 1.60	\$ 6.34	\$ 3.24
Shares used in Per Share Calculation:											
Diluted	23.9	23.9	24.3	24.8	25.2	25.9	26.2	25.5	24.0	24.3	24.5
EBITDA	\$ 142	\$ 128	\$ 132	\$ 161	\$ 158	\$ 161	\$ 171	\$ 164	\$ 163	\$ 178	\$ 203

⁽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. See page 55 for additional information.

Financial Data

Consolidated Balance Sheet Highlights



(dollars in millions)

As of December 31,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rental Equipment, at cost											
Relocatable modular buildings	\$ 504	\$ 504	\$ 515	\$ 539	\$ 551	\$ 592	\$ 664	\$ 737	\$ 769	\$ 775	\$ 817
Electronic test equipment	256	239	250	259	267	268	262	263	246	262	285
Liquid and solid containment tanks and boxes	46	81	133	201	255	284	303	310	309	310	314
Total Rental Equipment at cost	806	824	898	999	1,073	1,144	1,230	1,310	1,324	1,348	1,416
Rental Equipment, net book value											
Relocatable modular buildings	377	368	369	384	385	415	475	529	544	544	572
Electronic test equipment	130	102	98	106	108	110	105	102	90	109	131
Liquid and solid containment tanks and boxes	46	77	124	184	226	242	246	238	222	209	198
Total NBV Rental Equipment	552	547	592	673	719	767	826	870	856	862	901
Total Assets	784	758	814	919	972	1,028	1,116	1,153	1,128	1,148	1,217
Notes Payable	306	247	266	297	302	290	322	381	326	303	299
Total Liabilities	535	491	519	586	608	627	692	773	734	624	646
Shareholder Equity	250	267	295	333	365	401	425	380	394	524	572
Debt (Total Liabilities) to Equity	2.11	1.83	1.76	1.76	1.67	1.56	1.63	2.04	1.86	1.19	1.13
Debt (Notes Payable) to Equity	1.22	0.92	0.90	0.89	0.83	0.72	0.76	1.00	0.83	0.58	0.52
Funded Debt to EBITDA	2.15	1.94	2.01	1.84	1.91	1.81	1.89	2.32	2.00	1.70	1.47
EBITDA	142	128	132	161	158	161	171	164	163	178	203

Financing Facilities



- Effective March 31, 2016 the Company entered into a \$420M credit facility which matures on March 31, 2021. In addition, the Company extended the Sweep Service Facility with Union Bank and increased the facility from \$10M to \$12M.
- \$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.

Financial Data

Consolidated Cash Flow



(dollars in millions)

	Year Ended December 31,										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sources of Cash:											
Cash Flow from Operating Activities	\$ 99	\$ 122	\$ 101	\$ 129	\$ 126	\$ 134	\$ 123	\$ 144	\$ 141	\$ 122	\$ 143
Proceeds from Sales of Used Equipment	29	29	29	28	31	33	33	26	29	38	42
Proceeds from Exercise of Stock Options	1	2	9	6	7	16	4	2	0	-	-
Total Cash Available	\$ 129	\$ 153	\$ 138	\$ 164	\$ 164	\$ 183	\$ 159	\$ 173	\$ 170	\$ 161	\$ 184
Uses of Cash:											
Purchases of Rental Equipment	(96)	(70)	(123)	(155)	(132)	(133)	(152)	(131)	(79)	(95)	(123)
⁽¹⁾ Acquisitions	(88)	(2)	(0)	(0)	(0)	(0)	-	-	-	-	-
Other Capital Investments	(14)	(2)	(12)	(17)	(14)	(12)	(13)	(9)	(11)	(15)	(16)
Repurchase of Common Stock	(24)	-	-	-	-	-	-	(64)	-	-	-
Taxes Paid on Stock Awards	-	-	-	-	(0)	(2)	(4)	(2)	(1)	(2)	(3)
Payment of Dividends	(19)	(20)	(21)	(22)	(23)	(24)	(26)	(26)	(24)	(25)	(31)
Total Uses of Cash	(241)	(95)	(156)	(194)	(169)	(171)	(194)	(232)	(115)	(136)	(173)
Net Payments (Borrowings) under Bank Lines	(112)	58	(18)	(31)	(5)	12	(35)	(59)	55	25	12
Net increase (decrease)	(4)	(0)	(0)	0	0	0	(0)	(0)	(0)	2	(1)
Cash, beginning of period	5	1	1	1	1	2	2	1	1	1	3
Cash, end of period	1	1	1	1	2	2	1	1	1	3	2
Calculation of Free Cash Flow											
Cash Flow from Operating Activities	99	122	101	129	126	134	123	144	141	122	143
Purchases of Rental Equipment	(96)	(70)	(123)	(155)	(132)	(133)	(152)	(131)	(79)	(95)	(123)
⁽¹⁾ Acquisitions	(88)	(2)	(0)	(0)	(0)	(0)	-	-	-	-	-
Other Capital Investments	(14)	(2)	(12)	(17)	(14)	(12)	(13)	(9)	(11)	(15)	(16)
Proceeds from Sales of Used Equipment	29	29	29	28	31	33	33	26	29	38	42
Free Cash Flow	(70)	77	(6)	(14)	11	22	(9)	30	81	52	46

Notes Payable	306	247	266	297	302	290	322	381	326	303	299
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Funded Debt to EBITDA	2.15	1.94	2.01	1.84	1.91	1.81	1.89	2.32	2.00	1.70	1.47
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⁽¹⁾ 2008 includes the acquisition of Adler Tank Rentals

- 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.
- As of December 31, 2018, 1,592,026 shares remain authorized for repurchase.
- No share repurchases were made during 2018.

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	\$ 4,300
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	\$ 3,400
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

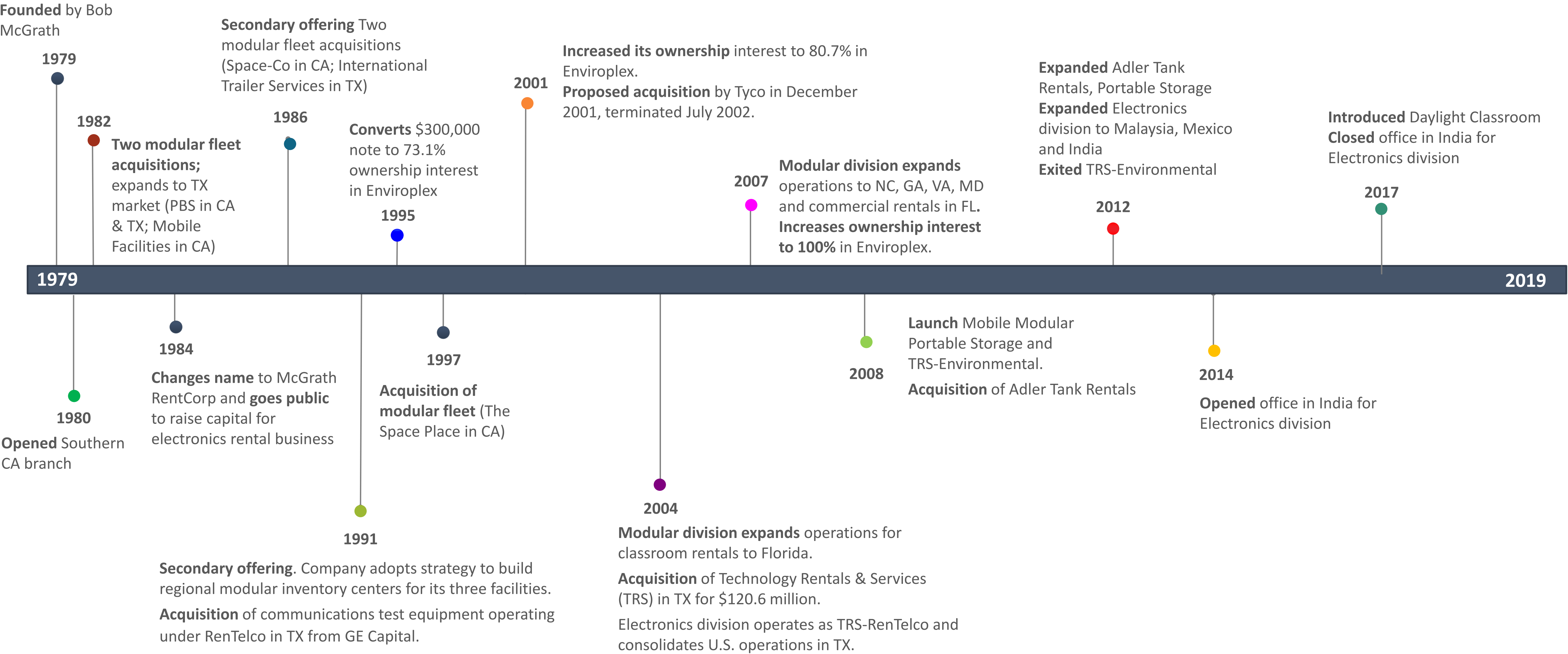
Rental: (8 mths. x \$400)	\$ 3,200
Rental Related Services	\$ 100
Total Revenues	\$ 3,300

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



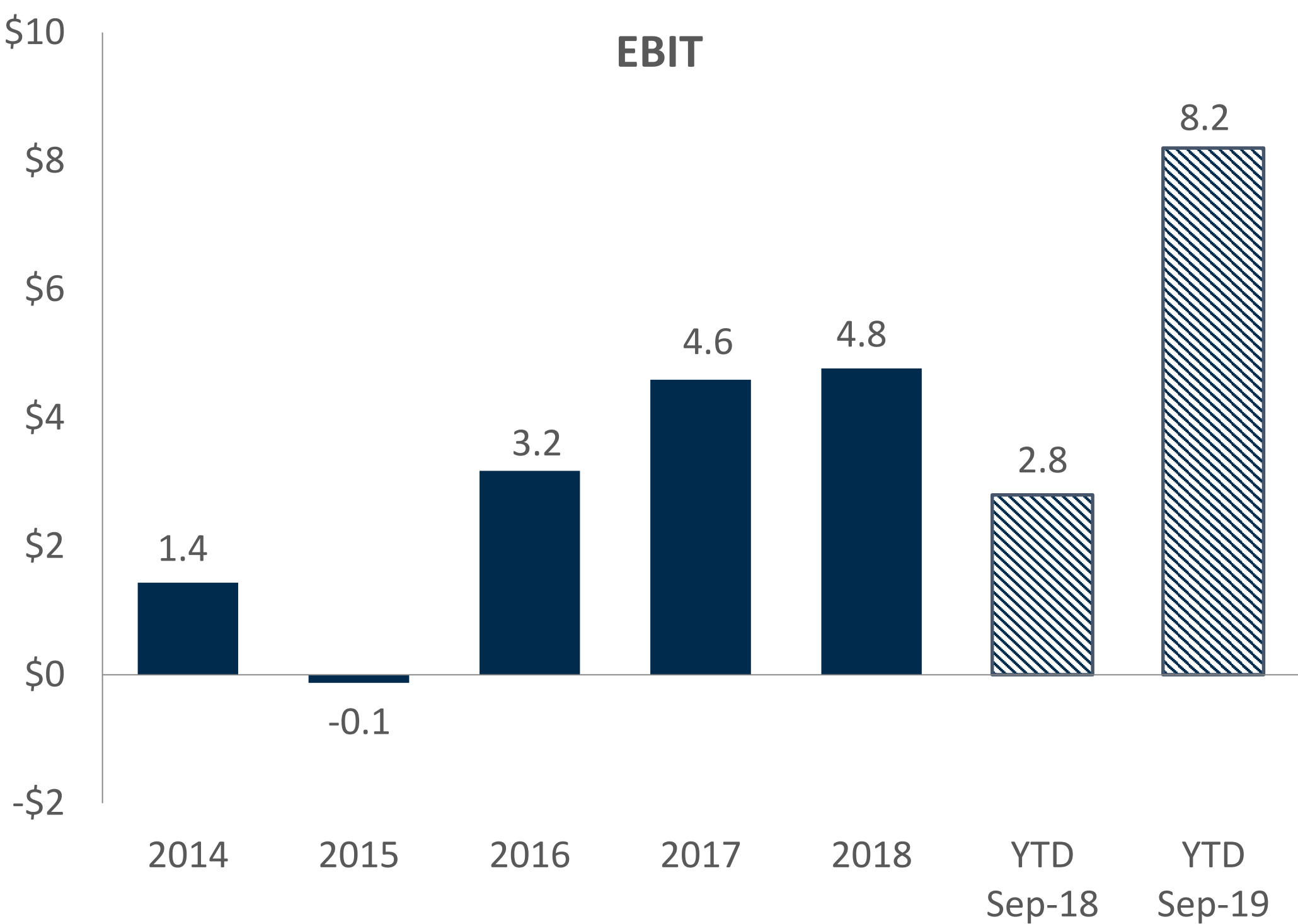
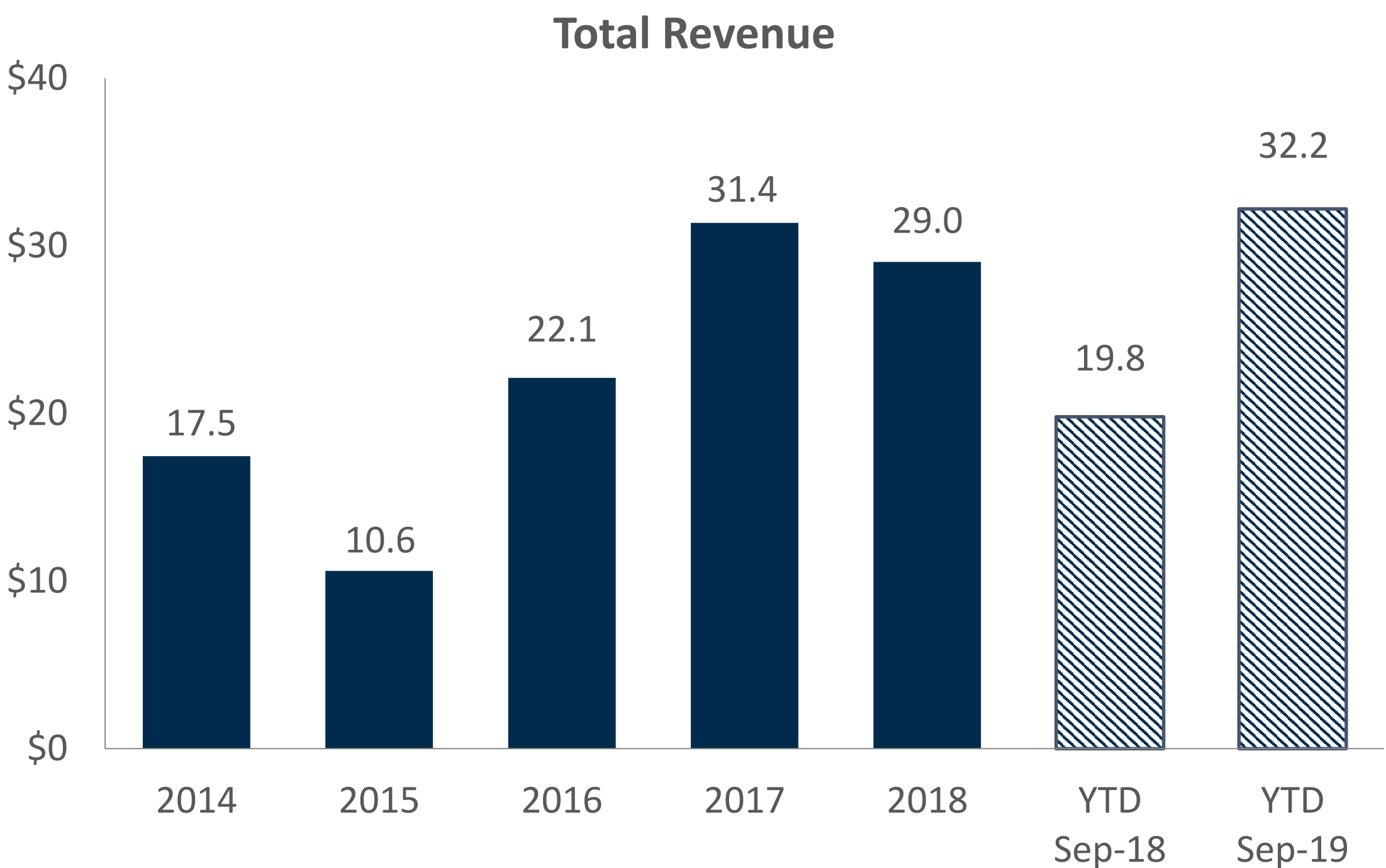
McGrath RentCorp

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.

