

McGrath RentCorp

Oppenheimer 16th Annual Industrial Growth Conference



May 4, 2021 – Nasdaq: MGRC

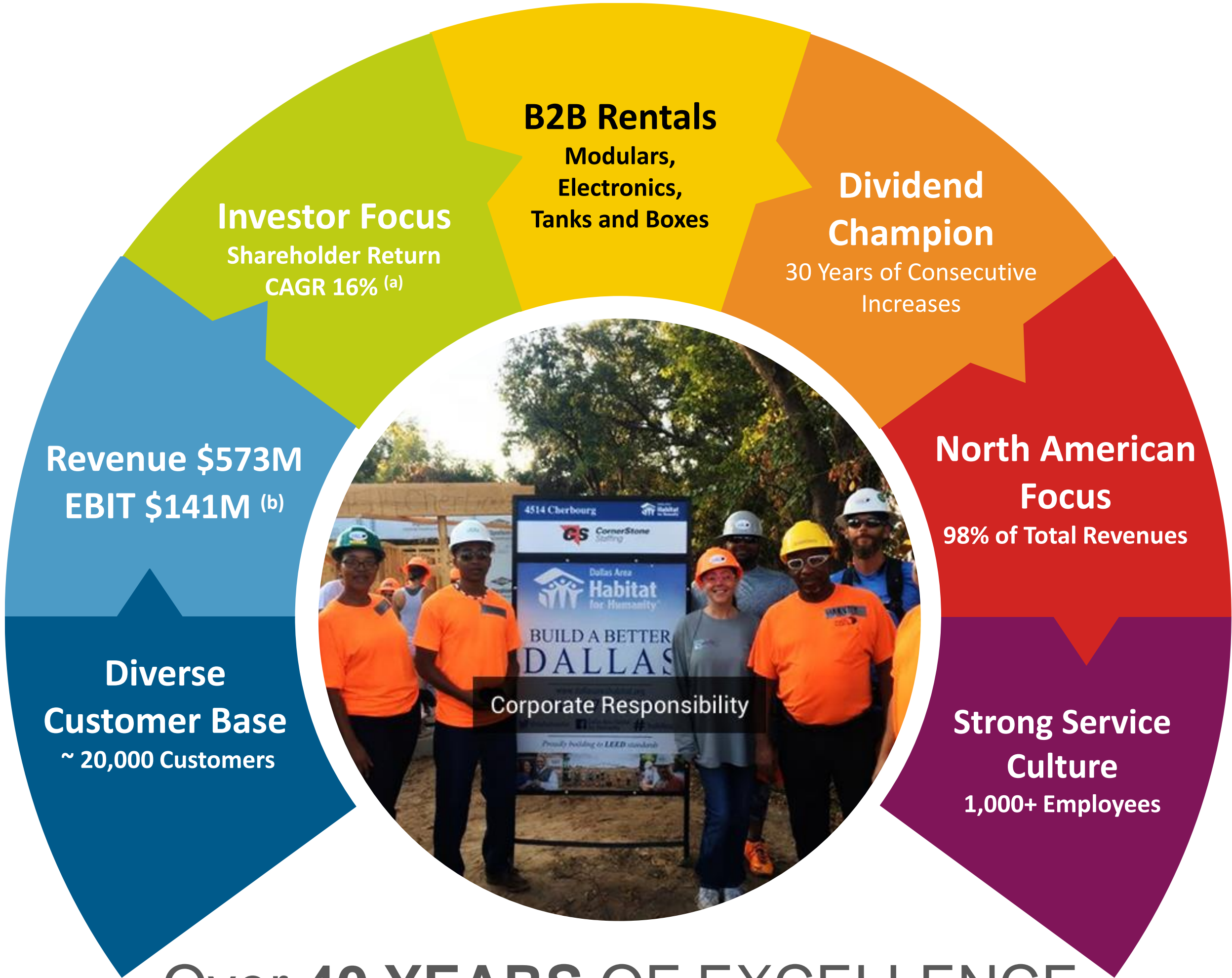
www.mgrc.com

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include anticipated growth opportunities for each of the Company's business segments and 2021 financial outlook. Forward looking statements also can be identified by the use of forward-looking terminology such as "believes," "expects," "will," or "anticipates" or the negative thereof or other comparable terminology, or by discussions of expectations, strategies, prospects or targets. These forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties that could cause our actual results to differ materially from those projected.

Furthermore, it should be noted that the impact of the COVID-19 pandemic on the company continues to evolve. As such, significant uncertainties remain regarding the full magnitude of impact that the pandemic will have on the company's financial condition, liquidity and future results of operation. Discussion by management about the company's expected future financial condition is subject to the ongoing effect of the COVID-19 pandemic.

In addition to the risks associated with the COVID-19 pandemic, 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, 10-Q and other SEC filings. Forward-looking statements are made only as of the date of this presentation. Except as otherwise required by law, the Company assumes no obligation to update any forward-looking statements.

Uniquely McGrath RentCorp



Over 40 YEARS OF EXCELLENCE

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

(b) Full year 2020

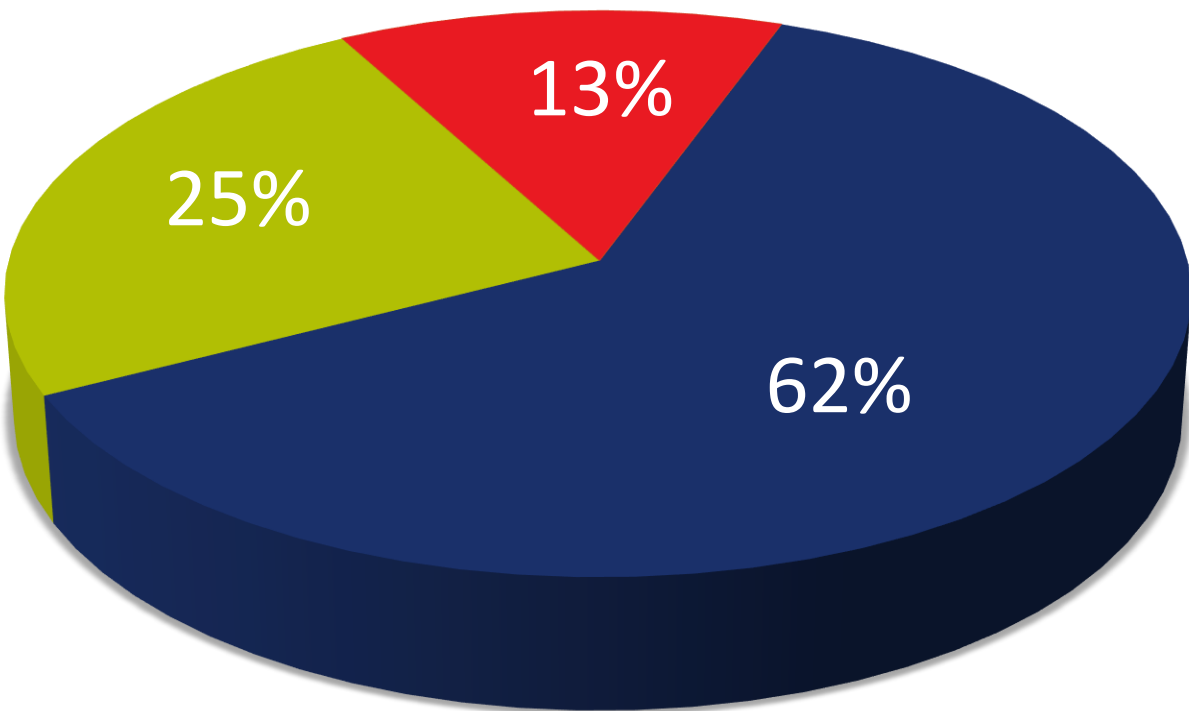


McGrath RentCorp is a Business to Business Rentals Company



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

Total Revenues – \$573M



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

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



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 19 states
 - Portable Storage: servicing 21 states

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

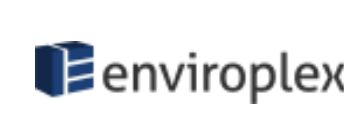
⁽¹⁾ Original Acquisition Cost



Kitchens To Go - Acquisition Highlights



- Acquisition announced April 9, 2021
- Adds new capabilities to provide temporary (rental) and customized turnkey (sale) foodservice facility solutions on a national level
- Supports customers during facility expansions, renovations, new construction and disaster recovery
- Aligns with complementary modular end markets – education, commercial, healthcare and hospitality
- Opens up potential modular opportunities for Mobile Modular in foodservice and hospitality markets
- \$18M purchase price (2020 total revenue ~\$17M and EBITDA ~\$2.5M)
- Good cultural fit, with exceptional customer service and deep industry knowledge



Rental and Sales of Flexible Foodservice Facility Solutions



Servery

KITCHENS TO GO®
by mobile modular
We Keep You Cooking!™



Kitchen Interior

Largest modular
kitchen fleet with the
ability to do projects
across the U.S



Containerized



Kitchen Exterior

Our Electronic Test Equipment Rental Business



TRS-RenTelco



- **Positioning:** leader in the Americas
- **Products:** general purpose and communications test equipment
- **Coverage:** serving customers in North America and selectively overseas

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

⁽¹⁾ Original Acquisition Cost

Our Liquid and Solid Containment Tanks & Boxes Rental Business



Adler Tank Rentals



- **Positioning:** national leader with the most modern rental fleet in the industry
- **Products:** solid and liquid containment solutions
- **Coverage:** serving customers nation wide

Revenues:	\$77	million (FY 2020)
Rental Equipment:	\$316	million (YE 2020 OAC ⁽¹⁾)
Rental Fleet:	~14,000	units

⁽¹⁾ Original Acquisition Cost

Priorities for Our Teams



- ✓ **COVID-19 Pandemic**

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

- ✓ **Performance Improvement**

- ☐ Marketing and pricing initiatives to strengthen ROIC

- ✓ **Corporate Responsibility**

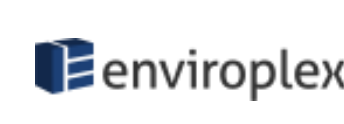
- ☐ Highlighting our commitment to Environmental, Social Responsibility and Governance (ESG) factors

- ✓ **Disciplined Capital Allocation**

- ☐ Mobile Modular: increasing share outside California
- ☐ TRS-RenTelco: investing in revenue growth with general purpose test equipment
- ☐ Portable Storage: building out established branch coverage

- ✓ **Focused growth**

- ☐ Increasing density within existing branch networks
- ☐ Selective geographic and product line expansion by existing divisions



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



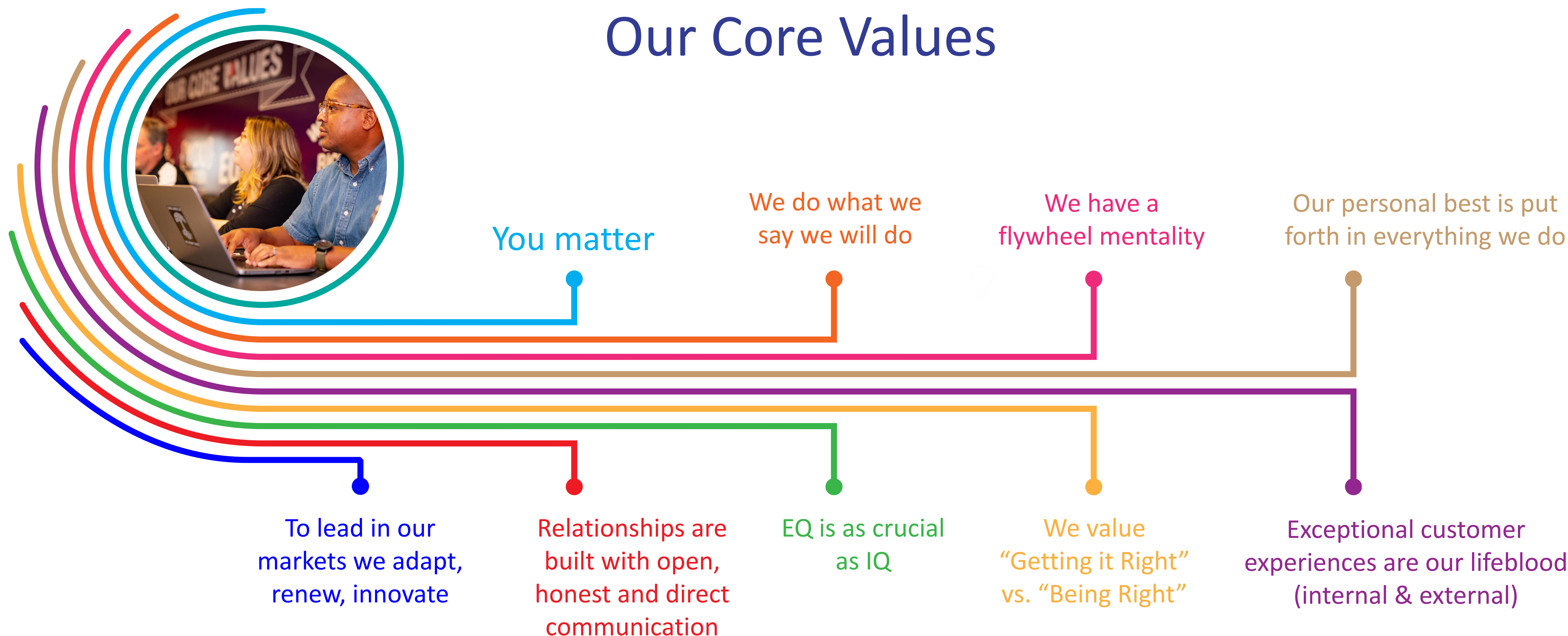
“Corporate Responsibility and Sustainability are long-standing hallmarks of our company’s culture and remain at the forefront in everything we do.”

-- Joe Hanna, President and CEO.

Visit our new corporate responsibility site for additional environmental sustainability, social responsibility and governance (ESG) information:

<https://investors.mgrc.com/corporate-responsibility>

Our Core Values





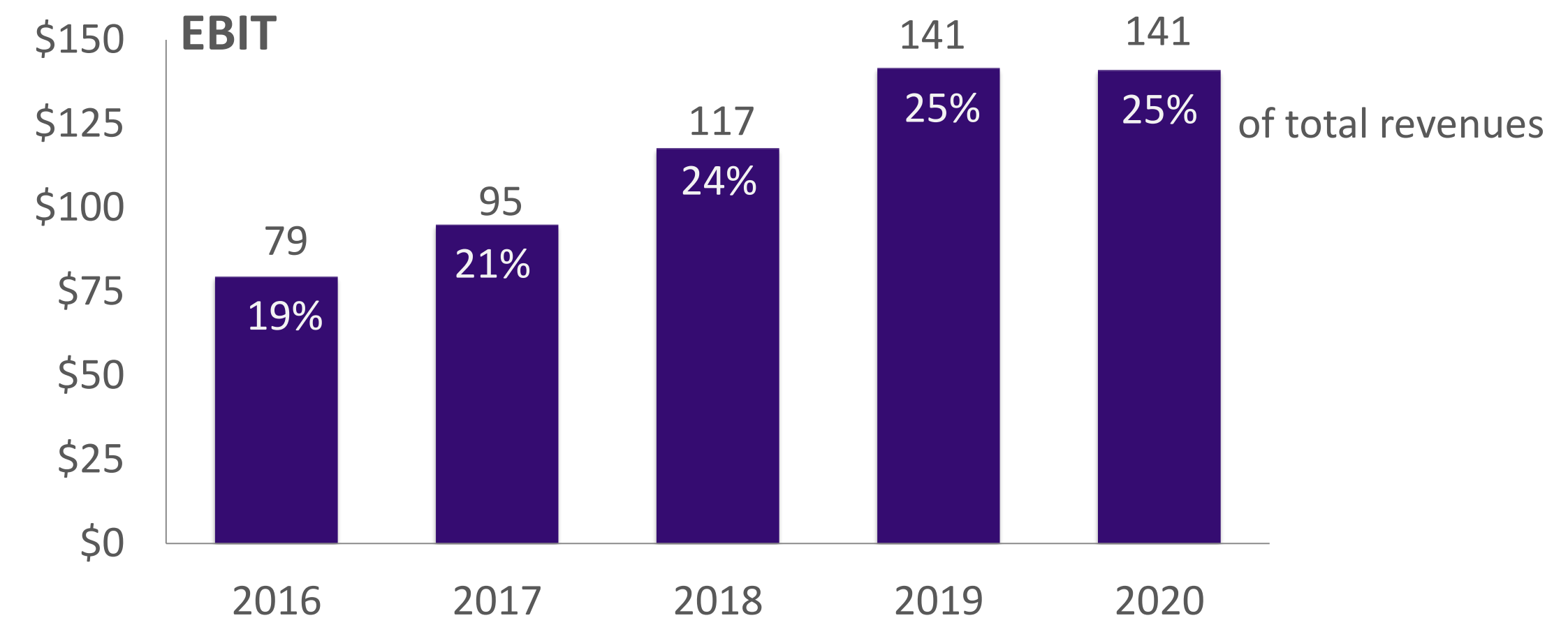
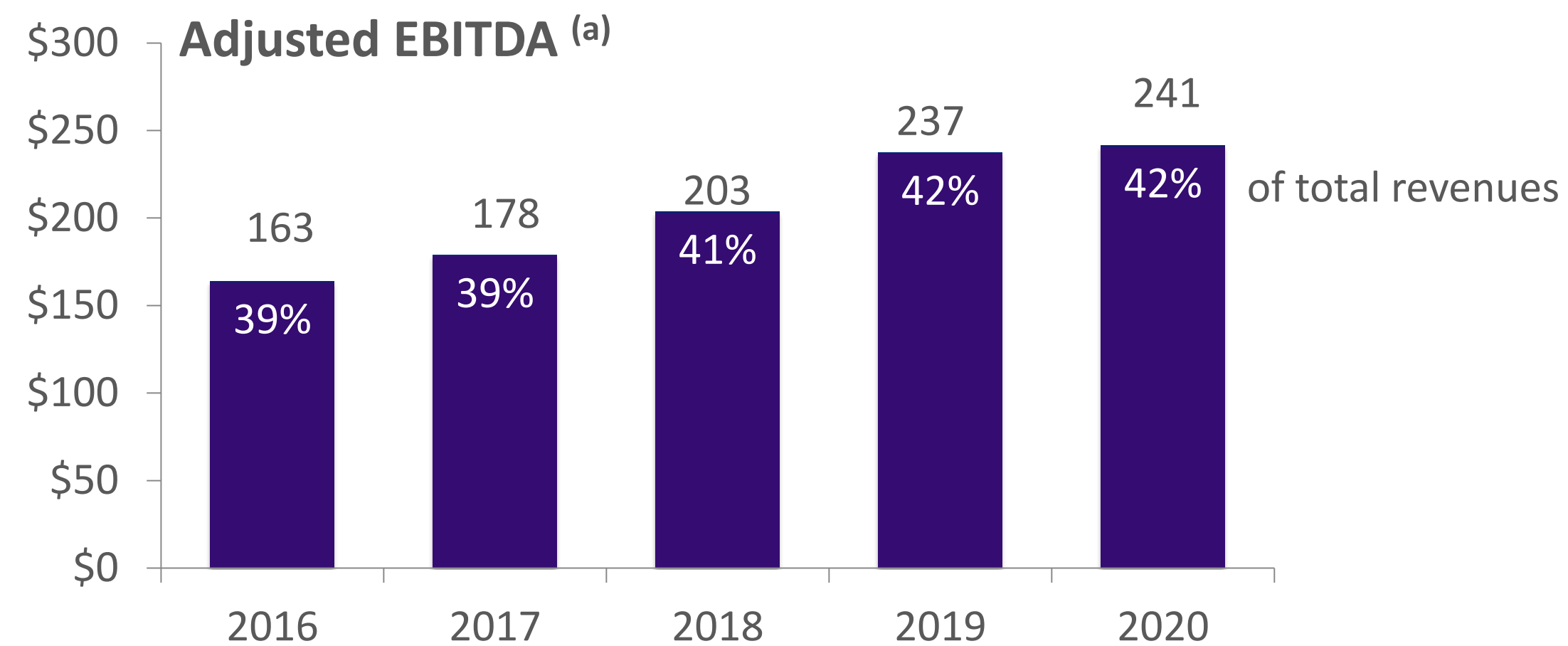
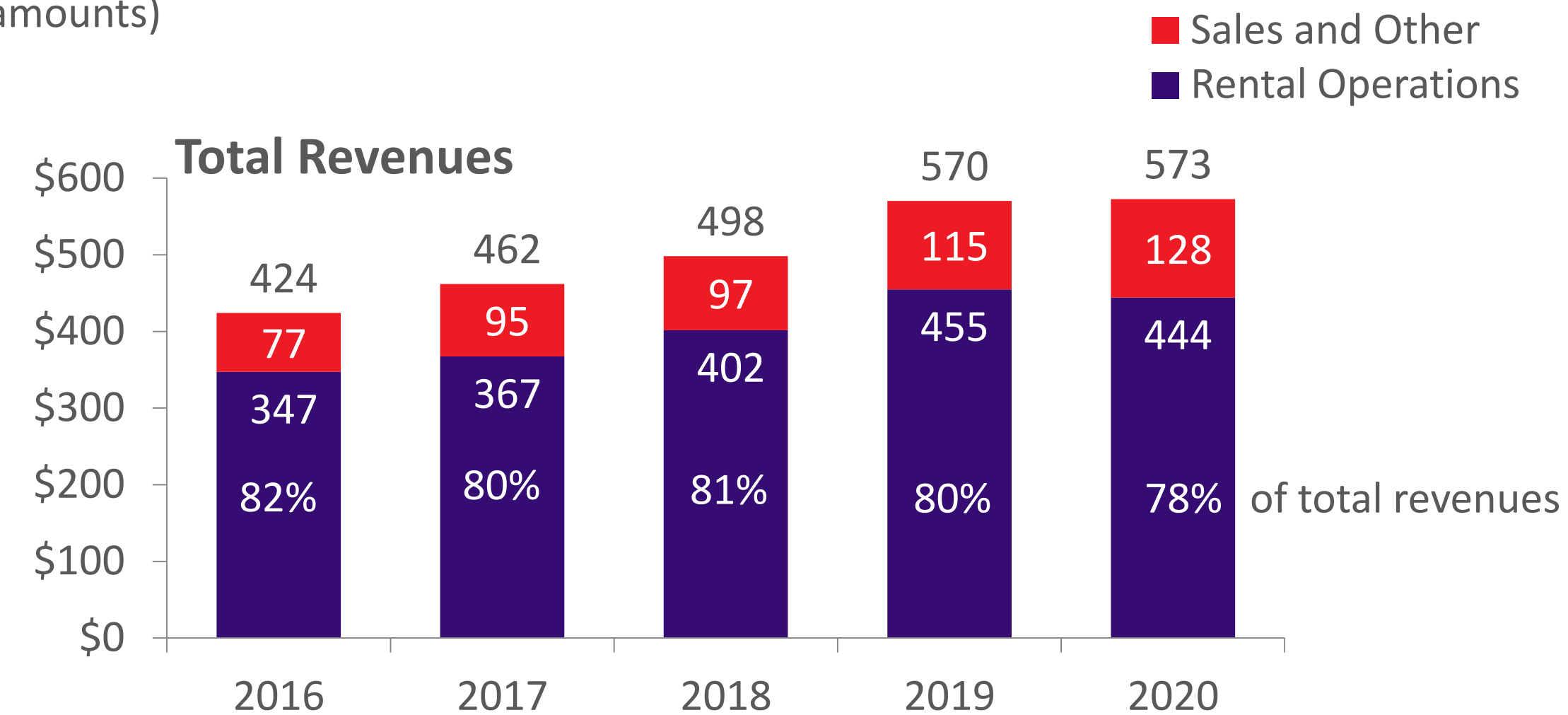
McGrath RentCorp **FINANCIAL OVERVIEW**



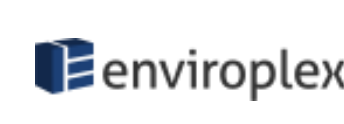
Historic Operating Results



(dollars and shares in millions except per share amounts)



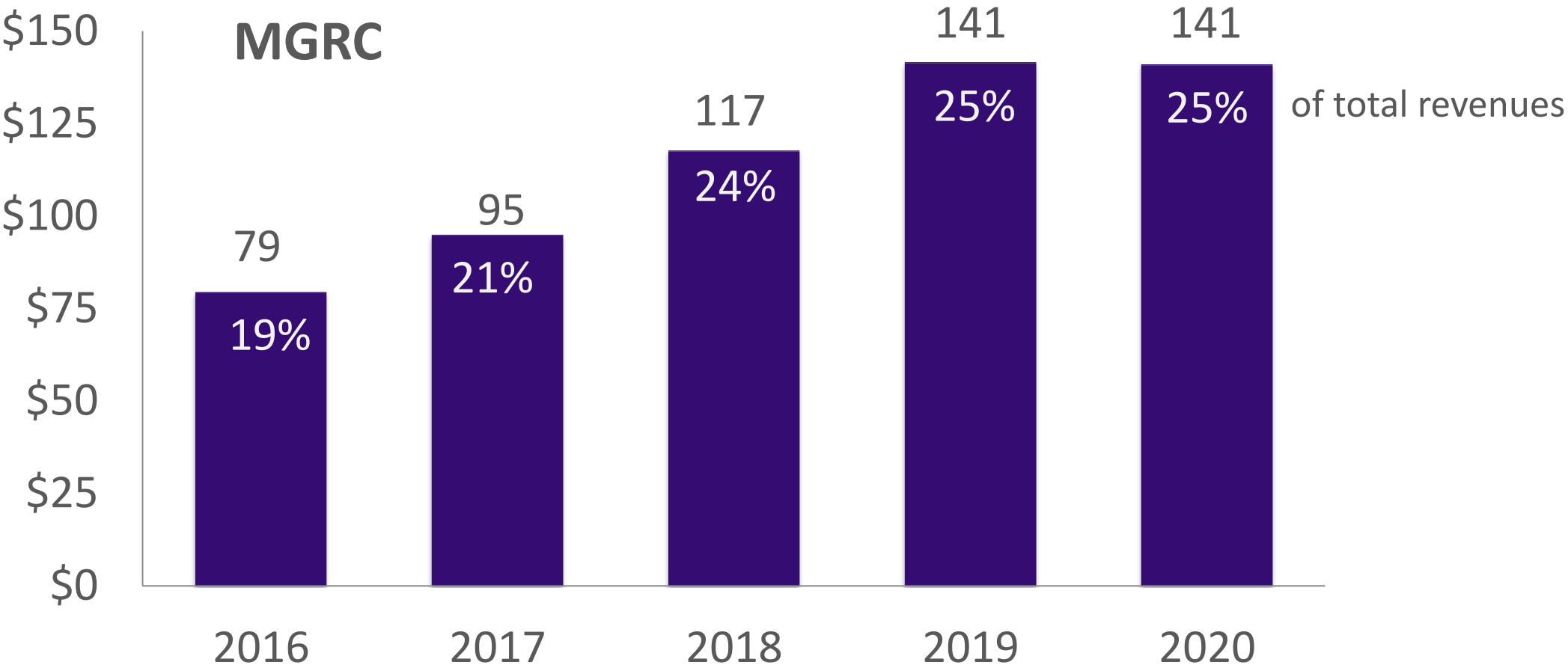
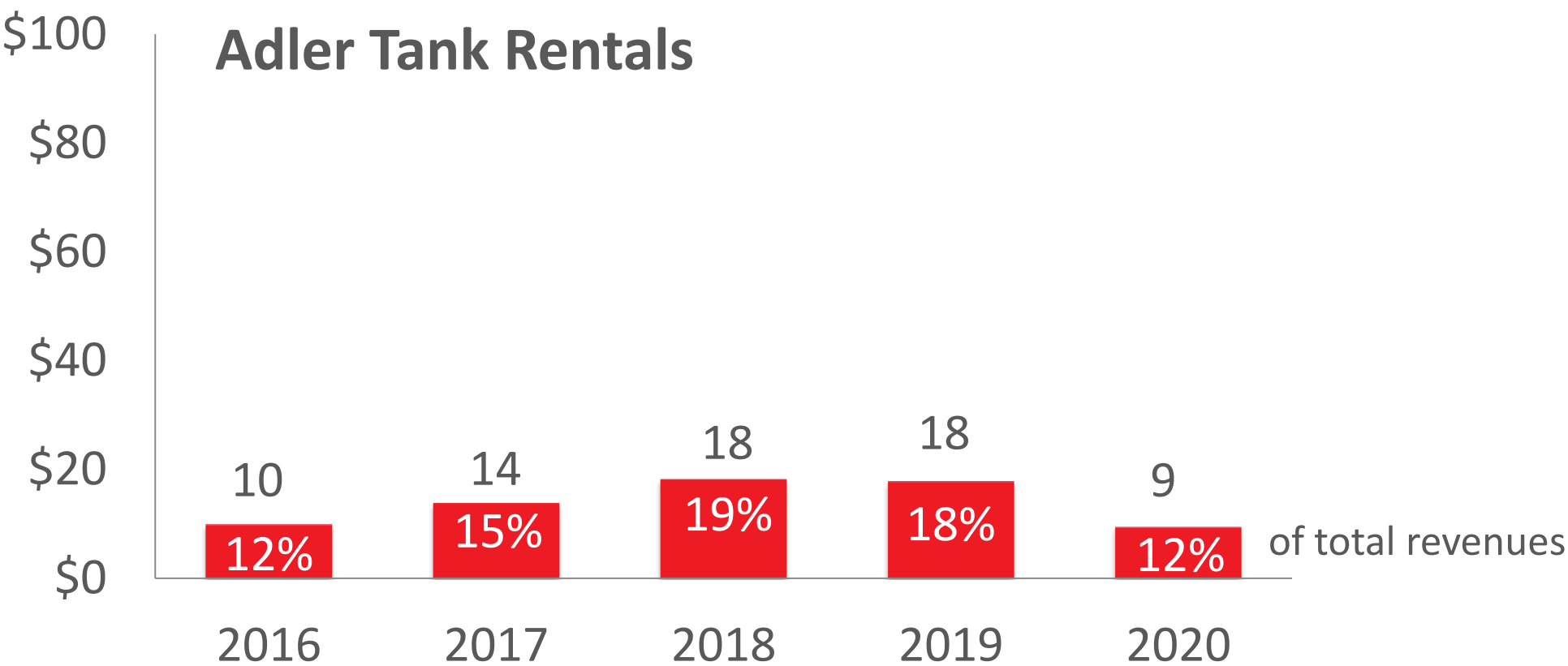
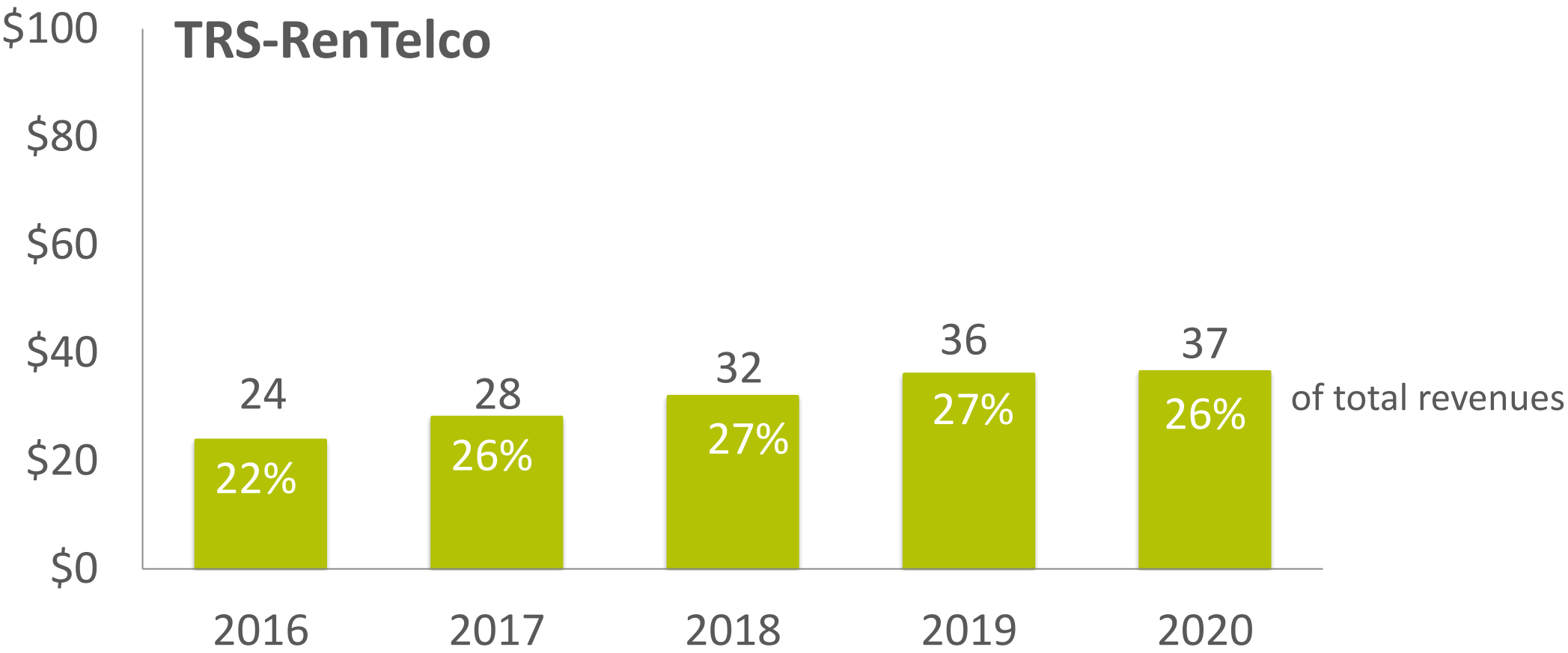
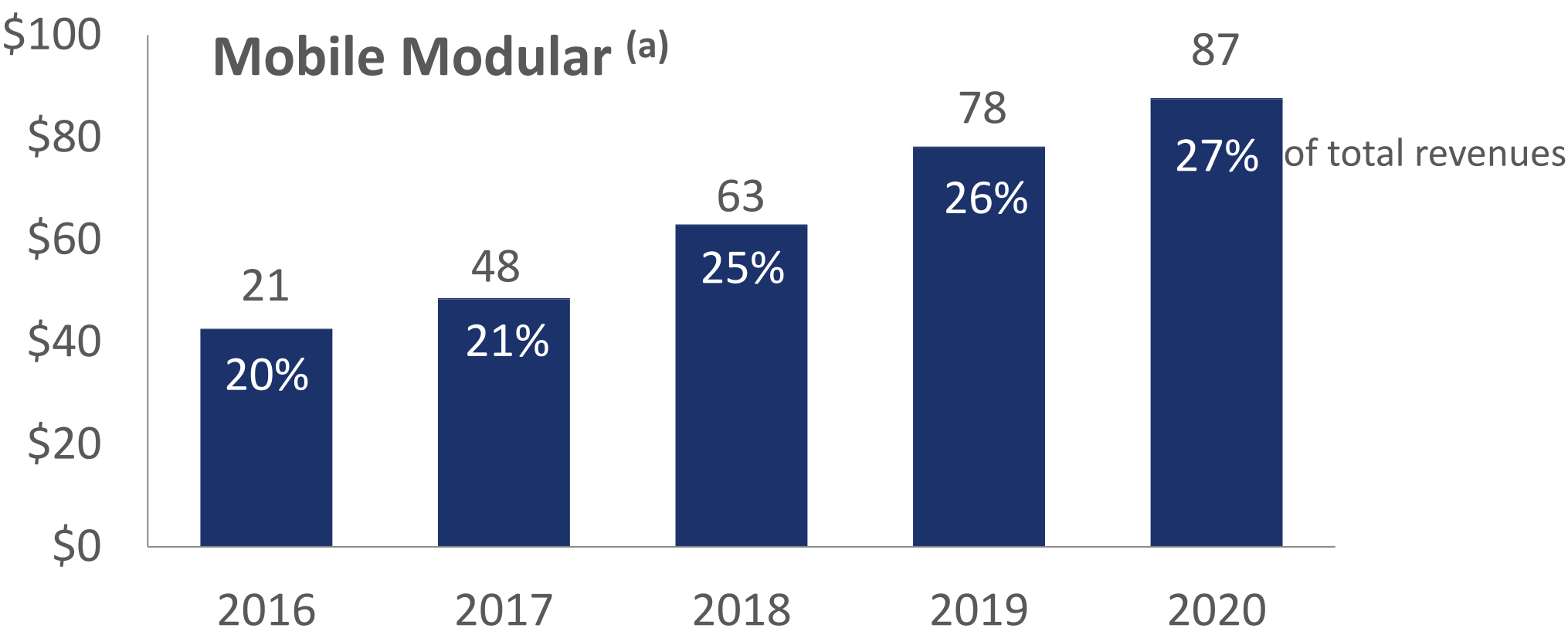
The Company defines Adjusted EBITDA as net income before interest expense, provision for income taxes, depreciation, amortization, non-cash impairment costs and share-based compensation. A reconciliation of Adjusted EBITDA to the most directly comparable financial measures calculated and presented in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



Earnings Before Interest & Taxes (EBIT)



(dollars in millions)



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



Operating Results



(dollars in millions except per share amounts)

Three months ended March 31

	2021	2020	Change
Rental Revenue	86.1	89.5	-4%
Rental Related Services	19.7	24.5	-20%
Sales	14.6	14.4	2%
Total Revenue	121.2	129.5	-6%
Gross Profit	57.1	61.7	-7%
SG&A	33.1	32.0	4%
EBIT	23.9	29.7	-19%
Net Income	17.4	20.2	-14%
Earnings Per Share	0.71	0.81	-12%
Adjusted EBITDA ^(a)	49.1	54.9	-10%

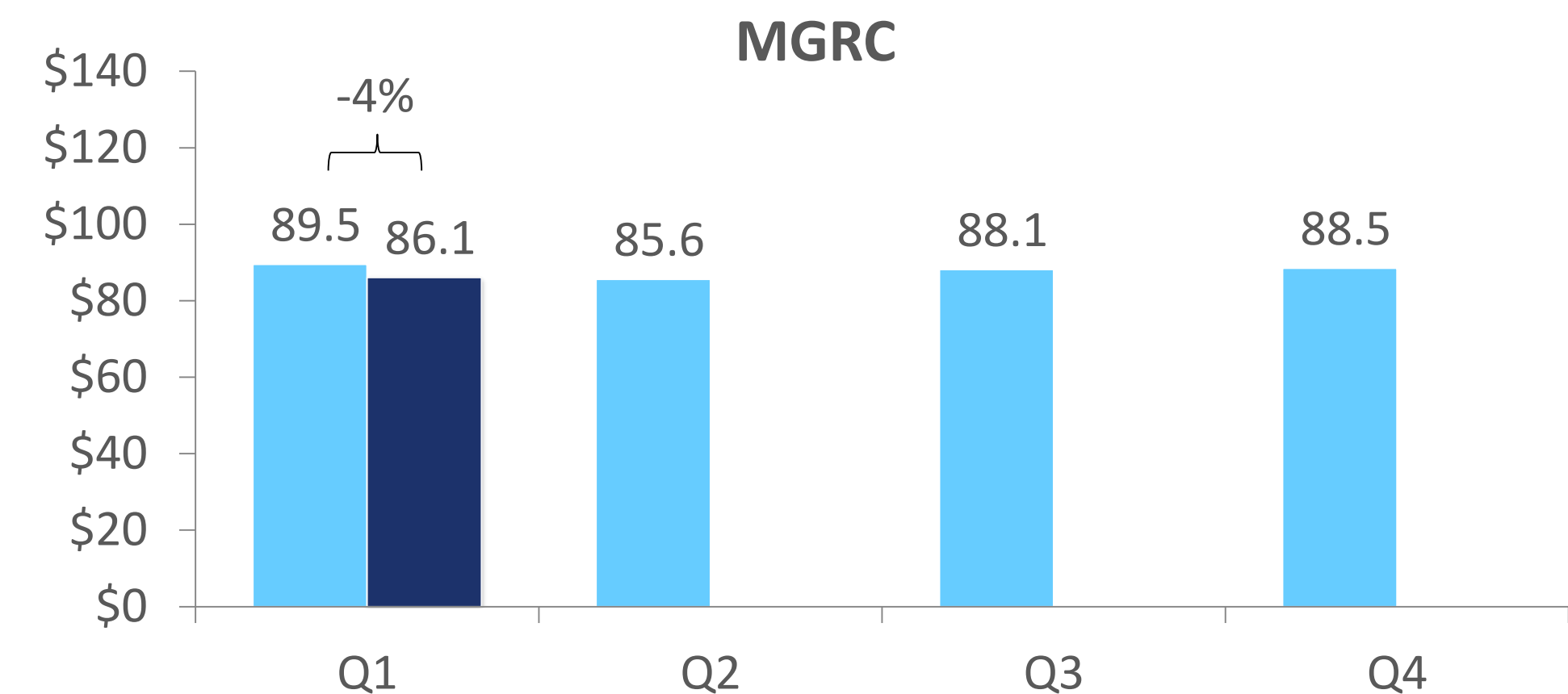
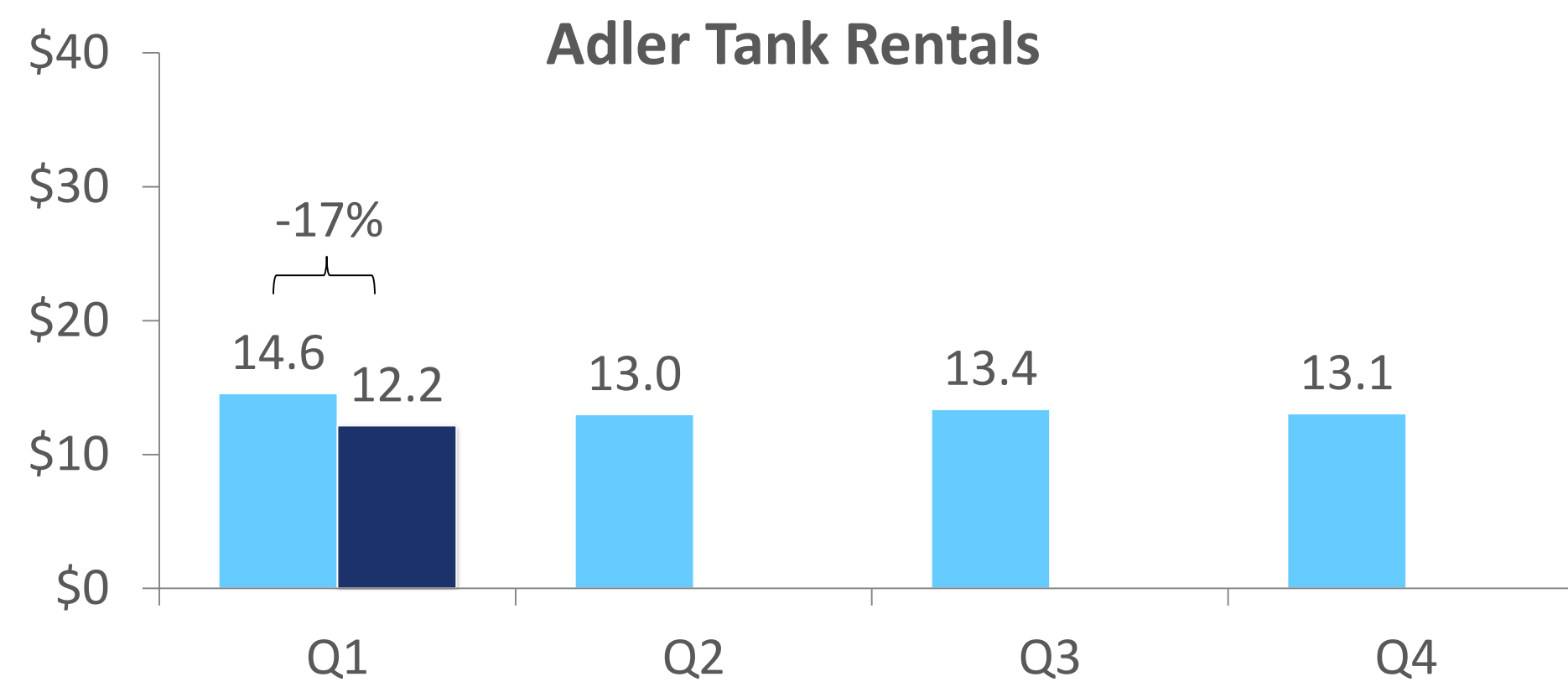
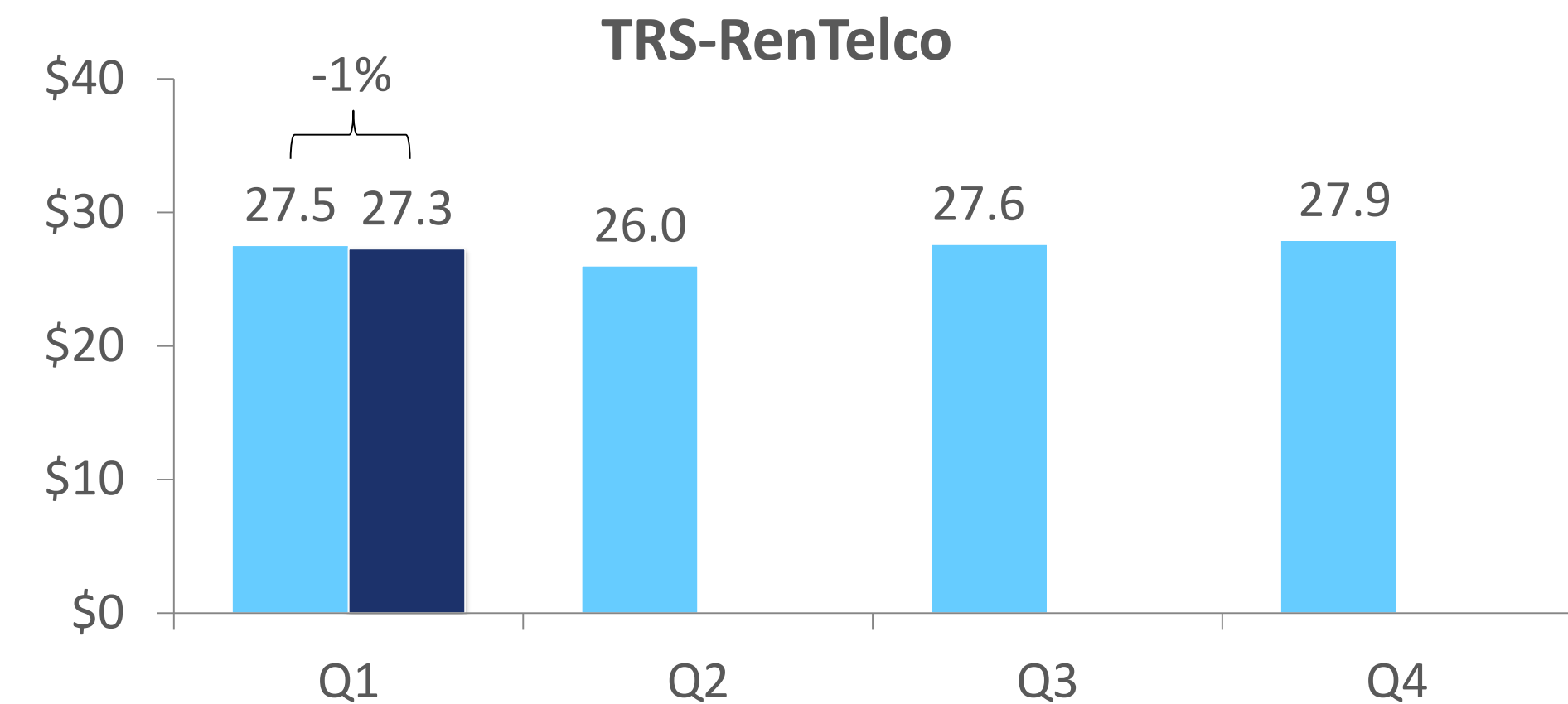
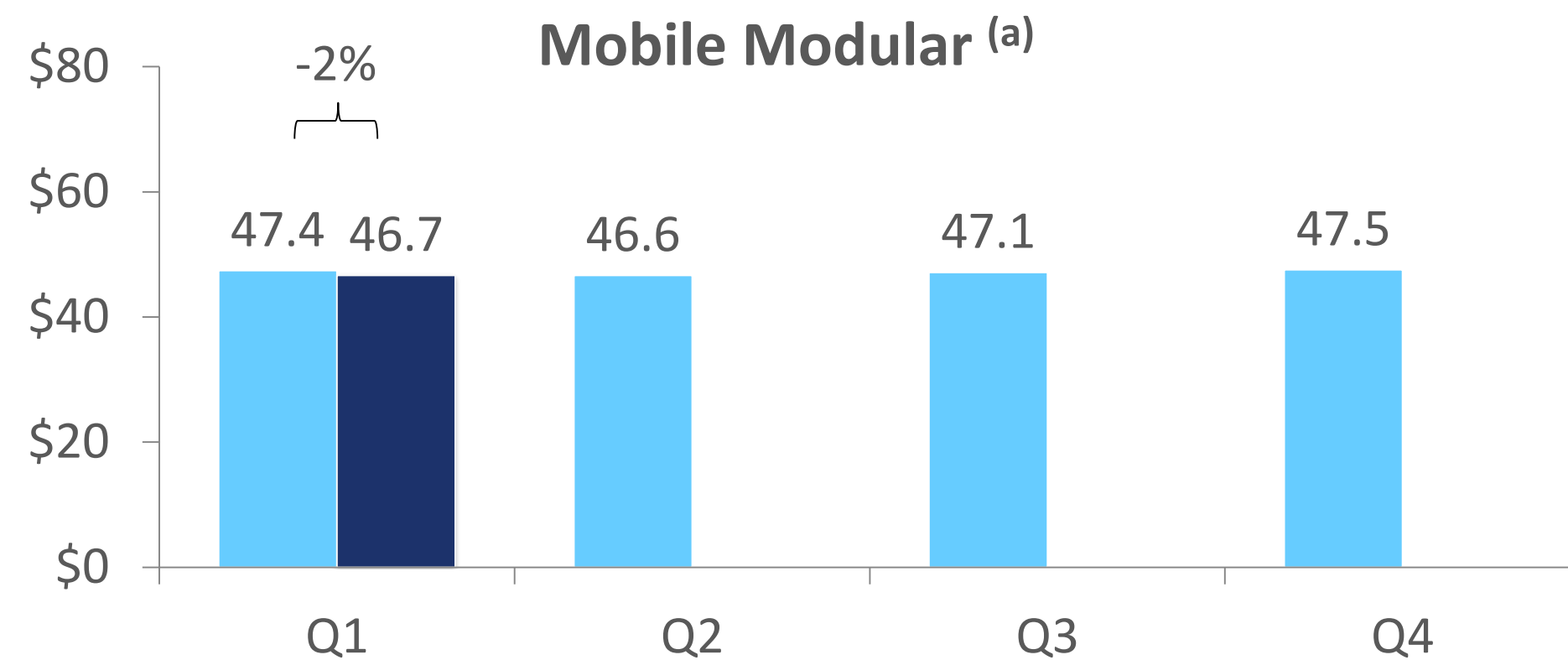
^(a) Adjusted EBITDA defined on page 14



Rental Revenue – Quarterly Comparison (2020-21)

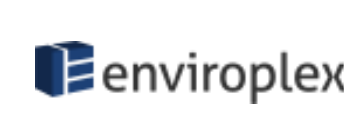


(dollars in millions)



(a) Mobile Modular includes Mobile Modular Portable Storage

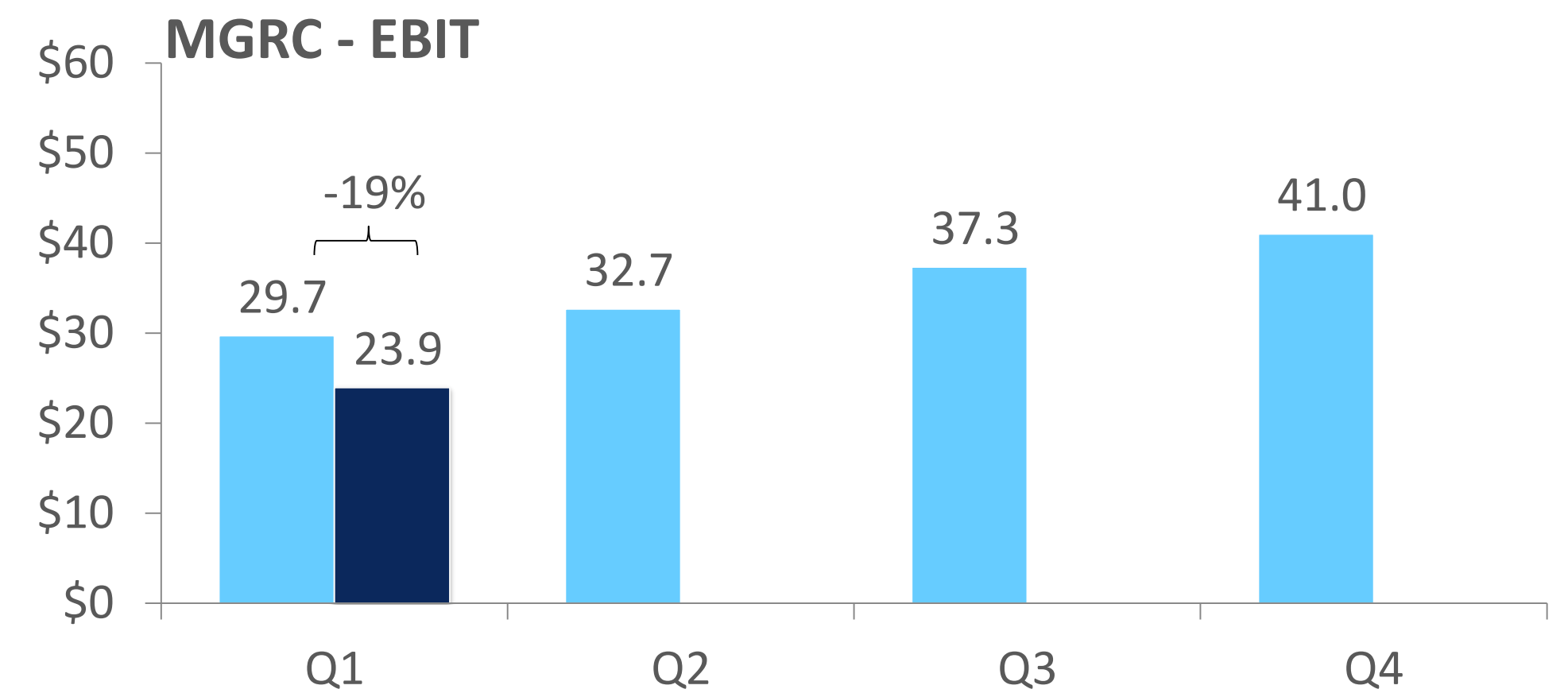
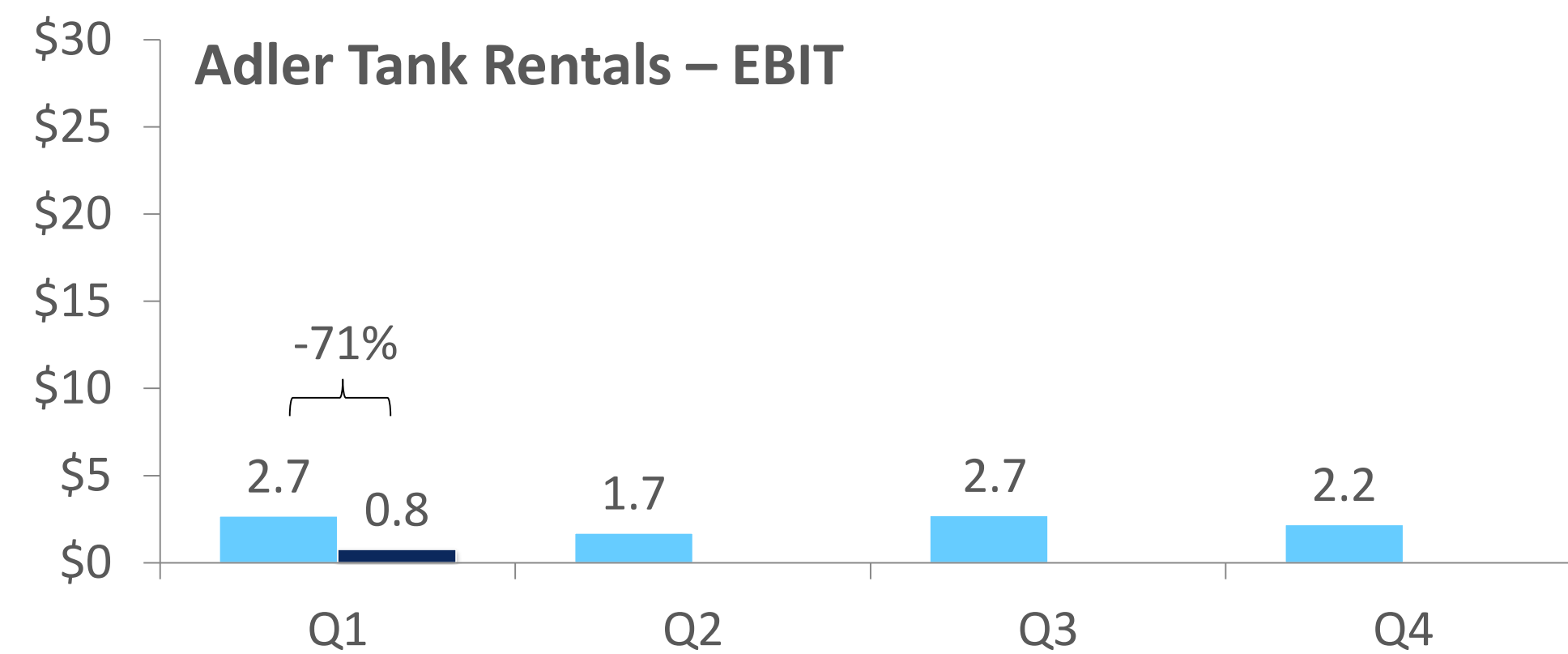
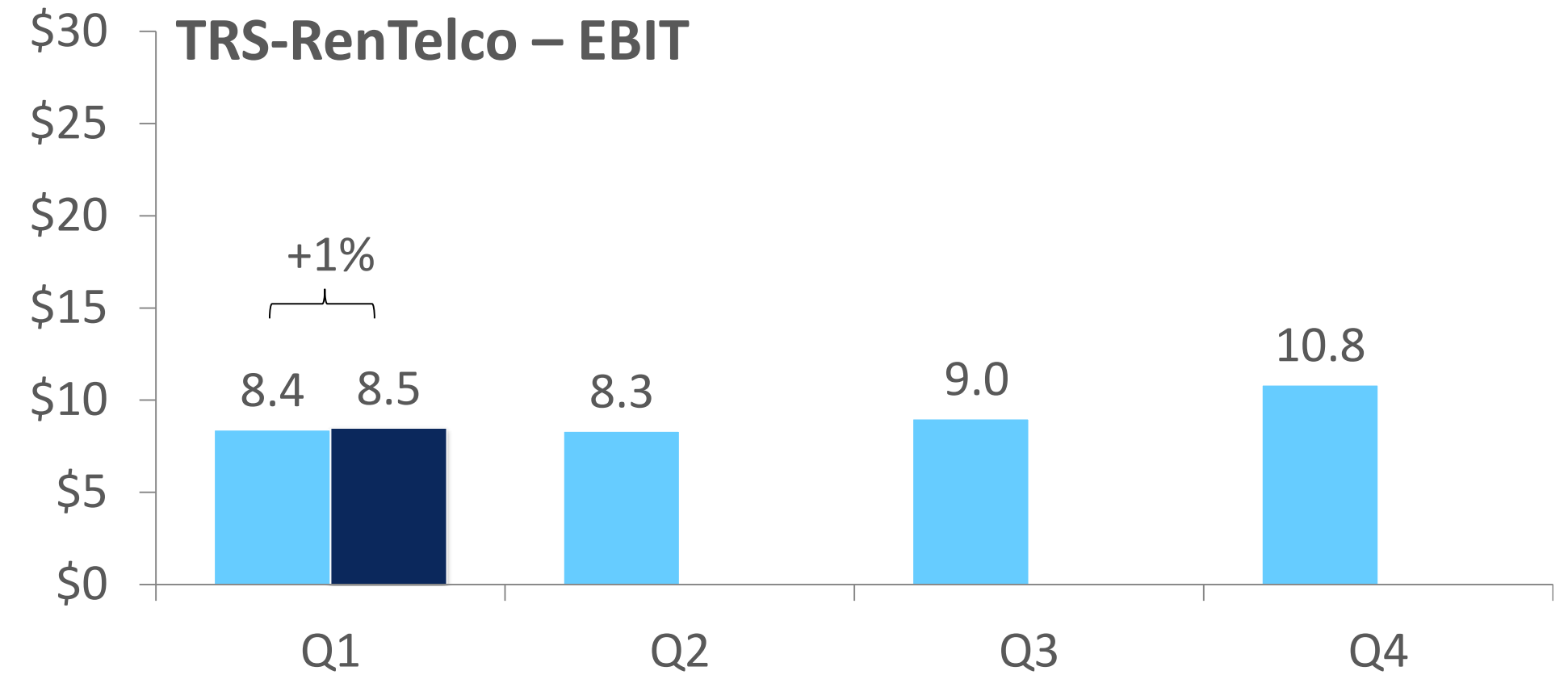
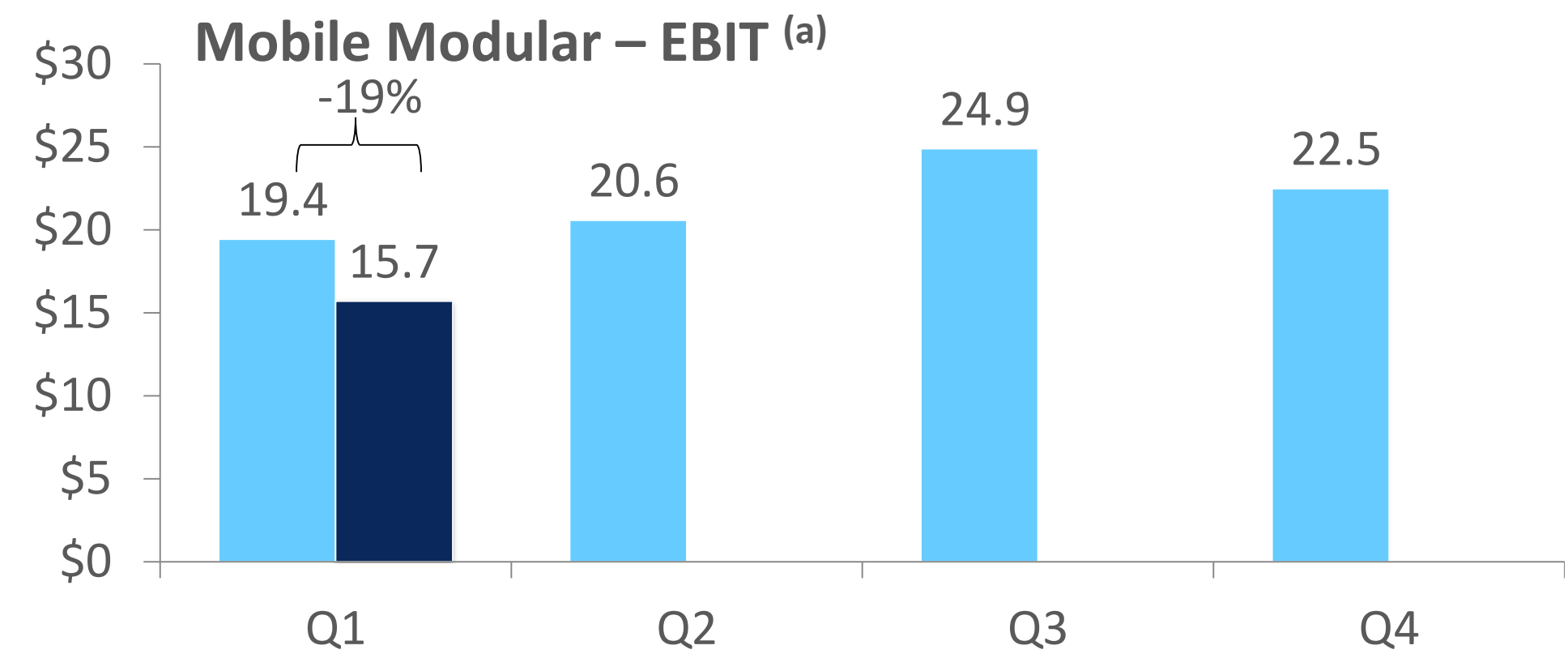
2020 2021



EBIT – Quarterly Comparison (2020-21)



(dollars in millions)



(a) Mobile Modular includes Mobile Modular Portable Storage and excludes Enviroplex. Enviroplex EBIT decreased from (\$0.8M) in Q1-20 to (\$1.0M) in Q1-21.

2020 2021

Balance Sheet – Summary Information



(dollars in millions)

	March 31, <u>2021</u>	December 31, <u>2020</u>	December 31, <u>2019</u>
Rental Equipment, at cost			
Relocatable modular buildings	886	882	869
Electronic test equipment	342	333	335
Liquid and solid containment tanks and boxes	314	316	316
	<u>1,543</u>	<u>1,531</u>	<u>1,520</u>
Rental Equipment, net book value			
Relocatable modular buildings	611	612	610
Electronic test equipment	159	157	172
Liquid and solid containment tanks and boxes	165	170	185
Total NBV Rental Equipment	936	938	968
Total Assets	1,272	1,276	1,310
Notes Payable	209	223	293
Total Liabilities	585	593	676
Shareholders Equity	688	683	634
Shares Issued and Outstanding	24.2	24.1	24.3
Debt (Total Liabilities) to Equity	0.85	0.87	1.07
Debt (Notes Payable) to Equity	0.30	0.33	0.46
Funded Debt to LTM EBITDA	0.89	0.92	1.24
Return on Average Equity for LTM ⁽¹⁾	15.2%	15.6%	16.1%
Capacity Under Existing Lines of Credit	323	309	239

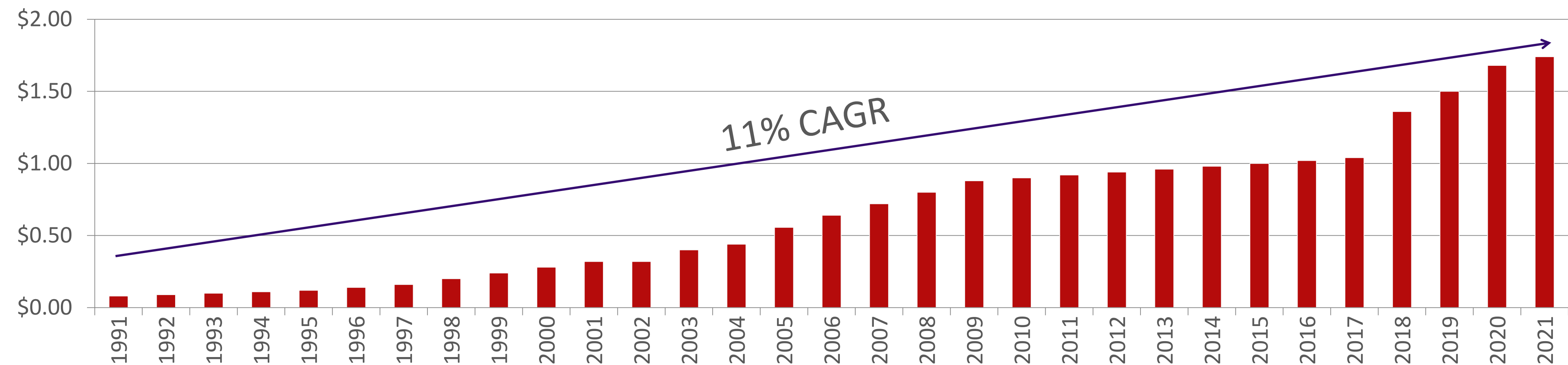


Our Dividend Distinction



- Dividend increases for 30 consecutive years
- \$1.74 per share annualized dividend
- 2.1% yield (2021 annualized dividend as of April 27, 2021)
- McGrath RentCorp is 1 of 138 Dividend Champions in the U.S. today, identified as having a 25 year record or more of consecutive dividend increases ^(b)

Dividend Payout Per Share ^(a)



^(a) In February 2021, dividends declared for Q1 2021 were \$0.435 per share, a 4% increase over Q1 2020, equating to an annualized dividend rate of \$1.74 per share. On an annualized basis, this dividend represents a 2.1% yield on the April 27, 2021 close price of \$81.93.

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

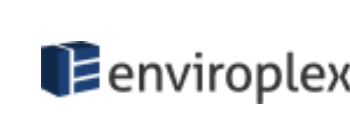
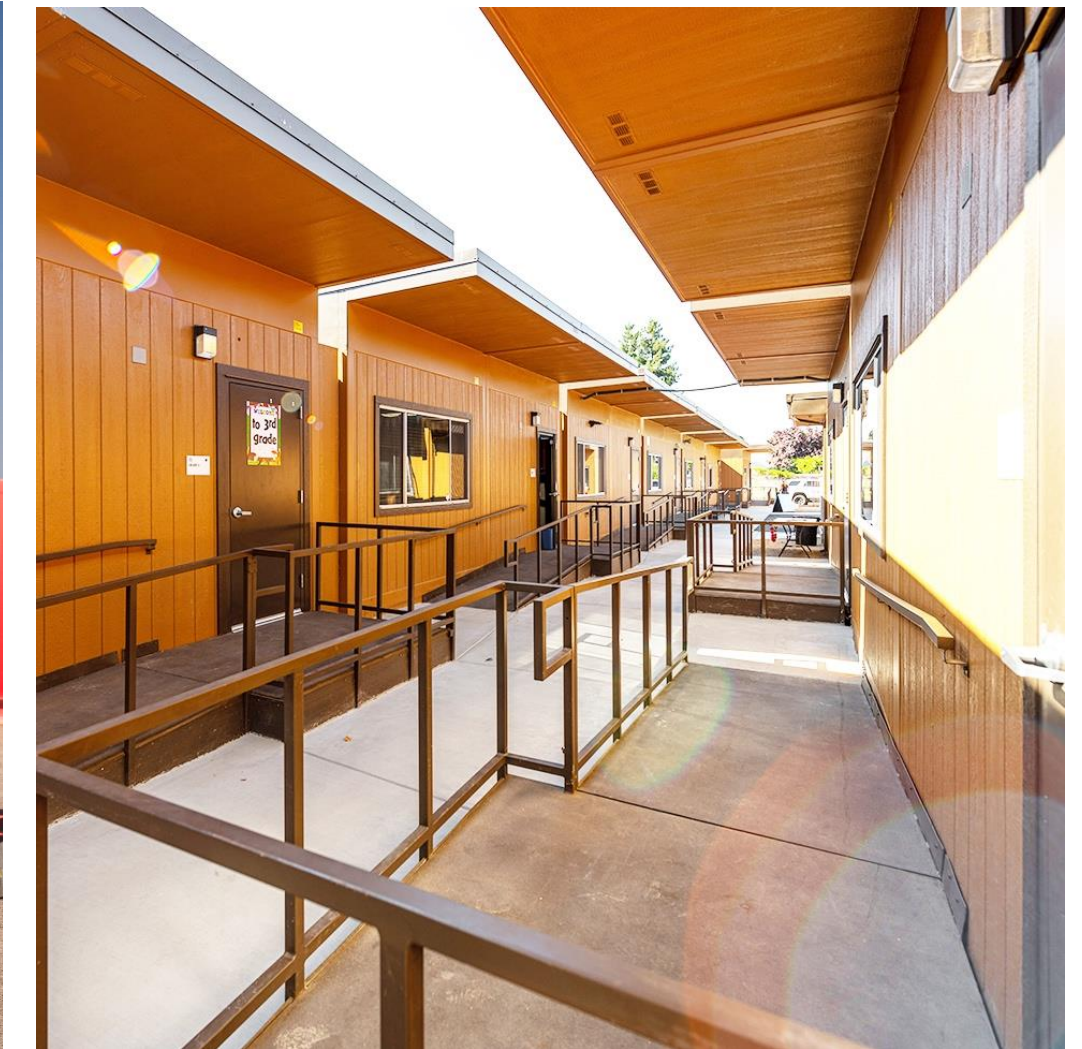
	2020	April 28, 2021 Outlook Comments
		<u>For the full year 2021:</u>
Total revenue	\$ 573M	\$570 million - \$610 million
Adjusted EBITDA	\$ 241M	\$232 million - \$247 million
Gross rental equipment capital expenditures	\$ 86M	\$90 million to \$110 million

Investment Summary - McGrath RentCorp (Nasdaq: MGRC)



- ✓ Established rental businesses with solid market positions
- ✓ Strong focus on performance improvement
- ✓ Disciplined capital spending on new rental equipment
- ✓ Strong cash flow and resilient business model during periods of economic weakness
- ✓ Dividend increases for 30 consecutive years
- ✓ Sound financial foundation to support current business operations and future growth

Thank you for your interest and investment in MGRC



Q & A