



NEWS RELEASE

United Rentals Announces First Quarter 2015 Results - Updates Full Year Outlook

4/20/2015

United Rentals, Inc. today announced financial results for the first quarter 2015. Total revenue was \$1.315 billion and rental revenue was \$1.125 billion, compared with \$1.178 billion and \$1.005 billion, respectively, for the same period last year¹. On a GAAP basis, the company reported first quarter net income of \$115 million, or \$1.16 per diluted share, compared with \$60 million, or \$0.56 per diluted share, for the same period last year².

Adjusted EPS³ for the quarter was \$1.34 per diluted share, compared with \$0.90 per diluted share for the same period last year. Adjusted EBITDA⁴ was \$602 million and adjusted EBITDA margin was a first quarter company record 45.8%, an increase of \$83 million and 170 basis points, respectively, from the same period last year.

First Quarter 2015 Highlights

- Rental revenue (which includes owned equipment rental revenue, re-rent revenue and ancillary items) increased 11.9% year-over-year. Within rental revenue, owned equipment rental revenue increased 12.0%, reflecting year-over-year increases of 8.1% in the volume of equipment on rent and 2.9% in rental rates. Excluding the impact of the National Pump acquisition, rental revenue increased 7.3% year-over-year.
- Return on invested capital was 9.0% for the 12 months ended March 31, 2015, an increase of 1.2 percentage points from the 12 months ended March 31, 2014.
- Time utilization decreased 40 basis points year-over-year to 64.2%. The locations from the National Pump acquisition experienced volume and pricing pressure associated with upstream oil and gas customers, which was a primary driver of the time utilization decrease. Excluding the impact of the National Pump acquisition, time utilization was 64.5%.

- The company generated \$116 million of proceeds from used equipment sales at an adjusted gross margin of 50.9%, compared with \$110 million and 49.1% for the same period last year.
- Flow-through, which represents the year-over-year change in adjusted EBITDA divided by the year-over-year change in total revenue, was 60.6% for the quarter.

On April 1, 2014, the company acquired certain assets of the following four entities: National Pump & Compressor, Ltd., Canadian Pump and Compressor Ltd., GulfCo Industrial Equipment, LP and LD Services, LLC (collectively "National Pump"). National Pump is included in the company's results subsequent to the acquisition date.

GAAP net income and diluted earnings per share for the first quarter 2015 include an after-tax merger benefit of \$17 million, or \$0.17 per diluted share, associated with the National Pump acquisition.

Adjusted EPS is a non-GAAP measure that excludes the impact of the following special items: (i) merger related costs; (ii) restructuring charge; (iii) impact on interest expense related to fair value adjustment of acquired RSC indebtedness; (iv) impact on depreciation related to acquired RSC fleet and property and equipment; (v) impact of the fair value mark-up of acquired RSC fleet; (vi) merger related intangible asset amortization and (vii) loss on repurchase/redemption of debt securities and amendment of ABL facility. See table below for amounts.

Adjusted EBITDA is a non-GAAP measure that excludes the impact of the following special items: (i) merger related costs; (ii) restructuring charge; (iii) impact of the fair-value mark up of acquired RSC fleet and (iv) stock compensation expense, net. See table below for amounts.

Used equipment sales adjusted gross margin excludes the impact of the fair value mark-up of acquired RSC fleet that was sold.

CEO Comments

Michael Kneeland, chief executive officer of United Rentals, said, "We turned in a solid first quarter, with record revenue, EBITDA and ROIC. The year has had some early headwinds, including a decline in upstream oil and gas activity, a harsh winter, and the adverse currency impact of a strong U.S. dollar. We've offset these pressures by redistributing underutilized fleet to areas of higher demand. An improving rental landscape, and the strong performance of our power and trench specialty lines, helped drive our 12% increase in rental revenue."

Kneeland continued, "Looking to the rest of the year, we expect a continued rebound in construction activity, along with our usual seasonal uptick. We also expect secular penetration to continue. We're investing in our sales force, and we plan to open about 18 specialty rental branches this year. Our employees are excited to deliver a level of service that sets us apart in this environment."

2015 Outlook

The company has updated its full year outlook as follows:

	Prior Outlook	Current Outlook
Total revenue	\$6.0 billion to \$6.2 billion	\$6.0 billion to \$6.1 billion
Adjusted EBITDA	\$2.95 billion to \$3.05 billion	\$2.95 billion to \$3.00 billion
Increase in rental rates (year-over-year)	Approximately 3.5%	Approximately 3.0%
Time utilization	Approximately 69.0%	Unchanged
Net rental capital expenditures after gross purchases	Approximately \$1.2 billion, after gross purchases of approximately \$1.7 billion	Unchanged
Free cash flow (excluding the impact of merger and restructuring related costs)	\$725 million to \$775 million	Unchanged

Free Cash Flow and Fleet Size

For the first quarter 2015, free cash flow was \$450 million, after total rental and non-rental gross capital expenditures of \$345 million. By comparison, free cash flow for the first quarter 2014 was \$278 million after total rental and non-rental gross capital expenditures of \$351 million.⁶

The size of the rental fleet was \$8.39 billion of original equipment cost at March 31, 2015, compared with \$8.44 billion at December 31, 2014. The age of the rental fleet was 43.3 months on an OEC-weighted basis at March 31, 2015, compared with 43.0 months at December 31, 2014.

Share Repurchase Program

During the first quarter 2015, the company repurchased \$316 million of common stock as part of the \$750 million share repurchase program that was announced in December 2014. The company expects to complete the program within 18 months of the December 2014 announcement.

Free cash flow for the first quarter 2015 and 2014 includes aggregate merger and restructuring related payments of \$1 million and \$4 million, respectively.

Return on Invested Capital (ROIC)

Return on invested capital was 9.0% for the 12 months ended March 31, 2015, an increase of 1.2 percentage points from the 12 months ended March 31, 2014. The company's ROIC metric uses after-tax operating income for the trailing 12 months divided by average stockholders' equity (deficit), debt and deferred taxes, net of average cash. To mitigate the volatility related to fluctuations in the company's tax rate from period to period, the federal statutory tax rate of 35% is used to calculate after-tax operating income.⁷

Conference Call

United Rentals will hold a conference call tomorrow, Wednesday, April 22, 2015, at 11:00 a.m. Eastern Time. The conference call number is 866-835-8906. The conference call will also be available live by audio webcast at **UnitedRentals.com**, where it will be archived until the next earnings call. The replay number for the call is 703-925-2533, passcode is 1655031.

Non-GAAP Measures

Free cash flow, earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA, and adjusted earnings per share (adjusted EPS) are non-GAAP financial measures as defined under the rules of the SEC. Free cash flow represents net cash provided by operating activities, less purchases of rental and non-rental equipment plus proceeds from sales of rental and non-rental equipment. EBITDA represents the sum of net income, provision for income taxes, interest expense, net, depreciation of rental equipment and non-rental

depreciation and amortization. Adjusted EBITDA represents EBITDA plus the sum of the merger related costs, restructuring charge, stock compensation expense, net, and the impact of the fair value mark-up of acquired RSC fleet. Adjusted EPS represents EPS plus the sum of the merger related costs, restructuring charge, the impact on interest expense related to the fair value adjustment of acquired RSC indebtedness, the impact on depreciation related to acquired RSC fleet and property and equipment, the impact of the fair value mark-up of acquired RSC fleet, merger related intangible asset amortization and the loss on repurchase/redemption of debt securities and amendment of ABL facility. The company believes that: (i) free cash flow provides useful additional information concerning cash flow available to meet future debt service obligations and working capital requirements; (ii) EBITDA and adjusted EBITDA provide useful information about operating performance and period-over-period growth; and (iii) adjusted EPS provides useful information concerning future profitability. However, none of these measures should be considered as alternatives to net income, cash flows from operating activities or earnings per share under GAAP as indicators of operating performance or liquidity. Information reconciling forward-looking free cash flow and adjusted EBITDA to GAAP financial measures is unavailable to the company without unreasonable effort.

About United Rentals

United Rentals, Inc. is the largest equipment rental company in the world. The company has an integrated network of 888 rental locations in 49 states and 10 Canadian provinces. The company's approximately 12,500 employees serve construction and industrial customers, utilities, municipalities, homeowners and others. The company offers approximately 3,300 classes of equipment for rent with a total original cost of \$8.39 billion. United Rentals is a member of the Standard & Poor's 500 Index, the Barron's 400 Index and the Russell 3000 Index® and is headquartered in Stamford, Conn. Additional information about United Rentals is available at UnitedRentals.com.

When adjusting the denominator of the ROIC calculation to also exclude average goodwill, ROIC was 12.1% for the 12 months ended March 31, 2015, an increase of 1.5 percentage points from the 12 months ended March 31, 2014.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, known as the PSLRA. These statements can generally be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "seek," "on-track," "plan," "project," "forecast," "intend" or "anticipate," or the negative thereof or comparable terminology, or by discussions of vision, strategy or outlook. These

statements are based on current plans, estimates and projections, and, therefore, you should not place undue reliance on them. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. Factors that could cause actual results to differ materially from those projected include, but are not limited to, the following: (1) the challenges associated with past or future acquisitions, such as undiscovered liabilities, costs, integration issues and/or the inability to achieve the cost and revenue synergies expected; (2) a slowdown in the recovery of North American construction and industrial activities, which decreased during the economic downturn and significantly affected our revenues and profitability, or a slowdown in the energy sector, in general, could reduce demand for equipment and prices that we can charge; (3) our significant indebtedness, which requires us to use a substantial portion of our cash flow for debt service and can constrain our flexibility in responding to unanticipated or adverse business conditions; (4) the inability to refinance our indebtedness at terms that are favorable to us, or at all; (5) the incurrence of additional debt, which could exacerbate the risks associated with our current level of indebtedness; (6) noncompliance with covenants in our debt agreements, which could result in termination of our credit facilities and acceleration of outstanding borrowings; (7) restrictive covenants and amount of borrowings permitted under our debt agreements, which could limit our financial and operational flexibility; (8) a decrease in levels of infrastructure spending, including lower than expected government funding for stimulus-related construction projects; (9) fluctuations in the price of our common stock and inability to complete stock repurchases in the time frame and/or on the terms anticipated; (10) our rates and time utilization being less than anticipated; (11) our inability to manage credit risk adequately or to collect on contracts with customers; (12) our inability to access the capital that our business or growth plans may require; (13) the incurrence of impairment charges; (14) our dependence on distributions from subsidiaries as a result of our holding company structure and the fact that such distributions could be limited by contractual or legal restrictions; (15) an increase in our loss reserves to address business operations or other claims and any claims that exceed our established levels of reserves; (16) the incurrence of additional costs and expenses (including indemnification obligations) in connection with litigation, regulatory or investigatory matters; (17) the outcome or other potential consequences of litigation and other claims and regulatory matters relating to our business, including certain claims that our insurance may not cover; (18) the effect that certain provisions in our charter and certain debt agreements and our significant indebtedness may have of making more difficult or otherwise discouraging, delaying or deterring a takeover or other change of control of us; (19) management turnover and inability to attract and retain key personnel; (20) our costs being more than anticipated and/or the inability to realize expected savings in the amounts or time frames planned; (21) our dependence on key suppliers to obtain equipment and other supplies for our business on acceptable terms; (22) our inability to sell our new or used fleet in the amounts, or at the prices, we expect; (23) competition from existing and new competitors; (24) security breaches, cybersecurity attacks and other significant disruptions in our information technology systems; (25) the costs of complying with environmental, safety and foreign laws and regulations; (26) labor difficulties and labor-based legislation affecting our labor relations and operations generally; and (27) increases in our maintenance and replacement costs and/or decreases in the residual value of our equipment. For a more complete description of these and other possible risks and uncertainties, please refer to our Annual Report on Form 10-K for the year ended December 31, 2014, as well as to our subsequent filings with the SEC. The forward-looking statements contained herein speak only as of the date hereof, and we make no commitment to update or publicly release any revisions to forward-looking statements in order to reflect new information or subsequent events, circumstances or changes in expectations.

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